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

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

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**MAPLEBEAR INC.**

(Exact name of Registrant as specified in its charter)

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Delaware  
(State or other jurisdiction of  
incorporation or organization)

7389  
(Primary Standard Industrial  
Classification Code Number)  
50 Beale Street, Suite 600  
San Francisco, California 94105  
(888) 246-7822

46-0723335  
(I.R.S. Employer  
Identification Number)

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

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Fidji Simo  
Chief Executive Officer  
Maplebear Inc.  
50 Beale Street, Suite 600  
San Francisco, California 94105  
(888) 246-7822

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

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

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

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

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

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

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input type="checkbox"/>
Non-accelerated filer	<input checked="" type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

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.

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

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

Subject to Completion. Dated September 11, 2023.

22,000,000 Shares



**Maplebear Inc.**

**Common Stock**

This is an initial public offering of shares of common stock of Maplebear Inc. We are offering 14,100,000 shares of common stock and the selling stockholders identified in this prospectus are offering an additional 7,900,000 shares of common stock. We will not receive any proceeds from the sale of shares by the selling stockholders.

Prior to this offering, there has been no public market for our common stock. It is currently estimated that the initial public offering price for our common stock will be between \$26.00 and \$28.00 per share. We have applied to list our common stock on the Nasdaq Global Select Market under the symbol "CART."

We have entered into an agreement with PepsiCo, Inc. pursuant to which PepsiCo, Inc. has agreed to purchase \$175 million of our Series A redeemable convertible preferred stock, or the Series A Preferred Stock, in a private placement. The Series A Preferred Stock will have a conversion price equal to the initial public offering price and will be redeemable or convertible under certain circumstances. See the section titled "Description of Capital Stock—Series A Preferred Stock." The private placement is contingent upon, and scheduled to close immediately subsequent to, the closing of this offering, subject to the satisfaction of certain additional conditions to closing. See the section titled "Concurrent Private Placement." Goldman Sachs & Co. LLC, one of the underwriters, is acting as placement agent in connection with the private placement and will receive a placement agent fee equal to 1.5% of the total purchase price of the shares of Series A Preferred Stock sold in the private placement.

See the section titled "[Risk Factors](#)" beginning on page 31 to read about factors you should consider before buying shares of our common stock.

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

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

(1) See the section titled "Underwriting" for additional information regarding compensation payable to the underwriters.

At our request, the underwriters have reserved up to 5% of the shares of common stock offered by this prospectus for sale at the initial public offering price through a directed share program to certain persons identified by management, which may include certain members of our board of directors. See the section titled "Underwriting—Directed Share Program."

The underwriters have the option for a period of 30 days to purchase up to an additional 3,300,000 shares of common stock from us at the initial public offering price less underwriting discounts and commissions.

Norges Bank Investment Management, a division of Norges Bank, and entities affiliated with TCV, Sequoia Capital, D1 Capital Partners, L.P., and Valiant Capital Management, which we refer to collectively as the cornerstone investors, have indicated an interest, severally and not jointly, in purchasing shares of common stock in an aggregate amount of up to approximately \$400 million in this offering at the initial public offering price per share and on the same terms as the other purchasers in this offering. Sequoia Capital and D1 Capital Partners are significant stockholders and affiliates of members of our board of directors. Because indications of interest are not binding agreements or commitments to purchase, the underwriters could determine to sell more, fewer, or no shares to any of the cornerstone investors, and any of the cornerstone investors could determine to purchase more, fewer, or no shares in this offering. The underwriters will receive the same underwriting discounts and commissions on these shares as they will on any other shares sold to the public in this offering.

The underwriters expect to deliver the shares of common stock to purchasers on or about \_\_\_\_\_, 2023.

**Goldman Sachs & Co. LLC**

**J.P. Morgan**

**BofA Securities**

**Barclays**

**Citigroup**

**Baird**

**JMP Securities**

**LionTree**

**Oppenheimer & Co.**

**Piper Sandler**

**SoFi**

**Stifel**

**Wedbush Securities**

Blaylock Van, LLC

A CITIZENS COMPANY  
Drexel Hamilton

Loop Capital Markets

R. Seelaus & Co., LLC

Ramirez & Co., Inc.

Stern

Tigress Financial Partners

Prospectus dated \_\_\_\_\_, 2023.

The leading grocery technology partner to 1,400+ retail banners<sup>1</sup> that represent more than 85%<sup>2</sup> of the U.S. grocery market

<sup>1</sup> As of June 30, 2023.  
<sup>2</sup> Based on total grocery sales in 2022, excluding alcohol sales. CSG.

Vision

**Build the  
technologies  
that power  
every grocery  
transaction**

At a glance

**\$29.4 B**  
GTV<sup>1</sup>

**263 M**  
Orders<sup>1</sup>

**\$2.2 B**  
Gross Profit<sup>1</sup>

**\$486 M**  
Adjusted EBITDA<sup>2</sup>



**1,400+**  
Retail Banners<sup>3</sup>

**85%**  
of the U.S. grocery market<sup>4</sup>

**5,500+**  
Brands<sup>3</sup>

**80,000+**  
Stores<sup>3</sup>

<sup>1</sup> In the twelve months ended June 30, 2023.

<sup>2</sup> In the twelve months ended June 30, 2023. Net income for the same period was \$744 million, which includes a \$358 million tax benefit from the release of our valuation allowance on our deferred tax assets in the United States in the six months ended December 31, 2022. See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Business and Non-GAAP Metrics" for a reconciliation of Adjusted EBITDA to net income (loss).

<sup>3</sup> As of June 30, 2023.

<sup>4</sup> Percentage of the market collectively represented by retail banners with whom Instacart partners. Based on total grocery sales in 2022, excluding alcohol sales. CSG.

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

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

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

## GLOSSARY

**Active brand partner.** An active brand partner is a company or brand that has used one or more Instacart Ads offerings in the three calendar months prior to the period-end indicated.

**Advertising and other investment rate.** Advertising and other investment rate is advertising and other revenue in a given period divided by GTV in such period.

**Average order value.** An average order value is total GTV in a given period divided by total orders in such period.

**Brand partner.** A brand partner is a company or brand that sells consumer goods and uses one or more Instacart Ads offerings.

**Basket.** A basket consists of all items ordered for delivery to, or pickup by, a customer from a single retailer.

**Batch.** A batch is a combination of one or more orders offered to, and accepted by, a shopper to ultimately be delivered to, or picked up by, one or more customers.

**Batch rate.** Batch rate refers to the average number of orders per completed batch in a given period. Batch rate excludes any batch containing a priority, rapid delivery, or pickup order, which orders by design are typically not included in batches with multiple orders.

**Consumer.** A consumer refers to an individual who purchases groceries or other goods, not necessarily from Instacart.

**CPG brand (or brand).** A CPG, or consumer packaged goods, brand is an identifying name of a specific product or group of products owned by a company that sells consumer packaged goods.

**Customer.** A customer is an individual or entity who places an order on Instacart.

**Digital-first platforms.** Digital-first platforms consist of third-party marketplace platforms, such as Instacart Marketplace, that partner with traditional retailers, as well as other online marketplaces that own and manage inventory and are purpose built to operate eCommerce businesses. Digital-first platforms exclude traditional grocers that primarily operate brick-and-mortar stores.

**Fulfillment options.** Fulfillment options include delivery (at a variety of speeds), pickup, and in-store.

**Gross transaction value (or GTV).** GTV is the value of the products sold based on prices shown on Instacart, applicable taxes, deposits and other local fees, customer tips, which go directly to shoppers, customer fees, which include flat membership fees related to Instacart+ that are charged monthly or annually, and other fees. GTV consists of orders completed through Instacart Marketplace and services that are part of Instacart Enterprise Platform.

**Instacart Ads.** Instacart Ads is our brand-focused advertising solution that connects brands of all sizes to customers while they are online grocery shopping across Instacart Marketplace and retailers' owned and operated online storefronts.

**Instacart Enterprise Platform.** Instacart Enterprise Platform provides retailers with a suite of enterprise-grade technologies that span eCommerce, fulfillment, Connected Stores, ads and marketing, and insights.

**Instacart Marketplace.** Instacart Marketplace connects retailers, customers, brands, and shoppers through our mobile app and website to place an order for delivery or pickup.

**Location.** Location refers to a physical store of a retail banner.

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**Monthly active orderer.** A monthly active orderer is a customer who places at least one order on Instacart during the calendar month indicated. We identify an individual customer account by a unique phone number. If a customer had accounts under two different email addresses but with the same phone number, and such customer completed orders using both accounts during the measurement period, such activity would be attributed to the same customer.

**North America.** North America refers to the United States and Canada.

**Order.** An order is a completed customer transaction to purchase goods for delivery or pickup from a single retailer on Instacart, including those placed through Instacart Marketplace or placed on a retailer's owned and operated online storefront powered by Instacart Enterprise Platform.

**Retailer.** A retailer is a parent company that owns and operates one or more physical or virtual stores under one or more retail banners that sell physical goods to consumers.

**Retail banner.** A retail banner is a unique brand name of one retail store or a chain of retail stores owned by a retailer. A retailer may operate under one or more retail banners.

**Retail partner.** A retail partner is a retailer that partners with Instacart either through Instacart Marketplace or Instacart Enterprise Platform.

**Shopper.** A shopper is an individual who fulfills an order on a customer's behalf. The vast majority of shoppers are full-service shoppers, who are independent contractors that pick and deliver orders. The remaining shoppers are in-store shoppers, who are Instacart employees and only engage in in-store duties, including picking orders, and do not engage in any delivery services. Unless otherwise noted, the term "shopper" refers to a full-service shopper in this prospectus. We identify a shopper account by a unique email address validated against personally identifiable information.

**SKU.** A SKU, or stock keeping unit, is a product inventory code number that uniquely identifies each product in a retailer store to help with reliable inventory tracking.

**Store.** A store refers to a physical or virtual store of a retail banner.



## A LETTER FROM FIDJI

The first time I truly understood the power of Instacart’s mission, I was standing in the aisle of a grocery store.

The CEO of a major grocery retailer had invited me to visit one of his stores to get a better sense of what made them unique. I was expecting to learn more about the retailer’s logistics and day-to-day operations — and I did. But I wasn’t expecting to get a masterclass in the care and craft that make the grocery industry so special.

As we walked the floor that day, I saw the CEO greet associates by name and welcome customers at the front door with a smile. I saw him make sure everyone found what they were looking for. And he proudly explained the complexity, hard work, and attention to detail that goes into each cut of meat and perfectly red apple.

When I was walking through the aisles of that store, what struck me most was the fact that grocers aren’t just doing a job or running a company. In many cases, they’re supporting families, neighborhoods, and entire communities — just like they have for generations. That experience wasn’t unique. It’s one I’ve continued to have over the years as I’ve spent time with many of our partners, touring their grocery stores and getting closer to the heart of their businesses.

These experiences remind me of my own childhood growing up as the daughter, granddaughter, and great-granddaughter of fishermen who also took enormous pride in feeding their community. While my own career has carried me from my fishing village all the way to Silicon Valley, I never lost my appreciation for the dedicated people who nourish the world.

Working in technology, I know first-hand the edge it can offer — and at Instacart, we want to give that edge to grocers. Our vision is to build the technologies that power every single grocery transaction — working with the retailers that consumers know and love to invent the future of grocery together. And right now, that’s more important than ever.

**As I write this, a massive digital transformation is underway in the grocery industry.** Grocery is the largest retail category and represents a \$1.1 trillion industry in the United States alone. But only 12% of grocery sales are made online today.<sup>1</sup> As even more people shop online, online penetration could double or more over time.<sup>2</sup>

This shift is being driven, in large part, by consumer expectations growing more diverse and complex. We might be able to wait a couple of hours for our weekly shop but need popcorn in 30 minutes for an impromptu family movie night. Sometimes we want to buy groceries on our phones and sometimes in the store. We want grocers to understand our tastes and preferences and offer us a seamless, personalized experience everywhere.

We believe the future of grocery won’t be about choosing between shopping online and in-store. Most of us are going to do both. So we want to create a truly omni-channel experience that brings the best of the online shopping experience to physical stores, and vice versa.

With the business of grocery changing so quickly, many retailers need a trusted partner to help them navigate this digital transformation so that they can drive success both online and in-store and serve their customers better — in all of the ways they choose to shop. It’s especially important because their competitors — from established tech platforms to new startup disruptors — are trying to lure customers away from traditional grocers. If the neighborhood grocer who has been serving their community for decades can’t find an edge, they may not be able to keep up.

That’s where we come in.

**Instacart is a grocery technology company.** Thanks to the investments we have made over the last decade, we now deliver the best consumer online grocery experience anywhere. Consumers can search for products they love and discover new ones based on their tastes and preferences, build deeper relationships with their favorite retailers, and get what they need delivered to them when they need it. But we also put our technology and consumer expertise in the hands of our retail partners. Retailers understand that we invest more in technology custom-built for online grocery than any single grocer could — and that by partnering with Instacart, they can have the same technology edge as tech giants and startups, while also being able to focus on everything else it takes to run a successful business.

<sup>1</sup> Incisiv.

<sup>2</sup> McKinsey, *The next horizon for grocery e-commerce: Beyond the pandemic bump*.

Today, Instacart partners with more than 1,400 national, regional, and local retail banners across more than 80,000<sup>3</sup> stores that represent more than 85% of the U.S. grocery industry.<sup>4</sup> Millions of households depend on us and our partners for their grocery needs.<sup>5</sup> We power tens of billions of dollars in annual sales for retailers,<sup>6</sup> which makes Instacart the leading grocery technology company in North America.<sup>7</sup> Our GTV, representing the online sales we power for all of our retail partners, grew at a compound annual growth rate of 80% between 2018 and 2022, compared to 50% for the overall online grocery market and 1% for offline grocery.<sup>8</sup> We have demonstrated our ability to help our retail partners drive strong growth and stay competitive in a complex and increasingly digital industry.

By combining the power of our technology and fulfillment capabilities with the expertise of retailers, we can help the national, regional, and local retailers that people already know and trust offer their customers an even better experience.

**Instacart is building all the services retailers need to invent the future of grocery and transform the consumer experience, including:**

- the most powerful eCommerce tools custom-built for online grocery — from product discovery, to personalization, to merchandising, to different payment models. All of this is available across Instacart Marketplace, where consumers can shop from their favorite retailers through our app or website, and Instacart Enterprise Platform, which allows retailers to use our technology to power their own websites, apps, and retail operations.
- the full range of fulfillment options that allow consumers to get an order in minutes, hours, or the next day — enabled by our best-in-class picking technology and community of dedicated shoppers who treat every order like their own.
- in-store technologies, such as connected hardware like AI-powered smart carts, mobile checkout, and electronic shelf tags, that enhance the brick-and-mortar experience, where approximately 90% of shopping takes place, and help retailers invent the store of the future.
- advertising that helps customers find new products and opportunities to save, enables CPG brands to reach customers at the point of purchase and within minutes of delivery and consumption, and opens up new revenue streams for retailers.
- data, insights, and analytical tools that help retailers optimize operations, reduce costs, and make the best strategic decisions.

**This transformation will play out over decades, which is why we’re making investments with a long-term focus.** Every decision we make as a company stems from a fundamental belief that, in order to succeed, we need to work together across the entire grocery industry — supporting retailers and brand partners, giving consumers an affordable, accessible, and personalized experience they can’t find anywhere else, and creating flexible earnings opportunities for shoppers.

**We are in the business of growing our partners’ businesses, which is reflected in one of our company’s core values: “Grow the pie.”** In a world where success too often comes at the expense of someone else, we believe that there is more than enough to go around — and that, by working together with our retail partners, we can create more opportunities for the entire industry.

At Instacart, we know technology will play a crucial part in transforming the largest retail category in the world. We also know that the future of grocery should belong to the people who make it special today — and we can help them continue to innovate.

We hope you’ll join our table.

Fidji.

<sup>3</sup> As of June 30, 2023.

<sup>4</sup> Based on total grocery sales in 2022, excluding alcohol sales. CSG.

<sup>5</sup> As of June 30, 2023.

<sup>6</sup> For the year ended December 31, 2022.

<sup>7</sup> Based on total online grocery sales in 2022.

<sup>8</sup> Incisiv.

## PROSPECTUS SUMMARY

*This summary highlights selected information that is presented in greater detail elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our common stock. You should read this entire prospectus carefully, including the sections titled “Risk Factors,” “Special Note Regarding Forward-Looking Statements,” and “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and our consolidated financial statements and the related notes included elsewhere in this prospectus, before making an investment decision. Unless the context otherwise requires, all references in this prospectus to “we,” “us,” “our,” “our company,” and “Instacart” refer to Maplebear Inc. and its consolidated subsidiaries.*

### Overview

Instacart is powering the future of grocery through technology. We partner with retailers to help them successfully navigate the digital transformation of their businesses.

Instacart was founded in 2012 to bring the grocery industry online and help make grocery shopping effortless. We started by understanding what consumers want and then built enterprise-grade technologies that allow retailers to meet those needs. We want to enable any retailer, large or small, to drive success both online and in-store and serve their customers better in all of the ways they choose to shop. Today, more than 1,400 national, regional, and local retail banners<sup>9</sup> that collectively represent more than 85% of the U.S. grocery market partner with Instacart.<sup>10</sup> We have demonstrated our ability to help our retail partners drive strong growth and stay competitive in a complex and increasingly digital industry. Our GTV, representing the online sales we power for all of our retail partners, grew at a compound annual growth rate, or CAGR, of 80% between 2018 and 2022, compared to 50% for the overall online grocery market and 1% for offline grocery.<sup>11</sup> In 2022, we generated approximately \$29 billion of GTV, which makes Instacart the leading grocery technology company in North America.<sup>12</sup>

Instacart invented a new model for online grocery shopping by offering consumers on-demand delivery from the stores they know and trust. We help our retail partners reach 7.7 million monthly active orderers who spend approximately \$317 per month on average on Instacart.<sup>13</sup> Retailers reach customers through both Instacart Marketplace, where customers can shop from their favorite retailers through our app or website, and retailers’ owned and operated online storefronts that are powered by Instacart Enterprise Platform, our end-to-end technology solution encompassing eCommerce, fulfillment, Connected Stores, ads and marketing, and insights.

When shopping for groceries, consumers want selection, quality, value, and convenience, and they shop in many different ways. Instacart started as a way for households to conveniently manage their weekly grocery shopping, a recurring and high order value consumer use case. Today, customers can place orders for delivery or pickup across a variety of use cases including the weekly shop, bulk stock-up, convenience, and special occasions. Customers can select the fulfillment option and speed that best serve their needs. For example, a busy parent may prefer the reliability of having their family’s groceries delivered every Sunday, but if they need a few items in the middle of the week, they can trust Instacart to help deliver the items they need with priority delivery (as fast as 30 minutes). Each order can be shopped for and delivered with care by one of the hundreds of thousands of shoppers who value the flexible earnings opportunities that Instacart provides.<sup>14</sup>

<sup>9</sup> As of June 30, 2023.

<sup>10</sup> Based on total grocery sales in 2022, excluding alcohol sales. CSG.

<sup>11</sup> Incisiv.

<sup>12</sup> Based on total online grocery sales in 2022.

<sup>13</sup> For the month ended June 30, 2023.

<sup>14</sup> As of June 30, 2023.

As consumers and retailers move online, CPG brands can use Instacart Ads as a new way to reach customers at the point of purchase and within minutes of delivery and consumption. Today, over 5,500 brands are using Instacart Ads and are now more easily discoverable as customers fill their digital carts.<sup>15</sup> Instacart Ads offers brands a highly measurable ads offering that leverages first-party transaction data to move products off of store shelves more efficiently.

### ***The Future of Grocery***

We believe the future of grocery is about helping consumers find products they love from retailers they trust, no matter where they are or how they choose to shop. Grocery is the largest category in all of retail, with an annual spend of approximately \$1.1 trillion in the United States in 2022.<sup>16</sup> Despite the size of the market, grocery has historically been significantly slower to move online compared to other consumer categories. In 2022, only 12% of U.S. grocery shopping took place online,<sup>17</sup> compared to 66% of consumer electronics, 38% of apparel, 23% of consumer foodservice, and 20% of home goods.<sup>18</sup> Over the past three years, this spend shifted from offline to online at an accelerated pace. Online grocery penetration took 10 years to triple from 1% of total grocery sales in 2009<sup>19</sup> to 3% in 2019 and just three years to quadruple to 12% in 2022.<sup>20</sup> Market penetration could double or more over time.<sup>21</sup>

For grocery retailers, this means that online success is critical, and all grocers from large national players to local mainstays must prepare for a future where all aspects of their business, including their stores, will be improved through technology. Compared to other industries, however, grocery is difficult to digitize. Grocery retail is characterized by diverse consumer behaviors, complex inventory management and fulfillment, lack of integrated omni-channel data, a shortage of technology that is custom-built for online grocery, a disaggregated supply chain, and a low operating margin. Before Instacart, grocery retailers did not have access to a unified technology solution to manage eCommerce, fulfillment, in-store, ads and marketing, and insights. Instacart is solving this problem.

### ***Instacart Technology***

Grocery retailers have earned the trust and loyalty of customers over generations by offering selection, quality, value, and convenience. For more than a decade, we have invested in technology that is custom-built for online grocery. We believe our scaled marketplace provides us with unique insights into the needs of the online grocery consumer. Our strategy is to put our technology capabilities and consumer insights into the hands of our retail partners. We are investing more in technology custom-built for online grocery than any single grocer could on their own, allowing grocers to leverage our scale and investments to grow their businesses.

Our technology solutions are better together. Since our founding, Instacart Marketplace has powered more than \$100 billion of GTV and over 900 million orders with approximately 20 billion items ordered.<sup>22</sup> This scale

<sup>15</sup> Active brand partners as of June 30, 2023.

<sup>16</sup> Incisiv.

<sup>17</sup> Incisiv.

<sup>18</sup> Euromonitor, *Retail* (2023 edition), *Consumer Foodservice* (2023 edition); categories: Consumer Electronics, Consumer Electronics E-Commerce, Apparel and Footwear, Apparel and Footwear E-Commerce, Homewares and Home Furnishings, Homewares and Home Furnishings E-Commerce, Consumer Foodservice by Type, categorization type: online and total; Consumer Foodservice by Type covers Foodservice Value retail selling price, or RSP, data for the Retail Categories covers Retail Value RSP excluding Sales Tax; U.S. dollars, or USD, current prices.

<sup>19</sup> Euromonitor, *Retail* (2023 edition), categories: Food E-Commerce and Drinks and Tobacco E-Commerce 2009 retail value RSP in USD, excluding sales tax, current terms; calculated as a percentage of total Grocery Retailers, Food E-Commerce, and Drinks and Tobacco E-Commerce combined 2009 retail value RSP in USD, excluding sales tax.

<sup>20</sup> Incisiv.

<sup>21</sup> McKinsey, *The next horizon for grocery e-commerce: Beyond the pandemic bump*.

<sup>22</sup> As of July 31, 2023.

gives us unique insights into consumer buying behavior, needs, and trends across the entire grocery industry in North America. We then utilize these insights to enhance Instacart Enterprise Platform, ensuring retailers can best meet their customers' needs across their owned and operated online and physical storefronts. Similarly, Instacart Enterprise Platform enhances Instacart Marketplace, as our deep integration with retailers allows us to expand marketplace capabilities for our customers. As we continue to scale and refine our technology and data insights across Instacart Marketplace and Instacart Enterprise Platform, our algorithms continuously improve to provide significant benefits, including better search results and recommendations, more intelligent replacements, and more seamless checkout flows, among others. Many of these benefits also enhance the value delivered to our brand partners — for example, in the second quarter of 2023, we helped customers discover over 180 million items through recommendations. This draws more brands to Instacart Ads, which yields benefits for Instacart Marketplace and Instacart Enterprise Platform.

- *Instacart Marketplace.* Connects customers to their favorite national, regional, and local retailers on the largest online grocery marketplace in North America through our mobile app or website.<sup>23</sup>
- *Instacart Enterprise Platform.* Provides retailers with a suite of enterprise-grade technologies that span eCommerce, fulfillment, Connected Stores, ads and marketing, and insights.
- *Instacart Ads.* Allows CPG brands to drive sales by engaging with customers who are actively shopping for products on Instacart, whom we refer to as high-intent customers, in a highly measurable and targeted way while also providing savings and product discovery to customers through our leading digital advertising solutions and insights.

Instacart is built for the entire grocery ecosystem, improving the experiences for each of our constituents and helping them succeed:

- *Retailers.* We enable more than 1,400 retail banners to grow by providing technology that can accelerate the digital transformation of their entire business.<sup>24</sup> Our retail partners include national leaders such as Aldi, Costco, and Kroger, regional favorites such as Publix and Wegmans, local mainstays like Mollie Stone's Markets, and retailers serving many specific use cases, such as Best Buy, Lowe's, Sephora, and Walgreens. We estimate that the sales volume we power for our top 20 retail partners represented 5.0% of their total sales in 2022, up from 0.6% in 2018.<sup>25</sup>
- *Customers.* We help 7.7 million monthly active orderers<sup>26</sup> shop at their favorite retailers and enjoy selection, quality, value, and convenience. We reach over 95% of households in North America.<sup>27</sup> Our membership program, Instacart+, offers expanded customer benefits to our 5.1 million members,<sup>28</sup> including unlimited free delivery on orders over a certain size, a reduced service fee, credit back on eligible pickup orders, and exclusive benefits.
- *Brands.* We represent one of the largest and fastest growing eCommerce channels for CPG brands. We provide discovery and attractive return on investment, or ROI, for over 5,500 brands through our industry-leading advertising tools and insights purpose-built for the online grocery category.<sup>29</sup> We estimate that on average, our ads deliver more than a 15% incremental sales lift, and in some cases twice

<sup>23</sup> Based on GTV generated on Instacart and total grocery sales in 2022.

<sup>24</sup> As of June 30, 2023.

<sup>25</sup> Based on total grocery sales in 2022, excluding alcohol sales. CSG.

<sup>26</sup> For the month ended June 30, 2023. The number of monthly active orderers may overstate the number of unique individuals, as one customer may register for, and use, multiple accounts. Fluctuations in the number of monthly active orderers are not necessarily indicative of changes in our financial performance.

<sup>27</sup> U.S. Census Bureau (July 2021) and Statistics Canada (2021). Based on number of households in Instacart's active delivery-enabled or pickup zones as of June 30, 2023.

<sup>28</sup> As of June 30, 2023. Includes paying Instacart+ members only and excludes free trial members.

<sup>29</sup> Active brand partners as of June 30, 2023.

that, for our brand partners.<sup>30</sup> Our brand partners include household brands such as Campbell's, Nestlé, and Pepsi and emerging brands such as Banza, Chloe's Fruit Pops, and Whisps.

- *Shoppers.* We offer approximately 600,000 shoppers an immediate, flexible earnings opportunity that allows them to choose when and how much to work.<sup>31</sup> Because the most important part of the job is picking the right products for customers, Instacart tends to attract people who use empathy, efficiency, communication, and problem-solving to pick, pack, and deliver an order. Shoppers are deeply valued members of the Instacart community, and we strive to make the shopping experience as seamless as possible and protect shoppers while they work.

### **Our Business Model**

We believe that every Instacart order benefits retailers, customers, brands, and shoppers. The success of our business relies on the success of all these constituents. As more customers increase engagement, we benefit from more orders and GTV that generate diversified revenue streams and improve operational efficiencies. Our revenue consists of transaction revenue, primarily from fees paid on each order by retail partners and customers, as well as advertising and other revenue, primarily from advertising fees paid by brand partners. In 2022 and the six months ended June 30, 2023, our transaction revenue and advertising and other revenue were approximately 6.3% and 2.6% and 7.2% and 2.7%, respectively, of GTV. Since grocery is one of the largest recurring monthly household expenses, we have high average order values, which allows us to keep fees as a percent of GTV lower for retailers and customers relative to other on-demand delivery platforms and enables us to allocate certain costs, such as shopper earnings and hosting expenses, across a larger base.

By growing advertising and other revenue and making fulfillment more efficient at scale, we have historically been able to increase gross profit consistently faster than GTV. Expanding gross profit as a percent of GTV contributes to our improving unit economics. This, in turn, allows us to reinvest in our business, particularly in research and development to build new technologies for retailers and in sales and marketing to help attract and engage customers to grow orders and GTV.

Since our founding, we have achieved substantial growth and an improved margin. Starting in March 2020 and through the first quarter of 2022, our growth was significantly accelerated by the COVID-19 pandemic. While we do not expect our pandemic-accelerated growth rates to recur in future periods, our growth during this period helped establish a business with much greater scale and much higher gross profit.

- Orders grew from 223.4 million in 2021 to 262.6 million in 2022, an increase of 18%, and remained consistent from 132.3 million for the six months ended June 30, 2022 to 132.9 million for the six months ended June 30, 2023;
- GTV grew from \$24,909 million in 2021 to \$28,826 million in 2022, an increase of 16%, and from \$14,356 million for the six months ended June 30, 2022 to \$14,937 million for the six months ended June 30, 2023, an increase of 4%;
- Total revenue grew from \$1,834 million in 2021 to \$2,551 million in 2022, an increase of 39%, and from \$1,126 million for the six months ended June 30, 2022 to \$1,475 million for the six months ended June 30, 2023, an increase of 31%;
- Transaction revenue grew from \$1,262 million (or 69% of total revenue) in 2021 to \$1,811 million (or 71% of total revenue) in 2022, an increase of 44%, and from \$799 million (or 71% of total revenue) for the six months ended June 30, 2022 to \$1,069 million (or 72% of total revenue) for the six months ended June 30, 2023, an increase of 34%;

<sup>30</sup> Based on internal tests run across all brand partners using our Sponsored Product ads offering in the quarter ended June 30, 2023 and individual tests run for select brands or types of brands.

<sup>31</sup> Based on shoppers who completed at least one order during the month ended June 30, 2023.

- Advertising and other revenue grew from \$572 million (or 31% of total revenue) in 2021 to \$740 million (or 29% of total revenue) in 2022, an increase of 29%, and from \$327 million (or 29% of total revenue) for the six months ended June 30, 2022 to \$406 million (or 28% of total revenue) for the six months ended June 30, 2023, an increase of 24%;
- Gross profit grew from \$1,226 million in 2021 to \$1,831 million in 2022, an increase of 49%, and from \$769 million for the six months ended June 30, 2022 to \$1,109 million for the six months ended June 30, 2023, an increase of 44%;
- Net income (loss) improved from \$(73) million in 2021 to \$428 million in 2022 (including a \$358 million tax benefit from the release of our valuation allowance on our deferred tax assets in the United States) and grew as a percent of GTV from (0.3)% in 2021 to 1.5% in 2022, and from \$(74) million for the six months ended June 30, 2022 to \$242 million for the six months ended June 30, 2023 and grew as a percent of GTV from (0.5)% for the six months ended June 30, 2022 to 1.6% for the six months ended June 30, 2023. We have a history of losses and have only recently begun generating profit, and as of June 30, 2023, we had an accumulated deficit of \$735 million; and
- Adjusted EBITDA grew as a percent of GTV from 0.1% in 2021 to 0.6% in 2022, and Adjusted EBITDA margin grew from 2% in 2021 to 7% in 2022, and from (0.1)% for the six months ended June 30, 2022 to 1.9% for the six months ended June 30, 2023 and (2)% for the six months ended June 30, 2022 to 19% for the six months ended June 30, 2023, respectively, demonstrating significant operating leverage.

### **Our Industry**

Grocery has one of the lowest levels of digitization of any industry. Grocery retailers in the United States spent an estimated \$14.2 billion on enterprise IT in 2022,<sup>32</sup> which represents approximately 1% of their total sales.<sup>33</sup> This compares to average estimated technology budgets as a percent of revenue of approximately 25% for telecommunications, 11% for air travel, and 4% for hospital services for the same year.<sup>34</sup>

### **Complexities of Grocery Retail**

The grocery industry has attributes not found in other consumer retail categories due to inherent market structure differences and the uniqueness of grocery operations:

#### *Market Structure*

- *Enterprise Market Structure.* In the United States, there are thousands of companies in grocery retail<sup>35</sup> that collectively manage tens of thousands of store locations.<sup>36</sup> 68% of the total U.S. grocery market comes from the top 20 grocers,<sup>37</sup> yet market share significantly differs by region within the United States. The largest retailers operate multiple banners, across hundreds of locations, and require nationwide integration.
- *Disaggregated Supply Chain.* There are multiple participants in the grocery supply chain, including food producers, product manufacturers, wholesalers, and distributors, each of whom capture a considerable portion of the value chain and introduce operational complexity.

<sup>32</sup> Gartner.

<sup>33</sup> Incisiv.

<sup>34</sup> Gartner.

<sup>35</sup> In 2023. FactSet.

<sup>36</sup> In 2022. IBISWorld.

<sup>37</sup> In 2022. Euromonitor, *Retail* (2023 edition), category: Grocery Retailers; retail value RSP in USD, excluding sales tax, calculated as a percentage of total Grocery Retailers retail value RSP in the United States in 2022 in USD, excluding sales tax.

- *Intense Competition from Digital-First Platforms.* Digital-first platforms and quick delivery disruptors are investing large amounts of capital to create online experiences and develop in-store technology to compete with traditional retailers for consumer wallet share.
- *Regulations.* The grocery industry is highly regulated, particularly in categories such as alcohol, prescriptions, and supplemental nutrition assistance programs.

#### Grocery Operations

- *Expansive and Diverse Product Assortment.*
  - *Diversity of Products.* The average grocer carries over 31,000 products in a single store location across a wide range of categories.<sup>38</sup>
  - *High Inventory Turnover.* Grocery inventory turns over in real time with high velocity. Inventory forecasting and SKU rationalization, as well as evaluating which products to sell or discontinue, are critical to maximizing sales and profitability.
  - *Large Portion of Perishables.* Perishables account for 16% of North American grocery sales.<sup>39</sup> As a result, it is imperative for grocers to manage this inventory carefully and maintain specific temperatures to reduce food waste and operational inefficiencies.
- *Breadth of Fulfillment Options.* Whether a consumer chooses pickup, scheduled delivery, or on-demand delivery, each order requires picking and packing. Picking is complex due to the sheer scale of grocery stores and a number of factors that require quality control, such as accuracy of the item, preferred replacement, and product freshness.
- *Competition for Technical Talent.* In a survey, more than half of respondents in the grocery industry reported they believe it will be difficult to attract the necessary talent to support digital growth in the next five years.<sup>40</sup>
- *Limited Personalization.* Grocers have historically lacked access to a solution to aggregate and analyze data across online and offline channels, provide actionable insights, and help create personalized experiences for customers.
- *Lack of Technology Custom-Built for Online Grocery.* The industry has historically lacked a unified technology solution built specifically for grocers. With operations spread across multiple products with varying technology capabilities, many grocers struggle to manage their businesses while simultaneously providing a seamless experience for their customers.
- *Low Operating Margins and High Fixed Costs.* The typical grocery retail operating margin is 6%,<sup>41</sup> which is lower than other consumer categories. Many grocery retailers are also burdened by a high fixed cost base that is sensitive to market share gains and losses. We believe these factors, taken together, increase the importance of operational efficiencies and limit most grocers' ability to deploy capital for digital transformation, which is key for competitive differentiation.

#### Diverse Consumer Use Cases

Grocery is a large, recurring, non-discretionary, and high frequency consumer category. Americans shop for groceries 1.6 times per week on average,<sup>42</sup> spend \$438 per month on groceries on average,<sup>43</sup> and have a wide

<sup>38</sup> In 2019. FMI, *Supermarket Facts*.

<sup>39</sup> In 2022. Euromonitor, *Retail* (2023 edition), *Fresh Food* (2023 edition). Fresh Food retail value RSP in North America in 2022 in USD, including sales tax, current terms, calculated as a percentage of total Grocery Retailers, Food E-Commerce, and Drinks and Tobacco E-Commerce retail value RSP in North America in 2022 in USD, including sales tax, current terms.

<sup>40</sup> McKinsey, *The next horizon for grocery e-commerce: Beyond the pandemic bump*.

<sup>41</sup> Instacart estimate based on publicly available information of five leading grocers with business in the United States.

<sup>42</sup> In 2022. Statista; based on 2,091 respondents interviewed through online survey.

<sup>43</sup> U.S. Bureau of Labor Statistics; based on consumer expenditures in 2021.



range of brand and retailer loyalties. Given grocery is a non-discretionary expense, it touches a broad demographic of consumers, and value is critical. Urgency varies each time a consumer shops. We categorize consumer shopping occasions as follows:

- *Weekly shop* is a recurring, planned shop to buy groceries and household items. We believe that weekly grocery shopping represents the largest portion of the market and has historically been the most common consumer use case, balancing the optimal mix of selection, quality, value, and convenience. We started by solving for the weekly shop and have expanded to serve broader needs for our retail partners and their customers.
- *Bulk stock-up* is a less frequent shop for groceries and household items in large quantities.
- *Convenience* is a frequent top-up shop to replenish items.
- *Special occasion* is a planned shop for a known event, like a holiday or a gift, often requiring special items on a tight schedule.

### **Challenges for CPG Brands**

As grocery moves online, CPG brands increasingly need to drive sales through digital channels. Brands have lacked access to a solution that runs a full-funnel marketing strategy purpose-built for online grocery. This is relevant for brands of all sizes, as even the most established brands must maintain mind share as consumers move online or risk being disrupted by emerging digital-first brands. Emerging brands face their own unique challenges in driving discovery through the traditional in-store model. Brands have historically lacked access to omni-channel insights to drive product development decisions, such as which items are selling and what consumers are searching for.

### **Instacart Technology**

We built Instacart to serve the entire grocery ecosystem. The key pillars of our technology are Instacart Marketplace, Instacart Enterprise Platform, and Instacart Ads. Our solutions are underpinned by a shared foundation of technology, infrastructure, data insights, and fulfillment that leverages our scale and expertise specific to the grocery category. Our technology solutions are better together. Instacart Marketplace is the largest online grocery marketplace in North America<sup>44</sup> and since our founding has powered more than \$100 billion of GTV and over 900 million orders with approximately 20 billion items ordered.<sup>45</sup> This scale gives us unique insights into consumer buying behavior, needs, and trends across the entire grocery industry in North America. We then utilize these insights to enhance Instacart Enterprise Platform, ensuring retailers can best meet their customers' needs across their owned and operated online and physical storefronts. Similarly, Instacart Enterprise Platform enhances Instacart Marketplace, as our deep integration with retailers allows us to expand marketplace capabilities for our customers. For example, as we integrate more deeply with our retail partners, we give them the ability to offer more fulfillment options, get more control over their brand, generate new revenue streams via Carrot Ads and Marketing Solutions, and integrate their own loyalty program.

As we continue to scale and refine our technology and data insights across Instacart Marketplace and Instacart Enterprise Platform, our algorithms also continue to improve to provide significant benefits, including better search results, more intelligent replacements, and more seamless checkout flows, among others. Many of these benefits also enhance the value delivered to our brand partners by enabling more measurable and targeted ads offerings that deliver higher returns for brand partners. This draws more brands to Instacart Ads, which yields benefits for Instacart Marketplace and Instacart Enterprise Platform.

<sup>44</sup> Based on GTV generated on Instacart and total grocery sales in 2022.

<sup>45</sup> As of July 31, 2023.

### ***Instacart Marketplace***

We launched Instacart Marketplace in 2012 and quickly became the first company to make online grocery shopping affordable and accessible to households across North America. Over the next decade, we built partnerships with more than 1,400 retail banners with more than 80,000 stores serving millions of households with same-day delivery.<sup>46</sup> We focused on allowing customers to shop from grocers they trust while creating a differentiated customer experience. Today, through Instacart Marketplace, we help customers find their favorite products, provide an innovative ad business that inspires people to try new brands, connect customers to our dedicated shopper community, and help retailers and customers build deeper relationships. We help retailers serve their customers' needs as to how and where they want to shop by supporting a wide array of fulfillment options, shopping occasions, and categories.

### ***Instacart Enterprise Platform***

Instacart Enterprise Platform is an end-to-end technology solution that powers retailers across all aspects of their business. Our offerings are modular, allowing retail partners to pick and choose which technologies best fit their needs. These solutions work seamlessly together, so retailers can more efficiently integrate with Instacart than they can with multiple separate technologies. Key components of Instacart Enterprise Platform include:

- *eCommerce.* We power world class eCommerce storefronts for more than 550 retail banners,<sup>47</sup> including Publix, Sprouts, and The Fresh Market, and services, from product discovery tools, to merchandising, to different payment models, to loyalty-as-a-service.
- *Fulfillment.* We help retailers fulfill grocery orders directly from their stores through our community of dedicated shoppers. Retailers — from national and regional retailers to local mainstays — can leverage our fulfillment application programming interfaces, or API, to help fulfill orders that are placed through their owned and operated online storefronts. In most instances, Instacart shoppers pick, pack, and deliver these orders, but retailers can also use our technology to enable orders that are picked and packed by their own employees, or use a combination of the two.
- *Connected Stores.* Instacart helps retailers create a unified, seamless, and personalized experience across their online and in-store footprints by leveraging technologies like Caper Carts, Scan & Pay, Lists, Carrot Tags, FoodStorm, and Out of Stock Insights.
- *Ads and Marketing.* Carrot Ads, our enterprise ads offering, brings the best of Instacart Ads to retailers' owned and operated online storefronts and apps. This opens up new revenue streams for retailers and increases the profitability of online orders. Our retail partners can also utilize our suite of marketing solutions, from self-serve tools to fully customized strategic partnerships, to grow their business by serving targeted promotions to customers.
- *Insights.* Insights gives retailers near real-time visibility into their operations. By enabling visibility into key metrics like item popularity, inventory levels and availability, order sizes, delivery times, delivery ratings, and sales, Insights helps retailers optimize operations and provide better customer experiences.

### ***Instacart Ads***

Instacart Ads combines the best of digital advertising — precision, actionability, and measurability — with the ability to directly move products off the shelves at stores, getting these products into the hands of customers within hours. Because it offers CPG brands a way to reach customers at the point of purchase and within minutes of delivery and consumption, our solution delivers highly measurable and strong ROI across all parts of the customer shopping journey, from awareness to consideration to purchase. We have a wide breadth of advertising

<sup>46</sup> As of June 30, 2023.

<sup>47</sup> As of June 30, 2023.

solutions, including sponsored product, display ads, brand pages, and coupons, to meet all of our brand partners' needs. Instacart Ads also enables brands to learn more about general customer behavior from discovery to purchase, offering valuable insights about how to optimize their advertising spend.

We are not only building our advertising solutions to benefit brands, but also customers and retailers. We believe Instacart Ads delivers a superior shopping experience and improves pricing for customers by giving them access to thousands of deals and discounts, which in turn drives larger average order values for our retail partners. Retailers are also able to leverage Carrot Ads, an Instacart Enterprise Platform product that brings Instacart Ads to retailers' own eCommerce sites and expands the customer reach available to our brand partners.

### Our Strengths

We believe the following strengths represent key strategic advantages for Instacart and have allowed us to build the leading grocery technology company in North America:

- *Deep Partnerships with Grocers that Represent more than 85% of the U.S. Grocery Industry.* Today, more than 1,400 national, regional, and local retail banners<sup>48</sup> that collectively represent more than 85% of the U.S. grocery industry partner with Instacart.<sup>49</sup> We believe this represents the broadest selection of grocers on a marketplace in North America, providing customers with a superior online grocery shopping experience. Beyond Instacart Marketplace, we also power many of our retail partners' owned and operated online storefronts through Instacart Enterprise Platform, positioning us as an increasingly integral part of our retail partners' future growth.
- *Trusted Technology Partner to the Grocery Industry.* We are investing more in technology custom-built for online grocery than any single grocer could on their own. Our machine learning algorithms process billions of data points each day to optimize a range of decisions and tasks, including basket building, merchandising, replacements, personalization, ads quality, demand forecasting, order fulfillment, shopper fleet mobilization, dispatching, and routing. Whenever a relevant new technology emerges, we look at how to adapt this technology for the specific needs of the grocery industry and make it available to our retail partners in short order — both online and in-store. We believe this incentivizes grocers to partner with Instacart, as they know that our technology will enable them to transform their businesses and enhance omni-channel customer experiences. Because we do not own inventory, we do not compete with our retail partners. We believe this combination puts us in a unique position to foster greater trust between grocers and Instacart, making us the preferred technology partner.
- *Scale Benefits for Instacart as well as Our Retail Partners and Brands.* We believe that we have the greatest breadth of grocer relationships with over 1,400 retail banners that operate more than 80,000 stores.<sup>50</sup> Since our founding, we have fulfilled over 900 million orders,<sup>51</sup> a scale that is necessary to realize the operational expertise and efficiencies that drive profitability and underpin our attractive financial model. Our scale also allows us to offer our customers the best selection, quality, value, and convenience, which attracts more customers and drives higher engagement. This results in more orders and increased customer wallet share for our retail partners, driving compelling economics for both retailers and Instacart. When brands advertise with us, they can reach their target audience more efficiently and at greater scale than is possible through other online channels.
- *Synergies from the Unique Combination of Marketplace and Enterprise Platform.* We create powerful synergies by combining Instacart Marketplace and Instacart Enterprise Platform. Our high-intent

<sup>48</sup> As of June 30, 2023.

<sup>49</sup> Based on total grocery sales in 2022, excluding alcohol sales. CSG.

<sup>50</sup> As of June 30, 2023.

<sup>51</sup> As of July 31, 2023.

customers, their deep engagement with our marketplace, and our deep understanding of customer shopping behavior and preferences enable us to develop the best enterprise technology solutions to serve the grocery industry. We leverage aggregated and anonymized data generated through Instacart Marketplace to continuously enhance our enterprise offerings and help our retail partners best meet their customers' demands. In turn, as we continue to improve our enterprise offering and deepen our partnerships with retailers, our retail partners benefit from enhanced marketplace capabilities such as the ability to offer more fulfillment options, get more control over their brand, generate new revenue streams via Carrot Ads and Marketing Solutions, and integrate their own loyalty program. Our deeply integrated solutions provide a seamless and unmatched omni-channel experience for both our retail partners and our customers.

- *Breadth and Diversity of Grocery Use Cases.* Instacart allows customers to place orders across a variety of use cases. For retailers, we enable them to offer customers a full range of fulfillment options, from on-demand delivery in as fast as 30 minutes to two hours or next day. Our model is flexible and efficient, which allows us to help retailers serve all use cases of grocery, unlike other players that tend to focus on serving a particular use case. Because we serve this breadth of use cases, we are a better partner to retailers by helping them address consumer needs and drive engagement and a better partner to brands by creating more diverse and actionable advertising opportunities.
- *Ads Offerings that Combine Online Performance with the Ability to Move Products Off Shelves.* Our grocery expertise has enabled us to build differentiated advertising solutions and tools that allow CPG brands to reach and engage with high-intent customers at the point of purchase and within minutes of delivery and consumption. With our unique customer data and insights, we provide differentiated analytics for brands, allowing them to better optimize their advertising spend and grow their wallet share.
- *Capital Efficient, Flexible Model.* Our technology helps retail partners expand the consumer use cases and fulfillment options they offer using their existing store footprints. This allows retailers to transition from a brick-and-mortar business to a complete omni-channel offering within weeks, and for us to seamlessly add new retail partners to Instacart without significant capital investments or the need to take on any inventory risk. Our capital efficiency enables us and our retail partners to react quickly to changes in the industry and consumer preferences.
- *Compelling Financial Model Based on Shared Success.* Our technology helps drive growth and strengthen operational efficiencies for our retail partners, which in turn strengthens Instacart's financial model. For example, our technology helps retail partners expand the consumer use cases and fulfillment options they offer. This drives new customer acquisition and greater customer engagement, resulting in growth for retailers, CPG brands, and Instacart. Our ads offerings not only provide high marketing ROI and drive incremental sales for our brand partners, but our retail partners also benefit from CPG brands' incremental sales, whether the consumer is shopping on Instacart Marketplace or retailers' owned and operated online storefronts powered by Instacart Enterprise Platform. In turn, we believe the success of our brand partners and retail partners increases highly profitable advertising and other revenue on Instacart, improving our unit economics. The success of our partners enables them to deliver a superior shopping experience for customers, who become more engaged and more valuable, benefiting all constituents in our ecosystem and driving our financial success. As a result, over the long term, we believe we can drive profitable growth with a focus on improving operating leverage.

## Our Value Proposition

### For Retailers

- *End-to-End Technology Solution Custom-Built for Online Grocery*
  - Instacart powers eCommerce, fulfillment, and customer and shopper care for all of our retail partners through Instacart Marketplace. Instacart Enterprise Platform, our end-to-end technology solution, supports our retail partners on their owned and operated online storefronts through offerings like storefronts and mobile apps, fulfillment solutions, ads offerings, in-store technologies, and business insights. Whenever a relevant new technology emerges, we look at how to adapt this technology for the specific needs of the grocery industry and make it available to our retail partners in short order.
  - Our solutions are better together. Our enterprise solutions benefit from unique consumer and market insights that only a scaled marketplace can access. These insights inform the product development of our enterprise offerings. In turn, Instacart Enterprise Platform solutions allow for a deeper integration with retailers' operations, and this provides retailers with more capabilities on Instacart Marketplace.
  - Our technology is modular, meaning retailers can use all of our offerings for a seamlessly integrated solution, or they may choose to select technologies à la carte, depending on which best fit their needs.
- *Advertising Capabilities.* Retailers can leverage our ads offerings through their owned and operated online storefronts powered by Instacart Enterprise Platform. We allow retailers to benefit from the scale advantages of Instacart Ads. By allowing retailers to use our turn-key ads offerings, they can avoid time and financial investment associated with building ad technology and sales. Additionally, our suite of marketing solutions, from self-serve tools to fully customized strategic partnerships, enables retailers to grow their businesses by serving targeted promotions to customers. Retailers can use these tools to advertise across various surfaces of Instacart Marketplace, as well as through different media channels, regardless of size or budget.
- *Customer Access.* We help retailers reach millions of customers — consumers and businesses alike. We generate meaningful incremental sales for our retail partners through Instacart Marketplace and help retailers meet online demand wherever customers are. We believe pickup generates incremental foot traffic and higher sales by providing customers with the ability to browse items, place orders wherever they are, and pick up their basket directly from local retailers. We also enable retailers to drive loyalty and engagement through branded online shopping experiences, personalization, and our membership program, Instacart+.
- *Breadth of Shopping and Fulfillment Options.* We have expanded across in-store, delivery, and pickup to help retailers offer a variety of fulfillment methods and speeds and address different shopping occasions and consumer categories. Because customers use different options based on the occasion, we help retailers offer a full portfolio of omni-channel eCommerce options.
- *Ability to Drive Operational Efficiencies.* We are able to provide a lower cost of fulfillment for retailers due to efficiencies primarily driven by our scale and frequency of large orders. We help fulfill millions of orders every week, with many large orders coming into a single location at a given time. Shoppers can leverage our technology-backed picking and batching abilities to efficiently fulfill these orders. We believe this allows retailers to improve operating efficiencies and reduce costs without compromising the customer experience.
- *Seamless Onboarding and Depth of Integration.* We designed our technology to enable retailers' transition from a brick-and-mortar business to a complete omni-channel offering within weeks. This process includes ingesting data on tens of thousands of products, enriching that baseline data with additional information for online merchandising, and optimizing item availability on retailers' owned and operated online storefronts using our proprietary algorithms. Our enterprise solutions can integrate

with existing operations to allow our retail partners to maintain existing loyalty and promotion programs. We help retailers optimize all aspects of their business by establishing data pipelines to help inform retailers' store operations, merchandising, and marketing strategies. We also integrate physically in retailers' stores including setting up dedicated staging areas to fulfill orders and a streamlined checkout process.

- *Dedicated Support.* We have teams of account managers who focus on helping retailers succeed. These relationships include deep involvement with operational initiatives like store planning and optimizing eCommerce fulfillment and data interpretation on key metrics such as in-store inventory levels.

#### **For Customers**

- *Selection.* On Instacart Marketplace, a typical customer will see over 50 retail banners available on average on our mobile app or website, ranging from national chains to regional and local retailers.<sup>52</sup> Instacart Marketplace provides customers with a new way to shop over a million unique products all in one place sold by their favorite retailers, who can offer their full grocery catalogs of over tens of thousands of SKUs on Instacart.
- *Breadth of Use Cases.* We meet the customer wherever they want to shop, however they want to shop, across many use cases and fulfillment options whether for personal or business needs. For certain customers who want quick delivery, we have continued to invest in our fulfillment technology to shorten delivery times without compromising quality and customer experience.
- *Reclaim Time.* Consumers who shop in-store spend on average approximately 60 hours per year shopping for groceries, in addition to time spent commuting to and from stores.<sup>53</sup> Across our entire footprint, customers can place an order in minutes and specify convenient delivery or pickup windows. Our in-store offerings also help customers save time and enjoy a seamless shopping experience. For example, our AI-powered Caper Carts in select stores allow customers to bag products as they shop, navigate the store efficiently, connect to their shopping lists, and self-checkout right from the cart.
- *Value.* We feature discount grocers on Instacart, offer EBT SNAP payments from more than 120 retail banners across more than 10,000 stores in the United States,<sup>54</sup> and run exclusive coupons and benefits for tens of thousands of items that are all easily discoverable through "Stores to Help You Save" on our Marketplace home screen and the Deals tab. We leverage AI and machine learning to personalize the experience, including by showing customers targeted discounts based on past orders and highlighting more affordable options to price-conscious customers.
- *Member Benefits.* With Instacart+, we provide customers with a membership program that lowers the cost of online grocery through waived delivery fees, lower service fees, and credit back on eligible pickup orders. On average, Instacart+ members enjoy more than \$30 of monthly savings with these membership benefits compared to customers without Instacart+.<sup>55</sup> In the first six months of 2023, Instacart+ members represented \$8,533 million, or 57%, of our total GTV, including order costs and fees paid by Instacart+ members. On average, Instacart+ members have shopped at more than twice as many retail banners since joining Instacart than non-members.<sup>56</sup> The greater engagement of Instacart+ members grows over time, with an Instacart+ member generating on average 6.2 times more GTV

<sup>52</sup> Instacart estimate based on the weighted average number of retail banners per monthly active orderer by geographic zone for the quarter ended June 30, 2023.

<sup>53</sup> Instacart estimate based on the average number of shopping trips per week and the average time spent shopping in-store per shopping trip in the United States in 2022.

<sup>54</sup> As of June 30, 2023.

<sup>55</sup> For the quarter ended June 30, 2023.

<sup>56</sup> As of June 30, 2023.

compared to a non-member in a five-year period.<sup>57</sup> We had approximately 4.6 million and 5.1 million Instacart+ members as of June 30, 2022 and 2023, respectively.<sup>58</sup>

- *Personalization.* Our personalization capabilities are underpinned by the hundreds of millions of large basket orders we have completed over the past decade, and they improve the more customers interact with Instacart, making it easier for us to power better personalization. As customers browse our selection and place orders, we continue to refine our understanding of customer tastes and preferences. This allows us to tailor new item recommendations and promotional coupons, make replacements that fit our customers' needs when items are out of stock, and suggest "buy-it-again" items. We leveraged all of these insights to launch Ask Instacart, our generative AI tool, to be a thought partner for customers and help them further personalize their shopping.
- *Quality.* We have invested significant resources to make shopping online seamless, from improving search results to offering produce by the unit versus the pound to ensuring timely deliveries. We make it easy for customers and shoppers to chat, and our proprietary algorithm suggests high-quality replacements when needed. We also provide customer service to ensure every order meets the needs of our customers and delivers a high-quality experience.

#### **For Brands**

- *High ROI.* We drive incremental sales for advertisers through our online advertising products purpose-built for grocery. We estimate that on average, our ads deliver more than a 15% incremental sales lift, and in some cases twice that, for our brand partners.<sup>59</sup> Our Sponsored Product ads offering, which uses a second-price cost-per-click auction, enables ads for relevant products to appear throughout the customer journey on Instacart. Our solutions offer optimized bidding to help maximize sales and budget pacing, among many other features to drive higher ROI. Our data and insights dashboard provides advertisers with the comprehensive overview of customer behavior they need to maximize return on their spend. We help brands target the fastest growing segment of the grocery market, given retailers that partner with Instacart have generally grown their online sales faster than the market since 2018.
- *High-Intent Customers.* We offer brands a differentiated opportunity to influence purchase behavior of high-intent customers and drive market share gains. In the second quarter of 2023, we helped customers discover over 180 million items through recommendations. Our customers order over 1.2 billion items each quarter, which underscores the large opportunity that brands have to reach customers.<sup>60</sup>
- *Actionability and Immediacy.* CPG brands are seeking more opportunities to connect digital advertising investments directly to sales impact. Instacart Ads offers CPG brands an opportunity to move products off of store shelves as a direct result of their ads on Instacart. We help them advertise their products in a way that can enable an immediate purchase that can be delivered to the customer within hours or even minutes. The real-time nature of purchase and consumption allows brands to optimize their targeting and messaging to achieve compelling returns on investment.
- *Self-Service Management.* CPG brands can use our self-service Ads Manager to create, manage, monitor, and optimize their ad campaigns on Instacart, and can choose to streamline eCommerce campaign management with API partners utilizing our API integration.
- *First-Party Data.* To power Instacart Ads, we use first-party data collected through a customer's activities on Instacart, including browsing, searching, purchasing, and choosing replacements. This

<sup>57</sup> Instacart+ GTV is based on average cumulative GTV from paying Instacart+ monthly active orderers for the January 2017 through June 2018 monthly customer cohorts over a five-year period following each customer's first order on Instacart.

<sup>58</sup> Includes paying Instacart+ members only and excludes free trial members. Fluctuations in the number of Instacart+ members are not necessarily indicative of changes in our financial performance or contribution of Instacart+ members to GTV or orders over time.

<sup>59</sup> Based on internal tests run across all brand partners using our Sponsored Product ads offering in the quarter ended June 30, 2023 and individual tests run for select brands or types of brands.

<sup>60</sup> For the quarter ended June 30, 2023.

gives us control over the data we use to optimize the performance of our ads offerings without reliance on third-party data that is susceptible to significant privacy and data sharing regulations.

- *Measurability.* Since we leverage first-party data, our brand partners are able to measure ROI and performance with greater accuracy and better understand the value of advertising on Instacart and how their spend drives purchases.
- *Impactful Insights.* We provide our brand partners with actionable customer insights that are not available via traditional distribution channels, including their basket penetration, category share, and parent company and brand-level sales on Instacart. Brands are able to leverage this anonymized and aggregated data to expand their reach, drive sales with effective targeting, and optimize their advertising spend.
- *Broad Solution Set.* We offer a broad set of solutions — from organic discovery of products through our search engine, to sponsored search ad products, paid placements through our display ads, and promotions. Our solutions create more value for our entire ecosystem by providing product discovery and savings for customers and helping drive larger average order values for our retail partners. Our unique data insights have also allowed us to build a powerful recommendation system and inspire customers to try new items and products on Instacart Marketplace.
- *Nationwide Retailer Scale.* Instacart provides brands with a single channel to optimize their portfolio of advertising spend across nearly the entire base of retailers on Instacart. Rather than managing hundreds of individual retailer accounts like they do offline, brands can scale and optimize their online spend in one centralized location.

#### **For Shoppers**

- *Earnings Potential.* Since our founding, shoppers have earned over \$15 billion on Instacart.<sup>61</sup> We provide shoppers with tools to manage their earnings, providing estimated earnings for an individual batch. We also implemented a number of measures to increase and protect shopper earnings and offer Instant Cashout so shoppers can choose to withdraw earnings instantly or accumulate earnings for payout on a weekly cycle.
- *Flexibility.* Shoppers can start earning with simply a mobile device and a car. We equip shoppers with information so they can choose which batches they want to accept based on the characteristics of that batch, including the retailer, estimated effort, items, distance, potential earnings, and estimated customer tip upfront. Shoppers can accept any batch they want to shop, and they are never penalized for choosing not to accept a batch. Shopping with Instacart is differentiated from other flexible alternatives, like rideshare or restaurant delivery, because nearly half of the time is spent in-store and the work can often be done throughout the day. Instacart offers shoppers a guaranteed minimum batch payment that we believe is attractive relative to others in the industry and also offers first-of-its-kind tip protection,<sup>62</sup> covering a tip up to \$10 if a customer chooses to remove their tip after delivery without reporting an issue with the order.
- *Safety and Care.* We have always prioritized the care and safety of the shopper community. We facilitate shopper injury protection and offer in-app safety features such as safety alerts, incident reporting, and the ability to contact emergency services directly through the app.
- *Technology Tools.* We make a variety of resources available to help shoppers enhance the efficiency of their work. Our batching algorithm helps shoppers maximize earnings by taking multiple orders at once, while our routing algorithm optimizes a shopper's path to, through, and from the store.

<sup>61</sup> As of June 30, 2023.

<sup>62</sup> Among select digital-first platforms.



- *Incentives.* We recognize hard work and reward shoppers with impactful incentives, such as priority access to batches, gas savings, recognition in the customer app, and discounted backup care, that help them stand out to their customers, increase their access to earnings, and reach their personal goals.

### Grow the Pie

At Instacart, one of our core values is to “Grow the Pie” for each of our key constituents: retailers, customers, brands, and shoppers. We believe that every Instacart order represents a success for each of them. As our constituents succeed, so do we, and the entire ecosystem benefits from powerful network effects.

- *Retailers* recognize the significant value we provide by enabling new use cases and fulfillment options across consumer and business needs and through our end-to-end technology solution, unlocking greater growth and efficiencies. As retailers improve their omni-channel operations, they are able to reach more customers and bring new brands into their portfolio to meet the needs of this broader audience.
- *Customers* appreciate being able to shop online with their favorite national, regional, and local retailers, across use cases, desired speeds, and payment methods, through an intuitive and personalized experience. Satisfied customers will continue to order on Instacart, driving more earnings opportunities for shoppers and more sales for retailers and brands.
- *Brands* can drive high ROI on their ad spend due to our deep understanding of customer shopping behavior and preferences. Effective advertising leads to larger average order values for retailers, deals and discounts for customers, and deeper brand affinity. Advertising revenue allows us to charge lower fees, helping retailers’ bottom line and reducing order costs for customers. Lower fees make ordering online more appealing for customers, resulting in a higher frequency of usage.
- *Shoppers* benefit from strong customer activity through more flexible earnings opportunities and value the opportunity to earn additional income. As more shoppers join Instacart, availability and speed will continue to improve for customers, which in turn will likely increase the frequency and number of purchases of goods from retailers and brands.

### Our Growth Strategies

We plan to continue to grow by delivering the best online grocery experience to more customers, increasing the number of retailers we partner with and deepening our relationships with existing retail partners, and increasing our advertising revenue.

- ***Attract New Customers and Expand Use Cases.*** We will continue to help retail partners capture new customers as consumer behaviors and preferences shift. We are focused on the following avenues to achieve this:
  - *Grow Online Penetration.* We plan to invest in incentives, performance and brand marketing, and partnerships to grow our customer base and expand the online grocery market.
  - *Expand Omni-Channel Offerings.* We began with delivery but have since introduced pickup and in-store capabilities. To enhance the in-store experience, we offer AI-powered Caper Carts in select stores to help customers easily navigate stores and check themselves out without manually scanning items. We plan to continue to invest in new fulfillment and in-store options.
  - *Introduce New Use Cases and Broaden Selection.* We will continue to broaden grocery shopping occasions. We will also expand into grocery-adjacent verticals to meet changing consumer demands and tailor our offering for additional shopping use cases, like Instacart Business, our solution designed for customers shopping for their businesses.

- **Increase Access.** We strive to make online grocery shopping accessible and affordable. We will continue to offer a wide range of fulfillment options, including pickup, no rush delivery, and next day delivery, that are more affordable relative to other fulfillment options. We will continue to work with our brand partners to expand our offerings of exclusive coupons and deals and with retailers to offer item price parity to their physical stores and retailer loyalty program benefits whenever possible. We will leverage partnerships to augment these savings and deals through mechanisms like cashback and trial Instacart+ memberships. We also offer diverse payment types, such as EBT SNAP and recent initiatives like Fresh Funds through Instacart Health, our solution designed to make it easier for payers, providers, employers, and non-profits to fund the cost of nutritious food and prescribe food to patients, to increase the accessibility of Instacart for more households.
- **Grow Instacart+.** We will continue to invest in Instacart+, our membership program, to drive greater customer engagement. We plan to increase adoption of Instacart+ to deliver savings back to our most loyal customers.
- **Expand AI Applications.** We believe we are well positioned to lead AI product innovation in the online grocery space and further increase engagement on Instacart. We have a robust machine learning foundation with a large amount of unique data across our retailers, product catalog, and customers. We intend to leverage this data to continue to develop AI models for deep personalization and a better customer experience. With the rapid innovation in generative AI, we believe we can create new personalized, inspirational, value-driven shopping experiences that enrich our customers' relationship with food and how they engage with the retailers and brands they love.
- **Deepen Our Offerings to Retailers.** We plan to continue to help retailers grow by enabling new use cases and broadening the capabilities of our technology solutions. We are focused on the following strategies to achieve this:
  - **Expand Use Cases and Capabilities.** We plan to continue to help retailers grow by enabling new use cases and broadening the capabilities of our technology solutions. We have successfully done so when we launched pickup solutions, EBT SNAP payments, virtual convenience, and AI product experiences for retailers on both Instacart Marketplace and on retailers' owned and operated online storefronts powered by Instacart Enterprise Platform.
  - **Pursue Opportunistic Acquisitions.** We plan to pursue next-generation technologies via organic and inorganic opportunities. To complement our internal development, we will look to make opportunistic acquisitions that bolster our technology solutions and key capabilities like we have successfully done with Caper, which offers AI-powered shopping carts and countertops for a seamless in-store check-out experience, FoodStorm, which offers a SaaS order management system that powers end-to-end online order ahead and catering capabilities for grocery retailers, Eversight, which offers AI-powered technology to create compelling savings opportunities for customers in real-time, and Rosie, which provides eCommerce storefront experiences specifically for local, independent retailers.
  - **Extend Our Technology Beyond Grocery.** The suite of offerings we have built for grocery is also extensible to other categories of retailers, and over time, we anticipate that we will partner with a greater number of non-grocery retailers.
  - **Pursue International Opportunities.** We believe that we have built a set of unique technologies that all grocers worldwide could benefit from, and over the long term, we intend to leverage our technology and existing partnerships to expand our business internationally.
- **Increase Brand Success and Support Emerging Brands.** We will continue to build ads offerings to provide brand partners with new ways to connect with customers shopping online. We are focused on the following strategies to achieve this:
  - **Increase Advertising and Other Investment Rate.** Since launching our ads offering, we have seen strong adoption by our brand partners. Increasing advertising and other investment rate

will come from existing brands spending more with us, acquisition of new advertisers as we expand ads offerings availability across new categories, and growing sales for emerging brands and non-food categories that have higher advertising budgets.

- *Add More Emerging Brands.* Emerging brands have a high desire to invest as they look to grow brand awareness and engage with customers. We are focused on expanding our ads offerings and building solutions to help emerging brands get discovered on the virtual shelf through features such as shoppable display units and brand pages, along with insights to understand growth of their brands on Instacart.
- *New Ads Offerings.* We will continue to build our display ads offerings to include rich media discovery opportunities for our brands to reach customers in new and impactful ways, including collections of shoppable products brand pages to serve as destinations for on- and offsite media. We will also continue to invest in optimization and measurement capabilities to align with brands' objectives across the marketing funnel, building on recently launched capabilities like optimized bidding to help to maximize sales.
- *Expand Our Advertising Technology to More Retailers' Sites.* We are investing to expand Instacart Ads to retailers' owned and operated online storefronts through Instacart Enterprise Platform. In 2021, we launched Carrot Ads, which helps our retail partners capture new monetization opportunities while broadening advertiser reach to millions of new customers via additional relevant placements on retailers' owned and operated online storefronts.

### **Risk Factors Summary**

Investing in our common stock involves numerous risks, including the risks described in the section titled "Risk Factors" and elsewhere in this prospectus. You should carefully consider these risks before making an investment. Below are some of these risks, any one of which could materially adversely affect our business, financial condition, results of operations, and prospects.

- We have experienced rapid growth, operational and strategic expansion, and related impacts to margin and profitability in recent periods. Such historical trends, including growth rates, may not continue in the future.
- We have a history of losses, and we may be unable to sustain profitability or generate profitable growth in the future.
- We have a limited history operating our business at its current scale, scope, and complexity in an evolving market and economic environment, which makes it difficult to plan for future operations and strategic initiatives, predict future results, and evaluate our future prospects and the risks and challenges we may encounter.
- If we fail to cost-effectively acquire new customers or increase the engagement of our existing customers, including through effective marketing strategies, our business would be harmed.
- The success of our business is dependent on our relationships with retailers. The loss of one or more of our retail partners or reduction in their engagement with Instacart could harm our business.
- We are still in the early stages of building our Instacart Ads offerings. If we fail to grow our advertising revenue, our business, financial condition, and results of operations would be negatively impacted.
- The markets in which we participate are highly and increasingly competitive, with well-capitalized and better-known competitors, some of which are also partners. If we are unable to compete effectively, our business and financial prospects would be adversely impacted.
- If we fail to cost-effectively engage shoppers on Instacart, or attract and retain shoppers, our business could be harmed.

- The COVID-19 pandemic had a significant impact on our business, and there is uncertainty regarding its future impact and the impact of any future public health outbreaks on our business, operations, and the markets and communities in which we, consumers, retailers, brands, and shoppers operate.
- Mergers or other strategic transactions by competitors or retailers could weaken our competitive position and adversely affect our business.
- The failure to achieve increased market acceptance of online grocery shopping and our offerings could seriously harm our business.
- If the contractor status of shoppers who use Instacart is successfully challenged, or if additional requirements are placed on our engagement of independent contractors, we may face adverse business, financial, tax, legal, and other consequences.
- The trading price of our common stock may be volatile and could, upon listing on the Nasdaq Global Select Market, or Nasdaq, decline significantly and rapidly.
- An active, liquid, and orderly market for our common stock may not develop or be sustained. You may be unable to sell your shares of common stock at or above the price at which you purchased them.

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

Following the closing of this offering, we intend to announce material information to the public through filings with the SEC, the investor relations page on our website ([www.instacart.com/company](http://www.instacart.com/company)), press releases, public conference calls, and public webcasts.

The information disclosed through the foregoing channels could be deemed to be material information. As such, we encourage investors, the media, and others to follow the channels listed above and to review the information disclosed through such channels. Any updates to the list of disclosure channels through which we will announce information will be posted on the investor relations page on our website.

#### **Corporate Information**

We were incorporated as Maplebear Inc. in Delaware in 2012, and we do business as Instacart. Our co-founders are Apoorva Mehta, Max Mullen, and Brandon Leonardo. Our principal executive offices are located at 50 Beale Street, Suite 600, San Francisco, California 94105. Our telephone number is (888) 246-7822. Our website address is [www.instacart.com/company](http://www.instacart.com/company). Information contained on, or that can be accessed through, our website is not incorporated by reference into this prospectus, and you should not consider information on our website to be part of this prospectus.

Our design logos, “Maplebear,” “Instacart,” and our other registered or common law trademarks, service marks or trade names appearing in this prospectus are the property of Maplebear Inc. or its affiliates. Other trade names, trademarks, and service marks used in this prospectus are the property of their respective owners.

**The Offering**

Common stock offered by us	14,100,000 shares
Common stock offered by the selling stockholders	7,900,000 shares
Option to purchase additional shares of common stock offered by us	3,300,000 shares
Common stock to be outstanding after this offering	276,027,344 shares (or 279,327,344 shares if the underwriters exercise their option to purchase additional shares of common stock from us in full)
Concurrent private placement	<p>PepsiCo, Inc., or the Preferred Stock Investor, has entered into an agreement with us pursuant to which it has agreed to purchase \$175 million of our Series A redeemable convertible preferred stock, or the Series A Preferred Stock, in a private placement. The Series A Preferred Stock will have a conversion price equal to the initial public offering price per share set forth on the cover page of this prospectus and will be redeemable or convertible under certain circumstances. See the section titled “Description of Capital Stock—Series A Preferred Stock.” The Series A Preferred Stock will not confer any voting rights to the Preferred Stock Investor. The private placement is contingent upon, and scheduled to close immediately subsequent to, the closing of this offering, subject to the satisfaction of certain additional conditions to closing. Goldman Sachs &amp; Co. LLC, one of the underwriters, is acting as placement agent in connection with the private placement and will receive a placement agent fee equal to 1.5% of the total purchase price of the shares of Series A Preferred Stock sold in the private placement. See the section titled “Concurrent Private Placement.”</p>
Use of proceeds	<p>We estimate that our net proceeds from the sale of our common stock in this offering and the Series A Preferred Stock in the concurrent private placement will be approximately \$523.8 million (or \$608.0 million if the underwriters exercise their option to purchase additional shares of common stock from us in full), assuming an initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us in connection with this offering and the placement agent fee and estimated issuance costs in connection with the concurrent private placement. We will not receive any proceeds from the sale of shares of our common stock by the selling stockholders.</p> <p>We intend to use the net proceeds we receive from this offering and the concurrent private placement, together with existing cash and cash</p>

	<p>equivalents, if necessary, to satisfy all of our anticipated tax withholding and remittance obligations related to the settlement of certain outstanding restricted stock units, or RSUs, the repurchase and cancellation of shares of outstanding restricted stock, and the net exercise of certain outstanding stock options in connection with this offering. We intend to use any remaining net proceeds from this offering and from the concurrent private placement for general corporate purposes, including working capital, operating expenses, and capital expenditures. We may also use a portion of any remaining net proceeds for acquisitions of, or strategic investments in, complementary businesses, products, services, or technologies, although we do not currently have any agreements or commitments to enter into any material acquisitions or investments. Additionally, as part of our broader capital allocation strategy, we may consider utilizing excess cash for opportunistic share repurchases from time to time. Any future determination regarding such repurchases, if any, will be at the discretion of our board of directors and will depend on then-existing conditions, including market conditions, our financial position, any contractual restrictions, capital requirements, business prospects, any resulting taxes, and other factors that we and our board of directors may deem relevant. We cannot guarantee that any share repurchases would occur, and we currently do not have any commitments to conduct any share repurchases. See the section titled “Use of Proceeds” for additional information.</p>
Risk factors	<p>See the section titled “Risk Factors” and the other information included elsewhere in this prospectus for a discussion of factors you should carefully consider before deciding to invest in our common stock.</p>
Proposed Nasdaq trading symbol	<p>“CART”</p>
Directed share program	<p>At our request, the underwriters have reserved up to 5% of the shares of common stock offered by this prospectus for sale at the initial public offering price through a directed share program to certain persons identified by management, which may include certain members of our board of directors. The number of shares of common stock available for sale to the general public will be reduced by the number of reserved shares sold to these individuals. Any reserved shares not purchased by these individuals will be offered by the underwriters to the general public on the same basis as the other shares of common stock offered by this prospectus. See the section titled “Underwriting—Directed Share Program.”</p>
Indications of interest	<p>Norges Bank Investment Management, a division of Norges Bank, and entities affiliated with TCV, Sequoia Capital, D1 Capital Partners, L.P., and Valiant Capital Management, which we refer to collectively as the cornerstone investors, have indicated an interest, severally and not jointly, in purchasing shares of common stock in an aggregate amount of up to approximately \$400 million in this offering at the initial public</p>

offering price per share and on the same terms as the other purchasers in this offering. Sequoia Capital and D1 Capital Partners are significant stockholders and affiliates of members of our board of directors. Because indications of interest are not binding agreements or commitments to purchase, the underwriters could determine to sell more, fewer, or no shares to any of the cornerstone investors, and any of the cornerstone investors could determine to purchase more, fewer, or no shares in this offering. The underwriters will receive the same underwriting discounts and commissions on these shares as they will on any other shares sold to the public in this offering.

The number of shares of common stock that will be outstanding after this offering is based on 261,927,344 shares of our common stock outstanding as of June 30, 2023 (after giving effect to the Exchangeable Share Conversion, the Preferred Stock Conversion, the RSU Net Settlement, the RSA Cancellation, the Option Net Exercise, the Option Cash Exercise, and the Warrant Net Exercise, each as defined below), and excludes:

- 20,454,965 shares of our common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of June 30, 2023, with a weighted-average exercise price of \$8.46 per share (after giving effect to the Option Net Exercise and the Option Cash Exercise);
- 35,855,790 shares of our non-voting common stock issuable in connection with the vesting and settlement of RSUs outstanding as of June 30, 2023 subject to service-based, market-based, and/or liquidity event-based vesting conditions, for which (i) the liquidity event-based vesting condition will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part but (ii) the service-based and/or market-based vesting conditions were not satisfied as of June 30, 2023 (the service-based and/or market-based vesting conditions for 5,668,791 of these RSUs will be satisfied, and additional shares of our non-voting common stock will be issued, in connection with the Additional RSU Net Settlement, as defined below);
- 1,281,449 shares of our non-voting common stock issuable in connection with the vesting and settlement of RSUs granted after June 30, 2023 subject to service-based and liquidity event-based vesting conditions, for which the liquidity event-based vesting condition will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part (the service-based and/or market-based vesting conditions for 400 of these RSUs will be satisfied, and additional shares of our non-voting common stock will be issued, in connection with the Additional RSU Net Settlement);
- 6,481,481 shares of our common stock issuable upon the conversion of the Series A Preferred Stock (assuming all shares of Series A Preferred Stock are converted into shares of common stock at an assumed conversion price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and based on an initial stated value of \$175 million);
- 114,875,120 shares of our common stock reserved for future issuance under our 2023 Equity Incentive Plan, or the 2023 Plan, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, consisting of 14,300,000 new shares plus the number of shares (not to exceed 100,575,120 shares) (i) that remain available for grant of future awards under our 2018 Equity Incentive Plan, or the 2018 Plan, at the time the 2023 Plan becomes effective, which shares will cease to be available for issuance under the 2018 Plan at such time, and (ii) any shares underlying outstanding stock awards granted under our 2013 Equity Incentive Plan, or the 2013 Plan, or the 2018 Plan that expire, or are forfeited, cancelled, withheld, or reacquired; and
- 7,000,000 shares of our common stock reserved for future issuance under our 2023 Employee Stock Purchase Plan, or the ESPP, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part.

Our 2023 Plan and ESPP provide for annual automatic increases in the number of shares reserved thereunder. See the section titled “Executive Compensation—Equity Plans” for additional information. We have not authorized any offerings under the ESPP as of the date of this prospectus.

In addition, except as otherwise indicated, all information in this prospectus assumes:

- the automatic exchange of all outstanding exchangeable shares of our subsidiary, Aspen Merger Corp., or Aspen, into 688,787 shares of our non-voting common stock in connection with the effectiveness of the registration statement of which this prospectus forms a part, which we refer to as the Exchangeable Share Conversion;
- the net issuance of 14,633,956 shares of our non-voting common stock in connection with the vesting and settlement of certain RSUs outstanding as of June 30, 2023 subject to service-based, market-based, and/or liquidity event-based vesting conditions, for which (i) the service-based vesting condition and the market-based vesting condition, as applicable, were fully or partially satisfied as of June 30, 2023 and (ii) the liquidity event-based vesting condition will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part, after giving effect to the withholding of 12,977,282 shares of our non-voting common stock to satisfy the associated estimated tax withholding and remittance obligations (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate), which we refer to as the RSU Net Settlement;
  - in addition, for certain additional RSUs outstanding as of or granted after June 30, 2023 subject to similar vesting conditions, for which (i) the service-based and/or market-based vesting condition, as applicable, were fully or partially satisfied on or before August 15, 2023 but after June 30, 2023 and (ii) the liquidity event-based vesting condition will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part, we expect to issue 3,004,671 shares of non-voting common stock upon the vesting and net settlement of such RSUs, after giving effect to the withholding of 2,664,520 shares of common stock to satisfy the associated estimated tax withholding and remittance obligations (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate), which we refer to as the Additional RSU Net Settlement. However, except as otherwise indicated, the information in this prospectus does not assume the vesting of these additional RSUs and the related net issuance of these additional shares of common stock;
- for 281,250 shares of our non-voting restricted stock outstanding as of June 30, 2023 subject to service-based and liquidity event-based vesting conditions, for which (i) the service-based vesting condition was partially satisfied as of June 30, 2023 and (ii) the liquidity event-based vesting condition will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part, the repurchase and cancellation of 132,188 shares of such non-voting restricted stock in connection with the vesting of such non-voting restricted stock to satisfy the associated estimated tax withholding and remittance obligations (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate), which we refer to as the RSA Cancellation;
  - in addition, for 28,125 additional shares of our non-voting restricted stock outstanding as of June 30, 2023 subject to similar vesting conditions, for which (i) the service-based vesting condition was partially satisfied on or before August 15, 2023 but after June 30, 2023 and (ii) the liquidity event-based vesting condition will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part, we expect to repurchase and cancel an additional 13,219 shares of such non-voting restricted stock in connection with the vesting of such non-voting restricted stock to satisfy the associated estimated tax withholding and remittance obligations (based on the assumed



initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate), which we refer to as the Additional RSA Cancellation. However, except as otherwise indicated, the information in this prospectus does not assume the vesting of these additional shares of non-voting restricted stock and the related repurchase and cancellation of a portion of such shares;

- the net exercise of options to purchase 9,201,168 shares of our common stock in connection with this offering, with a weighted-average exercise price of \$5.99 per share, which will result in the net issuance of 4,080,971 shares of common stock, after giving effect to the withholding of 5,120,197 shares of common stock underlying such options to satisfy the associated estimated tax withholding and remittance obligations and the exercise price (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 43% tax withholding rate), which we refer to as the Option Net Exercise;
- the cash exercise of 254,000 shares underlying an option to purchase shares of our voting common stock, with an exercise price of \$3.79 per share for total gross proceeds to us of approximately \$1.0 million, by a selling stockholder in connection with the sale of all or a portion of such shares by such selling stockholder in this offering, as described in the section titled “Principal and Selling Stockholders,” which we refer to as the Option Cash Exercise;
- the net exercise of a warrant to purchase 7,431,530 shares of our non-voting common stock in connection with this offering, with an exercise price of \$18.52 per share, which will result in the net issuance of 2,334,023 shares of common stock, after giving effect to the withholding of 5,097,507 shares of common stock underlying such warrant to satisfy the exercise price (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus), which we refer to as the Warrant Net Exercise;
- the conversion of all outstanding shares of our non-voting common stock and shares of our non-voting common stock underlying outstanding equity securities into an equivalent number of shares of our voting common stock immediately prior to the closing of this offering;
- the automatic conversion of all outstanding shares of our redeemable convertible preferred stock into 167,691,828 shares of our voting common stock immediately prior to the closing of this offering, which we refer to as the Preferred Stock Conversion;
- the filing and effectiveness of our amended and restated certificate of incorporation in Delaware and the adoption of our amended and restated bylaws, each of which will occur immediately prior to the closing of this offering and will effect the reclassification of all outstanding shares of our voting common stock and shares of our voting common stock underlying outstanding equity securities, after giving effect to the conversions described above, into an equivalent number of shares of common stock with the same rights and terms as our voting common stock;
- no settlement of any outstanding RSUs subject to service-based, market-based, and/or liquidity event-based vesting conditions, for which the service-based vesting condition and/or the market-based vesting condition, as applicable, have been or are expected to be fully or partially satisfied from August 16, 2023 through the effectiveness of the registration statement of which this prospectus forms a part, which will satisfy the liquidity-event based vesting condition, until after the closing of this offering;
- no exercise of the stock options described in this prospectus, except in the Option Net Exercise and the Option Cash Exercise, each as described above;
- no conversion of the Series A Preferred Stock into shares of our common stock; and
- no exercise of the underwriters’ option to purchase additional shares of common stock from us in this offering.

Each of the RSU Net Settlement, the Additional RSU Net Settlement, the RSA Cancellation, the Additional RSA Cancellation, the Option Net Exercise, the Option Cash Exercise, and the Warrant Net Exercise is expected to occur in connection with this offering.

The table presented below sets forth a summary of our equity capitalization as follows:

- on a historical basis, reflecting shares of our common stock, and securities convertible into, exchangeable for, or that represent the right to receive, shares of our common stock, in each case outstanding as of June 30, 2023;
- after giving effect to (i) the equity adjustments assumed in the information in this prospectus, as described in the bullet points above, (ii) the sale and issuance by us of 14,100,000 shares of our common stock in this offering, as set forth on the cover page of this prospectus, and (iii) the sale and issuance by us of shares of Series A Preferred Stock in the concurrent private placement, as reflected in the table under “Pro Forma Adjustments;” and
- after giving further effect to the grants of RSUs after June 30, 2023 through August 15, 2023, the Additional RSU Net Settlement (relating to the additional vesting of RSUs outstanding as of or granted after June 30, 2023 for which the service-based condition was fully or partially satisfied on or before August 15, 2023 but after June 30, 2023), and the Additional RSA Cancellation (relating to certain additional shares of restricted stock outstanding as of June 30, 2023 for which the service-based vesting condition was partially satisfied on or before August 15, 2023 but after June 30, 2023), as reflected in the table under “Additional Adjustments.” As described above, except as otherwise indicated, the information in this prospectus does not assume these additional adjustments.

The information in the table presented below is based on (i) the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, (ii) an assumed 47% tax withholding rate for holders of our RSUs and shares of non-voting restricted stock that will vest and settle in connection with this offering, and (iii) an assumed 43% tax withholding rate for holders of our stock options subject to the Option Net Exercise. The actual share withholding or repurchase and cancellation amounts, and related withholding rates, will fluctuate based on, among other things, the actual initial public offering price per share in this offering.

	As of June 30, 2023							
	Common Stock (Outstanding)	Redeemable Convertible Preferred Stock <sup>(1)</sup>	Exchangeable Shares	Stock Options <sup>(2)</sup>	RSUs	Warrant	Series A Preferred Stock <sup>(3)</sup>	Common Stock (As-Converted, Fully Diluted)
<b>Historical</b>								
Common stock	72,375,967							72,375,967
Redeemable convertible preferred stock		167,691,828						167,691,828
Exchangeable shares			688,787					688,787
Stock options				29,910,133				29,910,133
RSUs					63,467,028			63,467,028
Warrant to purchase common stock						7,431,530		7,431,530
<b>Total</b>	<b>72,375,967</b>	<b>167,691,828</b>	<b>688,787</b>	<b>29,910,133</b>	<b>63,467,028</b>	<b>7,431,530</b>	<b>—</b>	<b>341,565,273</b>
<b>Pro Forma Adjustments</b>								
Exchangeable Share Conversion	688,787		(688,787)					—
RSU Net Settlement	14,633,956				(27,611,238)			(12,977,282) <sup>(4)</sup>
RSA Cancellation	(132,188)							(132,188)
Option Net Exercise	4,080,971			(9,201,168)				(5,120,197) <sup>(4)</sup>
Option Cash Exercise	254,000			(254,000)				—
Warrant Net Exercise	2,334,023					(7,431,530)		(5,097,507) <sup>(4)</sup>
Preferred Stock Conversion	167,691,828	(167,691,828)						—
Common stock offered by us in this offering	14,100,000							14,100,000
Series A Preferred Stock							6,481,481	6,481,481
<b>Total</b>	<b>276,027,344</b>	<b>—</b>	<b>—</b>	<b>20,454,965</b>	<b>35,855,790</b>	<b>—</b>	<b>6,481,481</b>	<b>338,819,580</b>

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	As of August 15, 2023							
	Common Stock (Outstanding)	Redeemable Convertible Preferred Stock <sup>(1)</sup>	Exchangeable Shares	Stock Options <sup>(2)</sup>	RSUs	Warrant	Series A Preferred Stock <sup>(3)</sup>	Common Stock (As-Converted, Fully Diluted)
<b>Additional Adjustments</b>								
RSUs granted after June 30, 2023 <sup>(5)</sup>					1,281,449			1,281,449
Additional RSU Net Settlement	3,004,671				(5,669,191)			(2,664,520) <sup>(4)</sup>
Additional RSA Cancellation	(13,219)							(13,219)
<b>Total</b>	<b>279,018,796</b>	<b>—</b>	<b>—</b>	<b>20,454,965</b>	<b>31,468,048</b>	<b>—</b>	<b>6,481,481</b>	<b>337,423,290</b>

(1) Represents the shares of our common stock underlying all outstanding shares of our redeemable convertible preferred stock on an as-converted basis.

(2) The weighted-average exercise price of the stock options outstanding as of June 30, 2023 and after giving effect to the Option Net Exercise and Option Cash Exercise was \$7.66 and \$8.46, respectively.

(3) Assumes all shares of Series A Preferred Stock are converted into shares of our common stock at an assumed conversion price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and based on an initial stated value of \$175 million.

(4) Represents shares of common stock to be withheld to satisfy tax obligations and applicable exercise prices in connection with the RSU Net Settlement, the Additional RSU Net Settlement, the Option Net Exercise, and the Warrant Net Exercise, as applicable.

(5) Does not include any RSUs granted after August 15, 2023.

## SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The summary consolidated statements of operations data for the years ended December 31, 2020, 2021, and 2022 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The summary consolidated statements of operations data for the six months ended June 30, 2022 and 2023 and the summary consolidated balance sheet data as of June 30, 2023 have been derived from our unaudited interim consolidated financial statements included elsewhere in this prospectus. You should read the following summary consolidated financial data together with the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our consolidated financial statements and the related notes included elsewhere in this prospectus. The summary consolidated financial and other data in this section are not intended to replace our consolidated financial statements and the related notes and are qualified in their entirety by our consolidated financial statements and the related notes included elsewhere in this prospectus. The unaudited interim consolidated financial statements were prepared on a basis consistent with our audited consolidated financial statements included elsewhere in this prospectus, and, in the opinion of management, reflect all adjustments, consisting only of normal recurring adjustments, that are necessary for the fair statement of such data. Our historical results are not necessarily indicative of our results in any future period.

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
(in millions, except share amounts, which are reflected in thousands, and per share amounts)					
<b>Consolidated Statements of Operations Data:</b>					
Revenue	\$1,477	\$1,834	\$2,551	\$1,126	\$1,475
Cost of revenue <sup>(1)</sup>	<u>598</u>	<u>608</u>	<u>720</u>	<u>357</u>	<u>366</u>
Gross profit	879	1,226	1,831	769	1,109
Operating expenses:					
Operations and support <sup>(1)(2)</sup>	324	262	252	130	128
Research and development <sup>(1)(2)</sup>	194	368	518	243	257
Sales and marketing <sup>(1)(2)</sup>	158	394	660	316	327
General and administrative <sup>(1)(2)</sup>	<u>278</u>	<u>288</u>	<u>339</u>	<u>153</u>	<u>128</u>
Total operating expenses	<u>954</u>	<u>1,312</u>	<u>1,769</u>	<u>842</u>	<u>840</u>
Income (loss) from operations	(75)	(86)	62	(73)	269
Other income (expense), net	—	12	(8)	(2)	3
Interest income	<u>5</u>	<u>2</u>	<u>17</u>	<u>2</u>	<u>34</u>
Income (loss) before provision for (benefit from) income taxes	(70)	(72)	71	(73)	306
Provision for (benefit from) income taxes	<u>—</u>	<u>1</u>	<u>(357)</u>	<u>1</u>	<u>64</u>
Net income (loss)	\$ (70)	\$ (73)	\$ 428	\$ (74)	\$ 242
Undistributed earnings attributable to preferred stockholders	<u>—</u>	<u>—</u>	<u>(351)</u>	<u>—</u>	<u>(220)</u>
Net income (loss) attributable to common stockholders, basic	\$ (70)	\$ (73)	\$ 77	\$ (74)	\$ 22
Undistributed earnings reallocated to common stockholders	<u>—</u>	<u>—</u>	<u>20</u>	<u>—</u>	<u>5</u>
Net income (loss) attributable to common stockholders, diluted	<u>\$ (70)</u>	<u>\$ (73)</u>	<u>\$ 97</u>	<u>\$ (74)</u>	<u>\$ 27</u>
Net income (loss) per share attributable to common stockholders: <sup>(3)</sup>					
Basic	\$ (1.21)	\$ (1.12)	\$ 1.08	\$ (1.03)	\$ 0.30
Diluted	<u>\$ (1.21)</u>	<u>\$ (1.12)</u>	<u>\$ 0.96</u>	<u>\$ (1.03)</u>	<u>\$ 0.27</u>

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
(in millions, except share amounts, which are reflected in thousands, and per share amounts)					
Weighted average shares used in computing net income (loss) per share attributable to common stockholders: <sup>(3)</sup>					
Basic	57,929	65,874	71,853	71,668	72,222
Diluted	57,929	65,874	101,480	71,668	99,334
Pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited) <sup>(4)</sup>			\$ (6.25)		\$ (8.35)
Weighted-average shares used in computing pro forma net loss per share attributable to common stockholders, basic and diluted (unaudited) <sup>(4)</sup>			257,993		261,085

(1) Amounts include depreciation and amortization expense as follows:

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
(in millions)					
Cost of revenue	\$ 5	\$ 8	\$ 20	\$ 9	\$ 12
Operations and support	1	1	2	1	2
Research and development	2	3	4	2	2
Sales and marketing	1	2	5	2	4
General and administrative	1	2	3	1	2
Total depreciation and amortization expense	\$ 10	\$ 16	\$ 34	\$ 15	\$ 22

(2) Amounts include stock-based compensation expense as follows:

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
(in millions)					
Operations and support	\$ 3	\$ 1	\$ —	\$ —	\$ —
Research and development	20	9	18	7	4
Sales and marketing	5	3	4	2	2
General and administrative	36	9	11	4	3
Total stock-based compensation expense	\$ 64	\$ 22	\$ 33	\$ 13	\$ 9

(3) See Notes 2 and 14 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the method used to calculate our basic and diluted net income (loss) per share and the weighted-average number of shares used in the computation of the per share amounts.

(4) The unaudited pro forma net loss per share and the weighted-average number of shares used in the computation of the per share amounts for the year ended December 31, 2022 and the six months ended June 30, 2023 have been computed to give effect to (i) the Exchangeable Share Conversion, resulting in the issuance of 688,787 shares of our non-voting common stock in exchange for all outstanding exchangeable shares, as if such exchange had occurred on December 31, 2022 and June 30, 2023; (ii) the net issuance of 11,884,928 shares and 14,633,956 shares of our non-voting common stock in connection with the RSU Net Settlement (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate), as if such net issuance had occurred on December 31, 2022 and June 30, 2023, respectively; (iii) the repurchase and cancellation of 105,750 shares and 132,188 shares of our outstanding non-voting restricted stock in connection with the RSA Cancellation (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate), as if such repurchase and cancellation had occurred on December 31, 2022 and June 30, 2023, respectively; (iv) the net issuance of 4,080,971 shares of our common stock in connection with the Option Net Exercise (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 43% tax withholding rate), as if such net exercise had occurred on December 31, 2022 and June 30, 2023; (v) the issuance of 254,000 shares of our voting common stock in connection with

the Option Cash Exercise, as if such cash exercise had occurred on December 31, 2022 and June 30, 2023; (vi) the net issuance of 2,334,023 shares of our non-voting common stock in connection with the Warrant Net Exercise (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus), as if such net exercise had occurred on December 31, 2022 and June 30, 2023; (vii) the conversion of all outstanding shares of our non-voting common stock and shares of our non-voting common stock underlying outstanding equity securities into an equivalent number of shares of our voting common stock immediately prior to the closing of this offering; (viii) the Preferred Stock Conversion, resulting in the issuance of 167,691,828 shares of our voting common stock, as if such conversion had occurred on December 31, 2022 and June 30, 2023; (ix) the reclassification of all outstanding shares of our voting common stock and shares of our voting common stock underlying outstanding equity securities into an equivalent number of shares of common stock immediately prior to the closing of this offering; and (x) stock-based compensation expense of \$2.0 billion and \$2.4 billion associated with RSUs and shares of outstanding non-voting restricted stock subject to service-based, market-based, and/or liquidity event-based vesting conditions, for which the service-based vesting condition and the market-based vesting condition, as applicable, were fully or partially satisfied as of December 31, 2022 and June 30, 2023, respectively, and which we expect to recognize in connection with the effectiveness of the registration statement, which will satisfy the liquidity event-based vesting condition, as if such effectiveness had occurred on December 31, 2022 and June 30, 2023, respectively, as further described in Notes 2 and 12 to our consolidated financial statements included elsewhere in this prospectus.

The table presented below sets forth the calculation of basic and diluted unaudited pro forma net loss per share attributable to common stockholders for the year ended December 31, 2022 and the six months ended June 30, 2023:

	Year Ended December 31, 2022	Six Months Ended June 30, 2023	
	(in millions, except share amounts, which are reflected in thousands, and per share amounts)		
<b>Numerator:</b>			
Net income	\$ 428	\$ 242	
Stock-based compensation expense (RSUs)	(1,994)	(2,372)	
Stock-based compensation expense (restricted stock)	(45)	(49)	
Pro forma net loss, basic and diluted	<u>\$ (1,611)</u>	<u>\$ (2,179)</u>	
<b>Denominator:</b>			
Weighted-average shares used in computing net income per share	71,853	72,222	
Adjustment for RSU Net Settlement	11,885	14,634	
Adjustment for RSA Cancellation	(106)	(132)	
Adjustment for Option Net Exercise	4,081	4,081	
Adjustment for Option Cash Exercise	254	254	
Adjustment for Warrant Net Exercise	2,334	2,334	
Adjustment for Preferred Stock Conversion	167,692	167,692	
Weighted-average shares used in computing pro forma net loss per share, basic and diluted	<u>257,993</u>	<u>261,085</u>	
Pro forma net loss per share, basic and diluted	<u>\$ (6.25)</u>	<u>\$ (8.35)</u>	
	<b>As of June 30, 2023</b>		
	<b>Actual</b>	<b>Pro Forma<sup>(1)</sup> (3)</b>	<b>Pro Forma As Adjusted<sup>(2)(3)(4)</sup> (5)</b>
	(in millions)		
<b>Consolidated Balance Sheet Data:</b>			
Cash, cash equivalents, and marketable securities <sup>(6)</sup>	\$ 1,967	\$ 1,968	\$ 2,058
Working capital <sup>(7)</sup>	2,214	1,777	2,306
Total assets	3,787	3,815	3,901
Redeemable convertible preferred stock	2,822	—	—
Series A redeemable convertible preferred stock	—	—	172
Additional paid-in capital	928	5,763	6,115
Accumulated deficit	(735)	(3,158)	(3,158)
Total stockholders' equity	191	2,603	2,955

(1) The pro forma column in the balance sheet data above reflects (i) the Exchangeable Share Conversion, resulting in the issuance of 688,787 shares of our non-voting common stock in exchange for all outstanding exchangeable shares; (ii) the net issuance of 14,633,956 shares of our non-voting common stock in connection with the RSU Net Settlement (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate); (iii) the repurchase and cancellation of 132,188 shares of our outstanding non-voting restricted stock in connection with the RSA

Cancellation (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate); (iv) the net issuance of 4,080,971 shares of our non-voting common stock in connection with the Option Net Exercise (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 43% tax withholding rate); (v) the issuance of 254,000 shares of our voting common stock in connection with the Option Cash Exercise; (vi) the related increase in liabilities and corresponding decrease in additional paid-in capital for the associated tax withholding and remittance obligations related to the RSU Net Settlement, the RSA Cancellation, and the Option Net Exercise, as well as the related increase in cash and cash equivalents, common stock, and additional paid-in capital related to the Option Cash Exercise; (vii) the net issuance of 2,334,023 shares of our non-voting common stock in connection with the Warrant Net Exercise (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus); (viii) the conversion of all outstanding shares of our non-voting common stock and shares of our non-voting common stock underlying outstanding equity securities into an equivalent number of shares of our voting common stock immediately prior to the closing of this offering; (ix) the Preferred Stock Conversion, resulting in the issuance of 167,691,828 shares of our voting common stock; (x) the reclassification of all outstanding shares of our voting common stock and shares of our voting common stock underlying outstanding equity securities into an equivalent number of shares of common stock immediately prior to the closing of this offering; and (xi) stock-based compensation expense of \$2.4 billion associated with RSUs and shares of outstanding non-voting restricted stock subject to service-based, market-based, and/or liquidity event-based vesting conditions, for which the service-based vesting condition and the market-based vesting condition, as applicable, were fully or partially satisfied as of June 30, 2023 and the liquidity event-based vesting condition will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part, reflected as an increase to additional paid-in capital and accumulated deficit, as further described in Notes 2 and 12 to our consolidated financial statements included elsewhere in this prospectus.

- (2) The pro forma as adjusted column gives effect to (i) the pro forma adjustments set forth above in footnote (1); (ii) the sale and issuance by us of 14,100,000 shares of our common stock in this offering at the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us (which offering expenses exclude \$3.8 million of deferred offering costs that have been previously paid as of June 30, 2023); (iii) the elimination of \$4.9 million of deferred offering costs, of which \$3.8 million have been paid as of June 30, 2023 and \$1.1 million were accrued and unpaid as of June 30, 2023, reflected as a decrease in other assets and additional paid-in capital of \$4.9 million and a decrease in current liabilities of \$1.1 million; (iv) the sale and issuance by us of 6,481,481 shares of Series A Preferred Stock in the concurrent private placement at the assumed price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting the placement agent fee and estimated issuance costs; and (v) the use of net proceeds from this offering and the concurrent private placement, together with existing cash and cash equivalents, if necessary, to satisfy the estimated tax withholding and remittance obligations reflected in the pro forma adjustments described in footnote (1) above.
- (3) The pro forma and pro forma as adjusted columns in the balance sheet data above do not include the effects of the Additional RSU Net Settlement and the Additional RSA Cancellation. The Additional RSU Net Settlement and the Additional RSA Cancellation, including the satisfaction of the remaining vesting conditions for the related RSUs and non-voting restricted stock, would result in (i) additional stock-based compensation expense of \$162.6 million, which would be reflected as an additional increase to additional paid-in capital and accumulated deficit; and (ii) additional tax withholding and remittance obligations of \$72.3 million (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate), which would be reflected as the related decrease in cash and cash equivalents and corresponding decrease in additional paid-in capital.
- (4) Each \$1.00 increase (decrease) in the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the amount of cash, cash equivalents, and marketable securities, working capital, total assets, additional paid-in capital, and total stockholders' equity by \$13.3 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us in connection with this offering and the placement agent fee and estimated issuance costs in connection with the concurrent private placement. Similarly, each increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) the amount of cash, cash equivalents, and marketable securities, working capital, total assets, additional paid-in capital, and total stockholders' equity by \$25.5 million, assuming the assumed initial public offering price of \$27.00 per share, the midpoint of the price range 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 in connection with this offering and the placement agent fee and estimated issuance costs in connection with the concurrent private placement. In addition, each 1.0% increase (decrease) in the assumed tax withholding rates would increase (decrease) the amount of estimated tax withholding and remittance obligations related to the RSU Net Settlement, the RSA Cancellation, and the Option Net Exercise by \$9.5 million. Pro forma adjustments in the footnotes above and the related information in the balance sheet data are illustrative only and will be adjusted based on the actual initial public offering price and other terms of this offering determined at pricing.
- (5) As the accounting treatment of the Series A Preferred Stock, including the determination of fair value, has not yet been finalized, it is assumed for the pro forma as adjusted column that the Series A Preferred Stock will be recorded at cash proceeds less estimated issuance costs.
- (6) Includes short-term marketable securities of \$125.0 million and long-term marketable securities of \$4.0 million as of June 30, 2023.
- (7) Working capital is defined as current assets less current liabilities. See our consolidated financial statements included elsewhere in this prospectus for additional details regarding our current assets and current liabilities as of June 30, 2023.

**Key Business and Non-GAAP Metrics**

In addition to the measures presented in our consolidated financial statements, we use the following key business and non-GAAP metrics, among others, to help us evaluate our business, identify trends affecting our performance, formulate business plans, and make strategic decisions.

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
	(in millions, except percentages)				
Orders	171.5	223.4	262.6	132.3	132.9
GTV	\$ 20,736	\$ 24,909	\$ 28,826	\$14,356	\$14,937
Revenue	\$ 1,477	\$ 1,834	\$ 2,551	\$ 1,126	\$ 1,475
Gross profit	\$ 879	\$ 1,226	\$ 1,831	\$ 769	\$ 1,109
Gross margin	60%	67%	72%	68%	75%
Net income (loss) <sup>(1)</sup>	\$ (70)	\$ (73)	\$ 428	\$ (74)	\$ 242
Net income (loss) as a percent of GTV	(0.3)%	(0.3)%	1.5%	(0.5)%	1.6%
Net income (loss) as a percent of revenue	(5)%	(4)%	17%	(7)%	16%
Adjusted EBITDA <sup>(2)</sup>	\$ 134	\$ 34	\$ 187	\$ (20)	\$ 279
Adjusted EBITDA as a percent of GTV <sup>(2)</sup>	0.6%	0.1%	0.6%	(0.1)%	1.9%
Adjusted EBITDA margin <sup>(2)</sup>	9%	2%	7%	(2)%	19%

- (1) This included a \$358 million tax benefit during the year ended December 31, 2022, from the release of our valuation allowance on our deferred tax assets in the United States as it is more likely than not that our U.S. federal and state net deferred tax assets will be realized given our expectation of profitability in certain future periods.
- (2) Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin are not calculated in accordance with generally accepted accounting principles in the United States, or GAAP. For more information regarding our use of Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin and a reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable financial measure calculated in accordance with GAAP, see the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Business and Non-GAAP Metrics.”

See the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Business and Non-GAAP Metrics” included elsewhere in this prospectus for a description of, and additional information about, these key business and non-GAAP metrics.



## RISK FACTORS

*Investing in our common stock involves a high degree of risk. You should consider and read carefully all of the risks and uncertainties described below, as well as other information included in this prospectus, including our consolidated financial statements and related notes appearing elsewhere in this prospectus, before making an investment decision. The risks described below are not the only ones we face. The occurrence of any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial could materially and adversely affect our business, financial condition, or results of operations. In such case, the trading price of our common stock could decline, and you may lose some or all of your original investment.*

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

***We have experienced rapid growth, operational and strategic expansion, and related impacts to margin and profitability in recent periods. Such historical trends, including growth rates, may not continue in the future.***

We have grown rapidly over the last several years. Our GTV increased from \$5,144 million for the year ended December 31, 2019 to \$28,826 million for the year ended December 31, 2022, a CAGR of 78%, and our revenue increased from \$214 million for the year ended December 31, 2019 to \$2,551 million for the year ended December 31, 2022, a CAGR of 128%. Our recent rapid growth has also resulted in increased costs as we expanded our operations to scale our business and address increased customer demand.

Our recent rapid growth and related changes to our business and operations have been driven in part by the rapid evolution of the online grocery shopping industry, as well as the other retail categories in which we operate, which may not develop as we expect. In particular, our growth rate was impacted significantly by the increase in demand for online grocery shopping driven primarily by the COVID-19 pandemic, which led to significant demand for our offerings. However, our growth rates have decreased from what we experienced during the COVID-19 pandemic and subsequent variant outbreaks and may continue to decrease. The growth rates we experienced at and following the outset of the COVID-19 pandemic are not likely to recur, and the increased demand for our offerings and the growth of the online grocery industry as a whole that was generated by the effects of the pandemic has decreased since 2020 and could further decrease from current levels, as the circumstances that accelerated the growth of our business during the pandemic have subsided and continue to subside. For example, many consumers have returned to shop in-store for themselves or changed their online ordering habits, and such changes to consumer behavior may also cause retailers to reduce their engagement with Instacart if they perceive these changes to decrease the economic benefit they derive from partnering with us. See the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—COVID-19 Impact on Our Business.” Consumer shopping behavior has also been impacted, and may continue to be impacted, by macroeconomic trends, such as inflation and rising interest rates and any associated decrease in consumer discretionary income. For example, decreases in consumer discretionary income due to inflationary or recessionary economic pressures, as well as the cessation of government stimulus available during the COVID-19 pandemic, have adversely impacted customer retention and engagement. These macroeconomic factors have also resulted in customers purchasing fewer items per order and reduced demand for premium or discretionary grocery purchases, which has offset higher grocery prices due to inflation and may decrease average order values if and when prices normalize. Further, we have increased, and we expect to continue to increase, our sales and marketing campaigns and customer incentive initiatives to continue engaging existing customers and acquire new customers, which may initially reduce our revenue and profitability and may not be successful in growing our revenue or maintaining or increasing profitability. We also expect future trends in our revenue, margin, and profitability to vary in ways that we may not anticipate or predict, including as we experience shifts in revenue mix and customer preferences in fulfillment options, changes in consumer use cases (including as we introduce new use cases), and changes in average order value. These variations may be driven by external factors, such as the subsiding impact of the COVID-19 pandemic as well as macroeconomic conditions, such as inflation, and our strategic initiatives, such as investments in new technologies and offerings, the focus on increasing GTV from

Instacart+ members, and our strategic focus on further scaling our operations to improve our margin and profitability. New public health outbreaks may also result in temporary increases in demand for our offerings that may not be sustained once the outbreak is contained. Further, our margin and profitability may be negatively impacted during such periods if we do not adequately anticipate such demand to cost-effectively address the increase in customer activity, such as through shopper incentives. We cannot be certain whether we will drive greater engagement from new customers, retailers, or brands or maintain the current level of demand for our offerings over the long term, nor can we anticipate the degree of impact that the subsiding effects of the COVID-19 pandemic will have on the number of retailers, brands, or shoppers who are active on Instacart. Overall growth of our GTV and revenue depends in part on our ability to manage changes to our business and operations, in particular those changes driven by the COVID-19 pandemic, especially as its impact continues to subside. As a result of the foregoing, our recent growth rates and financial performance should not necessarily be considered indicative of our future performance and results of operations.

Our metrics, including GTV and revenue, may also decline or fluctuate in the future as a result of other factors, including macroeconomic factors, increasing competition, strategic initiatives, and the maturation of our business, among others. Overall growth of our GTV, revenue, margin, and profitability depends on a number of factors, including our ability to:

- attract new customers, retailers, brands, and shoppers, including through effective pricing of our offerings, and sustain and expand our relationships with existing customers, retailers, brands, and shoppers;
- accurately forecast our revenue and plan our operating expenses and investments for future growth;
- successfully compete with other companies that are currently in, or may in the future enter, the markets in which we compete, and respond to developments from these competitors such as pricing changes and the introduction of new services;
- hire, integrate, and retain talented sales, customer service, engineering, and other personnel;
- comply with existing and new laws and regulations applicable to our business;
- successfully expand in existing markets and enter new markets, including new geographies, adjacent retail categories, and new fulfillment methods;
- increase the adoption of our Instacart+ membership program to drive increased customer engagement;
- successfully launch new offerings and enhance Instacart and its features and use cases, including in response to new trends or competitive dynamics or the needs of customers, retailers, brands, and shoppers;
- increase the revenue generated by our Instacart Ads offerings;
- successfully identify and acquire or invest in businesses, products, or technologies that we believe could complement or expand our offerings;
- avoid interruptions or disruptions in our services;
- provide customers, retailers, brands, and shoppers with high-quality support that meets their needs;
- effectively manage growth of our infrastructure, personnel, and operations, particularly if our workforce becomes increasingly distributed as a result of our hybrid workforce model, which we refer to as our Flex First workforce model, that permits employees to elect to work remotely on an indefinite basis;
- effectively manage our costs related to our fulfillment methods; and
- maintain and enhance our reputation and the value of our brand.

As a result, you should not rely on our GTV, revenue growth rate, or other key business metrics for any prior quarterly or annual period as an indication of our future performance.

We also expect to continue to expend substantial financial and other resources to grow our business, and we may fail to allocate our resources in a manner that results in increased GTV or revenue growth or improved margin. In addition, the effectiveness of certain strategies that we have historically relied upon to drive growth in GTV and revenue, such as through attracting new retailers to our platform, have declined and may continue to decline as the scale of our business increases. If our GTV or revenue growth rates decline or our margin is negatively impacted, investors' perceptions of our business and the trading price of our common stock could be adversely affected.

***We have a history of losses, and we may be unable to sustain profitability or generate profitable growth in the future.***

We only recently began generating profit, with net income of \$428 million for the year ended December 31, 2022 (including a \$358 million tax benefit from the release of our valuation allowance on our deferred tax assets in the United States), and we have historically experienced significant net losses, including net losses of \$70 million and \$73 million for the years ended December 31, 2020 and 2021, respectively. As of December 31, 2022, we had an accumulated deficit of \$977 million. We will need to sustain or increase revenue while managing our costs to sustain or increase profitability.

Our ability to generate profit is highly impacted by growth in our diversified revenue streams and our ability to drive operational efficiencies in our business. For example, an important driver of our ability to sustain and increase profitability is the growth of our advertising solutions, the pace of which has fluctuated and may continue to fluctuate, including due to the adverse effects of unfavorable macroeconomic conditions, our ability to increase the number of brand partners and effectiveness of our advertising solutions and expand our brand partners' engagement and advertising volume on Instacart, and our ability to increase our engagement with existing customers and acquire new customers. Our efforts to maintain and increase our profitability may not succeed due to factors such as evolving consumer behavior trends in grocery shopping, including as the effects of the COVID-19 pandemic on demand for online grocery subside, the impacts of future public health outbreaks, customer engagement and retention, changes in our revenue mix, the costs associated with complying with evolving regulatory regimes, including costs associated with order fulfillment, collection and credit risks, our ability to hire and retain highly skilled personnel, unfavorable macroeconomic conditions, our ability to effectively scale our operations, and the continuing evolution of the online grocery industry, many of which are beyond our control.

Our ability to generate profit also depends on our ability to manage our costs. We have expended and expect to continue to expend substantial financial and other resources to:

- increase the engagement of customers, retailers, brands, and shoppers;
- drive adoption of Instacart through marketing and incentives and increase awareness through brand campaigns;
- enhance Instacart with new offerings, use cases, including Instacart Health and Instacart Business, fulfillment options, member benefits, such as waived delivery fees, lower service fees, and credit back on eligible pickup orders for Instacart+ members, and functionality, including through strategic investments and expanded technologies, such as Connected Stores; and
- invest in our operations to continue scaling our business to achieve and sustain long-term efficiencies.

These investments may contribute to net losses in the near term. We may discover that these initiatives are more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently to offset these expenses or realize the benefits we anticipate. Certain initiatives may also require incremental investments or recurring expenses and may not be accretive to revenue growth, margin, or profitability for a longer time period, if at all. Many of our efforts to increase revenue and manage operating costs are new and unproven given the unique and evolving complexities of our business and the evolving nature of the online grocery industry. Any failure to adequately increase revenue or manage operating costs could prevent us from

sustaining or increasing profitability. Expansion of our offerings to include new use cases, additional technologies, fulfillment options, additional geographic markets, or retail categories adjacent to grocery, may initially harm our profitability. For example, we may make concessions to retailers that are designed to maximize profitability in the long term but may decrease profitability in the short term. These retailer concessions negatively impact our revenue and financial results and the process for determining and quantifying the impact of these concessions requires judgment and estimates. As a result, the impact of retailer concessions on our financial results may continue into future periods or have higher impacts than we anticipate. We may also incur higher operating expenses as we implement strategic initiatives, including in response to external pressures such as competition, retailer consolidation, and evolving consumer behavior trends in grocery shopping, including as a result of the subsidizing effects of the COVID-19 pandemic. For example, our sales and marketing expenses as well as customer incentive costs have increased and may continue to increase in the near term. Additionally, we may not realize, or there may be limits to, the efficiencies we expect to achieve through our efforts to scale the business, reduce friction in the shopping experience, and optimize costs such as shopper earnings, payment processing, customer and shopper support, and shopper acquisition and onboarding costs. We will also face greater compliance costs associated with the increased scope of our business and being a public company.

Following the completion of this offering, the stock-based compensation expense related to our RSUs and other outstanding equity awards will result in significant increases in our expenses in future periods, which we expect to result in net losses in certain quarters over the near term and may negatively impact our ability to sustain profitability or generate profitable growth in the future. In particular, in the quarter in which this offering is completed, we will recognize approximately \$2.6 billion of stock-based compensation expense associated with the satisfaction of the liquidity event-based vesting condition for outstanding RSUs and shares of outstanding restricted stock, for which the service-based and/or market-based vesting conditions have been fully or partially satisfied on or before August 15, 2023. As such, we expect to incur a net loss for the quarter and year in which this offering is completed, primarily as a result of recognition of this stock-based compensation amount.

We may encounter unforeseen operating expenses, difficulties, complications, delays, and other factors, including as we expand our business, execute on strategic initiatives, and navigate macroeconomic uncertainty and any future public health concerns or outbreaks, which may result in losses or a failure to generate profitable growth in future periods.

As such, due to these factors and others described in this “Risk Factors” section, we may not be able to sustain profitability or generate profitable growth in the future. If we are unable to sustain or increase profitability, the value of our business and the trading price of our common stock may be negatively impacted.

***We have a limited history operating our business at its current scale, scope, and complexity in an evolving market and economic environment, which makes it difficult to plan for future operations and strategic initiatives, predict future results, and evaluate our future prospects and the risks and challenges we may encounter.***

We significantly scaled and expanded our business and operations in 2020, 2021, and the first half of 2022, largely in response to the effects of the COVID-19 pandemic, which has led to unprecedented usage of our offerings from new and existing customers and significant changes to the online grocery industry. Accordingly, we have limited experience in, and data and results from, operating our business at its current scale, scope, and complexity and in a rapidly evolving market and economic environment. We also have limited data from, and experience operating our business in, the post-COVID-19 environment and cannot fully predict how businesses, consumers, shoppers, or our partners, including retailers and advertisers, will operate in this environment. As a result, our ability to plan for future operations and strategic initiatives, predict future results of operations, and plan for and model future growth in revenue and expenses and prospects is subject to significant risk and uncertainty as compared to companies with longer and more consistent operating histories and in more stable macroeconomic environments and industries. In particular, we face risks and challenges relating to our ability to, among other things:

- accurately forecast our revenue and budget for and manage our expenses;

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- attract new customers, retailers, brands, and shoppers and retain or increase the engagement of existing customers, retailers, brands, and shoppers in a cost-effective manner;
- comply with existing and new laws and regulations applicable to our business;
- plan for and manage capital expenditures;
- anticipate and respond to macroeconomic changes and changes in the markets in which we operate;
- maintain and enhance the value of our reputation and brand;
- effectively manage our growth as the market for online grocery shopping continues to evolve;
- successfully expand our geographic reach;
- hire, integrate, and retain talented people at all levels of our organization; and
- successfully maintain and enhance Instacart and our technology infrastructure for customers, retailers, brands, and shoppers.

Any predictions about our future revenue and expenses may not be as accurate as they would be if we had a longer history operating our business at its current scale, scope, and complexity, operated in a more predictable market or regulatory environment, or had more certainty regarding levels of demand for our offerings. We have limited experience operating our business at its current scale but without the demand levels driven by the COVID-19 pandemic and its variant outbreaks, and our future growth will depend heavily on our ability to successfully execute on our strategic initiatives without these factors. For example, as we expanded our business to address increased demand stemming from the COVID-19 pandemic, we introduced new features, use cases (such as convenience and prepared meals), fulfillment options (such as pickup and priority), and functionalities in our offerings, and made strategic investments in new technologies and initiatives, such as Connected Stores. We have also invested heavily in Instacart Ads and grew our number of brand partners. In addition, we have recently invested in new strategic initiatives such as Instacart Health and Instacart Business to expand the scope of our business. Our future growth depends on the perceived value of our expanded offerings as a whole to retailers, customers, shoppers, and brand partners, as well as our ability to balance the effects of various strategic initiatives, including our focus on further scaling our operations to improve our margin and profitability. For example, as we promote Instacart+ to customers to increase customer loyalty and order volume, we may experience lower average order value from such customers. We have limited experience operating this expanded business model and may not be able to accurately predict and plan for the impacts it may have on our growth rates, revenue mix, margin and profitability, as well as outside factors that may impact our business model, such as changes in consumer shopping behavior, retailer preferences, competition, and macroeconomic factors.

Our limited history and experience operating our current business may also negatively impact our ability to plan strategic investments and initiatives to further expand our business and offerings, including to support our retail partners, brand partners, shoppers, and customers, certain of which may require significant capital expenditures and future operating expenses that may be difficult to forecast. In addition, existing and future operational and strategic initiatives may have lengthy return on investment time horizons, such as brand marketing campaigns and new marketing and consumer awareness strategies. As a result, we will not be able to adequately assess the benefits of such initiatives until we have made substantial investments of time and capital, resulting in high opportunity costs. The online grocery industry and competitive landscape also continue to evolve, which will require us to address shifting competitive pressures and further stresses our ability to plan for operational and strategic initiatives and forecast our future results of operations. We are also devoting significant resources to bolster our capacity and information technology infrastructure, financial and accounting systems and controls, sales and marketing and engineering capabilities, and operations and support infrastructure, as well as to retain, manage, and train employees in geographically dispersed locations to service new and existing customers. We may not successfully accomplish any of these objectives in a timely manner or at all.

We are currently operating in a more volatile macroeconomic environment due to inflation, rising interest rates, instability in the banking system, and other conditions, and we have limited experience operating our

business at its current scale in such an environment or in economic recessions. The principal inflationary factors affecting our business are higher prices of products offered by retail partners through Instacart, including due to higher raw material costs, shipping and freight costs, higher fuel prices that are borne by our partners, and reductions in consumer discretionary spending. Higher retailer prices, resulting in increased grocery costs, reduced consumer discretionary spending, and reductions of EBT SNAP benefit allotments offered by government authorities, negatively impact consumer demand for online grocery as consumers return to in-store shopping to save on service and delivery fees and also reduce order frequency, drive lower order volume, and impact average order values. As a result, we have experienced and may continue to experience lower GTV and orders as well as impacts to average order values, which negatively impact our revenue and margin. These reductions in consumer spending power may continue to be offset by the increase in GTV and average order values that commenced in the second half of 2022 due to higher grocery prices as a result of inflation, but this offsetting effect may dissipate if and when grocery prices begin to normalize. These factors and the magnitude of their effects are expected to cause our average order value to continue fluctuating over the near term. In addition, actual or perceived risk of an economic recession has and may continue to result in customers reducing their spend on more premium products, and our brand partners have reduced and may continue to reduce their overall advertising budgets, either of which may harm our revenue and margin. Customers have also reduced and may continue to reduce the number of items purchased overall, which has produced fulfillment efficiencies in the short term but may harm our revenue, margin, and profitability if and when inflationary pressures subside. We may also not be able to fully offset higher costs through operational efficiencies and/or price increases, and while certain of our new offerings are focused on value and affordability, these initiatives will not fully offset pricing challenges faced by customers and general negative impacts of inflationary pressures. Increased fuel prices as a result of supply chain and other macroeconomic factors may also result in fewer shoppers or reduced shopper activity. While we have previously implemented certain shopper incentives in response to these factors, persistent or increased shopper shortages may require us to reintroduce or further increase shopper incentives to ensure sufficient shoppers are available to meet demand or provide additional customer incentives or refunds due to shopper delays or incorrect orders, which have historically occurred and reduce our revenue and profitability. An economic recession may exacerbate any of these factors and introduce new challenges to our business, which we may not be able to adequately anticipate and plan given our limited experience operating our business at its current scale. Certain of our longer-term strategic initiatives may also be obstructed or have unintended effects in the event of an economic recession, which we may not be able to predict.

You should consider and evaluate our prospects in light of the risks and uncertainties frequently encountered by growing companies in rapidly evolving markets, in particular, markets that are or could be materially impacted by significant regulatory changes, global pandemics, and economic recessions such as the online grocery industry. If our assumptions regarding the risks and uncertainties that we consider in planning and operating our business are incorrect or change, or if we do not address these risks and uncertainties successfully, including due to the lack of historical data from and experience in operating our business at its current scale, scope, and complexity as well as the evolution of our business and the online grocery industry driven by impacts of the COVID-19 pandemic and the subsiding effects of the COVID-19 pandemic on demand for online grocery, or other factors, our results of operations could differ materially from our expectations, and our business, financial condition, and results of operations could be adversely affected.

***If we fail to cost-effectively acquire new customers or increase the engagement of our existing customers, including through effective marketing strategies, our business would be harmed.***

The growth of our business is dependent upon our ability to continue to grow our offerings by cost-effectively increasing our engagement with existing customers and acquiring new customers. If we fail to do so, the value of our offerings will be diminished, and we may have difficulty attracting and engaging retailers and brands. The number of customers and their level of engagement on Instacart may decline materially or fluctuate as a result of many factors, including, among other things:

- dissatisfaction with the operation of, or pricing on, Instacart, including our customer support services;

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- the actual or perceived quality of service provided by shoppers, such as picking the wrong item, making a poor substitution for out-of-stock items, failing to deliver items on a timely basis or at all, or customers having negative experiences in their interactions with shoppers, particularly during demand surges;
- macroeconomic uncertainty, inflation, rising interest rates, supply chain challenges, cessation of government stimulus available during the COVID-19 pandemic, and actual or perceived risk of economic recession;
- cost of using Instacart, including customer fees, compared to in-store shopping or other alternatives;
- the actual or perceived quality of service, quality, pricing, and availability of products provided by retailers;
- the breadth and variety of retailers that are available to customers on Instacart, including retailers with whom we have a limited or informal arrangement for availability on Instacart;
- future public health outbreaks, or a future outbreak of disease or similar public health concern, as well as a return to pre-COVID shopping behavior;
- negative publicity related to our brand, including as a result of safety incidents and other events;
- actual or perceived public policy positions;
- failure to maintain good relationships with shoppers resulting in fewer shoppers available for customers, particularly during peak demand; or
- dissatisfaction with the user experience on our platform, new and current offerings, or changes we make to our offerings.

Although we believe that many customers originate from word-of-mouth customer acquisition and other non-paid referrals, we expect to continue to expend resources for customer acquisition and engagement, including through offering discounts and running promotions, all of which could impact our overall profitability. We have recently experienced and may continue to experience decreases in new customer acquisition rates and customer cohort retention, particularly among our customer cohorts acquired during the COVID-19 pandemic and variant outbreaks. These decreases are due to a variety of factors, including, to a large extent, the subsiding impact of the COVID-19 pandemic and variant outbreaks on demand for online grocery as well as macroeconomic uncertainty, actual or perceived risks of economic recession, cessation of government stimulus, and inflation. Other factors may include the increasing initial size of our customer cohorts as our business scales and the increasing demographic diversity of our customer base. As a result, we have increased and may continue to increase our customer acquisition spend, including incentives, paid marketing, and brand marketing campaigns to acquire new customers and increase the engagement of our existing customers, which may harm our margin and profitability and our efforts to drive efficiencies in our operating expenses. If we are not successful in our marketing efforts, we may not be able to retain our existing customers or convert first-time customers, including those using customer incentives such as discount promotions, into customers who regularly use and engage with our offerings. We may also fail to achieve or maintain sufficient customer engagement with our platform due to inflationary or recessionary economic pressures that result in decreases in consumer discretionary income, particularly as government stimulus provided in connection with the pandemic ends, as well as other shifts in consumer shopping behaviors. As the effects of the COVID-19 pandemic and its variants subside, including the cessation of government stimulus, it is increasingly important to our business and its ability to grow for consumers to perceive long-term value from Instacart versus in-store shopping or less costly alternatives, particularly for lower income consumers. Further, we may not be able to accurately assess the effectiveness of our marketing campaigns and strategies in acquiring new customers or increasing existing customer engagement for several periods. The effectiveness of our marketing strategies may also be obfuscated due to temporary or periodic external factors, such as future public health outbreaks, macroeconomic factors, and changes in the regulatory landscape. Further, we have limited experience designing and conducting large scale brand marketing campaigns and consumer awareness strategies in the context of the evolving online grocery industry and competitive landscape and shifting consumer preferences. Failure to effectively design and conduct such campaigns and strategies may negatively

impact our ability to acquire new customers and increase engagement with existing customers, which would harm our revenue growth and business. Even if we are successful in attracting new customers or reengaging customers that have stopped using Instacart, such customers may have overall decreased engagement with Instacart or total spend, including due to macroeconomic factors such as higher inflation, a shift toward lower GTV or margin use cases such as convenience or pickup orders, and the subsiding effects of the COVID-19 pandemic. Consumers also have different grocery needs and preferences depending on demographics, and these priorities may shift as they age. We face heavy competition for consumers in certain demographics, including those in younger age groups who prioritize use cases, features, and fulfillment options that are different from customers in older age groups, such as convenience and specific product categories, as well as those in different income groups who may prioritize value over convenience or selection. If we do not successfully address the current and future needs of consumers in different demographics, primarily certain age and income groups, including through brand marketing campaigns and introduction and promotion of relevant use cases, features, fulfillment options, and other functionalities, we may be unable to attract new customers or increase engagement with existing customers. In addition, we may also experience increased customer churn, including to competitors, which would harm our business and revenue.

Many customers initially access Instacart to take advantage of certain promotions, such as discounts and other reduced fees. We strive to demonstrate the value of our offerings to such customers, thereby encouraging them to access Instacart regularly or subscribe to Instacart+, through prompts, notifications, and reduced fees or time-limited trials of Instacart+ and other offerings. However, these customers may be lower intent users of Instacart with reduced engagement or total spend compared to customers that we acquire organically, may never convert to paying Instacart+ members, or may discontinue using Instacart after they take advantage of our promotions. Further, our initiatives to retain customers, such as encouraging them to subscribe to Instacart+ or providing additional use cases and fulfillment options, may result in negative impacts to other metrics. For example, an increase in Instacart+ orders, changes in product categories shopped, reduced spend on more premium or discretionary products, or a shift toward convenience, priority, or rapid delivery orders, may result in a decrease in average order value. Such shifts may also negatively impact certain retailers' actual or perceived benefit from engaging with Instacart. We may also fail to retain customers, or experience reduced demand for our services, due to negative impacts to our reputation and brand, including due to complaints and negative publicity about us, our offerings, or our competitors, even if factually incorrect or based on isolated incidents. For example, if we are unable to increase shopper availability during demand surges, including due to inclement weather or future public health outbreaks, customers may experience delays in receiving orders or incorrect order fulfillment, which may harm our brand and reputation. In addition, inventory shortages at our retail partners' stores, which are not within our control, may also negatively impact consumers' perception of our offerings. In particular, disruptions in the global supply chain, including those resulting from labor shortages, closures of manufacturing facilities, transportation restrictions and limitations, war and international conflicts, and increased demand for certain consumer products, have limited, and may continue to limit, the ability of our retail partners to obtain products, maintain stock of such products in a timely and cost-efficient manner, and otherwise respond to consumer demands. Although we do not carry product inventory, and as a result, we are not directly impacted by supply chain disruptions, product shortages have resulted in, and may continue to result in, higher rates of out-of-stock items and delivery delays by shoppers, which have resulted in, and may continue to result in, more customer cancellations and redeliveries and overall customer dissatisfaction.

We regularly provide potentially dissatisfied customers with appeasement credits and refunds as well as incentives for future orders, which measures are intended to counteract any reputational harm and maintain customer satisfaction but are accounted for as direct reductions to our transaction revenue. These negative impacts to our revenue have harmed, and may continue to harm, our margin and results of operations, and the related customer dissatisfaction negatively impacts customer retention and engagement as well as our ability to continue growing our GTV, orders, and Instacart+ adoption. These negative impacts particularly harm our ability to engage with and retain customers in demographic groups that are historically less prevalent on Instacart, such as lower income customers, who may attribute less value to Instacart compared to alternatives



due to these negative impacts. Efforts to reduce the overall costs associated with these appeasement credits and refunds, including by reducing appeasement credits and refunds generally, may also create reputational harm and impact our ability to attract or retain customers. Failure to retain existing customers or acquire new customers may also harm our relationships and commercial arrangements with retailers and brand partners as well as our ability to attract new retailer and brand partners. Past and future increases in the fees that we charge our customers may also reduce overall engagement by our customers or negatively impact new customer acquisition. If we are not able to continue to expand our customer base or fail to retain or drive greater engagement of customers or increase demand for our full-price or paid services, such as Instacart+, while balancing the interests of other constituents on Instacart, our revenue may grow slower than expected or decline, and our margin may be negatively impacted.

***The success of our business is dependent on our relationships with retailers. The loss of one or more of our retail partners or reduction in their engagement with Instacart could harm our business.***

In order to attract and expand our relationships with consumers, brands, and shoppers, we must attract new retailers and maintain our relationships with existing retailers. Consumers have strong preferences for their favorite retailers due to the trust these brands have created over generations, and our ability to increase consumer and brand adoption of Instacart depends on our ability to maintain our retail partners and maintain or increase their adoption of our offerings.

Our ability to attract and retain retailers depends on our ability to generate revenue for them. Retailers will not continue to do business with us if they do not believe that partnering with Instacart will generate a competitive return relative to other alternatives, including from our competitors. Retailers have in the past chosen, and could continue to choose, to partner with other online grocery platforms (exclusively or otherwise) or develop or acquire their own online grocery platforms, in either case in a specific geographic market or overall. Retailers may also choose to develop, acquire, or partner with other companies (exclusively or otherwise) for access to products and offerings for specific use cases, fulfillment options, features, or technologies, such as brand advertising and retail media platforms, prepared meals, shopping cart or checkout technologies, and others. Our future growth depends in part on our ability to not only engage new retailers but also to retain and expand existing retailer engagement with Instacart. However, retailers may decrease their engagement with Instacart based on factors which may not be within our control or whose impacts are difficult to predict. In particular, the COVID-19 pandemic, and related macroeconomic effects such as supply shortages and inflation, resulted in fluctuations in consumer shopping behaviors and preferences. For example, decreases in consumer discretionary income due to inflationary or recessionary economic pressures, as well as the cessation of government stimulus available during the COVID-19 pandemic, have impacted and may continue to impact average order values, have resulted in and may continue to result in decreased customer retention and engagement, and have reduced and may continue to reduce demand for premium or discretionary grocery purchases, which in each case may provide for less favorable economics for certain of our retail partners, including if we decide to increase fees as a result. An increase in retailer operating costs, or other deterioration in the financial condition of retailers, whether due to macroeconomics conditions (such as inflation) or otherwise, could cause retailers to raise prices, renegotiate contract terms, or cease operations, which we expect may influence our retailer fee terms. Further, as we expand our own offerings, changes in the mix of consumer engagement with our existing and new use cases, fulfillment options, features, and technologies, as well as any changes in online shopping behaviors, may also result in a decrease in engagement for certain retailers, due to less favorable economics or changes in retailers' strategic focus. We may not be able to accurately predict the extent of the impact of the factors above on our business and growth initiatives and resulting new trends in retailer strategies and preferences, including due to our limited experience in operating our business at its current scale, scope, and complexity and limited historical data regarding impacts of these factors, which may harm our revenue growth, margin, and results of operations.

We enter into services agreements with our retail partners that provide for service fees in exchange for providing access to our technology solution. We recognize revenue as a percentage of the total purchase value

from the sale of goods, a per transaction fee, the difference in price between amounts charged to customers for goods and the actual settlement price to the retailer for the goods, a license fee for the use of our technology platform, or a combination thereof. Payment by retailers is generally due immediately to 45 days upon receipt of invoice. Retailers may decide to not renew their agreements or ask to modify their agreement terms in a cost-prohibitive or strategically detrimental manner when their agreements are up for renewal, including in the near term, due to factors such as macroeconomic uncertainty, the impact of future public health outbreaks, dissatisfaction with existing or proposed terms in their service agreements, changes in customer shopping behavior and preferences on Instacart and among our use cases, fulfillment options, and other offerings. For example, we have modified, and may need to modify in the future, retailer fee arrangements to attract and retain retailers, modify payment processing arrangements, or make other changes that reduce our transaction revenue, in each case due to competition, retailer business downturns, lower average order values, and other factors. Retailers have in the past shifted away from exclusive arrangements with us for various reasons, including to partner with other or additional online grocery platforms, and additional retailers may decide to shift away from such arrangements in the future. Our inability to maintain our relationships with retailers on terms consistent with or better than those already in place and that are otherwise favorable to us could increase competitive pressure, impact grocery product and/or offering pricing, and otherwise adversely affect our business, financial condition, and results of operations. Retailer consolidation may also result in a decrease in or cessation of engagement with Instacart, or result in Instacart receiving less favorable contract terms with the consolidated entity. For example, Whole Foods Market, which was a significant retail partner in 2018, ceased using our services in May 2019 following its acquisition by Amazon.com, which operates its own online grocery platform. Retailers could also experience downturns or fail, including due to macroeconomic pressures, fail to adopt additional offerings or fulfillment methods, or cease using Instacart altogether for many reasons. The grocery industry has traditionally been slow to adopt new technologies, fulfillment options, and online enablement in general, including due to lack of confidence in the online grocery industry, preference for in-store shopping due to resulting organic shopping behaviors, or general resistance to adopting Instacart, and is typically characterized by comparatively lower margin and high cash needs. As a result, we have at times experienced, and may continue to experience, slower adoption and implementation of our offerings by our retail partners as well as retailer turnover. If we lack a sufficient variety and supply of retailers, or lack access to the most popular retailers, such that Instacart becomes less appealing to consumers and brands, our business may be harmed.

We currently generate significant GTV and revenue from a small number of retailers. Our top three retailers accounted for approximately 43% of our GTV for the years ended December 31, 2021 and 2022, as well as for the six months ended June 30, 2023. While GTV and revenue from our largest retail partners may decrease as a percent of our total GTV and revenue over time as we generate more GTV and revenue from other retailers, we believe that GTV and revenue from our largest retailers will continue to account for a significant portion of our GTV and revenue for the foreseeable future. If any of these retailers were to suspend, limit, or cease their operations or otherwise terminate their relationships with us, the attractiveness of Instacart to consumers and brands could be materially and adversely affected.

***We are still in the early stages of building our Instacart Ads offerings. If we fail to grow our advertising revenue, our business, financial condition, and results of operations would be negatively impacted.***

We are still in the early stages of building our Instacart Ads offerings and are continuing to grow and scale our advertising revenue model. Our agreements with brand partners provide that service fees are paid for continually promoting a brand during the duration of the term applicable to a given advertising campaign. Contracts applicable to a given advertising campaign are typically less than one year in duration. We recognize revenue in the amount that we have the right to invoice as advertising services are rendered, which occurs upon delivery of clicks for Sponsored Product ads, upon delivery of impressions, or over the contract term on a fixed fee basis for display ads. Payment for our advertising offerings is generally due 30 to 90 days upon receipt of invoice. Although we have significantly grown our advertising and other revenue and launched a number of new advertising capabilities in recent years, we are still optimizing and refining the execution of our growth strategy for our Instacart Ads offerings and face certain challenges associated with scaling such newer offerings. As such, there is no assurance that this advertising revenue model will

continue to be successful or that we will generate increasing advertising revenue, and the pace of expansion of our Ads offerings may fluctuate. To sustain or increase our advertising revenue, we must attract new brands and encourage existing brands to maintain or increase their advertising spend on Instacart given we do not typically have long-term commitments from brands. To do this, we must expand the number of markets where we offer advertising, attract new retailers and expand our relationships with existing retailers, acquire new customers and increase the engagement of existing customers, and increase the breadth and functionality of our advertising products to create more value for our brand partners, including new advertising formats, new measurement tools, increased brand awareness, and other capabilities to deliver attractive return on investment to brand partners. If we are unable or choose not to expand our advertising markets, develop or pursue innovative advertising models and offerings, or expand our relationships with more retailers, or if we are unable to acquire new customers or increase the engagement of existing customers, we may not be able to successfully grow our advertising and other revenue. In addition, our advertising and other investment rate may fluctuate, particularly if we generate more GTV growth from retailers' owned and operated online storefronts where we do not provide advertising, such as those utilizing Instacart API.

Changes to our advertising policies and privacy, data security, and data protection practices, laws, legislation, or regulations, or the regulatory enforcement thereof, may affect the products that we are able to provide to brands, which could harm our business. Actions by operating system platform providers or application stores such as Apple or Google may affect our offerings or services or how we collect, use, and share data from end-user devices in connection with Instacart Ads. For example, Apple implemented a requirement for applications using its mobile operating system, iOS, to affirmatively (on an opt-in basis) obtain an end user's permission to track user activity across apps or websites or access users' device advertising identifiers for advertising and advertising measurement purposes, as well as other restrictions. In addition, Google has announced that it will cease support for advertising cookies that permit the tracking of users across sites and applications and instead will introduce new advertising targeting solutions from its Privacy Sandbox. The long-term impact of these and other privacy and regulatory changes remains uncertain and may harm our growth, business, and profitability.

In addition, expenditures by brands tend to be cyclical, reflecting overall economic conditions and budgeting and buying patterns. Adverse macroeconomic conditions, including as a result of the COVID-19 pandemic, have also adversely affected the demand for advertising and caused brands to reduce the amounts they spend on advertising. For example, we have seen and may continue to see reduced demand for advertising from brands that are exercising caution with their spending budgets and either slowing or reducing their campaigns due to, among other things, macroeconomic uncertainty, including from inflation, rising interest rates, global supply chain disruptions, labor shortages, geopolitical events including the war in Ukraine, and reduced consumer confidence. These factors had a negative impact on our advertising revenue in 2022 and the first half of 2023, and such impact may continue in future periods. These factors may also negatively impact our ability to forecast our advertising revenue as the extent of the ongoing impact of these macroeconomic factors on our business and on global economic activity generally is uncertain and may continue to adversely affect our business, operations, and financial results. In addition, our brand partners' sales generated from digital marketing campaigns on Instacart may fail to meet their expectations, including as a result of decreases in GTV growth, which in turn may result in reductions in future brand partner digital marketing spend on Instacart and related decreases in advertising and other revenue in future periods. Our ability to sustain or increase profitability depends in part on our advertising revenue, and failure to maintain or grow our advertising revenue could harm our prospects, business, financial condition, and results of operations, as well as impact our ability to strategically lower fees and invest in larger marketing campaigns, new offerings, and select geographic expansions.

***The markets in which we participate are highly and increasingly competitive, with well-capitalized and better-known competitors, some of which are also partners. If we are unable to compete effectively, our business and financial prospects would be adversely impacted.***

The markets in which we compete are evolving rapidly and are highly competitive with increasing competitive pressure. Our business is complex and encompasses a number of offering types and fulfillment methods.

With respect to Instacart Marketplace, our current and potential competitors include, but are not limited to: (i) existing and well-established online grocery or shopping alternatives, including digital-first platforms, such as Amazon and Thrive Market, (ii) brick-and-mortar retailers that have their own digital and fulfillment offerings, such as Target and Walmart, some of which decide to partner with Instacart to complement their own offerings, (iii) companies that provide eCommerce and fulfillment services for third parties, including retailers, whether online or offline, such as DoorDash, Shipt (acquired by Target), and Uber Eats, (iv) digital-first platforms entering the grocery market by owning inventory, including DashMart (owned by DoorDash), Fresh Direct, Getir, and Gopuff, which may include existing retailers on Instacart, which could eventually eliminate their need to partner with us or limit their use of Instacart Marketplace, (v) companies that provide eCommerce and fulfillment services that focus on discrete categories of products, such as alcohol or prescription delivery, including Drizly (acquired by Uber), and (vi) companies that offer direct to consumer ingredient or meal offerings, such as Blue Apron or Misfits Market, some of which may partner with Instacart to complement their own offerings. Most consumers currently choose to shop for themselves at brick-and-mortar grocery stores, regardless of whether we partner with the retailers that operate these stores. Also, the cost to switch between providers of online grocery shopping is low for consumers, and consumers within various demographics have a propensity to shift to the lowest-cost or highest-quality provider and may use more than one delivery platform.

With respect to Instacart Enterprise Platform, our current and potential competitors include, but are not limited to: (i) companies that are focused on the online grocery enterprise services industry, as well as larger enterprise software companies that have products and services that provide retailers with some of the benefits we offer through Instacart Enterprise Platform, (ii) micro-fulfillment or automated warehouse providers that support grocery retailers' owned and operated offerings, such as Ocado, and (iii) existing and potential retailers on Instacart who develop or may in the future develop their own enterprise eCommerce system. In addition, our competitors include companies that provide point solutions for individual components of Instacart's eCommerce offering such as picking technology and retail media network solutions. Our competitors may also make acquisitions or establish cooperative or other strategic relationships among themselves or with others, including retailers. While there may be costs to switch between enterprise products, retailers may shift to the platform that offers the lowest service fee for their products and provides the highest volume of orders, or build their own. Our Instacart Enterprise Platform also includes in-store technology offerings, including Caper Carts, Scan & Pay, Lists, Carrot Tags and other in-store applications, which face competition from other retailer technology solution providers, such as Veeva.

With respect to Instacart Ads, our current and potential competitors include, but are not limited to: (i) third-party platforms that assist retailers with monetization of their digital offerings for consumers, such as CitrusAd (acquired by Publicis Groupe), Criteo, and Quotient, (ii) first-party retailer-owned solutions that provide online advertising opportunities to CPG brands on their owned and operated domains, such as Amazon, Target, Walmart, and others, some of which are also retailers on Instacart, (iii) companies that provide eCommerce and fulfillment services for third parties, including retailers, which currently offer or may in the future offer advertising products, such as DoorDash and Uber Eats, and (iv) companies that offer established online advertising products that are not specifically limited to the grocery industry, such as those offered by Amazon, Google, Meta, and Snap.

We also compete for shoppers with many of the same companies with which we compete for customers, as well as companies in industries unrelated to ours that offer personal task-based services. The majority of shoppers do not shop on Instacart as their primary occupation or source of income. As such, a shopper, or someone considering to be a shopper, weighs that opportunity against others, such as traditional employment, personal task-based services, school, personal time, or other options in the labor market. Because switching costs are low, shoppers may shift to another platform that has higher, or is perceived to have higher, earnings potential.

Further, while we work to expand further in the United States and Canada and potentially enter international markets, and introduce new offerings across a range of industries, many of our competitors remain focused on a limited number of products or on a narrow geographic scope, allowing them to develop specialized expertise and employ resources in a more targeted manner than we do. As we and our competitors introduce new offerings, and

as existing offerings evolve, we expect to become subject to additional competition. If we are unable to offer comparable or superior offerings, our business may be adversely affected. In addition, our competitors may adopt certain of our features, or may adopt innovations that consumers value more highly than ours, which would render our offerings less attractive or reduce our ability to differentiate our offerings.

Many of our competitors are well-capitalized and are able to offer discounted or free services, shopper incentives, consumer discounts and promotions, innovative products and offerings, and alternative pricing models, which may be more attractive to consumers, retailers, brands, or shoppers than those that we offer. In addition, we may not be able to effectively compete with service offerings from vertically integrated competitors, such as Amazon or Drizly, which control both the brick-and-mortar retailer and online fulfillment technology. Certain brick-and-mortar retailers that have their own digital offering, such as Walmart, also have significant size, scale, geographic, and shopper base advantages, which may allow them to grow online GTV or capture increasing share of the online grocery market more effectively and at a faster rate than us. Competitors may also offer fulfillment options from our retail partners, despite having no formal engagement with such retailers. Further, some of our current or potential competitors have, and may in the future continue to have, greater resources and access to larger consumer and shopper bases in a particular geographic area. In addition, our competitors in certain geographies enjoy substantial competitive advantages, such as greater brand recognition, longer operating histories, larger marketing budgets, better localized knowledge, and/or fewer regulatory challenges. Smaller competitors may be more nimble at anticipating and meeting changing market dynamics. As a result, such competitors may be able to respond more quickly and effectively than us in such markets to new or changing opportunities, technologies, consumer preferences, regulations, or standards, which may render our offerings less attractive. In addition, future competitors may share in the effective benefit of any regulatory or governmental approvals and litigation victories we may achieve, without having to incur the costs we have incurred to obtain such benefits.

For all of these reasons, we may not be able to compete successfully against our current and future competitors. Our inability to compete effectively would have an adverse effect on our ability to acquire new customers, retailers, and brand partners or increase the engagement of our existing customers, retailers, and brand partners, or would otherwise harm our business, financial condition, and results of operations. Third parties may also gather, collect, or infer sensitive information about us from public sources, data brokers, or other means that reveals competitively sensitive details about our organization and could be used to undermine our competitive advantage or market position.

***If we fail to cost-effectively engage shoppers on Instacart, or attract and retain shoppers, our business could be harmed.***

Shoppers pick and deliver goods to customers on Instacart. We enter into agreements with shoppers for them to provide fulfillment services to customers through Instacart and our technology. Our agreements with shoppers generally remain in effect until terminated by the shopper or by us. Shoppers may generally terminate their agreements with us at any time by providing us written notice and such agreements do not provide for any exclusivity.

If there are not enough shoppers on Instacart, customer orders may be late, may go unfulfilled, or may be incorrectly fulfilled, which would have a negative effect on those impacted customers and retailers and consequently on our business. If there are too many shoppers on Instacart, there may be an insufficient number of customers placing orders to keep shoppers occupied, engaged, and satisfied with their earnings potential on Instacart. If we are unable to attract shoppers on favorable terms or increase utilization of Instacart by existing shoppers, if we lose shoppers on Instacart, or if shoppers determine it is no longer economically worthwhile to provide services on Instacart due to factors that may be beyond our control, including the costs of gasoline, vehicles, or insurance, changes in consumer behaviors in grocery shopping (such as smaller order sizes), actual or perceived economic advantages of providing services with other companies that engage independent contractors, including our competitors, our growth objectives and our business and prospects could be seriously harmed.

The number of shoppers on Instacart could decline or fluctuate as a result of a number of factors, including shoppers choosing not to provide their services through Instacart as a result of being dissatisfied with their earnings potential, our pay model or changes to our pay model, changes to the terms of our independent contractor agreement, shopper incentives, our retail partners, having a poor experience on Instacart, or deciding to pursue other work opportunities. For example, shoppers may prefer to provide services through other companies that engage independent contractors if these companies provide benefits such as insurance or if shoppers simply prefer other app-based work opportunities, such as passenger transportation or restaurant delivery, for non-economic reasons. Many shoppers provide services part-time and have other independent contracting work or employment. Factors outside of our control, including macroeconomic factors, and improvements in labor markets, may cause shoppers to cease providing services on Instacart and become employees elsewhere. Shopper dissatisfaction has in the past resulted in shopper protests, coordinated shopper work stoppages, shoppers choosing not to provide their services through Instacart, and negative press. Any protests, work stoppages or refusals to provide services may result in interruptions to our business or negative publicity and may otherwise harm our business and reputation. While we have implemented strategic initiatives and commitments to bolster our reputation with shoppers in the past, and intend to continue implementing such initiatives and commitments in the future, there can be no assurance that these will be effective to retain shoppers and maintain or improve our reputation with shoppers.

From time to time, we have experienced, and expect to continue to experience, shopper shortages, often due to factors that are not within our control and which may be difficult to predict. We provide shoppers with significant flexibility in when, where, and how they wish to shop. Shoppers are also permitted to provide services on other app-based platforms. To the extent that we experience shopper shortages, we may need to provide or increase incentives to shoppers in order to attract them to Instacart, which would negatively impact our financial results. Our expectations and predictions for shopper needs and preferences may also be inaccurate or incomplete, including due to a lack of historical data for our current scale and scope of operations or due to consumer demand surges as a result of any future public health outbreaks. Under these circumstances, we may not be able to attract enough shoppers to fulfill orders in a timely manner even with shopper incentives. Consequently, if shopper shortages lead to the inability of customers to place orders through Instacart or to delayed or incorrect orders, we may lose customers to another online grocery platform or to other modes of shopping, particularly customers in certain demographic groups who have historically been less prevalent users of Instacart and are more difficult to engage or retain, which would harm our growth, profitability, and results of operations. Finally, the loss of customer orders due to a lack of shoppers to fulfill them or due to incorrect order fulfillment may reduce the perceived value of our offerings to retailers, who may in turn leave Instacart.

In addition, authorities have passed laws or adopted regulations, and may continue to do so in the future, requiring shoppers in the applicable jurisdiction to undergo a materially different type of qualification, training, licensure, screening, or background check process, which could be costly and time-consuming. These laws have also required us to, or may in the future require us to, fix minimum levels of compensation and provide certain benefits for shoppers, disclose additional details about orders, prices, and shopper earnings, and handle shopper account deactivation in a prescribed manner, which could force us to create new administrative processes and negatively affect our ability to attract and retain retailers, customers, or shoppers, as well as require us to share competitively sensitive information that may cause harm to our business. Court decisions interpreting or otherwise affecting such laws regarding shopper classification or shopper pay and benefits may also negatively affect our ability to attract and retain retailers, customers, or shoppers. Even if not costly or time-consuming, such changes could reduce the number of shoppers in those markets or extend the time required to recruit new shoppers to Instacart, which could adversely impact our growth, business, and results of operations.

Often, we are forced to balance tradeoffs between the satisfaction of various constituents on Instacart, as a change that one category views as positive may be viewed as negative to another category. For example, we take certain measures that are designed to protect against fraud, help increase safety, and prevent privacy and security breaches, such as imposing certain qualifications for shoppers and terminating access to Instacart for shoppers with reported incidents, that may be popular with consumers but may also damage our relationships with

shoppers or discourage or diminish their use of Instacart. Certain measures we take to incentivize shoppers, such as smaller windows for reducing tips after an order is complete, may be popular with shoppers but may also be viewed negatively by consumers who wish to have more flexibility over tipping. Further, increased shopper flexibility in when, where, and how to shop may result in shopper shortages during periods of peak demand, which may cause frustration with customers and retailers. If we do not adequately balance the tradeoffs among the various constituents on Instacart and continuously assess such tradeoffs in the context of prevailing market and competitive factors, our business may be harmed.

***The COVID-19 pandemic had a significant impact on our business, and there is uncertainty regarding its future impact and the impact of any future public health outbreaks on our business, operations, and the markets and communities in which we, consumers, retailers, brands, and shoppers operate.***

The COVID-19 pandemic had a significant impact on the markets and communities in which we and consumers, retailers, brands, and shoppers operate and resulted in significant changes in demand for our offerings and our business in general over a limited time period. The growth in the number of customers, retailers, brands, and shoppers, as well as usage by customers, of our offerings during the COVID-19 pandemic resulted in some temporary response delays and outages, which negatively impacted our business and operations. Additionally, operational changes at retailers, such as limiting hours of operations, the number of items that can be purchased, or the total number of individuals allowed in a store at any one time, impacted the ability of customers to place orders through Instacart and otherwise caused operational disruption and led to customer dissatisfaction. The COVID-19 pandemic also caused surges in demand for our offerings that resulted in shopper shortages despite the availability of shopper incentives that we provided. These shortages were at times exacerbated by periods of reduced shopper activity due to perceived risk of infection or health risk or renewed governmental restrictions and mandates. In response, we invested significant financial resources, including in the form of bonuses, higher earnings and additional benefits, and organizational efforts to address these technical and operational challenges. We also invested significant financial resources across our business operations to protect the health and safety of customers, shoppers, and employees, and had to significantly modify our operations and adjust our services and technology.

While these effects have subsided and continue to subside, the full extent to which the COVID-19 pandemic may continue to impact our business, results of operations, and financial condition will depend on future developments that are uncertain and cannot be accurately predicted. We cannot assure you that these effects will remain reduced in the future, including due to potential new public health outbreaks. We could face further operational disruptions and incur additional expenses in connection with future public health outbreaks, including expenses associated with our health and safety protocols and processes, that could adversely affect our business and results of operations. Further, due to the size, scope, and nature of our operations, which have significantly expanded since the start of the COVID-19 pandemic, the expenses we may need to incur to protect the health and safety of shoppers and certain of our employees may be higher than similar expenses that companies in other industries may need to incur. In addition, the larger scale and scope of our business and the prolonged impact of the COVID-19 pandemic on our business may make it difficult for us to predict how businesses, consumers, shoppers, or our partners, including retailers and advertisers, will operate in the post-COVID-19 environment. To the extent future public health outbreaks adversely affect our business and financial results, they may also have the effect of heightening many of the other risks described in this “Risk Factors” section.

***Mergers or other strategic transactions by competitors or retailers could weaken our competitive position and adversely affect our business.***

If one or more competitors or retailers were to merge, acquire, or partner with another competitor or retailer, the change in the competitive landscape could adversely affect our ability to compete effectively. For example, Uber acquired Postmates and Cornershop in 2020 and completed its acquisition of Drizly in 2021, all of which are competitors. Consolidation amongst major retail partners, such as the pending merger between Albertsons and Kroger, could impact contractual negotiations with such retail partners, result in lower utilization of our

products, or lead ultimately to termination of existing retailer engagements. In addition, our competitors may also establish or strengthen cooperative relationships with current or future retailers, brands, and other parties with whom we have relationships, which could limit our ability to promote our offerings to those retailers and reduce our number of customers. As a result of these and future potential acquisitions, current and future retailers may begin working more closely, or on an exclusive basis, with other competitors with whom they have combined or otherwise established new relationships. Disruptions in our business caused by these events could adversely affect our business and results of operations.

***The failure to achieve increased market acceptance of online grocery shopping and our offerings could seriously harm our business.***

The market acceptance of our offerings is critical to our continued success. Historically, consumers and retailers have been slower to adopt online grocery shopping than eCommerce offerings in other industries such as consumer electronics and apparel. Grocery is a complex market, and improving upon the consumer in-store experience through an online platform is difficult due to broad consumer demands on selection, quality, value, and convenience. Grocery shopping habits and related consumer preferences are complex and diverse across and within markets and across demographics and age groups. Changing traditional grocery shopping habits is difficult, and if consumers and retailers do not embrace the transition to online grocery shopping and connected shopping experiences as we expect, our business and operations could be harmed. The amount of influence we may have over these shopping habits and preferences, and the methods at our disposal to exercise such influence (including marketing and incentives), may be limited, and we are dependent on external influences over shopping habits, such as public health incidents and inclement weather, and macroeconomic factors such as inflationary pressures. In particular, shopping habits and preferences vary between younger and older consumers, consumers across different income groups, and among other demographic characteristics, and to be successful, we need to effectively increase market acceptance across all age, income, and other demographically different groups by increasing brand awareness and focusing marketing efforts on relevant habits and preferences. Moreover, even if more consumers begin to shop for groceries online, if we are unable to address their changing needs, or the evolving needs of retailers or brands, and anticipate or respond to market trends and new technologies in a timely and cost-efficient manner, we could experience decreased adoption, increased customer churn and lose the support of retailers and brands, any of which would adversely affect our business and results of operations. Demand for our offerings is also affected by a number of factors beyond our control, including macroeconomic conditions, initiatives by retailers to influence shopping behavior, continued market acceptance of our offerings, the timing of development and release of new offerings and features by us and our competitors, technological change, brand recognition, and growth or contraction in our markets. If we fail to achieve increased market acceptance of our offerings, our business could be seriously harmed.

***We expect a number of factors to cause our results of operations and operating cash flows to fluctuate on a quarterly and annual basis, which may make it difficult to predict our future performance.***

Our results of operations could vary significantly from quarter to quarter and year to year because of a variety of factors, many of which are outside of our control. As a result, comparing our results of operations on a period-to-period basis may not be meaningful. In addition to other risk factors discussed in this section, factors that may contribute to the variability of our quarterly and annual results include:

- our ability to accurately forecast revenue and appropriately plan our expenses;
- macroeconomic pressures, such as inflation and supply chain disruptions;
- the impact of future public health threats on our business;
- the subsiding effects of the COVID-19 pandemic on demand for online grocery;
- revenue and fulfillment option mix shifts as we enhance Instacart with new offerings, use cases, and functionality;



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- timing of the recognition of our deferred revenue;
- timing of strategic investments and expenditures;
- fluctuations in operating expenses, including cost of revenue, as we seek to improve efficiencies, comply with changing regulatory requirements, and expand our business, offerings, and technologies;
- changes to financial accounting standards and the interpretation of those standards, which may affect the way we recognize and report our financial results;
- the effectiveness of our internal controls;
- the seasonality of our business; and
- our ability to collect payments from retailers and brands on a timely basis.

The impact of one or more of the foregoing and other factors may cause our results of operations to vary significantly. In particular, we experienced substantial growth stemming from the increased demand for online grocery driven primarily by the COVID-19 pandemic and have also made significant changes to our business, including through scaling our operations to meet the increased demand and implementing new business and product initiatives, which have impacted our expenses and margin. These historical shifts and trends are not necessarily indicative of our future performance and may obscure longer term trends in our business and results of operations. Relatedly, even as the circumstances that accelerated the growth and evolution of our business subside, we may experience sudden periods of high demand and related increased costs due to future public health outbreaks. Our business also continues to be impacted by adverse macroeconomic conditions and lingering effects of the COVID-19 pandemic, such as inflation and supply chain issues. As such, for these and other factors stated above, quarter-to-quarter and year-over-year comparisons of our results of operations may not be meaningful and should not be unduly relied upon as an indication of future performance.

Our operating cash flows may fluctuate significantly from period to period as a result of new initiatives and the timing of payments made to and/or received from retailers, shoppers, and vendors. In particular, certain transaction types, such as those involving EBT SNAP benefits and alcohol sales, have resulted and may continue to result in longer collection cycles. For example, in the second half of 2021, we experienced longer collection cycles due to the larger volume of EBT SNAP and alcohol transactions. Additionally, we make substantial weekly payments to shoppers on Tuesdays for services delivered on Instacart. As a result, we expect our reported cash and cash flows from operating activities to be impacted based on the day of the week of each reporting period. Additionally, due to the timing of funding to a certain payment card issuer, we may experience an increase in short-term liabilities based on the day of the week of each reporting period. Due to this timing, our cash flows from operating activities may not be directly comparable from period to period.

### ***Seasonality may cause fluctuations in our sales and results of operations.***

We experience seasonality in both the number of orders and GTV on Instacart, as well as in our advertising and other revenue. We typically see lower levels of order volume growth in the second quarter and a portion of the third quarter resulting from lower usage of our offerings during the spring and summer months, followed by higher levels of order volume growth in the second half of the year during the back-to-school period and holiday season. Our rapid growth and the impact of the COVID-19 pandemic have made, and may in the future make, seasonal fluctuations difficult to detect, and future public health outbreaks may obscure future seasonality trends. In addition, during periods of inclement weather, the number of available shoppers generally decreases, while the number of orders from customers may increase, which may disrupt or obscure typical seasonal trends and make seasonal fluctuations difficult to detect. In addition, our advertising and other revenue has historically been seasonally high in the fourth quarter and seasonally low in the first quarter in a given year as a result of how advertisers deploy their budgets. Seasonality will likely cause fluctuations in our financial results on a quarterly basis. We expect these seasonal trends to become more pronounced over time if our growth slows. Moreover, other seasonal trends may develop or these existing seasonal trends may become more extreme, and the existing

seasonality and customer and shopper behavior that we experience may change or become more significant, which would contribute to fluctuations in our results of operations.

***If we or the third parties we rely on experience a security incident or unauthorized parties otherwise obtain access to or alter customers' or shoppers' data, our systems or data, our partners' data, or Instacart, Instacart may be perceived as not being secure, and we may experience adverse consequences, including but not limited to regulatory investigations or actions, litigation, fines and penalties, disruptions of our business operations; reputational harm, loss of revenue or profits, loss of customers or sales, and other adverse consequences.***

Operating our business and platform involves the collection, use, storage, transmission, and other processing of sensitive, proprietary, and confidential information, including personal information of customers, shoppers, and personnel, our proprietary and confidential information, and the confidential information of partners including retailers and brands. Security incidents compromising the confidentiality, integrity, and availability of this information and our systems (or those of third parties upon which we rely) could result from a variety of evolving threats including but not limited to cyber-attacks, computer malware (including as a result of advanced persistent threat intrusions), malicious code (such as viruses and worms), social engineering (including spear phishing and ransomware attacks), denial-of-service attacks (such as credential stuffing), credential harvesting, supply-chain attacks, software bugs, server malfunctions, software or hardware failures, efforts by individuals or groups of hackers and sophisticated organizations, security vulnerabilities in the software or systems on which we rely, the malfeasance or error of our personnel (such as through theft or misuse), loss of data or other information technology assets, adware, telecommunications failures, earthquakes, fires, floods, and other similar threats.

Threat actors, nation-states, and nation-state-supported actors now engage, and are expected to continue to engage, in cyber-attacks, including for geopolitical reasons and in connection with military conflicts and operations. Due to the current geopolitical environment, we and the third parties upon which we rely are at heightened risk of these attacks, including cyber-attacks that could materially disrupt our systems and operations, supply chain, and ability to produce, sell, and distribute our goods and services. In particular, severe ransomware attacks are becoming increasingly prevalent and can lead to significant interruptions in our operations, loss of sensitive data and income, reputational harm, and diversion of funds. Extortion payments may alleviate the negative impact of a ransomware attack, but we may be unwilling or unable to make such payments due to, for example, applicable laws or regulations prohibiting such payments.

We also rely on a number of third parties to operate our critical business systems and process confidential and personal information, such as the payment processors that process customer credit card payments, cloud service providers, and customer care centers. Our ability to monitor these third parties' information security practices is limited, and these third parties may themselves inappropriately access such confidential and personal information or may not have adequate security measures and could experience a security incident that compromises the confidentiality, integrity, or availability of the systems they operate for us or the information they process on our behalf, which could harm our reputation or adversely affect our business. If our third-party service providers experience a security incident or other interruption, we could experience adverse consequences. These supply chain attacks have increased in frequency and severity and we cannot guarantee that our service providers' infrastructure or that the infrastructure of any partners of our service providers have not been compromised. While we may be entitled to damages if our third-party service providers fail to satisfy their privacy or security-related obligations to us, we cannot be certain that our applicable contracts with these third parties will adequately limit our data security-related liability to them or be sufficient to allow us to obtain indemnification or recovery from them for data security-related liability that they cause us to incur.

Remote work has become more common per our Flex First workforce model and has increased risks to our information technology systems and data, as more of our employees utilize network connections, computers, and devices outside our premises or network, including working at home, while in transit and in public locations. For example, technologies in our employees' and service providers' homes may not be as robust as in our offices and

could cause the networks, information systems, applications, and other tools available to employees and service providers to be more limited or less reliable than in our offices. Further, the security systems in place at our employees' and service providers' homes, or other remote work locations, may be less secure than those used in our offices, and while we have implemented technical and administrative safeguards to help protect our systems as our employees and service providers work remotely, we may be subject to increased cybersecurity risk, which could expose us to risks of data or financial loss, and could disrupt our business operations. There is no guarantee that the privacy, data security, and data protection safeguards we have put in place will be completely effective or that we will not encounter risks associated with employees and service providers accessing company data and systems remotely. Additionally, future or past business transactions (such as acquisitions or integrations) have exposed and may in the future expose us to additional cybersecurity risks and vulnerabilities, as our systems could be negatively affected by vulnerabilities present in acquired or integrated entities' systems and technologies. Furthermore, we may discover security issues that were not found during due diligence of such acquired or integrated entities, and it may be difficult to integrate companies into our information technology environment and security program.

Security incidents have occurred in the past, and may occur in the future, resulting in unauthorized, unlawful, or inappropriate access to, inability to access, disclosure of, or loss of the sensitive, proprietary and confidential information that we handle. For example, we have experienced in the past, and could experience in the future, credential stuffing or other types of attacks in which malicious third parties use credentials compromised in data breaches suffered by other companies or otherwise improperly obtain credentials to access accounts on Instacart. While we employ security measures designed to prevent, detect, and mitigate the potential for harm to our users from the misuse of user credentials on our network, these measures may not be effective in every instance.

Cybercrime and hacking techniques are constantly evolving, and we or the third parties we work with may be unable to anticipate attempted security breaches, react in a timely manner, or implement adequate preventative measures, particularly given increasing use of hacking techniques designed to circumvent controls, avoid detection, and remove or obfuscate forensic artifacts. If we, or the third parties we rely on, suffer, or are perceived to have suffered, a security breach or other security incident, we may experience a loss of customer confidence in the security of Instacart and damage to our brand, reduced demand for our offerings, and disruption of normal business operations. Such an incident may also require us to spend material resources to investigate and correct the issue and to prevent recurrence, expose us to legal liabilities, including litigation, regulatory enforcement, and indemnity obligations, and adversely affect our business, financial condition, and results of operations. Further, applicable privacy, data security, and data protection obligations may require us to notify relevant stakeholders of security incidents. Such disclosures are costly, and the disclosure or the failure to comply with such requirements could lead to adverse consequences. These risks are likely to increase as we continue to grow and process, store, and transmit increasingly large amounts of data. Our contracts may not contain limitations of liability, and even where they do, there can be no assurance that limitations of liability in our contracts are sufficient to protect us from liabilities, damages, or claims related to our privacy, data security, and data protection obligations. We cannot be sure that our insurance coverage will be adequate or sufficient to protect us from or to mitigate liabilities arising out of our privacy, data security, and data protection practices, that such coverage will continue to be available on commercially reasonable terms or at all, or that such coverage will pay future claims. We also cannot assure you that any security measures that we or the third parties we rely on have implemented will be effective against current or future security threats, despite taking measures designed to protect the security of the confidential and personal information under our control.

***Interruptions or performance problems, including failure to ensure accessibility, associated with our offerings and technology capabilities may adversely affect our business, financial condition, and results of operations.***

Our business and future growth prospects depend in part on the ability of our existing and potential customers and shoppers to access our offerings and technology capabilities at any time and within an acceptable amount of time. Instacart is built upon a complex system composed of many interoperating components and

incorporates software that is highly extensive. Our software, including open source software that is incorporated into our code, may now or in the future contain undetected errors, bugs, or vulnerabilities. Some errors in our software code may only be discovered after the code has been released, and we have in the past released, and may in the future release, new software that inadvertently causes interruptions in the availability or functionality of Instacart. Bugs or errors in our software, including open source software that is incorporated into our code, misconfigurations of our systems, and unintended interactions between systems have in the past and could in the future result in our failure to comply with certain federal, state, or foreign reporting obligations, cause downtime that would impact the availability of our service to customers, retailers, brands, or shoppers, cause incorrect calculations relating to the payments we make to or fees we receive from or charge to customers, retailers, brands, or shoppers, or create vulnerabilities in our systems which bad actors may exploit to perpetrate fraud or otherwise harm our business. We have from time to time found defects or errors in our system and may discover additional defects or errors in the future that could result in platform unavailability or system disruption. In addition, we have experienced, and may in the future experience, disruptions, outages, and other performance problems due to a variety of other factors, including infrastructure changes, introductions of new functionality, human errors, capacity constraints due to an overwhelming number of customers accessing our offerings and technology capabilities simultaneously, website hosting disruptions, interruptions to business and operations due to malicious actors utilizing bots or other automated means to access Instacart, denial of service attacks, or other security-related incidents. In addition, retailers have experienced these issues, which have impacted the ability of customers and shoppers to place and fulfill orders with those retailers. These events have resulted and may continue to result in losses in revenue including through increased fraud activity and issuing appeasement credits and refunds as well as incentives for future orders to impacted customers. System failures in the future could result in significant losses of revenue, including due to losses of customers or retailers due to perceived weaknesses in our systems and protective measures. In addition, the affected party could seek monetary recourse from us for their losses, and such claims, even if unsuccessful, would likely be time-consuming and costly for us to address. Further, in some instances, we may not be able to identify the cause or causes of these performance problems or adequate remedies within an acceptable period of time.

It may become increasingly difficult to maintain and improve our performance, especially during peak usage times and as our offerings and technology capabilities become more complex and customer traffic increases. When our offerings and technology capabilities are unavailable or customers or shoppers are unable to access our offerings and technology capabilities within a reasonable amount of time or at all, we have experienced and may in the future experience a loss of customers, retailers, brands, or shoppers, lost or delayed market acceptance of Instacart and our offerings, delays in payment to us by retailers, injury to our reputation and brand, regulatory inquiries, legal claims against us, and the diversion of our resources. In addition, to the extent that we do not effectively address capacity constraints, upgrade our systems as needed, and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, financial condition, and results of operations may be adversely affected. We also rely on systems, including third-party systems, to deliver incentives and communications to customers and shoppers. Failure to properly configure these systems has previously had a negative impact on our business and may adversely impact our business in the future.

***If we are not able to continue to introduce new features or offerings successfully and to make enhancements to existing offerings, our ability to grow and operate our business could be adversely affected.***

Our ability to attract new customers, retailers, brands, and shoppers and increase revenue from existing customers, retailers, and brands depends in large part on our ability to enhance and improve our existing offerings and to introduce new features or offerings. To grow our business and be competitive, we must develop offerings, features, and functionality that reflect the constantly evolving nature of technology and the needs of consumers, retailers, brands, and shoppers. The success of these and any other enhancements or developments depend on several factors, including their timely introduction and completion, sufficient demand, and cost effectiveness. It is difficult to accurately predict consumer, retailer, brand, or shopper adoption of new features or offerings, and related shifts in consumer shopping behavior, as well as our recent rapid growth and limited experience in operating our business at its current scale, scope, and complexity. Such uncertainty limits our ability to predict our future results of operations and subjects us to a

number of challenges, including our ability to plan for and model future growth. If we cannot navigate such uncertainties or are unable to successfully develop new features or offerings or to enhance our existing offerings or otherwise overcome technological challenges and competing technologies to gain market acceptance, then our business and results of operations will be adversely affected.

Our ability to develop new offerings, features, and functionality to meet industry demands is important to remaining attractive to consumers, retailers, brands, and shoppers, and if we fail to continue to successfully innovate, we could lose existing customers, retailers, brands, and shoppers, which could impact our growth and results of operations. We are building and improving machine learning models and other technological capabilities to drive improved customer and shopper experience, as well as efficiencies in our operations, such as optimized payment processing, customer service, shopper acquisition and onboarding, automated key support workflows, and batching, picking, and routing algorithms to help shoppers work more efficiently and with greater accuracy in fulfilling orders. While we expect these technologies to lead to improvements in the performance of our offerings and operations, including inventory prediction and customer traffic prediction and management, any flaws or failures of such technologies could cause interruptions or delays in our service, which may harm our business. For example, failure to accurately collect retailer catalog information, which drives item pricing and availability, or reflect changes to those files in our systems could result in significant losses of revenue. We are increasing our investment in product development and hiring and retaining highly skilled engineering personnel to support these efforts, but such investments may not be effective in maintaining or improving the experience for customers, shoppers, or retailers or provide a positive return on investment. Moreover, we may make these investments and other business decisions that reduce our short-term financial results if we believe that the decisions are consistent with our goals to improve our offerings, which we believe will improve our financial results over the long term. These decisions may not be consistent with the short-term expectations of our stockholders and research analysts covering us and may also not produce the long-term benefits that we expect, in which case our growth, business, financial condition, and results of operations could be adversely affected. In addition, technological innovation in the online grocery industry from our competitors or other third parties, such as automation or next-generation fulfillment, could render our offerings less desirable or obsolete.

We have incorporated and may continue to incorporate additional artificial intelligence and machine learning, or AIML, solutions into our platform, offerings, services, and features, including those based on large language models, and these applications may become more important to our operations or to our future growth over time. We expect to rely on AIML solutions to help drive future growth in our business, but there can be no assurance that we will realize the desired or anticipated benefits from AIML or at all. We may also fail to properly implement or market our AIML solutions. Our competitors or other third parties may incorporate AIML into their products more quickly or more successfully than us, which could impair our ability to compete effectively and adversely affect our results of operations. Additionally, our offerings based on AIML may expose us to additional lawsuits and regulatory investigations and subject us to legal liability as well as brand and reputational harm. For example, if the content, analyses, or recommendations that AIML applications assist in producing are or are alleged to be deficient, inaccurate, or biased, or infringe on third-party intellectual property rights, our business, financial condition, and results of operations may be adversely affected. Additionally, the use of AIML applications has resulted in, and may in the future result in, cybersecurity incidents that implicate the personal data of end users of such applications. Any such cybersecurity incidents related to our use of AIML applications could adversely affect our reputation and results of operations. AIML also presents emerging ethical issues and if our use of AIML becomes controversial, we may experience brand or reputational harm.

***We are making substantial investments to expand our offerings and technologies to capitalize on new and unproven business opportunities and expect to increase such investments in the future. These new ventures are inherently risky, and we may never realize any expected benefits from them.***

We have made substantial investments to expand our offerings and technologies to capitalize on new and unproven business opportunities, including new fulfillment options, expansion into retail categories outside of grocery, strategic initiatives such as Instacart Health and Instacart Business, the development of hardware

products, and automated, AI, and machine learning-enabled technologies. We intend to continue investing significant resources in developing these technologies, tools, initiatives, features, and offerings that we believe will enable our success in new markets or areas of business and/or strengthen our core business. For example, we have expanded our offerings to retailers in categories adjacent to the grocery industry, including alcohol, pharmacy, electronics, beauty, and home improvement. We have also recently launched Connected Stores, a suite of in-store technologies, including artificial intelligence-powered shopping carts and customer checkout solutions, offered to our retail partners. If we do not spend our development budget efficiently or effectively on commercially successful and innovative technologies or ventures, or if we are unable to timely introduce and commercialize such offerings, we may not realize the expected benefits of our strategy. These initiatives also have a high degree of risk, as they involve nascent industries and unproven business strategies and technologies with which we have limited or no prior development or operating experience. Because these initiatives are new, they may involve claims and liabilities, expenses, regulatory challenges, and other risks, some of which we cannot currently anticipate. Certain initiatives may also involve committed incremental investments or payments over long periods of time before they become accretive to our revenue or margin, and if they never become accretive, we may be contractually obligated to make payments or incur expenses in connection with initiatives for an extended period without sufficient, or any, economic or financial benefit. For example, we have entered into warehouse leases in connection with our Carrot Warehouses offering, which involve upfront lease payment commitments and upfront capital expenditures. Further, our development efforts with respect to new offerings and technologies could distract management from current operations and divert capital and other resources from our more established offerings and technologies. For example, the design, development, manufacture, and distribution of hardware products produced by Caper is a new line of business for us that will require continued investment in operating expenses, headcount, and executive time and attention.

Producing and offering hardware products will also involve new or heightened risks to our business, such as manufacturing and inventory risks resulting from supply chain disruptions, user safety risks and additional expenses resulting from product defects. Although we believe these investments will improve our financial results over the long term, they may negatively impact our short-term financial results, which may be inconsistent with the short-term expectations of our stockholders. Moreover, there can be no assurance that consumer, retailer, or brand demand for such initiatives will exist or be sustained at the levels that we anticipate, or that any of these initiatives will gain sufficient traction or market acceptance to generate sufficient revenue to offset any new expenses or liabilities associated with these new investments. It is also possible that offerings developed by others will render any new offerings noncompetitive or obsolete. Even if we are successful in expanding our offerings or technologies to enter new markets or areas of business, regulatory authorities may subject us to new rules or restrictions in response to our innovations that could increase our expenses or prevent us from successfully deriving value from these offerings or technologies. For example, our Instacart Health offering may subject us to rules governing the use and processing of health information, such as the Health Insurance Portability and Accountability Act, as amended by the Health Information Technology for Economic and Clinical Health Act, or collectively HIPAA, and regulatory requirements for interacting with health plans, government benefit programs, nonprofits, and other players in the healthcare space. If we do not realize the expected benefits of these investments, our business, financial condition, and results of operations may be harmed.

***Our marketing efforts to help grow our business may not be effective, and failure to effectively develop and expand our sales and marketing capabilities could harm our ability to increase and engage our customer base and achieve broader market acceptance of our offerings.***

Promoting awareness and driving adoption of our offerings is important to our ability to grow our business, and attracting and engaging new customers, retailers, brands, and shoppers can be costly. Our consumer marketing efforts currently include, without limitation, digital performance marketing that includes search, programmatic, and social; customer relationship management, or CRM, based marketing that includes push notifications, text messaging, email marketing, linear television, audio, and shopping ads; and co-marketing efforts with retailers, payment providers, and brands. To drive existing customer reengagement, we also utilize

targeted promotions including time-limited free delivery offers and coupons. For shoppers, we reach them primarily through digital performance marketing and through in-app prompts. Our marketing initiatives may become increasingly expensive, and we may fail to generate a meaningful return on these initiatives, if at all. For example, we have incurred increased expenditures on our marketing and customer incentive initiatives as the circumstances that accelerated the growth of our business stemming from the effects of the COVID-19 pandemic subside, which have and may continue to have an effect on revenue and may harm our profitability in the near term. We also have limited experience conducting broad brand marketing campaigns and other marketing initiatives given the current scale, scope, and complexity of our business. Even if we successfully increase revenue as a result of our paid marketing efforts, it may not offset the additional marketing expenses we incur. Our marketing campaigns may also be long-term endeavors, and we may not be able to accurately assess the success of these campaigns for several periods. If our marketing efforts to help grow our business are not effective, we expect that our business, financial condition, and results of operations would be adversely affected.

***If we fail to maintain and enhance our brand, our ability to engage or expand our base of customers, retailers, brands, and shoppers will be impaired and our business, financial condition, and results of operations may suffer.***

Maintaining and enhancing our reputation as a differentiated and category-defining company is critical to attracting and expanding our relationships with customers, retailers, brands, and shoppers. The successful promotion of our brand and the market's awareness of our offerings will depend on a number of factors, including our marketing efforts, ability to continue to develop our offerings, and ability to successfully differentiate our offerings from competitive offerings. We expect to invest substantial resources to promote and maintain our brand, but there is no guarantee that our brand development strategies will enhance the recognition of our brand or lead to increased sales. The strength of our brand will depend largely on our ability to provide quality services at competitive prices. Brand promotion activities may not yield increased revenue, and even if they do, the increased revenue may not offset the expenses we incur in promoting and maintaining our brand and reputation. In order to protect our brand, we also expend substantial resources to register and defend our trademarks and to prevent others from using the same or substantially similar marks. Despite these efforts, we may not always be successful in protecting our trademarks, and we may suffer dilution, loss of reputation, or other harm to our brand. If our efforts to cost-effectively promote and maintain our brand are not successful, our results of operations and our ability to attract and engage customers, partners, and employees may be adversely affected. Further, even if our brand recognition and customer loyalty increase, this may not yield increased revenue for us.

Unfavorable publicity regarding Instacart, shoppers, customer service, or privacy, data security, and data protection practices could also harm our reputation and diminish confidence in, and the use of, our services. Fear of loss of customers or lack of customer adoption due to poor service quality or negative customer or shopper reviews or press may make retailers reluctant to join or remain on Instacart. The same negative network effects could occur as a result of trust and safety or fraud incidents. The loss of customers or retailers due to poor shopper performance or a trust and safety incident caused by a shopper, customer, or third party could harm our business. In addition, negative publicity related to marketing partners or key brands that we have partnered with may damage our reputation, even if the publicity is not directly related to us. If we fail to maintain, protect, and enhance our brand successfully or to maintain loyalty among customers, retailers, brands, and shoppers, or if we incur substantial expenses in unsuccessful attempts to maintain, protect, and enhance our brand, we may fail to attract or increase the engagement of customers, retailers, brands, and shoppers, and our business, financial condition, and results of operations may suffer.

***If we fail to offer high-quality support, our ability to attract and engage customers and shoppers could suffer.***

Customers and shoppers rely on our support personnel to resolve issues and realize the full benefits that Instacart provides. High-quality support to both customers and shoppers is also important for the expansion of Instacart's use by our existing customers. The importance of our support function will increase as we expand our business and pursue new customers. We rely in part on support personnel and contractors in countries outside of the United States, and

government actions in those countries such as curfews have in the past and could in the future slow down our systems and ability to timely respond to customer and shopper issues. If we do not help customers and shoppers quickly resolve issues and provide effective ongoing support, our ability to maintain and expand our revenue from existing and new customers could suffer, as well as our reputation with existing or potential customers.

***Our pricing methodologies are impacted by a number of factors and ultimately may not be successful in attracting and engaging customers, retailers, brands, and shoppers. Future changes to our pricing model could adversely affect our business.***

Demand for our offerings is highly sensitive to a range of factors, including our strategies relating to the amount of potential earnings required to attract shoppers, incentives paid to shoppers, and the fees we charge retailers, brands, and customers. Many factors, including operating costs, legal and regulatory requirements, constraints or changes, supply chain issues, the price sensitivity of consumers in different income groups or other demographics, inflation, and our current and future competitors' pricing and marketing strategies, could significantly affect our pricing strategies. There can be no assurance that we will not be forced, through competition, regulation, or otherwise, to reduce the price of delivery for customers, increase the incentives we pay to shoppers that utilize Instacart, reduce the fees we charge retailers or brands, or increase our marketing and other expenses to attract and increase the engagement of customers, retailers, brands, and shoppers in response to competitive, regulatory, and other external pressures. For example, certain of our competitors offer, or may in the future offer, lower-priced or a broader range of offerings, including subscription offerings for bundled services. We may need to spend significant amounts on marketing and both customer and shopper incentives to deploy innovative and novel pricing and incentive strategies to retain or attract new customers and shoppers. We have launched, and may in the future launch, new pricing strategies and initiatives, such as subscription offerings like Instacart+, and customer or shopper loyalty programs, or modify existing pricing methodologies or pricing models, due to a variety of reasons, including to address changes in the market for our offerings as competitors introduce new offerings and features or in response to regulatory or other legal challenges, any of which may not ultimately be successful in attracting and engaging customers, retailers, brands, or shoppers. We also offer retailers tools and products, including through our Eversight business, to enable them to optimize online pricing and promotions strategies. If these solutions fail to generate improved results for retailer sales, retailers may choose to not use such solutions. If these solutions negatively impact consumer price perception, our brand reputation and our ability to attract and retain customers could be harmed. The increasing complexity of our pricing models and related expansion of our business may also require us to update our internal systems for invoicing retailers or brands or incur costs to remediate errors or disputes in existing invoices.

Further, consumers' price sensitivity may vary by geographic location, and as we expand, our pricing methodologies may not enable us to compete effectively in these locations. In particular, if we were to continue expanding internationally, we may be required to change our pricing strategies and to adjust to different cultural norms, including with respect to consumer pricing and gratuities. While we do and will attempt to set prices based on our prior operating experience and customer, retailer, brand, and shopper feedback and engagement levels, our assessments may not be accurate or there may be errors in the technology used in our pricing, and we could be underpricing or overpricing our services. In particular, we have limited experience pricing our offerings in the post-COVID-19 environment and at the current scale, scope, and complexity of our business. As a result, our historical data and operating experience may be insufficient to adequately inform our future pricing strategies for changing market environments. In addition, if the services on Instacart change, then we may need to revise our pricing methodologies. Changes to any components of our pricing model may, among other things, result in customer dissatisfaction, lead to a loss of customers on Instacart, and seriously harm our business.

***If customers, retailers, brands, shoppers, or other third parties using Instacart engage in, or are subject to, criminal, violent, inappropriate, or dangerous activity, it could have an adverse impact on our reputation, business, financial condition, and results of operations.***

We are not able to control or predict the actions of customers, retailers, brands, shoppers, and other third parties, either during their use of Instacart or otherwise, and we may be unable to protect or provide a safe



environment for constituents on Instacart as a result of criminal, violent, inappropriate, or dangerous actions by any such parties. Such actions have historically resulted, and may in the future result, in injuries, property damage, or loss of life for customers, retailers, brands, shoppers, and other third parties, as applicable, or business interruption, brand and reputational damage, or significant liabilities for us. Certain events, including incidents of criminal behavior, episodes of civil unrest, or the imposition of curfews, may impact retailers, which in turn may impact the ability of shoppers to provide services to customers through Instacart. With respect to shoppers, although we administer certain qualification processes for shoppers on Instacart, including one or more general identification, criminal background, department of motor vehicle, and/or motor vehicle record checks on shoppers through third-party service providers prior to engagement, these qualification processes and background checks may not expose all potentially relevant information and are limited in certain jurisdictions according to national and local laws and availability of records. Moreover, our third-party service providers may fail to conduct such background checks adequately or disclose information that could be relevant to a determination of eligibility. We have in the past received, and we expect to continue to receive, complaints from shoppers, customers, retailers, and other third parties, as well as actual or threatened legal action against us related to shopper, customer, retailer, and other third party conduct.

If shoppers or individuals impersonating shoppers or customers engage in criminal activity, fraud, including identify theft, use of stolen or fraudulent credit card data, misconduct, or inappropriate conduct or use Instacart as a conduit for criminal activity, or we fail to identify or detect, or experience delays in identifying or detecting such activity or events, our offerings may not be viewed as safe, and we may receive negative press coverage as a result, which would adversely impact our brand, reputation, and business. We have in the past experienced, and may experience in the future, inappropriate conduct and criminal activity by certain shoppers or other bad actors, including fraudulent uses of credit cards, exploitation of vulnerabilities in our or our partners' software, social engineering attacks to gain access to customer and shopper accounts, as well as fraudulent use of our payment card programs. This conduct has in the past involved, and may in the future involve, coordinated and complex fraud schemes that are difficult to detect and prevent. Given their complexity, such schemes have in the past persisted, and future schemes may also persist, for lengthy periods prior to detection. As a result of these fraudulent schemes, we have in the past been, and may in the future be, liable for orders facilitated on Instacart with fraudulent credit card transactions, even if the associated financial institution approved the credit card transaction. In addition, even if we are not contractually required to do so, we have historically provided retailers with business concessions for related losses in certain cases and may provide additional concessions as a result of future schemes. These retailer concessions and any liability we otherwise face from such inappropriate or fraudulent conduct negatively impact our revenue and financial results. In addition, the process for quantifying the amount of financial losses from these fraudulent schemes may be lengthy, in part due to their complexity and, if the fraudulent activity occurs through systems controlled by our partners, we may be unable to remediate or prevent this activity in a timely manner or at all due to limitations in, or our ability to, interact with such systems. As a result, the impact of such schemes on our financial results may continue into future periods or have higher impacts to our financial results than we anticipate, even following their termination. Our failure to adequately detect, address, or prevent fraudulent transactions could harm our reputation or brand, result in litigation or regulatory action, result in errors in our financial statements that could result in corrections to or restatements of our historical financial statements, cause delays in the preparation and filing of our periodic reports as well as failures to meet our reporting and other obligations as a public company, and lead to expenses that could adversely affect our business, financial condition, and results of operations. If other criminal, inappropriate, or other negative incidents occur due to the conduct of customers, retailers, brands, shoppers, or other third parties, our ability to attract customers, retailers, brands, and shoppers may be harmed, and our reputation, business, and financial results could be adversely affected.

Public reporting or disclosure of reported safety information, including information about safety incidents reportedly occurring on or related to Instacart, whether generated by us or third parties, such as media or regulators, may adversely impact our business and financial results.

Further, we may be subject to claims of significant liability based on traffic accidents, deaths, injuries, or other incidents that are caused by shoppers, customers, or third parties while using Instacart, or even when shoppers, customers, or third parties are not actively using Instacart. On a smaller scale, we may face litigation related to claims by shoppers for the actions of customers or third parties. We carry insurance for such incidents, including automobile liability and general liability insurance, although such policies do not cover all claims to which we are exposed and are not always adequate to indemnify us for all liability. Although shoppers are required to carry their own insurance policies, including automobile insurance, they may fail to acquire adequate coverage or any coverage at all. As a result, we may be subject to liability for incidents involving shoppers that our insurance policies may not cover or the cost of our policies may increase. These incidents may subject us to liability and negative publicity, which would increase our operating costs and adversely affect our business, financial condition, results of operations, and future prospects. Even if these claims do not result in liability, we will incur significant costs in investigating and defending against them and may suffer reputational harm regardless of legal outcomes. As we expand into other products and offerings, this insurance risk will grow.

***The impact of economic conditions, public health incidents, weather events, and natural catastrophes, including the resulting effect on consumer spending, may harm our business and results of operations.***

Our results of operations may vary based on the impact of changes in our industry or the economy on us and consumers, retailers, brands, and shoppers. Negative conditions in the general economy both in the United States and abroad, including conditions resulting from the COVID-19 pandemic or other public health threats, the military conflict involving Russia and Ukraine and economic sanctions imposed on Russia and Belarus, bank failures, changes in gross domestic product growth, financial and credit market fluctuations, international trade relations, political turmoil, weather events, and natural catastrophes, including warfare and terrorist attacks on the United States or elsewhere, could adversely affect our liquidity and financial condition as well as demand for our offerings and the growth of our business. In particular, we generate a significant proportion of our GTV from a limited number of geographical markets. If such negative conditions disproportionately affect these markets, the demand for our offerings and the growth of our business may be more severely impacted. In addition, these events and any impact of these events on critical infrastructure in the United States and elsewhere, have the potential to disrupt our business and the business of our retail partners and brand partners, as well as the ability of shoppers using Instacart to complete deliveries. Such disruptions may create additional costs for us to maintain or resume operations and may also negatively affect the growth of our business.

Our results of operations are impacted by the amount of disposable income that consumers have to spend on online grocery shopping. Actual or perceived risks of an economic recession and recent inflationary pressures have adversely impacted consumer disposable income and resulted in decreased customer retention and engagement as well as reduced demand for premium or discretionary grocery purchases. In addition, in response to adverse economic conditions or a decrease in discretionary income, consumers may opt to purchase groceries or other consumer goods themselves, instead of through Instacart, or choose to purchase groceries from bargain or other lower-cost retailers that are not on Instacart. If spending at many of the retailers in our network declines, or if a significant number of these retailers goes out of business, consumers may be less likely to use our service, which could harm our business and results of operations. Customers may also reduce their spending on Instacart due to decreases in discretionary income, leading to lower average order values, which could cause our retail partners to reduce or cease engagement with Instacart.

In addition, increases in food, labor, fuel, energy, supply, and other costs have caused our retail partners to raise prices and may cause further price increases in the future. Factors such as inflation, the impact of climate change, increased food costs, increased labor and employee benefit costs, increased rent costs, and increased energy costs may also increase retailers' operating costs. Many of the factors affecting retailers' costs are beyond the control of our retail partners. In many cases, these retailers may not be able to pass along these increased costs to consumers and, as a result, may reduce product offerings or cease operations. Additionally, if retailers continue to raise prices, customer order volume may decline. Further, increases in gas prices or other factors that increase the costs to operate motor vehicles could make it prohibitively expensive for shoppers to deliver to customers.

***Our workforce and operations have grown substantially since our inception, and we expect to continue expanding the scale of our operations. If we are unable to effectively manage that growth, our financial performance and future prospects will be adversely affected.***

Since our inception, we have experienced rapid growth in the United States and Canada, with particularly rapid growth in 2020 and 2021 due to increased demand during the COVID-19 pandemic. This expansion increased the complexity of our business and has placed, and will continue to place, significant strain on our management, personnel, operations, systems, technical performance, financial resources, and internal financial control and reporting functions. We may not be able to manage our growth effectively, which could damage our reputation and negatively affect our results of operations.

As our operations have expanded, we have grown from 2,216 full-time employees as of December 31, 2020 to 3,486 full-time employees as of June 30, 2023. While the pace of our headcount expansion has slowed, we may continue to grow our number of employees in order to meet our business plans or comply with regulatory changes. Our organizational structure will continue to evolve as we add additional customers, retailers, brands, shoppers, employees, offerings, and technologies, improve upon our product infrastructure, and as we continue to expand further domestically and internationally. Properly managing our growth will require us to continue to hire, train, and manage qualified employees and staff, including engineers, operations personnel, financial and accounting staff, and sales and marketing staff, and to improve and maintain our technology. If our new hires perform poorly, if we are unsuccessful in hiring, training, managing, and integrating these new employees and staff, or if we are not successful in retaining or increasing the productivity of our existing employees and staff, our business may be harmed. Additionally, certain units of employees may decide to unionize, in which case, we would be legally compelled to enter into good faith negotiations with the union representative over a collective bargaining agreement. Such negotiations or collective bargaining agreement may negatively impact our financial performance or results of operations. Furthermore, if we engage in workforce reductions, we may experience increased attrition beyond the intended reduction, reduced employee morale, as well as negative impacts to employee recruiting and retention and to our operations, our ability to grow our business, and our financial results. Properly managing our growth will require us to establish consistent policies across regions and functions, and a failure to do so could likewise harm our business. If we are unable to expand our operations, appropriately manage our headcount and retain and increase the productivity of our existing employees, or attract sufficient shoppers in an efficient manner, or if our operational technology is insufficient to reliably service customers, customer satisfaction will be adversely affected, and this may cause customers to switch to our competitors' platforms, which would adversely affect our business, financial condition, and results of operations.

Our failure to upgrade our technology or network infrastructure effectively to support our growth could result in unanticipated system disruptions, slow response times, or poor experiences for customers. To manage the growth of our operations and personnel and improve the technology that supports our business operations, as well as our financial and management systems, disclosure controls and procedures, and internal control over financial reporting, we will be required to commit substantial financial, operational, and technical resources. In particular, we will need to improve our transaction processing and reporting, operational and financial systems, procedures, and controls. Our current and planned personnel, systems, procedures, and controls may not be adequate to support our future operations. We will require additional capital and management resources to grow and mature in these areas. Such investments may also require diversion of financial resources from other projects, such as the development of Instacart and related offerings. If we are unable to manage our rapid growth effectively, it could have a material adverse effect on our business, results of operations, and financial condition.

***We depend on highly skilled personnel to grow and operate our business, and if we are unable to hire, retain, and motivate our personnel, we may not be able to grow effectively.***

Our success and future growth depend largely upon the continued services of our management team. From time to time, there may be changes in our executive management team resulting from the hiring or departure of these personnel, due to voluntary termination of employment, illness, death, disability, or otherwise. Our

executive officers are employed on an at-will basis, which means they may terminate their employment with us at any time. The loss of one or more of our executive officers, including due to a leave of absence for medical reasons or otherwise, or the failure by our executive team to effectively work together or with our employees and lead our company, could harm our business. We also are dependent on the continued service of our existing software engineers because of the complexity of our offering capabilities. We do not maintain key man life insurance with respect to any member of management or other employee.

In addition, our future success will depend, in part, upon our continued ability to identify and hire skilled personnel with the skills and technical knowledge that we require, including engineering, software design and programming, marketing, sales, and other key personnel, and our business plans and growth may depend on hiring a significant number of additional employees. Such efforts will require significant time, expense, and attention as there is intense competition for such individuals, and new hires require significant training and time before they achieve full productivity, particularly in new sales segments and territories. In addition to hiring new employees, we must continue to focus on developing, motivating, and retaining our best employees, most of whom are at-will employees. If we fail to identify, recruit, and integrate strategic personnel hires, our business, financial condition, and results of operations could be adversely affected. Further, inflationary pressure may result in employee attrition to the extent our compensation does not keep up with inflation. Additionally, the failure to continue hiring new, or the loss of any significant number of our existing engineering personnel could harm our business, financial condition, and results of operations. These risks pertaining to the recruitment, retention, development, motivation, and productivity of our employees may persist or be heightened if our workforce becomes increasingly distributed as a result of our Flex First workforce model. We may need to invest significant amounts of cash and equity to attract and retain new employees, and we may never realize returns on these investments. If we hire employees from competitors or other companies, their former employers may attempt to assert that these employees or we have breached various legal obligations, resulting in a diversion of our time and resources. In addition, prospective and existing employees often consider the value of the equity awards they receive in connection with their employment. If the perceived value of our equity awards declines or experiences significant volatility (including as valuations of companies comparable to us decline due to overall market trends, inflation, and related market effects or otherwise), or increases such that prospective employees believe there is limited upside to the value of our equity awards, it may adversely affect our ability to recruit and retain key employees or result in us granting additional equity awards, which would result in additional stock-based compensation expense and further dilution to our stockholders. If we are not able to effectively add and retain employees, our ability to achieve our strategic objectives will be adversely impacted, and our business and future growth prospects will be harmed.

***If we cannot maintain our company culture as we grow, our business and competitive position may be harmed.***

We believe our culture has been a key contributor to our success to date and that the critical nature of the offerings that we provide promotes a sense of greater purpose and fulfillment in our employees. Any failure to preserve our culture could negatively affect our ability to retain and recruit personnel, which is critical to our growth, and to effectively focus on and pursue our corporate objectives. As we grow and develop the infrastructure of a public company, we may find it difficult to maintain these important aspects of our culture. In addition, we may find it difficult to maintain our company culture if our employees elect to work remotely on an indefinite basis as permitted by our Flex First workforce model. Remote work may negatively impact employee morale and productivity and may also harm collaboration and innovation. If we fail to maintain our company culture, our business and competitive position may be harmed.

***We are exposed to collection and credit risks, which could impact our results of operations.***

Our accounts receivable are subject to collection and credit risks, which could negatively impact our results of operations and affect our liquidity and our ability to fully fund our ongoing operations. Retailers are generally obligated to pay our fees within 45 days of invoicing, and brands are generally obligated to do so within 30 to 90 days. In times

of economic recession or uncertainty or as a result of any disruptive event such as instability in the banking system or future public health outbreaks, the number of retailers or brands that default on payments owed to us may increase. In addition, our results of operations may be impacted by significant bankruptcies among retailers or brands, which could negatively impact our revenue and cash flows. We cannot assure you that our processes to monitor and mitigate these risks will be effective. If we fail to adequately assess and monitor our collection and credit risks, we could experience longer payment cycles, increased collection costs, and higher bad debt expense, and our business, financial condition, and results of operations could be harmed.

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

The estimates of market opportunity and forecasts of market growth included in this prospectus may prove to be inaccurate. Market opportunity estimates and growth forecasts included in this prospectus are subject to significant uncertainty and are based on assumptions and estimates that may not prove to be accurate, including the risks described herein. Even if the market in which we compete achieves the forecasted growth, our business could fail to grow at a similar rate, if at all.

The variables that go into the calculation of our market opportunity are subject to change over time, and there is no guarantee that any particular number or percentage of addressable consumers, retailers, or brands covered by our market opportunity estimates will purchase our offerings at all or generate any particular level of revenue for us. Any expansion in our market depends on a number of factors, including the cost, performance, and perceived value associated with our offerings and those of our competitors. Accordingly, the forecasts of market growth included in this prospectus should not be taken as indicative of our future growth.

***Acquisitions, strategic investments, partnerships, collaboration or commercial arrangements, or alliances could be difficult to identify, pose integration challenges, divert the attention of management, disrupt our business, dilute stockholder value, and adversely affect our business, financial condition, and results of operations.***

Our success will depend, in part, on our ability to expand our services and grow our business in response to changing technologies, consumer demands, and competitive pressures. In some circumstances, we may choose to expand our services and grow our business through the acquisition of complementary businesses and technologies rather than through internal development. For example, in August 2021, we acquired CaterXpress Pty. Ltd. DBA FoodStorm, or FoodStorm, which offers software for self-serve kiosks that in-store customers use to place orders for catering, prepared food, deli, and bakery items; in October 2021, we acquired SBOT Technologies Inc. DBA Caper, or Caper, a provider of artificial intelligence-powered shopping carts and consumer checkout solutions for retailers; in August 2022, we acquired Eversight, Inc., or Eversight, which offers AI-powered technology to create compelling savings opportunities for customers in real-time; and in September 2022, we acquired Rosie Applications Inc., or Rosie, which provides eCommerce storefront experiences specifically for local, independent retailers. We have also entered in the past, and will continue to seek in the future, strategic partnerships, collaborations, or commercial arrangements, or alliances with third parties, which we refer to collectively as collaborations. The identification of suitable acquisition candidates or collaborators can be difficult, time-consuming, and costly, and we may not be able to successfully complete identified acquisitions or collaborations, including as a result of regulatory inquiries or actions by antitrust authorities. In particular, our proposed or completed acquisitions or collaborations may be subject to investigations or enforcement actions by antitrust regulatory bodies in the countries in which we operate, such as the Department of Justice and the Federal Trade Commission, which have recently increased their scrutiny of merger or collaboration activity, particularly in the technology sector. In addition, once we have completed an acquisition, we may not be able to successfully integrate the acquired business.

Certain of our collaborations also are, and may in the future be, with third parties that are well-capitalized and have significant size, scale, geographic, and other advantages. As a result, certain of the terms in such

arrangements may be less favorable to us. We will also have limited control over the amount and timing of resources that our collaborators dedicate to our arrangements. These arrangements may not lead to the business and financial outcomes that we expect and may also result in significantly higher costs for us or other negative impacts or impediments to our business, operations, or strategy, which we may not anticipate, that result in a material adverse effect to our business, financial condition, and results of operations. In particular, these collaborations may span multiple years, often with significant upfront costs. As a result, we may not be able to accurately assess the success of these collaborations for several periods and only after we have made substantial investments and expenditures. If any collaboration results in future material adverse effects to our business, financial condition, and results of operations, we may not be able to terminate such collaboration on a timely or cost-effective basis. Certain of these third parties, such as retailers and brands, also engage with our business in other aspects, and any disagreements or disputes in connection with collaborations may result in the loss of these third parties as customers or partners in other areas of our business. We have issued in the past, and may in the future issue, new equity or equity-linked securities to partners, which dilute our existing stockholders and may include affirmative or restrictive covenants as well as redemption or repurchase provisions.

The risks we face in connection with acquisitions, strategic partnerships, or collaborations include:

- negative impacts to our financial results as a result of incurring charges or assuming substantial debt or other liabilities, adverse tax consequences or unanticipated accounting treatment, exposure to claims and disputes by stockholders and third parties, including intellectual property claims and disputes, failing to generate sufficient financial return to offset additional costs and expenses related to the acquisition, partnership, or collaboration, or even significant negative impacts to our business, financial condition, and results of operations;
- regulatory inquiries or actions, including remedies imposed by antitrust authorities such as divestitures, ownership or operational restrictions, or other structural or behavioral remedies, either as a condition to or following the completion of a transaction;
- difficulties or unforeseen expenditures in integrating the business, offerings, technologies, personnel, or operations of any company that we acquire, particularly if key personnel of the acquired company decide not to work for us;
- disruptions to our ongoing business, diversion of resources, increases to our expenses, and distraction of our management;
- potential delays or reductions of customer purchases for both us and the company acquired due to customer uncertainty about continuity and effectiveness of service from either company or negative reputational impacts;
- difficulties in, or inability to, successfully sell any acquired products;
- our use of cash to pay for an acquisition limiting other potential uses of our cash;
- if we incur debt to fund an acquisition, such debt may subject us to material restrictions on our ability to conduct our business, as well as financial maintenance covenants; and
- if we issue a significant amount of equity or equity-linked securities in connection with future acquisitions, strategic partnerships, or collaborations, existing stockholders will be diluted and earnings per share may decrease, and we may face unfavorable tax treatment with respect to such securities.

The occurrence of any of these foregoing risks could adversely affect our business, financial condition, and results of operations and expose us to unknown risks or liabilities.

***We track certain operational metrics with internal systems and tools and do not independently verify such metrics. Certain of our operational metrics are subject to inherent challenges in measurement, and any real or perceived inaccuracies in such metrics may adversely affect our business and reputation.***

We track certain operational metrics, including customer, retailer, brand, and shopper counts and key business metrics such as orders and GTV, with internal systems and tools that are not independently verified by

any third party and which may differ from estimates or similar metrics published by third parties due to differences in sources, methodologies, or the assumptions on which we rely. Our internal systems and tools have a number of limitations, and our methodologies for tracking these metrics may change over time, which could result in unexpected changes to our metrics, including the metrics we publicly disclose. If the internal systems and tools we use to track these metrics undercount or overcount performance or contain algorithmic or other technical errors, the data we report may not be accurate. While these numbers are based on what we believe to be reasonable estimates of our metrics as of or for the applicable period of measurement, there are inherent challenges in these measurements. For example, reported monthly active orderers may overstate or overestimate the number of unique individuals who actively use our offerings or the number of orders in any given period, as one customer may register for, and use, multiple accounts, which could also negatively impact our estimates of customer growth or retention. We may also refine our methodology for tracking certain operational metrics from time to time, to the extent practicable, including to improve overall accuracy and alignment with management's view of business and operating performance. Any of these updates may result in changes in certain business and operating trends and may impact comparability of these metrics across periods. Further, the accuracy of our operating metrics could be impacted by fraudulent users of Instacart. We have also tracked the impact of the COVID-19 pandemic and its variant outbreaks on our metrics, including orders influenced by the COVID-19 pandemic versus other factors, which are subject to numerous assumptions and a limited time period of data. As a result, our expectations of future trends may not be accurate or may be overstated. 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 could affect our long-term strategies. If our operating metrics are not accurate representations of our business, if investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, our business, reputation, financial condition, and results of operations could be adversely affected.

***We may require additional capital to support the growth of our business, and this capital might not be available on acceptable terms, if at all.***

We have funded our operations since our founding primarily through equity financings and cash generated from our operations. We cannot be certain if our operations will continue generating sufficient cash to fully fund our ongoing operations or the growth of our business. We intend to continue to make investments to support the development of our offerings and will require additional funds for such development. We may need additional funding for marketing expenses and to develop and expand sales resources, develop new features, or enhance our offerings, improve our operating infrastructure, or acquire complementary businesses and technologies. Accordingly, we might need or may want to engage in future equity or debt financings to secure additional funds. Additional financing may not be available on terms favorable to us, if at all. If adequate funds are not available on acceptable terms, we may be unable to invest in future growth opportunities, which could harm our business, financial condition, and results of operations. In particular, macroeconomic factors, including interest rate increases, and bank failures have caused disruption in the credit and financial markets in the United States and worldwide, which may reduce our ability to access capital and negatively affect our liquidity in the future. If we are unable to obtain adequate financing or financing on terms satisfactory to us, our ability to develop our offerings, support our business growth, and respond to business challenges could be significantly impaired, and our business may be adversely affected.

If we incur debt, the debt holders would have rights senior to holders of common stock to make claims on our assets, and any debt financing we secure may have higher interest rates and could restrict our operations, including our ability to pay dividends on our common stock. Furthermore, if we issue additional equity securities, stockholders will experience dilution, and the new equity securities could have rights senior to those of our common stock. Because our decision to issue securities in the future will depend on numerous considerations, including factors beyond our control, we cannot predict or estimate the amount, timing, or nature of any future issuances of debt or equity securities. As a result, our stockholders bear the risk of future issuances of debt or equity securities reducing the value of our common stock and diluting their interests.

## Risks Related to Our Legal and Regulatory Environment

***If the contractor status of shoppers who use Instacart is successfully challenged, or if additional requirements are placed on our engagement of independent contractors, we may face adverse business, financial, tax, legal, and other consequences.***

We are involved in multiple individual and class-action lawsuits and government actions that claim that shoppers should be classified as employees rather than as independent contractors. See the section titled “Business—Legal Proceedings—Independent Contractor Classification Matters.” We have incurred, and we expect to continue to incur, significant costs and legal fees in defending the status of shoppers as independent contractors. In particular, we have been and may continue to be subject to administrative audits with various state and local enforcement agencies, including audits related to shopper classification, state and local ordinance requirements, and unemployment insurance and workers’ compensation contributions. Although we believe that we comply with applicable requirements and that shoppers are properly classified as independent contractors, we may be required to make significant payments, including through settlements, penalties, and interest as a result of these audits. Adverse determinations regarding the independent contractor status of shoppers could, among other things, significantly increase our costs to serve customers, impair or prevent the fulfillment of customer orders, or result in losses in excess of the accrued amounts in our reserve balances, any of which could seriously harm our business. Additionally, such adverse determinations may result in altering our business model and operations, including restricting the flexibility of shoppers by instituting minimum, maximum, or set hours of work, or designated locations for work, or controlling costs in other ways (such as limiting shopper access to Instacart or shopper incentives or eliminating tips), which could result in disruption to service and harm our business. Shoppers may also be entitled to the reimbursement of certain expenses and benefits under existing employment-related laws, such as those pertaining to medical insurance and minimum wage and overtime, which could result in us being liable for employment and withholding tax and benefits for such individuals, as well as other related liabilities. Such adverse determinations could also expose us to significant retroactive liability, such as liability for meal breaks, overtime premiums, and statutory penalties.

Further, the state of the law regarding independent contractor status varies from jurisdiction to jurisdiction and among governmental agencies and is subject to change based on court decisions and regulation. For example, on April 30, 2018, in its decision in *Dynamex Operations West, Inc. v. L.A. Superior Court*, or *Dynamex*, the California Supreme Court adopted a new standard, referred to as the “ABC” test, for determining whether a company “employs” or is the “employer” for purposes of the California Wage Orders. The *Dynamex* decision alters the analysis of whether an individual has been properly classified as an independent contractor in California, making it more difficult to properly classify a worker as such. The California legislature subsequently codified the “ABC” test in the *Dynamex* decision as the default standard for independent contractor misclassification. On December 16, 2020, the California state ballot initiative, Proposition 22, which provides a framework that offers legal certainty regarding the status of independent work and protects worker flexibility and the quality of on-demand work, among other things, became effective. Proposition 22 was expected to provide more legal certainty over the classification of workers on Instacart in California from the time it became effective on December 16, 2020. However, on August 20, 2021, a judge in Alameda County Superior Court granted a writ that, if upheld, would order the State of California not to enforce Proposition 22 on the ground that it is unconstitutional. The California Attorney General filed an appeal, and on March 13, 2023, the appellate court largely reversed the superior court and effectively upheld Proposition 22. Plaintiffs have appealed the decision to the California Supreme Court. If the appellate court ruling is reversed by the California Supreme Court, we will face continued legal uncertainty over whether we can properly classify a shopper as an independent contractor in California. Even if Proposition 22 is determined to be enforceable, we may still face allegations that certain of our business practices do not satisfy all the elements of Proposition 22. Further, Proposition 22 entitles shoppers in California to certain new pay standards and benefits, and imposes certain requirements, which increases costs for us in California, where approximately 13% of shoppers who use Instacart were located as of June 30, 2023. While we believe we properly provide all requisite pay standards and benefits under Proposition 22, we may nonetheless face various claims involving disputes over such pay standards and benefits.



We expect continuing challenges to the independent contractor classification of shoppers who use Instacart, or the imposition of additional requirements on the use of contractors, in California and in various other jurisdictions. If legislation, regulations, or judicial decisions regarding contractors change adversely in California or other jurisdictions, including any changes similar to the *Dynamex* decision or California legislation, or if Proposition 22 is ultimately found to be unconstitutional, it would increase the already existing risk that shoppers who use Instacart could be construed as employees or increase costs through additional requirements imposed on the use of contractors, and would therefore significantly negatively impact our ability to contract with independent contractors for order fulfillment in those jurisdictions.

Continuing legal uncertainty regarding shopper classification may also impair our ability to expand our offerings, pursue new business verticals, and innovate on our operational strategies. Such activities may require novel or different delivery fulfillment methods or introduction of new shopper tasks that result in increased risk of litigation against our existing model, or increased risk of adverse determinations in our ongoing actions and proceedings. Any adverse determination or implementation of laws, legislation, or regulations that result in shoppers who use Instacart being classified as employees would result in disruption of service to customers and us having to incur additional expenses to employ shoppers, which could materially impair our business and results of our operations and specifically impact our current financial statement presentation including revenue and cost of revenue. In addition, a determination in, or settlement of, any legal proceeding or legislation that results in shoppers who use Instacart being classified as employees would likely require us to significantly alter our existing business model and operations and impair our ability to innovate upon and expand our offerings, which could have a material adverse effect on our results of operations and future growth. Further, if we increase customer fees or charges as a result of the increased costs under Proposition 22 or other similar laws or additional requirements or limitations on the use of contractors, we may experience customer dissatisfaction with such increased fees, which could result in decreased customer use of our offerings. Additionally, if we are unable to fully offset any additional costs incurred in connection with these compliance efforts, our results of operations may be adversely affected.

***Adverse litigation judgments or settlements resulting from legal proceedings in which we are or may be involved could expose us to monetary damages or limit our ability to operate our business.***

We have in the past been, are currently, and may in the future become, involved in claims, lawsuits, arbitration proceedings, administrative actions, government investigations, and other legal and regulatory proceedings. We are subject to legal proceedings relating to various matters including whether we fulfilled our contractual obligations to or improperly withheld pay or tips from shoppers, whether we adequately protected the public's or shoppers' health and safety, whether we properly provide protected leave, whether we properly paid sales tax, whether we properly implemented our service fees, whether we improperly conduct background checks of shoppers, and whether we are responsible for injury resulting from alleged shopper actions or negligence. We are also subject to legal proceedings involving bodily injury and property damage, labor and employment, anti-discrimination claims, commercial and contract disputes, unfair competition, consumer protection regulations, including fees and pricing and related disclosures and automatic renewal laws, intellectual property, privacy, data security, and data protection, environmental laws and regulations, health and safety, weights and measures, compliance with regulatory requirements, and other matters. See the section titled "Business—Legal Proceedings." We have investigated many of these matters and are implementing a number of recommendations to our managerial, operational, and compliance practices, as well as strengthening our overall security measures. The results of any such litigation, investigations, and legal proceedings are inherently unpredictable and expensive. The frequency of such claims could increase in proportion to the number of customers, retailers, brands, and shoppers that use Instacart. Any claims against us, whether meritorious or not, could be costly and harmful to our reputation, and could require significant amounts of management time and corporate resources. If any of these legal proceedings were to be determined adversely to us, or we enter into a settlement arrangement, which we have done in the past, we could be exposed to monetary damages or be forced to change the way in which we operate our business or remove valuable features or content from our platform, which could have an adverse effect on our business, financial condition, and results of operations.

Moreover, we cannot be certain that our insurance coverage will be adequate for any claims or liabilities against us, that insurance will continue to be available to us on commercially reasonable terms or at all, or that any insurer will not deny coverage as to any future claim. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have an adverse effect on our reputation, brand, business, financial condition, and results of operations.

We also face potential liability and expense for claims relating to the information that we publish on our mobile apps or website, including claims for trademark and copyright infringement, false advertising, consumer protection, defamation, libel, and negligence, among others.

In addition, we regularly include arbitration provisions in our terms of service with customers and shoppers. These provisions are intended to streamline the litigation process for all parties involved, as arbitration can in some cases be faster and less costly than litigating disputes in state or federal court. However, arbitration may become more costly for us, or the volume of arbitrations may increase and become burdensome. Further, the use of arbitration provisions may subject us to certain risks to our reputation and brand, as these provisions have been the subject of increasing public scrutiny. To minimize these risks, we may voluntarily limit our use of arbitration provisions, or we may be required to do so, in any legal or regulatory proceeding, either of which could increase our litigation costs and exposure in respect of such proceedings.

Further, with the potential for conflicting rules regarding the scope and enforceability of arbitration on a state-by-state basis, as well as conflicting rules between state and federal law, some or all of our arbitration provisions could be subject to challenge or may need to be revised to exempt certain categories of protection. For example, some plaintiffs' attorneys have argued that certain shoppers are workers "in interstate commerce" and are thus exempt from the Federal Arbitration Act, and it remains possible that a court could find our agreements unenforceable against those shoppers. If our arbitration agreements were found to be unenforceable, in whole or in part, or specific claims were required to be exempted from arbitration, we could experience an increase in our litigation costs and the time involved in resolving such disputes, and we could face increased exposure to potentially costly lawsuits, each of which could adversely affect our business, financial condition, and results of operations.

***Our business is subject to various laws and regulations, which may change or increase over time and subject us to increased compliance costs and liabilities.***

Our business is subject to changing laws, rules, and regulations, including, without limitation, federal, state, and local laws, and in the future, country specific laws, governing the internet, eCommerce, and hardware devices, including electronic payments, privacy, data security, data protection, the use of AIML technologies, pay and fee transparency, health information privacy and security, consumer protection, marketing and advertising, gift cards, health and safety, food and product safety, product labeling and traceability, import and export, zoning and permitting, hardware device certification, sustainability, tax, insurance, employment, weights and measures, alcohol and other age-restricted products, and worker classification and compensation. Some of these laws were adopted prior to the advent of the internet and mobile and related technologies and, as a result, do not contemplate or address the unique issues of the internet and related technologies. New laws and regulations may also be adopted, implemented, or interpreted to apply to us, and existing laws and regulations that we currently comply with and operate under may be interpreted differently in the future, which may require us to change our business and operations and may be costly and harm our results of operations. Recent financial, political, and other events may increase the level of regulatory scrutiny on larger companies, technology companies in general, and in particular, companies in the "gig economy" that rely on the services of independent contractors.

Regulatory agencies may enact new laws or promulgate new regulations that are adverse to our business, or they may view matters or interpret laws and regulations differently than they have in the past or in a manner

adverse to our business. Additionally, in response to public health threats, such as COVID-19, governments and regulatory agencies passed and may in the future pass new laws, ordinances, and regulations, often with little notice or opportunity for public comment, that impact our business. Such changes and other legal and regulatory uncertainties may adversely affect our business, financial condition, and results of operations, in particular if such changes and uncertainties occur in markets where we generate relatively larger portions of our GTV.

The cost of compliance with the evolving and ever-changing legal and regulatory environment may be significant. Our failure to comply with existing or future laws, rules, and regulations could subject us to litigation, audits, investigations, disputes, or other legal proceedings that could result in fines, civil liability, mandatory injunctions that change how we operate, or cessation of operations. As our business matures and we expand geographically and into different retail categories, we may become subject to new laws and regulations in new jurisdictions. It is difficult to predict how existing and future laws will be applied to our business as it exists today and may exist in the future.

***We face potential liability, expenses for legal claims, and harm to our business based on the nature of our business and the content on Instacart.***

We face potential liability, expenses for legal claims, and harm to our reputation and business relating to the nature of the on-demand food and other consumer goods delivery business, including potential claims related to food offerings, delivery, and quality. For example, third parties have asserted, and in the future could assert, legal claims against us in connection with personal injuries related to food poisoning, tampering, or accidents caused by our retail partners or shoppers while making a delivery to customers, defective products, or the sale, advertising, marketing, or consumption of alcoholic beverages, tobacco, or other regulated products by our retail partners to underage customers. Our planned and future offering enhancements may also subject us to new or unforeseen risks relating to on-demand food and consumer goods delivery. For example, we have added health attribute information, such as identifying products on Instacart as gluten- or dairy-free, and need to rely on third parties for the accuracy of such information. Erroneous reporting or omission, whether or not in our control, may result in claims against us alleging personal injuries, false advertising, and related legal claims, as well as harm to our brand and reputation.

Reports, whether true or not, of food-borne illnesses (such as caused by E. Coli, Norovirus, Hepatitis A, Campylobacter, Listeria, or Salmonella) and injuries caused by food tampering have severely injured the reputations of participants in the food business and could do so in the future as well. Further, if any such report were to affect one or more of the retailers or shoppers on Instacart, it could reduce customer confidence in and use of our offerings. The potential for acts of terrorism on food supply also exists, and if such an event occurs, it could harm our business and results of operations.

In addition, we have in the past and may in the future also be subject to direct or indirect claims as a result of our relationships with, and services provided to, retailers, such as claims involving retailers' pricing on Instacart, infringement of intellectual property, California Proposition 65, product liability, and the Americans with Disabilities Act, among others.

***We are subject to rapidly changing and increasingly stringent laws, regulations, industry standards, contractual obligations, policies and other obligations relating to privacy, data security, and data protection. The obligations, restrictions, and costs imposed by these laws, or our actual or perceived failure to comply with them, could subject us to adverse business consequences and other liabilities that adversely affect our business, operations, and financial performance.***

As part of our normal business activities, we collect, use, store, share, transmit, and otherwise process sensitive, proprietary, and confidential information, including personal information of customers, retailers, brands, shoppers, employees, and others. These activities are regulated by a variety of federal, state, local, and foreign privacy, data security, and data protection laws, regulations, and industry standards, which have become

increasingly stringent in recent years. In addition, existing laws and regulations are complex and constantly evolving, and new laws and regulations that apply to our business are being introduced at every level of government in the United States, as well as internationally. As we seek to expand our business, we are, and may increasingly become, subject to various laws, regulations, and standards, and may be subject to contractual obligations, industry standards, codes of conduct, and regulatory guidance relating to privacy, data security, and data protection in the jurisdictions in which we operate. Our efforts to comply with such obligations may not be successful.

In the United States, there are numerous federal and state privacy and data security laws, rules, and regulations governing the collection, use, storage, sharing, transmission, and other processing of personal information, including federal and state privacy laws, data security laws, data breach notification laws, consumer protection laws, and other similar laws (e.g., wiretapping laws). For example, the Federal Trade Commission, or FTC, and many state attorneys general are interpreting federal and state consumer protection laws to impose standards for the online collection, use, dissemination, and security of personal information. Such standards require us to publish statements that describe how we handle personal information, and the choices individuals may have about the way we handle their personal information. If such statements that we publish are considered deficient, lacking in transparency, deceptive, unfair, misrepresentative, untrue, or inaccurate, we may be subject to government claims of unfair or deceptive trade practices, which could lead to significant liabilities and consequences. Moreover, 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 Federal Trade Commission Act. State consumer protection laws provide similar causes of action for unfair or deceptive practices. Furthermore, some states have passed specific laws mandating reasonable security measures for the handling of consumer personal information. Additionally, under various privacy laws and other obligations, we may be required to obtain certain consents to process personal data. Our inability or failure to do so could result in adverse consequences. Further, privacy advocates and industry groups have regularly proposed and sometimes approved, and may propose and approve in the future, self-regulatory standards with which we must legally comply or that contractually apply to us.

In addition, many state legislatures have adopted legislation that regulates how businesses operate online, including measures relating to privacy, data security, and data breaches. For example, the California Consumer Privacy Act, or CCPA, gives California residents expanded rights related to their personal information, including the right to access and delete their personal information, and receive detailed information about how their personal information is used and shared. The CCPA also creates restrictions on "sales" of personal information and the use of personal information for cross-context behavioral advertising that allow California residents to opt-out of certain sharing of their personal information and may restrict the use of cookies and similar technologies for advertising purposes. Our marketing programs and our Instacart Ads offerings rely on these technologies and could be adversely affected by the CCPA's restrictions. The CCPA prohibits discrimination against individuals who exercise their privacy rights, provides for civil penalties for violations, and creates a private right of action for certain data breaches. Additionally, the California Privacy Rights Act, or the CPRA, expands the CCPA's requirements, including by adding a new right for individuals to correct their personal information and establishing a new regulatory agency to implement and enforce the law. The CPRA also restricts the use of certain categories of sensitive personal information that we handle; further restricts the use of cross-context behavioral advertising techniques on which our marketing programs and Instacart Ads offerings rely; establishes restrictions on the retention of personal information; and expands the types of data breaches subject to the private right of action. Certain states have also recently passed comprehensive privacy laws that took effect or will take effect in the near future. These new general privacy laws create restrictions on our business that are similar to the CPRA, including restrictions on "sales" of personal information and cross-context behavioral advertising. As a result, our marketing initiatives and Instacart Ads offerings could further be adversely affected, and additional investment in compliance may be required. Similar laws are being considered in other states and at the federal level, reflecting a trend toward more stringent privacy legislation in the United States. The enactment of such laws could have potentially conflicting requirements that would make compliance challenging and expose us to additional liability.

We are subject to certain health information privacy and security laws as a result of the limited amount of health information that we receive in connection with the prescription delivery services that we provide on behalf of pharmacy retailers. These laws and regulations include HIPAA, which establishes privacy, security, and breach notification standards for protected health information processed by health plans, healthcare clearinghouses, and certain healthcare providers, collectively referred to as covered entities, and the business associates with whom such covered entities contract for services, as well as their covered subcontractors. We are regulated as a “business associate” of certain covered entity pharmacy retailers and must comply with HIPAA as applicable to business associates. We maintain a HIPAA compliance program, but it is not always possible to identify and deter misuse by our employees and other third parties, and the precautions we take to detect and prevent noncompliance may not be effective in preventing all misuse, breaches, or violations. Violations of HIPAA may result in significant administrative, civil, and criminal penalties. State attorneys general also have the right to prosecute HIPAA violations committed against residents of their states. While HIPAA does not create a private right of action that would allow individuals to sue in civil court for a HIPAA violation, its standards have been used as the basis for the duty of care in state civil suits, such as those for negligence or recklessness in misusing personal information. Many states in which we operate and in which our customers reside also have laws that protect the privacy and security of health information, many of which differ from each other in significant ways and often are not preempted by HIPAA, thus complicating compliance efforts. Failure to comply with such state laws may also subject us to significant penalties. As we expand our Instacart Health offering, we anticipate that the risk associated with HIPAA compliance will increase and that we may be required to make significant investments in order to build compliant product offerings in the health space.

In addition, some laws may require us to notify governmental authorities and/or affected individuals of data breaches involving certain personal information or other unauthorized or inadvertent access to or disclosure of such information. We have had to in the past, and may in the future need to, notify governmental authorities and affected individuals with respect to such incidents. For example, laws in all 50 U.S. states may require businesses to provide notice to consumers if a data breach results in unauthorized access to their personal information. These laws are not consistent with each other, and compliance in the event of a widespread data breach may be difficult and costly. We also may be contractually required to notify consumers or other counterparties of a security incident, including a reasonably suspected or actual security incident or breach. Regardless of our contractual protections, any actual or perceived security incident or breach, or breach of our contractual obligations, could harm our reputation and brand, expose us to potential liability or require us to expend significant resources on data security and in responding to any such actual or perceived breach.

Federal, state, and local privacy and consumer protection laws also govern specific technologies that we employ. For example, the Telephone Consumer Protection Act, or TCPA, imposes significant restrictions on sending text messages or making telephone calls to mobile telephone numbers without the prior consent of the person being contacted. We also use identity verification technologies that may subject us to state and local biometric privacy laws. For example, the Illinois Biometric Information Privacy Act, or BIPA, regulates the collection, use, safeguarding, and storage of biometric information. The TCPA and BIPA provide for substantial penalties and statutory damages and have generated significant class action activity. The cost of litigating and settling claims that we have violated the TCPA, BIPA, or similar laws could be significant.

Foreign privacy laws are also undergoing a period of rapid change, have become more stringent in recent years, and may increase the costs and complexity of offering our offerings in new geographies. In Canada, where we operate, the Personal Information Protection and Electronic Documents Act, or PIPEDA, and various provincial laws require that companies give detailed privacy notices to consumers, obtain consent to use personal information, with limited exceptions, allow individuals to access and correct their personal information, and report certain data breaches. In addition, Canada’s Anti-Spam Legislation, or CASL, prohibits email marketing without the recipient’s consent, with limited exceptions. Failure to comply with PIPEDA, CASL, or provincial privacy or data protection laws could result in significant fines and penalties or possible damage awards. The Canadian province of Quebec also passed a comprehensive privacy law that grants individuals extensive rights with respect to their personal information, including the right to consent to certain marketing and advertising practices. In

addition, certain of our subsidiaries have insignificant operations in China and Australia and are subject to, respectively, China's Personal Information Protection Law, or PIPL, and Australia's Privacy Act 1988 and Spam Act 2003. These laws impose a number of requirements on our processing of personal information and direct marketing activities that may increase our compliance costs and risk of facing regulatory enforcement action.

One of our subsidiaries, FoodStorm, is subject to the United Kingdom General Data Protection Regulation, or UK GDPR. Future expansion of our business, operations, or service offerings to the European Economic Area, or EEA, will increase our exposure to data protection laws in the region, including the European Union General Data Protection Regulation, or GDPR. The GDPR and UK GDPR impose strict requirements for processing personal data of individuals, give individuals extensive rights with respect to their personal data, and carry penalties for violations of up to the greater of EUR 20 million or 4% of total global annual turnover in the European Union, and up to the greater of GBP 17.5 million or 4% total global annual turnover in the United Kingdom. Companies that violate the GDPR or UK GDPR may also face prohibitions on data processing and other corrective action, as well as private litigation brought by classes of data subjects or consumer protection organizations authorized at law to represent their interests.

Europe, the United Kingdom, and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the EEA and the United Kingdom have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws they believe are inadequate. Other jurisdictions may adopt similarly stringent interpretations of their data localization and cross-border data transfer laws. Although there are currently various mechanisms that may be used to transfer personal data from the EEA and United Kingdom to the United States in compliance with law, such as the EEA's and UK's standard contractual clauses, these mechanisms are subject to legal challenges, and there is no assurance that we can satisfy or rely on these measures to lawfully transfer personal data to the United States. If there is no lawful manner for us to transfer personal data from the EEA, the United Kingdom, or other jurisdictions to the United States, or if the requirements for a legally-compliant transfer are too onerous, we could face significant adverse consequences, including the interruption or degradation of our operations, the need to relocate part of or all of our business or data processing activities to other jurisdictions at significant expense, increased exposure to regulatory actions, substantial fines and penalties, injunctions against our processing or transferring personal data necessary to operate our business, the inability to transfer data and work with partners, vendors and other third parties, and our ability to expand our business to the EEA, United Kingdom, or other countries with similar cross-border data transfer restrictions may be limited. Additionally, companies that transfer personal data out of the EEA and United Kingdom to other jurisdictions, particularly to the United States, are subject to increased scrutiny from regulators, individual litigants, and activist groups. Some European regulators have ordered certain companies to suspend or permanently cease certain transfers out of Europe for allegedly violating the GDPR's cross-border data transfer limitations.

We also publish privacy policies and other statements regarding data privacy and security. If these policies or statements are found to be deficient, lacking in transparency, deceptive, unfair, or misrepresentative of our practices, we may be subject to investigation, enforcement actions by regulators, or other adverse consequences.

Other data protection laws in the EEA and the United Kingdom, such as those implementing the ePrivacy Directive, restrict the use of cookies and similar technologies on which our website, mobile app, and Instacart Ads offerings rely, including to facilitate online behavioral advertising. Regulators are increasingly focused on compliance with requirements in the online behavioral advertising ecosystem, and current national laws implementing the ePrivacy Directive are likely to be replaced in the European Union by a regulation known as the ePrivacy Regulation, which will significantly increase fines for non-compliance to GDPR-level fines. Other countries outside of Europe increasingly emulate European data protection laws. As a result, operating our business or offering our services in Europe or other countries with similar data protection laws would subject us to substantial compliance costs and potential liability and may require changes to the ways we collect and use personal information. Governments and regulators in certain jurisdictions, including Europe, are increasingly seeking to regulate the use, transfer, and other processing of non-personal information (for example, under the

European Union's Data Act), an area which has typically been the subject of very limited or no specific regulation. This means that, if and to the extent such regulations are relevant to our operations or those of our customers, certain of the risks and considerations outlined above may apply equally to our processing of both personal and non-personal data.

In addition, major technology platforms on which we rely, privacy advocates, and industry groups have regularly proposed, and may propose in the future, platform requirements or self-regulatory standards by which we are legally or contractually bound. If we fail to comply with these contractual obligations or standards, we may lose access to technology platforms on which we rely and face substantial regulatory enforcement, liability, and fines. For example, Apple requires mobile applications using its operating system, iOS, to affirmatively (on an opt-in basis) obtain an end user's permission to "track them across apps or websites owned by other companies" or access their device's advertising identifier for advertising and advertising measurement purposes. Other technology platforms are considering similar restrictions. Such restrictions could limit the efficacy of our marketing activities and our Instacart Ads offerings. In addition, consumer resistance to the collection and sharing of the data used to deliver targeted advertising, increased visibility of consent or "do not track" mechanisms (such as browser signals from the Global Privacy Control) as a result of regulatory or legal developments, the adoption by consumers of browser settings or "ad-blocking" software, and the development and deployment of new technologies could materially impact our ability to collect data or reduce our ability to deliver relevant promotions or media, which could materially impair the results of our operations.

Further, our business relies significantly on our ability to accept credit or debit card payments, including payments made using our co-branded credit card. Such payments are subject to the Payment Card Industry, or PCI, Data Security Standard, which is a multifaceted security standard that is designed to protect credit card account data as mandated by payment card industry entities. We rely on vendors to handle PCI matters and to ensure PCI compliance. Despite our compliance efforts, we may become subject to claims that we have violated the PCI Data Security Standard, based on past, present, and future business practices. In addition, payment card networks may adopt changes to the PCI Data Security Standard, or change their interpretations of such rules in a way that we or our processors might find it difficult or even impossible to follow, or costly to implement. If we violate the PCI Data Security Standard or other applicable rules, we may incur fines or restrictions on our ability to accept payment cards or suffer reputational harm, all of which could have an adverse impact on our business.

Despite our efforts, we may not be successful in achieving compliance with the rapidly evolving privacy, data security, and data protection requirements discussed above. Any actual or perceived non-compliance, by us or the third parties upon whom we rely, could result in litigation and proceedings against us by governmental entities, customers, or others, expenditure of time and resources to defend any claim or inquiry, fines and civil or criminal penalties, limited ability or inability to operate our business, offer services, or market our offerings in certain jurisdictions, negative publicity and harm to our brand and reputation, reduced overall demand for our offerings, or substantial changes to our business model or operations. Such occurrences could adversely affect our business, financial condition, and results of operations. Our insurance program for corporate risks, including general liability, workers' compensation, property, cyber liability, and director and officers' liability, may not cover all potential claims to which we are exposed and may not be adequate to indemnify us for the full extent of our potential liabilities.

***Our business could be adversely impacted by changes in the internet and mobile device accessibility of users. Companies and governmental agencies may restrict access to Instacart, our mobile apps, website, app stores, or the internet generally, which could negatively impact our operations.***

Our business depends on customers and shoppers accessing Instacart via a mobile device or, with respect to customers, a personal computer, and the internet. We may operate in jurisdictions that provide limited internet connectivity, particularly if we expand internationally. Internet access and access to a mobile device or personal computer are frequently provided by companies with significant market power that could take actions that degrade, disrupt, or increase the cost of consumers' ability to access Instacart. In addition, the internet

infrastructure that we and users of our offerings rely on in any particular geographic area may be unable to support the demands placed upon it and could interfere with the speed and availability of Instacart. Any such failure in internet or mobile device or computer accessibility, even for a short period of time, could adversely affect our results of operations.

Governmental agencies in any of the countries in which we or our customers are located could block access to or require a license for Instacart, our mobile apps, website, or the internet generally for a number of reasons, including security, confidentiality, or regulatory concerns. In addition, companies may adopt policies that prohibit their employees from using Instacart. If companies or governmental entities block, limit, or otherwise restrict customers or shoppers from accessing Instacart, our business could be negatively impacted, the number of customers and shoppers using Instacart could decline or grow more slowly, and our results of operations could be adversely affected.

***We could be required to collect additional taxes or be subject to other tax liabilities in various jurisdictions which could adversely affect our results of operations.***

The application of indirect taxes, such as sales and use tax, value-added tax, goods and services tax, business and occupation tax, commercial activity tax, business license tax, digital advertising tax, and gross receipts tax, to our business is a complex and evolving issue. Significant judgment is required to evaluate applicable tax obligations, and, as a result, amounts recorded are estimates and are subject to adjustments. In many cases, the ultimate tax determination is uncertain because it is not clear how new and existing statutes might apply to our business. States, localities, the U.S. federal government, and taxing authorities in other countries may seek to impose additional reporting, recordkeeping, and/or indirect tax collection obligations on our business that facilitate online commerce. For example, taxing authorities in the United States and other countries have required eCommerce platforms to calculate, collect, and remit indirect taxes for transactions taking place over the internet. A majority of U.S. state jurisdictions have enacted laws requiring marketplaces to collect and remit sales taxes on sales of their third-party sellers. Tax authorities have questioned our interpretation of taxability of our business operations, and various parties have from time to time filed, and may in the future file, complaints related to our current and historical approach to treatment of our sales tax obligations and service fee disclosures. If other agencies or parties challenge our approach to treatment of our sales tax obligations and service fee disclosures, or if such agencies and parties bring novel claims under existing laws relating to these categories of indirect taxes and service fee disclosures, we could face higher sales taxes or be subject to fines or penalties, any of which could adversely affect our business and results of operations. New legislation could also require us to incur substantial costs, including costs associated with tax calculation, collection, and remittance, and audit requirements, and could adversely affect our business and results of operations. Furthermore, if our employees elect to work remotely on a longer-term basis as a result of our Flex First workforce model, we may become subject to additional taxes and our compliance burdens with respect to the tax laws of additional jurisdictions may be increased.

We may also be subject to additional tax liabilities and related interest and penalties due to changes in U.S. federal, state, or international tax laws, administrative interpretations, decisions, policies, and positions, results of tax examinations, settlements, or judicial decisions, changes in accounting principles and changes to the business operations, as well as evaluation of new information that results in a change to a tax position taken in prior periods. For example, if we are treated as an agent for our retail partners under U.S. state tax law, we may be primarily responsible for collecting and remitting sales taxes directly to certain states. A successful assertion by one or more tax authorities requiring us to collect taxes in jurisdictions in which we do not currently do so, or to collect additional taxes in a jurisdiction in which we currently collect taxes, could result in substantial tax liabilities, including taxes on past sales, as well as penalties and interest, and additional administrative expenses, which could materially harm our business. We are under audit by various state tax authorities with regard to sales tax and other indirect tax matters, primarily relating to the reporting of sales on behalf of our third-party sellers, or the tax treatment applied to the sale of our services in these jurisdictions. Although we have reserved for potential payments of possible past tax liabilities in our financial statements, if these liabilities exceed such reserves, our financial



condition will be harmed. In addition, governments are increasingly looking for ways to increase revenue, which has resulted in discussions about tax reform and other legislative action to increase tax revenue, including through indirect taxes. Such taxes could adversely affect our financial condition and results of operations.

In addition, federal tax rules generally require payors to report payments to unrelated parties to the Internal Revenue Service, or IRS. Under certain circumstances, a failure to comply with such reporting obligations may cause us to become liable to withhold a percentage of the amounts paid to shoppers and remit such amounts to the taxing authorities. Due to the large number of shoppers, and the amounts paid to each, process failures with respect to these reporting obligations could result in financial liability and other consequences to us if we were unable to remedy such failures in a timely manner.

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

As of December 31, 2022, we had federal net operating loss carryforwards of \$410 million, which will not expire. Furthermore, as of December 31, 2022, we had state net operating loss carryforwards of \$520 million, which, if unused, will begin to expire in 2023. Portions of these net operating loss carryforwards could expire unused and be unavailable to offset future income tax liabilities. Under current law, U.S. federal net operating losses incurred in taxable years beginning after December 31, 2017, may be carried forward indefinitely, but the deductibility of such federal net operating losses is limited. It is uncertain whether various states will conform to federal tax laws. For state income tax purposes, there may be periods during which the use of net operating loss carryforwards is limited, which could accelerate or permanently increase state taxes owed.

In addition, under Sections 382 and 383 of the Internal Revenue Code of 1986, as amended, and corresponding provisions of state law, if a corporation undergoes an “ownership change,” which is generally defined as a greater than 50% change, by value, in its equity ownership over a three-year period, the corporation’s ability to use its pre-change net operating loss carryforwards and other pre-change tax attributes to offset its post-change income or taxes may be limited. We assessed whether we had an ownership change, as defined by Section 382 of the Code, from our formation. Based upon this assessment, we determined that we experienced ownership changes on June 26, 2013 and June 10, 2014. However, no reductions in our ability to utilize our net operating loss and tax credit carryforwards resulted under these rules. We may experience ownership changes as a result of subsequent shifts in our stock ownership, some of which may be outside of our control. The completion of this offering, together with private placements and other transactions that have occurred since our inception, may trigger such an ownership change pursuant to Section 382. If an ownership change occurs, including as a result of or with respect to any acquisitions we make, and our ability to use our net operating loss carryforwards (or net operating loss carryforwards that we acquire) is materially limited, it would harm our future results of operations by effectively increasing our future tax obligations.

***Uncertainties in the interpretation and application of existing, new, and proposed tax laws and regulations could materially affect our tax obligations and effective tax rate.***

The tax laws to which we are subject or under which we operate are unsettled and may be subject to significant change. The issuance of additional guidance related to existing or future tax laws, or changes to tax laws or regulations proposed or implemented by the current or a future U.S. presidential administration, Congress, or taxing authorities in other jurisdictions, including jurisdictions outside of the United States, could materially affect our tax obligations and effective tax rate. To the extent that such changes have a negative impact on us, including as a result of related uncertainty, these changes may adversely impact our business, financial condition, results of operations, and cash flows.

The amount of taxes we pay in different jurisdictions depends on the application of the tax laws of various jurisdictions, including the United States, to our international business activities, tax rates, new or revised tax laws, or interpretations of tax laws and policies, and our ability to operate our business in a manner consistent

with our corporate structure and intercompany arrangements. The taxing authorities of the jurisdictions in which we operate may challenge our methodologies for pricing intercompany transactions pursuant to our intercompany arrangements or disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a challenge or disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest, and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows, and lower overall profitability of our operations. Our financial statements could fail to reflect adequate reserves to cover such a contingency. Similarly, a taxing authority could assert that we are subject to tax in a jurisdiction where we believe we have not established a taxable connection, often referred to as a “permanent establishment” under international tax treaties, and such an assertion, if successful, could increase our expected tax liability in one or more jurisdictions.

***We are subject to anti-corruption, anti-bribery, anti-money laundering, and similar laws, and non-compliance with such laws can subject us to criminal or civil liability and harm our business, financial condition, and results of operations.***

We are subject to the U.S. Foreign Corrupt Practices Act, U.S. domestic bribery laws, and other anti-corruption and anti-money laundering laws in the countries in which we conduct activities. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years and are interpreted broadly to generally prohibit companies, their employees, and their third-party intermediaries from authorizing, offering, or providing, directly or indirectly, improper payments or benefits to recipients in the public or private sector. As we increase our international sales and business, we may engage with business partners and third-party intermediaries to market our offerings and to obtain necessary permits, licenses, and other regulatory approvals. In addition, we or our third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities. We can be held liable for the corrupt or other illegal activities of these third-party intermediaries, our employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities. We cannot assure you that all of our employees and agents will not take actions in violation of anti-corruption laws, for which we may be ultimately held responsible, or that we will be able to timely detect such actions. As we increase our international sales and business, our risks under these laws may increase.

Detecting, investigating, and resolving actual or alleged violations of anti-corruption laws can require a significant diversion of time, resources, and attention from senior management. In addition, noncompliance with anti-corruption, anti-bribery, or anti-money laundering laws could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, enforcement actions, fines, damages, other civil or criminal penalties or injunctions, suspension or debarment from contracting with certain persons, reputational harm, adverse media coverage, and other collateral consequences. If any subpoenas or investigations are launched, or governmental or other sanctions are imposed, or if we do not prevail in any possible civil or criminal proceeding, our business, financial condition, and results of operations could be harmed. In addition, responding to any action will likely result in a materially significant diversion of management’s attention and resources and significant defense costs and other professional fees.

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

Instacart and our offerings are subject to U.S. export controls, including the Export Administration Regulations, and we incorporate encryption technology into certain of our offerings. These encryption products and the underlying technology may be exported outside of the United States only with the required export authorizations, including by license, a license exception, or other appropriate government authorizations, including the filing of an encryption classification request or self-classification report. In addition, we have insignificant operations in China relating to the design, engineering, and supply of Caper Carts and Caper Counters to certain of our retail partners’ stores in North America, which operations are subject to import and export controls. Any adverse changes in trade relations with China, such as tariff increases and import and export

licensing and control requirements, could interfere with the shipment of Caper Carts and Caper Counters to our retail partners, which could have a negative impact on future development and adoption of Caper Carts, Caper Counters, and related prospects.

Furthermore, our activities are subject to U.S. economic sanctions laws and regulations administered by the Office of Foreign Assets Control of the U.S. Treasury Department which generally prohibit any transactions or dealings, including the provision of products and services, involving embargoed jurisdictions or sanctioned parties. Obtaining the necessary export license or other authorization for a particular transaction may be time-consuming and may result in the delay or loss of sales opportunities. Violations of U.S. sanctions or export control regulations can result in significant fines or penalties and possible incarceration for responsible employees and managers.

***Our presence outside the United States and any future international expansion strategy will subject us to additional costs and risks, and our plans may not be successful.***

We have expanded our presence internationally. We launched operations in Canada in December 2017 and have acquired companies that have insignificant operations in certain other countries. We expect to continue to expand our international operations and are evaluating opportunities across the world but do not have plans to launch significant operations in any specific geographic area at this time. Operating outside of the United States may require significant management attention to oversee operations over a broad geographic area with varying cultural norms and customs, in addition to placing strain on our finance, analytics, compliance, legal, engineering, and operations teams. We may incur significant operating expenses and may not be successful in our international expansion for a variety of reasons, including:

- challenges inherent in efficiently managing, and the increased costs associated with, an increased number of employees over large geographic distances, including the need to implement appropriate systems, policies, benefits, and compliance programs that are specific to each jurisdiction;
- an inability to attract consumers, retailers, brands, and shoppers;
- competition from local incumbents that better understand the local market, may market and operate more effectively, and may enjoy greater local affinity or awareness;
- differing demand dynamics, which may make our offerings less successful;
- differing and potentially more onerous employment and labor regulations including with respect to worker classification and collective bargaining, where employment and labor laws are generally more advantageous to workers or employees as compared to the United States, including deemed hourly wage and overtime regulations in these locations;
- complying with varying laws and regulatory standards, including with respect to privacy, data security, data protection, tax, and local regulatory restrictions;
- obtaining any required government approvals, licenses, or other authorizations;
- varying levels of internet and mobile technology adoption and infrastructure;
- currency exchange restrictions or costs and exchange rate fluctuations;
- operating in jurisdictions that do not protect intellectual property rights in the same manner or to the same extent as the United States;
- public health concerns or emergencies, such as the COVID-19 pandemic and other highly infectious diseases, outbreaks of which have from time to time occurred, and which may occur, in various parts of the world in which we operate or may operate in the future; and
- limitations on the repatriation and investment of funds, as well as foreign currency exchange restrictions.

Our limited experience in operating our business internationally increases the risk that any potential future expansion efforts that we may undertake may not be successful. For example, we have insignificant operations in China relating to the design, supply, and engineering of Caper Carts and Caper Counters. The possibility of adverse changes in trade or political relations with China, political instability, or increases in labor costs could interfere with the manufacturing and/or shipment of Caper Carts and Caper Counters. Our insignificant business operations in China may also be negatively impacted by the current and future political environment in China. We also rely on third-party manufacturers in China for Caper Carts and Caper Counters, which exposes us to risks such as historically lower protection of intellectual property rights, unexpected or unfavorable changes in regulatory requirements, volatility in currency exchange rates, and difficulties associated with the Chinese legal system. If we invest substantial time and resources to expand our operations internationally and are unable to manage these risks effectively, our business, financial condition, and results of operations could be adversely affected.

#### **Risks Related to Our Dependence on Third Parties**

***We rely on third parties for elements of the payment processing infrastructure underlying Instacart. If these third-party elements become unavailable or unavailable on favorable terms, our business could be adversely affected.***

The convenient payment mechanisms provided by Instacart are key factors contributing to the development of our business. We rely on third parties, including Fiserv, Klarna, Marqeta, PayPal, and Stripe, for elements of our payment processing infrastructure to accept payments from customers and remit payments to retailers and shoppers, including certain Instacart-branded programs. These third parties may refuse to renew our agreements with them on commercially reasonable terms or at all. If these companies become unwilling or unable to provide these services to us on acceptable terms or at all, our business may be disrupted. For certain payment methods, including credit and debit cards, Android Pay™, and Apple Pay®, we generally pay interchange fees and other processing and gateway fees, and such fees result in significant costs. In addition, online payment providers are under continued pressure to pay increased fees to banks to process funds, and there is no assurance that such online payment providers will not pass any increased costs on to us. If these fees increase over time, our operating costs will increase, which could adversely affect our business, financial condition, and results of operations.

In addition, system failures have at times prevented us from making payments to shoppers in accordance with our typical timelines and processes, which caused substantial shopper dissatisfaction and generated a significant number of shopper complaints. Future failures of the payment processing infrastructure underlying Instacart could cause shoppers to lose trust in our payment operations and could cause them to instead use our competitors' platforms. If the quality or convenience of our payment processing infrastructure declines as a result of these limitations or for any other reason, the attractiveness of our business to consumers, retailers, and shoppers could be adversely affected. If we are forced to migrate to other third-party payment service providers for any reason, the transition would require significant time and management resources, and may not be as effective, efficient, or well-received by consumers, retailers, or shoppers.

***We rely on software and services from other parties. Defects in, or the loss of access to, software or services from third parties could harm our business and adversely affect the quality of Instacart.***

Our offerings incorporate certain third-party software obtained under licenses from other companies, including for our background checks, data visualization, mapping, and database tools. Such third parties may discontinue their products, cease to provide their products or service to us, go out of business, or otherwise cease to provide support for such products or services in the future. Although we believe that there are commercially reasonable alternatives to the third-party software or services we currently license or receive, this may not always be the case, or it may be difficult or costly to replace existing third-party software or find a replacement third-party service. Our use of additional or alternative third-party software would require us to enter into license agreements with third parties, and we may not be able to enter into such agreements on advantageous terms. In

addition, integration of the software used in our offerings with new third-party software may require significant work and substantial investment of our time and resources. Also, to the extent that our offerings depend upon the successful operation of third-party software, any undetected errors or defects in, or disruptions to the functionality of, such third-party software could prevent the deployment or impair the functionality of our offerings, delay new offering introductions, result in a failure of our offerings, and injure our reputation, which in each case could harm our financial condition and results of operations.

***We currently rely on a small number of third-party service providers to host or support a significant portion of Instacart, and any interruptions or delays in services from these third parties could impair the delivery of our offerings and harm our business.***

We currently host Instacart and support our operations using a combination of a small number of third-party service providers, including Amazon Web Services and Google Cloud Platform. We do not have control over the operations of the facilities of the hosting providers that we use, and these third-party operations and co-located data centers may experience break-ins, computer viruses, denial-of-service or other cyber-attacks, sabotage, acts of vandalism, and other misconduct. These facilities may also be vulnerable to damage or interruption from power loss, telecommunications failures, fires, floods, earthquakes, hurricanes, tornadoes, and similar events. We have experienced, and expect that in the future we will experience, interruptions, delays, and outages in service and availability from time to time due to a variety of factors, including infrastructure changes, website hosting disruptions, and capacity constraints. Any such limitation on the capacity of our third-party service providers could impede our ability to onboard new customers or expand the usage of our existing customers, which could adversely affect our business, financial condition, and results of operations. In some instances, we may not be able to identify the cause or causes of these performance problems within a period of time acceptable to our customers. A prolonged service disruption affecting our service for any of the foregoing reasons would negatively impact our ability to serve our customers and could damage our reputation with current and potential customers, expose us to liability, cause us to lose customers, or otherwise harm our business. We may also incur significant costs for using alternative equipment or taking other actions in preparation for, or in reaction to, events that damage the third-party service providers we use.

In addition, any changes in our hosting provider's service levels may adversely affect our ability to meet the expectations of customers, retailers, brands, and shoppers. Our systems do not provide complete redundancy of data storage or processing, and as a result, the occurrence of any such event, a decision by our third-party service providers to close our co-located data centers without adequate notice, or other unanticipated problems may result in our inability to serve data reliably or require us to migrate our data to either a new on-premise data center or public cloud computing service. This could be time-consuming and costly and may result in the loss of data, any of which could significantly interrupt the provision of our offerings and harm our reputation and brand. We may not be able to easily switch to another public cloud or data center provider in the event of any disruptions or interference to the services we use, and even if we do, other public cloud and data center providers are subject to the same risks. Additionally, our co-located data center facility agreements are of limited durations, and providers of our co-located data center facilities have no obligation to renew their agreements with us on commercially reasonable terms or at all. If we are unable to renew our agreements with these facilities on commercially reasonable terms, we may experience delays in the provision of our offerings until an agreement with another co-located data center is arranged, and any business interruptions that impact the delivery of our offerings as a result of these delays may reduce our revenue, cause shoppers and retailers to stop offering their services through Instacart, and reduce use of our offerings by customers. In addition, if we are unable to scale our data storage and computational capacity sufficiently or on commercially reasonable terms, our ability to innovate and introduce new offerings on Instacart may be delayed or compromised, which would have an adverse effect on our growth and business.

***We rely on mobile operating systems and app marketplaces to make portions of Instacart available to customers, retailers, brands, and shoppers, and if we do not effectively operate with such app marketplaces, our usage or brand recognition could decline and our business, financial condition, and results of operations could be adversely affected.***

We depend in part on mobile operating systems, such as Android and iOS, and their respective app marketplaces to make Instacart available to customers, retailers, brands, and shoppers. Any changes in such systems and app marketplaces that degrade the functionality of our apps or give preferential treatment to our competitors' apps could adversely affect Instacart's usage on mobile devices. If such mobile operating systems or app marketplaces limit or prohibit us from making our apps available to customers, retailers, brands, or shoppers, make changes that degrade the functionality of our apps, change the way we collect or use data, increase the cost of using our apps, impose terms of use unsatisfactory to us, alter how we collect fees, increase our compliance costs, or modify their search or ratings algorithms in ways that are detrimental to us, or if our competitors' placement in such mobile operating systems' app marketplace is more prominent than the placement of our apps, our growth could slow. Our apps have experienced fluctuations in placement in the past, and we anticipate similar fluctuations in the future. Additionally, we are subject to requirements imposed by app marketplaces such as those operated by Apple and Google, who may change their technical requirements or policies in a manner that adversely impacts the way in which we collect, use and share data from users. For example, Apple requires mobile applications using its iOS mobile operating system to obtain a user's permission to track them or access their device's advertising identifier for certain purposes. The long-term impact of these and any other changes remains uncertain. If we do not comply with applicable requirements imposed by app marketplaces, we could lose access to the app marketplaces and users, and our business would be harmed. Any of the foregoing risks could adversely affect our business, financial condition, and results of operations.

As new mobile devices and mobile platforms are released, there is no guarantee that certain mobile devices will continue to support our apps or that we can effectively roll out updates to our app. Additionally, in order to deliver high-quality apps, we need to ensure that Instacart is designed to work effectively with a range of mobile technologies, systems, networks, and standards. If customers, retailers, brands, or shoppers that utilize Instacart encounter any difficulty accessing or using our apps on their mobile devices or if we are unable to adapt to changes in popular mobile operating systems, we expect that our growth and engagement would be adversely affected.

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

We procure third-party insurance policies to cover various operations-related risks including automobile liability, employment practices liability, workers' compensation, business interruptions, errors and omissions, cybersecurity and data breaches, crime, directors' and officers' liability, occupational accident insurance for shoppers, and general business liabilities. For certain types of operations-related risks or future risks related to our new and evolving offerings, we are not able to, or may not be able to, acquire insurance. In addition, we may not obtain enough insurance to adequately mitigate such operations-related risks or risks related to our new and evolving offerings, and we may have to pay high premiums, co-insurance, self-insured retentions, or deductibles for the coverage we do obtain. We rely on a limited number of insurance providers, and should such providers discontinue or increase the cost of coverage, we cannot guarantee that we would be able to secure replacement coverage on reasonable terms or at all. If our insurance carriers change the terms of our policies in a manner not favorable to us or to shoppers, our insurance costs could increase. Further, if the insurance coverage we maintain is not adequate to cover losses that occur, or if we are required to purchase additional insurance for other aspects of our business, we could be liable for significant additional costs. Additionally, if any of our insurance providers becomes insolvent, it would be unable to pay any operations-related claims that we make.

If the amount of one or more operations-related claims were to exceed our applicable aggregate coverage limits, we would bear the excess, in addition to amounts already incurred in connection with deductibles, self-

insured retentions, co-insurance, or otherwise paid by our insurance policy. Insurance providers have raised premiums and deductibles for many businesses and may do so in the future. As a result, our insurance costs and claims expense could increase, or we may decide to raise our deductibles or self-insured retentions when our policies are renewed or replaced. Our business, financial condition, and results of operations could be adversely affected if the cost per claim, premiums, the severity of claims, or the number of claims significantly exceeds our historical experience and coverage limits; we experience a claim in excess of our coverage limits; our insurance providers fail to pay on our insurance claims; we experience a claim for which coverage is not provided; or the severity or number of claims under our deductibles or self-insured retentions differs from historical averages.

We are also subject to certain contractual requirements to obtain insurance. For example, some of our agreements with retailers require that we procure certain types of insurance, and if we are unable to obtain and maintain such insurance, we would be in violation of the terms of these retailer agreements. In addition, we are subject to local laws, rules, and regulations relating to insurance coverage which could result in proceedings or actions against us by governmental entities or others. Any failure, or perceived failure, by us to comply with existing or future local laws, rules, and regulations or contractual obligations relating to insurance coverage could result in proceedings or actions against us by governmental entities or others. Additionally, anticipated or future local laws, rules, and regulations relating to insurance coverage, could require additional fees and costs. Compliance with these rules and any related lawsuits, proceedings, or actions may subject us to significant penalties and negative publicity, require us to increase our insurance coverage, require us to amend our insurance policy disclosure, increase our costs, and disrupt our business.

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

***Failure to adequately maintain and protect our intellectual property and proprietary rights could harm our brand, devalue our proprietary content, and adversely affect our ability to compete effectively.***

Our success depends to a significant degree on our ability to obtain, maintain, protect, and enforce our intellectual property rights, including our proprietary technology, know-how, and our brand. To protect our rights to our intellectual property, we rely on a combination of patent, trademark, copyright, and trade secret laws, domain name registrations, confidentiality agreements, and other contractual arrangements with our employees, affiliates, clients, strategic partners, and others. However, the protective steps we have taken and plan to take may be inadequate to deter infringement, misappropriation, dilution or other violations of our intellectual property rights. We make business decisions about when and where to seek patent protection for a particular technology and when to rely upon copyright or trade secret protection, and the approach we select may ultimately prove to be inadequate. Even in cases where we seek patent protection, there is no assurance that our applications for patents will be granted, and even if they are, that the resulting patents will be of sufficient scope to provide meaningful protection. Further, even if we obtain adequate protection, we may be unable to detect the unauthorized use of, or take appropriate steps to enforce, our patents and other intellectual property rights. Effective patent, trademark, copyright, and trade secret protection may not be available to us or in every jurisdiction in which we offer or intend to offer our services. Failure to adequately protect our intellectual property could harm our brand, devalue our proprietary content, and adversely affect our ability to compete effectively. Further, third parties may challenge the validity, enforceability, registration, ownership or scope of our intellectual property rights, and defending against any such claims could result in the expenditure of significant financial and managerial resources, which could adversely affect our business, results of operations, and financial condition.

If we fail to protect our intellectual property rights adequately, our competitors may gain access to our intellectual property and proprietary technology and develop and commercialize substantially identical offerings or technologies. In addition, defending our intellectual property rights might entail significant expense. Any patents, trademarks, copyrights, or other intellectual property rights that we have or may obtain may be challenged or circumvented by others or invalidated or held unenforceable through administrative process,

including re-examination, *inter partes* review, interference and derivation proceedings and equivalent proceedings in foreign jurisdictions (e.g., opposition proceedings), or litigation. Despite our pending U.S. patent applications, there can be no assurance that our patent applications will result in issued patents, or even if issued, that such patents would be of sufficient scope to provide meaningful protection. Even if we continue to seek patent protection in the future, we may be unable to obtain or maintain patent protection for our technology. In addition, any patents we have or may obtain, or that are licensed to us now or in the future, may not provide us with competitive advantages or may be successfully challenged by third parties. Further, the laws of some foreign countries may not be as protective of intellectual property rights as those in the United States, and mechanisms for enforcement of intellectual property rights may be inadequate. Moreover, policing unauthorized use of our technologies, trade secrets, and intellectual property may be difficult, expensive, and time-consuming. Despite our precautions, it may be possible for unauthorized third parties to copy our offerings and technology capabilities and use information that we regard as proprietary to create offerings that compete with ours. The value of our trademarks could be diminished if others assert rights in or ownership of our trademarks, or if they use and assert rights in trademarks that are similar to our trademarks. In some cases, litigation or other actions may be necessary to protect or enforce our trademarks and other intellectual property rights. We may be unable to successfully resolve these types of conflicts to our satisfaction.

We enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with other third parties, including suppliers and other partners. However, we cannot guarantee that we have entered into such agreements with each party that has or may have had access to our proprietary information, know-how, and trade secrets. Moreover, no assurance can be given that these agreements will be effective in controlling access to our proprietary information or the distribution, use, misuse, misappropriation, reverse engineering, or disclosure of our proprietary information, know-how, and trade secrets. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our offerings and technology capabilities. These agreements may be breached, and we may not have adequate remedies for any such breach.

In order to protect our intellectual property rights, we may be required to spend significant resources to monitor for infringement and to enforce our intellectual property rights. Litigation may be necessary in the future to enforce our intellectual property rights. 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. Further, 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, and if such defenses, counterclaims, or countersuits are successful, we could lose valuable 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 further sales or the implementation of our offerings and technology capabilities, impair the functionality of our offerings and technology capabilities, delay introductions of new offerings, result in our substituting inferior or more costly technologies into our offerings, or injure our reputation.

We may not be able to successfully halt the operations of copycat websites or the infringement or misappropriation of intellectual property rights in Instacart, or elements or functionality embodied therein, including, but not limited to, our digital catalog. From time to time, third parties have accessed Instacart's servers without authorization and misappropriated our digital catalog through website scraping, "bots," web crawlers, or other tools or means. In addition, copycat websites have imitated or attempted to imitate elements or functionality of Instacart. As a result, we have employed technological and legal measures, including initiating lawsuits, in an attempt to halt such infringement or misappropriation. We expect such activities to continue to occur. However, we may not be able to detect all such activities in a timely manner and, even if we do, we cannot guarantee that our efforts to protect and enforce our intellectual property rights will be successful. Regardless of whether we can successfully enforce our rights against these websites or third parties, any measures that we may take could require us to expend significant financial or other resources.



***We are currently, and may in the future become, party to intellectual property disputes, which are costly and may subject us to significant liability and increased costs of doing business.***

We have in the past been, are currently in, and may in the future become subject to intellectual property disputes. Our success depends, in part, on our ability to develop and commercialize our offerings without infringing, misappropriating, or otherwise violating the intellectual property rights of third parties. However, we may not be aware that our offerings are infringing, misappropriating, or otherwise violating third-party intellectual property rights, and such third parties may bring claims alleging such infringement, misappropriation, or violation. For example, we rely on a combination of third-party intellectual property licenses and the fair use doctrine when we refer to third-party intellectual property, such as brand names and product images, on Instacart. Third parties may dispute the scope of those rights or the applicability of the fair-use doctrine or otherwise challenge our ability to reference their intellectual property in the course of our business. From time to time, we are contacted by companies controlling brands of products that are sold by retailers, demanding that we cease referencing those brands or take down product images on Instacart. Additionally, companies in the internet and technology industries, and other patent holders, including “non-practicing entities,” seeking to profit from royalties in connection with grants of licenses or seeking to obtain injunctions, own large numbers of patents and other intellectual property and frequently enter into litigation based on allegations of infringement or other violations of intellectual property rights. In 2020, we held conversations with International Business Machines Corporation, or IBM, regarding IBM’s patent portfolio. In connection with these conversations, and to resolve any allegations of possible infringement of IBM’s patents, in January 2021, we entered into an arrangement to significantly increase the size of our patent portfolio, including the acquisition of over 250 patents from IBM and a patent cross-license. However, this strategy of cross-licensing our patent portfolio with third parties in order to settle infringement claims brought against us may not be appropriate in the future and is not effective against certain patent owners, such as non-practicing entities.

Other parties have asserted, and in the future may assert, that we have infringed their intellectual property rights. Any claims of intellectual property infringement, even those without merit, could be time consuming and costly to defend, cause us to cease using or incorporating the asserted intellectual property rights, divert management’s attention and resources, and expose us to other legal liabilities, such as indemnification obligations. We could be required to pay substantial damages or cease using intellectual property or technology that is deemed infringing or be required to enter into royalty or licensing agreements to obtain the right to use a third party’s intellectual property. Any such royalty or licensing agreements may not be available to us on acceptable terms or at all. Additionally, a successful claim of infringement against us could result in us being required to pay significant damages or enter into costly license or royalty agreements, either of which could have an adverse impact on our business. The technology industry is characterized by the existence of a large number of patents, copyrights, trademarks, trade secrets, and other intellectual and proprietary rights. Companies in the technology industry are often required to defend against litigation claims based on allegations of infringement, misappropriation, or other violations of intellectual property rights. Our technologies may not be able to withstand any third-party claims against their use. In addition, some companies have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend claims that may be brought against them. Relative to certain of our competitors, we do not currently have a large patent portfolio, and our relative patent portfolio size may reduce the deterrence value of our portfolio against patent infringement claims brought by competitors or other entities with larger portfolios. Our competitors and others may now and in the future have significantly larger and more mature patent portfolios than we have. If a third party is able to obtain an injunction preventing us from accessing such third-party intellectual property rights, or if we cannot license or develop alternative technology for any potentially infringing aspect of our business, we could be forced to rebrand our offerings, limit, or stop sales of our offerings and technology capabilities, or cease business activities related to such intellectual property. Although we carry general liability insurance, our insurance may not cover potential claims of this type or may not be adequate to indemnify us for all liability that may be imposed. We cannot predict the outcome of lawsuits and cannot ensure that the results of any such actions will not have an adverse effect on our business, financial condition, or results of operations. Any intellectual property

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

- cease selling or using offerings that incorporate the intellectual property rights that we allegedly infringe, misappropriate, or violate;
- make substantial payments for legal fees, settlement payments, or other costs or damages;
- obtain a license, which may not be available on reasonable terms or at all, to sell or use the relevant technology; or
- redesign the allegedly infringing offerings to avoid infringement, misappropriation, or violation, which could be costly, time-consuming, or impossible.

Even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and harm our business and results of operations. Moreover, there could be public announcements of the results of hearings, motions, or other interim proceedings or developments and if securities analysts or investors perceive these results to be negative, it could have a substantial adverse effect on the price of our common stock. We expect that the occurrence of infringement claims is likely to grow as the market for Instacart and our offerings grows. Accordingly, our exposure to damages resulting from infringement claims could increase, and this could further exhaust our financial and management resources.

***Our use of third-party open source software could adversely affect our ability to offer Instacart and our offerings and subjects us to possible litigation.***

We use third-party open source software in connection with the operation, development, and deployment of Instacart and our offerings. From time to time, companies that use third-party open source software have faced claims challenging the use of such open source software and their compliance with the terms of the applicable open source license. We may be subject to suits by parties claiming ownership of what we believe to be open source software or claiming non-compliance with the applicable open source licensing terms. Some open source licenses require end-users who distribute or make available across a network software and services that include open source software to make available the source code of all or part of such software, which in some circumstances could include valuable proprietary code, and also prohibit the charging of fees to licensees for use of such code. While we employ practices designed to monitor our compliance with the licenses of third-party open source software and to shield our valuable proprietary source code from these open-source license requirements, we have not run a complete open source license review and may inadvertently use third-party open source software in a manner that exposes us to claims of non-compliance with the applicable terms of such license, that could require us to disclose source code of our proprietary software, prohibit us from charging fees for use of our proprietary software, or render our software temporarily unavailable. Furthermore, there is an increasing number of open-source software license types, almost none of which have been tested in a court of law, resulting in a dearth of guidance regarding the proper legal interpretation of such licenses. If we were to receive a claim of non-compliance with the terms of any of our open source licenses, we may be required to publicly release certain portions of our proprietary source code, expend substantial time and resources to re-engineer some or all of our software, or temporarily disable one or more features of our platform.

In addition, the use of third-party open source software typically exposes us to greater risks than the use of third-party commercial software because open-source licensors generally do not provide warranties or controls on the functionality or origin of the software. Use of open source software may also present additional security risks because the public availability of such software may make it easier for hackers and other third parties to determine how to compromise Instacart. Additionally, because any software source code that we contribute to open source projects becomes publicly available, our ability to protect our intellectual property rights in such software source code may be limited or lost entirely, and we would be unable to prevent our competitors or others from using such contributed software source code. Any of the foregoing could be harmful to our business,

financial condition, or results of operations and could help our competitors develop offerings that are similar to or better than ours.

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

*The trading price of our common stock may be volatile and could decline significantly and rapidly.*

The trading price of our common stock could be subject to wide fluctuations in response to numerous factors in addition to the ones described in this “Risk Factors” section many of which are beyond our control, including:

- actual or anticipated fluctuations in our results of operations and growth rates, including as a result of any future public health outbreaks;
- the number of shares of our common stock made available for trading;
- overall performance of the equity markets and the economy as a whole;
- changes in the financial projections we may provide to the public or our failure to meet these projections;
- failure of securities analysts to initiate or maintain coverage of us, changes in financial estimates by any securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- changes in the pricing of our offerings;
- actual or anticipated changes in our growth rate relative to that of our competitors;
- changes in the anticipated future size or growth rate of our addressable markets;
- announcements of new products, or of acquisitions, strategic partnerships, joint ventures, or capital-raising activities or commitments, by us or by our competitors;
- repurchases or expectations with respect to repurchases of our common stock by us;
- additions or departures of board members, management, or key personnel;
- rumors and market speculation involving us or other companies in our industry;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business, including those related to privacy, data security, data protection, and cyber security in the United States or globally;
- lawsuits threatened or filed against us;
- other events or factors, including those resulting from war, incidents of terrorism, or responses to these events;
- health epidemics, such as the COVID-19 pandemic, influenza, and other highly infectious diseases;
- expiration of lock-up agreements and market stand-off provisions; and
- sales or expectations with respect to sales of shares of our capital stock by us or our security holders.

In addition, stock markets, with respect to newly public companies, particularly companies in the technology industry, have experienced significant price and volume fluctuations that have affected and continue to affect the stock prices of these companies. Stock prices of many companies, including technology companies, have fluctuated in a manner often unrelated to the operating performance of those companies. These fluctuations may be even more pronounced in the trading market for our common stock shortly following the listing of our

common stock on Nasdaq as a result of the supply and demand forces described above. In the past, companies that have experienced volatility in the trading price for their stock have been subject to securities class action litigation. If we were to become involved in securities litigation, it could subject us to substantial costs, divert resources and the attention of management from our business, and adversely affect our business, results of operations, and financial condition.

***The initial public offering price of our common stock may not be indicative of the market price of our common stock after this offering.***

The initial public offering price was determined by negotiations between us, the selling stockholders, and representatives of the underwriters, based on numerous factors which we discuss in the section titled “Underwriting,” and may not be indicative of the market price of our common stock after this offering. If you purchase our common stock, you may not be able to resell those shares at or above the initial public offering price.

***An active, liquid, and orderly market for our common stock may not develop or be sustained. You may be unable to sell your shares of common stock at or above the price at which you purchased them.***

We currently expect our common stock to be listed and traded on Nasdaq. Prior to listing on Nasdaq, there has been no public market for our common stock. An active, liquid, and orderly trading market for our common stock may not initially develop or be sustained, which could significantly depress the trading price of our common stock and/or result in significant volatility, which could affect your ability to sell your shares of common stock.

In addition, we currently anticipate that up to an aggregate of 1% of the shares of common stock offered hereby will, at our request, be offered to retail investors through SoFi Securities LLC, or SoFi, as an underwriter, or Robinhood Financial, or Robinhood, as a selling group member, via their online brokerage platforms. There may be risks associated with the use of such platforms that we cannot foresee, including risks related to the technology and operation of such platforms, and the publicity and the use of social media by users of such platforms that we cannot control.

***We anticipate incurring a substantial obligation in connection with tax liabilities on the initial settlement of RSUs, vesting of outstanding restricted stock, and net exercise of certain stock options in connection with this offering. The manner in which we fund these tax liabilities may have an adverse effect on our financial condition or may add to the dilution of our stockholders in the offering.***

In light of the large number of RSUs that will initially settle, outstanding restricted stock that will vest, and stock options that will be net exercised in connection with this offering, we anticipate that we will expend substantial funds, primarily using net proceeds from this offering and the concurrent private placement, to satisfy tax withholding and remittance obligations in connection with the effectiveness of the registration statement of which this prospectus forms a part. The RSUs and restricted stock granted prior to the date of this prospectus vest upon the satisfaction of service-based, liquidity event-based, and/or market-based vesting conditions. The service-based vesting condition is generally satisfied over a period of four years. The market-based vesting conditions are satisfied upon our achievement of specified future valuation amounts. The liquidity event-based condition is satisfied on the earlier of (i) a combination or disposition transaction provided that such transaction (or series of transactions) qualifies as a change of control, and (ii) the effective date of a registration statement for an initial public offering of our common stock, including this offering. As a result, a large number of RSUs and restricted stock which have previously satisfied the service-based vesting condition or market-based vesting condition, as applicable, will vest in connection with the effectiveness of the registration statement of which this prospectus forms a part. In connection with the settlement of these RSUs, net exercise of these stock options, and vesting of restricted stock, we plan to withhold certain shares underlying RSUs and stock options and repurchase and cancel certain shares of outstanding restricted stock, as applicable, and remit income taxes on behalf of the holders of such RSUs, stock options, and restricted stock at applicable statutory tax withholding rates based on the initial public offering price per share in this offering. See the section titled “Use of Proceeds.” For RSUs that will vest after the

effectiveness of the registration statement of which this prospectus forms a part and prior to the expiration of the lock-up and/or market stand-off period, we will have discretion to net settle or sell-to-cover shares underlying these RSUs and also to delay settlement of these RSUs following vesting until the expiration of the lock-up and/or market stand-off period.

Based on the number of RSUs and shares of restricted stock outstanding for which the service-based or market-based vesting condition, as applicable, were fully or partially satisfied on or before August 15, 2023 and the number of stock options to be net exercised in connection with this offering, and assuming (i) that the price of our common stock at the time of settlement was equal to the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and (ii) a 47% tax withholding rate for the RSUs and shares of restricted stock and a 43% tax withholding rate for the stock options, we estimate that these tax obligations on the settlement date in connection with this offering would be approximately \$509.4 million in the aggregate. Accordingly, we would expect to (i) deliver an aggregate of approximately 17.6 million shares of our non-voting common stock to RSU holders after withholding an aggregate of approximately 15.6 million shares of our non-voting common stock, (ii) repurchase and cancel 145,407 shares of outstanding non-voting restricted stock, and (iii) deliver an aggregate of approximately 4.1 million shares of our common stock to option holders after withholding an aggregate of approximately 5.1 million shares of common stock, including to satisfy the aggregate exercise price. In connection with the net settlements of RSUs, cancellations of outstanding restricted stock, and net exercises of stock options, we would withhold and remit the tax liabilities on behalf of the RSU holders, holders of outstanding restricted stock, and option holders to the relevant tax authorities in cash. The amount of these obligations could be higher or lower, depending on, among other things, the price of shares of our common stock in this offering, the actual tax withholding rates, and the actual number of RSUs and shares of restricted stock outstanding for which the service-based or market-based vesting condition, as applicable, has been satisfied on the settlement or vesting date (after accounting for forfeitures prior to the settlement or vesting date). In addition, the actual tax withholding rates and number of shares withheld in these transactions are partially dependent on the actual initial public offering price per share in this offering. As a result, depending on the actual initial public offering price per share in this offering, actual tax withholding rates, and the number of shares of common stock sold by us in this offering, we may need to use existing cash and cash equivalents to fund a portion of these tax withholding and remittance obligations.

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

We will have broad discretion in the application of the net proceeds to us from this offering and the concurrent private placement, including for any of the purposes described in the section titled “Use of Proceeds,” and you will not have the opportunity as part of your investment decision to assess whether the net proceeds are being used appropriately. Because of the number and variability of factors that will determine our use of the net proceeds from this offering and the concurrent private placement, our ultimate use may vary substantially from our currently intended use. Investors will need to rely on the judgment of our management with respect to the use of proceeds. Pending use, we may invest the net proceeds from this offering and the concurrent private placement in investment-grade, interest-bearing instruments such as money market funds, corporate debt securities, certificates of deposit, commercial paper, and U.S. government and government agency debt securities that may not generate a high yield for our stockholders. If we do not use the net proceeds that we receive in this offering effectively, our business, financial condition, results of operations, and prospects could be harmed, and the market price of our common stock could decline.

***Future sales of our common stock in the public market could cause the market price of our common stock to decline.***

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

In connection with this offering, we, all of our directors and executive officers, and holders of substantially all of our common stock and securities exercisable for or convertible into our common stock, have entered or will enter into lock-up agreements with the underwriters and/or agreements with market stand-off provisions that restrict our and their ability to sell or transfer shares of our capital stock, and securities convertible into or exercisable or exchangeable for shares of our capital stock, for a period of 180 days from the date of this prospectus, subject to earlier termination on the date on which an open trading window period commences following our release of earnings for the quarter ending December 31, 2023, which we refer to as the lock-up period, subject to certain customary exceptions and certain provisions that provide for the early release of certain shares. See the sections titled “Shares Eligible for Future Sale” and “Underwriting” for a discussion of such exceptions and of the early release provisions that may allow for sales during the lock-up period. In addition, Goldman Sachs & Co. LLC may, in its sole discretion, release certain stockholders from the lock-up agreements prior to the end of the lock-up period. If not earlier released, all of our shares of common stock, other than those sold in this offering, which are freely tradable, will become eligible for sale upon expiration of the lock-up period, except for any shares held by our affiliates as defined in Rule 144 under the Securities Act of 1933, as amended, or the Securities Act.

In addition, after this offering and giving effect to the RSU Net Settlement, the Additional RSU Net Settlement, the RSA Cancellation, the Additional RSA Cancellation, the Option Net Exercise, and the Option Cash Exercise, up to 51,932,013 shares of our common stock may be issued upon exercise of outstanding stock options or vesting and settlement of outstanding RSUs, and up to 121,875,120 shares of our common stock are available for future issuance under our 2023 Plan and our ESPP, and will become eligible for sale in the public market to the extent permitted by the provisions of various vesting schedules, exercise limitations, the lock-up agreements and market stand-off provisions, and Rule 144 and Rule 701 under the Securities Act. We intend to register all of the shares of common stock issuable upon exercise of outstanding options or other equity incentive awards we may grant in the future for public resale under the Securities Act. Shares of common stock will become eligible for sale in the public market to the extent such options are exercised and RSUs settle, subject to the lock-up agreements and market stand-off provisions described above and compliance with applicable securities laws. If these additional shares of common stock are sold, or if it is perceived that they will be sold, in the public market, the trading price of our common stock could decline.

Further, holders of approximately 178.6 million shares as of June 30, 2023, or approximately 65% of our capital stock after the closing of this offering, will have rights, subject to some conditions and the lock-up agreements and market stand-off provisions described above, to require us to file registration statements covering the sale of their shares or to include their shares in registration statements that we may file for ourselves or other stockholders.

***After this offering, our executive officers, directors, and principal stockholders, if they choose to act together, will continue to have the ability to control or significantly influence all matters submitted to stockholders for approval. Furthermore, certain of our current directors were appointed by our principal stockholders.***

Following the completion of this offering, and without giving effect to any purchases that these holders may make through our directed share program or otherwise in this offering, our executive officers, directors, and greater than 5% stockholders, in the aggregate, will beneficially own approximately 40% of our outstanding common stock. Furthermore, certain of our current directors were appointed by our principal stockholders. As a result, such persons or their appointees to our board of directors, acting together, will have the ability to control or significantly influence all matters submitted to our board of directors or stockholders for approval, including the appointment of our management, the election and removal of directors, and approval of any significant transaction, as well as our management and business affairs. In addition, if any of our executive officers, directors, and greater than 5% stockholders purchase shares in this offering, or if any of our other current investors purchase shares in this offering and become greater than 5% stockholders as a result, the ability of such persons, acting together, to control or significantly influence such matters will increase. This concentration of ownership may have the effect of delaying, deferring, or preventing a change in control, impeding a merger, consolidation, takeover, or other business combination involving us, or discouraging a potential acquiror from making a tender offer or otherwise attempting to obtain control of our business, even if such a transaction would benefit other stockholders.

Norges Bank Investment Management, a division of Norges Bank, and entities affiliated with TCV, Sequoia Capital, D1 Capital Partners, L.P., and Valiant Capital Management, which we refer to collectively as the cornerstone investors, have indicated an interest, severally and not jointly, in purchasing shares of common stock in an aggregate amount of up to approximately \$400 million in this offering at the initial public offering price per share and on the same terms as the other purchasers in this offering. Sequoia Capital and D1 Capital Partners are significant stockholders and affiliates of members of our board of directors. Because indications of interest are not binding agreements or commitments to purchase, the underwriters could determine to sell more, fewer, or no shares to any of the cornerstone investors, and any of the cornerstone investors could determine to purchase more, fewer, or no shares in this offering. The calculations shown above do not reflect any purchases by these potential purchasers.

***Our business and financial performance may differ from any projections that we disclose or any information that may be attributed to us by third parties.***

From time to time, we will provide guidance via public disclosures regarding our projected business or financial performance. However, any such projections involve risks, assumptions, and uncertainties, and our actual results could differ materially from such projections. Factors that could cause or contribute to such differences include, but are not limited to, those identified in this section, some or all of which are not predictable or within our control. Other unknown or unpredictable factors also could adversely impact our performance, and we undertake no obligation to update or revise any projections, whether as a result of new information, future events, or otherwise, except as may be required by law. In addition, various news sources, bloggers, and other publishers often make statements regarding our historical or projected business or financial performance, and we cannot assure you of the reliability of any such information even if it is attributed directly or indirectly to us.

***Our trading price and trading volume could decline if securities or industry analysts do not publish research about our business, or if they publish unfavorable research.***

Equity research analysts do not currently provide coverage of our common stock, and we cannot assure you that any equity research analysts will adequately provide research coverage of our common stock after the listing of our common stock on Nasdaq. A lack of adequate research coverage may harm the liquidity and trading price of our common stock. To the extent equity research analysts do provide research coverage of our common stock, we will not have any control over the content and opinions included in their reports. The trading price of our common stock could decline if one or more equity research analysts downgrade our stock or publish other unfavorable commentary or research. If one or more equity research analysts cease coverage of our company, or fail to regularly publish reports on us, the demand for our common stock could decrease, which in turn could cause our trading price or trading volume to decline.

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

We have never declared or paid any cash dividends on our capital stock, and we do not intend to pay any cash dividends in the foreseeable future. We expect to retain future earnings, if any, to fund the development and growth of our business. Any future determination to pay dividends on our capital stock will be at the discretion of our board of directors. In addition, our ability to pay dividends on our capital stock is limited by the terms of the Series A Preferred Stock and may be further restricted under future contractual arrangements. Accordingly, you must rely on the sale of your common stock after price appreciation, which may never occur, as the only way to realize any future gain on your investment.

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

We may issue our capital stock or securities convertible into our capital stock from time to time in connection with a financing, acquisition, investments, or otherwise. Additional issuances of our stock will result in dilution to existing holders of our stock. Also, to the extent outstanding stock options to purchase our stock are exercised, additional RSUs settle, or the Series A Preferred Stock is converted, there will be further dilution. The amount of

dilution could be substantial depending upon the size of the issuance or exercise. Any such issuances could result in substantial dilution to our existing stockholders and cause the trading price of our common stock to decline.

***The Series A Preferred Stock ranks senior to our common stock, impacts our ability to pay dividends, and may result in significant dilution.***

The Series A Preferred Stock ranks senior to our common stock. Accordingly, in the event of our liquidation or dissolution in bankruptcy or otherwise, the holders of the Series A Preferred Stock would receive their liquidation preference prior to any distribution being available to holders of our common stock. The terms of the Series A Preferred Stock also require us to obtain approval from the holders of the outstanding shares of Series A Preferred Stock for any cash dividends on our common stock in excess of a 5.0% annual dividend yield. Any dividend payment on our common stock will also result in adjustments to the conversion price of the Series A Preferred Stock. In addition, upon a conversion of the Series A Preferred Stock, your percentage ownership in us will be diluted.

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

The initial public offering price of our common stock is substantially higher than the pro forma net tangible book value per share of our common stock immediately after this offering. If you purchase shares of our common stock in this offering, you will suffer immediate dilution of \$17.77 per share, representing the difference between our pro forma as adjusted net tangible book value per share after giving effect to the sale of common stock in this offering, the Exchangeable Share Conversion, the Preferred Stock Conversion, the RSU Net Settlement, the RSA Cancellation, the Option Net Exercise, the Option Cash Exercise, the Warrant Net Exercise, the concurrent private placement, and the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus. See the section titled "Dilution."

***Certain provisions in our corporate charter documents and under Delaware law may prevent or hinder attempts by our stockholders to change our management or to acquire a controlling interest in us, or bring a lawsuit against us or our directors and officers, and the trading price of our common stock may be lower as a result.***

There are provisions in our restated certificate of incorporation and restated bylaws, as they will be in effect immediately prior to the closing of this offering, that may make it difficult for a third party to acquire, or attempt to acquire, control of our company, even if a change in control were considered favorable by our stockholders. These anti-takeover provisions include:

- a classified board of directors so that not all members of our board of directors are elected at one time;
- the ability of our board of directors to determine the number of directors and to fill any vacancies and newly created directorships;
- a requirement that our directors may only be removed for cause;
- a prohibition on cumulative voting for directors;
- the requirement of a super-majority to amend some provisions in our restated certificate of incorporation and restated bylaws;
- authorization of the issuance of "blank check" preferred stock that our board of directors could use to implement a stockholder rights plan;
- an inability of our stockholders to call special meetings of stockholders; and
- a prohibition on stockholder actions by written consent, thereby requiring that all stockholder actions be taken at a meeting of our stockholders.



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

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

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

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

- any derivative action or proceeding brought on our behalf;
- any action asserting a breach of fiduciary duty;
- any action asserting a claim against us arising under the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws;
- any action seeking to interpret, apply, enforce, or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws, each to be effective immediately prior to the closing of this offering;
- any action as to which Delaware General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware; and
- any action asserting a claim against us that is governed by the internal-affairs doctrine.

This provision would not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934, as amended, or the Exchange Act. Furthermore, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated certificate of incorporation, to be effective immediately prior to the closing of this offering, will further provide that the federal district courts of the United States of America will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. While the Delaware courts have determined that such choice of forum provisions are facially valid and several state trial courts have enforced such provisions and required that suits asserting Securities Act claims be filed in federal court, there is no guarantee that courts of appeal will affirm the enforceability of such provisions, and a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such an instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation, to be effective immediately prior to the closing of this offering. This may require significant additional costs associated with

resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions. If a court were to find either exclusive forum provision in our amended and restated certificate of incorporation, to be effective immediately prior to the closing of this offering, to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with litigating Securities Act claims in state court, or both state and federal court, which could seriously harm our business, financial condition, results of operations, and prospects. These exclusive forum provisions may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers, and other employees.

### **General Risk Factors**

***The requirements of being a public company may strain our resources, divert management's attention, and affect our ability to attract and retain executive management and qualified board members.***

As a public company, we will be subject to the reporting requirements of the Exchange Act, the listing standards of Nasdaq, and other applicable securities rules and regulations. We expect that the requirements of these rules and regulations will continue to increase our legal, accounting, and financial compliance costs, make some activities more difficult, time-consuming and costly, and place significant strain on our personnel, systems, and resources. Furthermore, several members of our management team do not have prior experience in running a public company. For example, the Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and results of operations. As a result of the complexity involved in complying with the rules and regulations applicable to public companies, our management's attention may be diverted from other business concerns, which could harm our business, results of operations, and financial condition. Although we have already hired additional employees to assist us in complying with these requirements, we may need to hire more employees in the future or engage outside consultants, which will increase our operating expenses. In addition, changing laws, regulations, and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs, and making some activities more time-consuming. These laws, regulations, and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest substantial resources to comply with evolving laws, regulations, and standards, and this investment may result in increased general and administrative expense and a diversion of management's time and attention from business operations to compliance activities. If our efforts to comply with new laws, regulations, and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and our business may be harmed. We also expect that being a public company that is subject to these new rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified members of our board of directors, particularly members who can serve on our audit committee and compensation committee, and qualified executive officers. As a result of the disclosure obligations required of a public company, our business and financial condition will become more visible, which may result in an increased risk of threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business, results of operations, and financial condition would be harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, would divert the resources of our management and harm our business, results of operations, and financial condition.

***As a result of being a public company, we are obligated to develop and maintain proper and effective internal control over financial reporting, and any failure to maintain the adequacy of these internal controls may adversely affect investor confidence in our company and, as a result, the value of our common stock.***

We will be required, pursuant to Section 404 of the Sarbanes-Oxley Act, or Section 404, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting commencing with our second annual report on Form 10-K. This assessment will need to include disclosure of any material weaknesses in our internal control over financial reporting identified by our management. In addition, our independent registered public accounting firm will be required to attest to the effectiveness of our internal control over financial reporting in our second annual report required to be filed with the SEC following the completion of this offering. We have commenced the costly and challenging process of compiling the system and processing documentation necessary to perform the evaluation needed to comply with Section 404, but we may not be able to complete our evaluation, testing, and any required remediation in a timely fashion once initiated. Our compliance with Section 404 will require that we incur substantial expenses and expend significant management efforts. We will need to hire additional accounting and financial staff with appropriate public company experience and technical accounting knowledge and compile the system and process documentation necessary to perform the evaluation needed to comply with Section 404.

During the evaluation and testing process of our internal controls, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to certify that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets.

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

U.S. generally accepted accounting principles, or GAAP, are subject to interpretation by the Financial Accounting Standards Board, or FASB, the SEC, and various bodies formed to promulgate and interpret appropriate accounting principles. The accounting for our business is complex, particularly in the area of revenue recognition, and is subject to change based on the evolution of our business model, interpretations of relevant accounting principles, enforcement of existing or new regulations, and changes in SEC or other agency policies, rules, regulations, and interpretations of accounting regulations. Changes to our business model and accounting methods, principles, or interpretations could result in changes to our financial statements, including changes in revenue and expenses in any period, or in certain categories of revenue and expenses moving to different periods, may result in materially different financial results, and may require that we change how we process, analyze, and report financial information and our financial reporting controls.

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

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in our consolidated financial statements and accompanying notes appearing elsewhere in this prospectus. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting

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Policies and Estimates.” The results of these estimates form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses. Significant estimates and judgments involve: revenue recognition, including revenue-related reserves; legal contingencies; income taxes; sales and indirect tax reserves; fair value of assets acquired and liabilities assumed for business combinations; and valuation of our common stock and equity awards. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the market price of our common stock.

## SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

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

- our expectations regarding our financial performance, including revenue, cost of revenue, gross profit, operating expenses, net income, and key metrics such as GTV and orders, and our ability to maintain or increase future profitability and generate profitable growth over time;
- economic and industry trends;
- our ability to effectively manage our growth and plan for and execute growth strategies and initiatives;
- anticipated trends, growth rates, and challenges in our financial performance, key metrics, and business and in the markets in which we operate;
- our ability to attract and increase engagement of customers and shoppers;
- our ability to expand our offerings to existing customers, retailers, and brands;
- our ability to maintain and expand our relationships with retailers and brands;
- our ability to continue to grow across our current markets and expand into new markets;
- the effects of increased competition in our markets and our ability to successfully compete with companies that are currently in, or may in the future enter, the markets in which we operate;
- our estimated market opportunity;
- our ability to timely and effectively scale and adapt our offerings;
- our ability to continue to innovate and enhance our offerings;
- our ability to develop new offerings, features, and use cases and bring them to market in a timely manner, and whether current and prospective customers, retailers, brands, and shoppers will adopt these new products, offerings, features, and use cases;
- the effects of the COVID-19 pandemic, including its variants, or other public health crises;
- our ability to maintain, protect, and enhance our brand and intellectual property;
- our ability to identify and complete acquisitions that complement and expand the functionality of Instacart and our offerings;
- our ability to comply or remain in compliance with laws and regulations that currently apply or become applicable to our business in the United States and internationally;
- our reliance on key personnel and our ability to attract, maintain, and retain management and skilled personnel;
- the increased expenses associated with being a public company;
- the future trading prices of our common stock; and
- our anticipated use of the net proceeds to us from this offering.

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

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

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

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

## MARKET, INDUSTRY, AND OTHER DATA

This prospectus contains estimates and information concerning our industry, including market size and growth of the market in which we participate, that are based on industry publications, reports, and other sources, including Yipit, LLC, and its affiliates, collectively referred to as YipitData. Some data and other information contained in this prospectus are also based on management's estimates and calculations, which are derived from our review and interpretation of independent sources, including YipitData. This information involves a number of assumptions and limitations, and you are cautioned not to give undue weight to such estimates. Although we are responsible for all of the disclosure contained in this prospectus and we believe the information from the industry publications and other third-party sources included in this prospectus is reliable, we have not independently verified the accuracy or completeness of the data contained in such sources. The industry in which we operate is subject to a high degree of uncertainty and risk due to a variety of factors, including those described in the section titled "Risk Factors." These and other factors could cause results to differ materially from those expressed in these publications and reports.

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

- Alphabet Inc., or Google, *COVID-19 Community Mobility Reports*.
- Cadent Consulting Group, or Cadent, *2022 Marketing Spending*, December 2022.
- Chain Store Guides, LLC, or CSG, *Grocery Industry Market Share Report, 2022*.
- Euromonitor International Limited, or Euromonitor, *Retail* (2023 edition), *Consumer Foodservice* (2023 edition), *Fresh Food* (2023 edition).
- FactSet Research Systems Inc., or FactSet, Financial data and analytics provider FactSet (based on a search of public and private supermarkets and other grocery stores in the United States as of August 2023, excluding convenience and restaurant grocery stores).
- Feeding America, *Map the Meal Gap 2022*, July 2022.
- The Food Industry Association, or FMI, *Supermarket Facts*, 2019.
- Gartner, Inc., or Gartner, *Forecast: Enterprise IT Spending by Vertical Industry Market, 2020-2026*, December 2022.
- IBISWorld Inc., or IBISWorld, *Supermarkets & Grocery Stores in the US*, July 2022.
- Incisiv Inc., or Incisiv, *Digital Maturity Benchmark: Grocery Industry 2022, 2023*.
- Insider Intelligence, *Retail Media Ad Spending*, April 2023.
- Market Track, LLC d/b/a Numerator, or Numerator (based on a survey of approximately 105,000 households across the United States for the 12 months ended March 13, 2022).
- McKinsey & Company, or McKinsey, *Commerce media: The new force transforming advertising*, July 2022.
- McKinsey, *Navigating the market headwinds: The state of grocery retail 2022*, May 2022.
- McKinsey, *The next horizon for grocery e-commerce: Beyond the pandemic bump*, April 2022 (based on a survey of 31 CEOs as well as 25 C-level executives, directors, and vice presidents in January and February 2022, augmented with McKinsey's insights from surveys conducted in 2021 among consumers in the United States (4,691 respondents), Mexico (1,005 respondents), and Canada (967 respondents)).
- NERA Economic Consulting, or NERA, *The Economic Impact of Instacart on the U.S. Retail Grocery Industry Before and During the COVID-19 Pandemic*, September 2021.

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- Statista, *Grocery shopping: U.S. consumers' weekly trips per household 2006-2022*, December 5, 2022.
- Statistics Canada, *Population and Dwelling Count Highlight Tables*, 2021 Census.
- The New York Times Company, or The New York Times, *Coronavirus in the U.S.: Latest Map and Case Count*.
- The Washington Post, *The Real Reason the U.S. Spends Twice as Much on Health Care as Other Wealthy Countries*, March 2018.
- U.S. Bureau of Labor Statistics, *Consumer expenditures in 2021*, December 2022.
- U.S. Department of Agriculture Food and Nutrition Service, *SNAP: Monthly Participation, Households, Benefits*, July 14, 2023.
- U.S. Department of Agriculture Food and Nutrition Service, *Stores Accepting SNAP Online*, March 2022.
- U.S. Department of Agriculture, *Food Security: Key Statistics & Graphics*, April 22, 2022.
- U.S. Census Bureau, *2016-2020 American Community Survey 5-Year Estimates*, 2020.
- Yipit, LLC, d/b/a YipitData, a market research firm (based on data from six digital-first grocery platforms in the United States from January 2020 to June 2023).

YipitData makes no representation or warranty as to the accuracy or completeness of the data and information from YipitData set forth herein and shall have, and accept, no liability of any kind, whether in contract, tort (including negligence) or otherwise, to any third party arising from or related to use of the data and information by us. Any use which we or a third party makes of such data and information, or any reliance on it, or decisions to be made based on it, are the sole responsibilities of us and such third party.



## USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering and the concurrent private placement of Series A Preferred Stock of approximately \$523.8 million (or \$608.0 million if the underwriters exercise their option to purchase additional shares of common stock from us in full) based on the assumed initial public offering price of \$27.00 per share of common stock, the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us in connection with this offering and the placement agent fee and estimated issuance costs in connection with the concurrent private placement. We will not receive any of the proceeds from the sale of common stock in this offering by the selling stockholders identified in this prospectus.

The principal purposes of this offering and the concurrent private placement are to increase our financial flexibility and create a public market for our common stock. We intend to use the net proceeds we receive from this offering and the concurrent private placement, together with existing cash and cash equivalents, if necessary, to satisfy all of our anticipated tax withholding and remittance obligations related to the RSU Net Settlement, the Additional RSU Net Settlement, the RSA Cancellation, the Additional RSA Cancellation, and the Option Net Exercise. In connection with the RSU Net Settlement, the Additional RSU Net Settlement, the RSA Cancellation, the Additional RSA Cancellation, and the Option Net Exercise, assuming (i) the fair market value of our common stock at the time of settlement, vesting, and net exercise, as applicable, will be equal to the assumed initial public offering price per share of \$27.00, the midpoint of the price range set forth on the cover page of this prospectus, and (ii) an assumed 47% tax withholding rate for the RSU Net Settlement, the Additional RSU Net Settlement, the RSA Cancellation, and the Additional RSA Cancellation and an assumed 43% tax withholding rate for the Option Net Exercise, we estimate that these tax withholding and remittance obligations on the assumed settlement, vesting, or exercise date, as applicable, will be \$509.4 million in the aggregate.

Each \$1.00 increase (decrease) in the assumed initial public offering price of \$27.00 per share of common stock would increase (decrease) the net proceeds to us from this offering by approximately \$13.3 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us in connection with this offering and the placement agent fee and estimated issuance costs in connection with the concurrent private placement. Similarly, each increase (decrease) of 1,000,000 shares of common stock offered by us would increase (decrease) the net proceeds to us from this offering by approximately \$25.5 million, assuming the assumed initial public offering price per share remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us in connection with this offering and the placement agent fee and estimated issuance costs in connection with the concurrent private placement.

Each \$1.00 increase (decrease) in the assumed initial public offering price per share of \$27.00, which is the midpoint of the price range set forth on the cover page of this prospectus, assuming no change in the assumed settlement date, vesting date, or exercise date, as applicable, or applicable tax withholding rate, would increase (decrease) the amount we would be required to pay to satisfy our tax withholding and remittance obligations described above by approximately \$19.7 million. In addition, each 1.0% increase (decrease) in the tax withholding rate, assuming no change in the assumed initial public offering price per share, would increase (decrease) the amount of tax withholding and remittance obligations described above by approximately \$11.0 million.

We intend for the number of shares of common stock offered by us as set forth on the cover page of this prospectus, taken together with the number of shares of common stock initially underlying the Series A Preferred Stock, to be equal to or less than the number of shares to be withheld or repurchased and cancelled in connection with the RSU net settlements, restricted stock vesting, option net exercises, and warrant net exercise described elsewhere in this prospectus. The actual share withholding or repurchase and cancellation amounts, and related withholding rates, will fluctuate based on, among other things, the actual initial public offering price per share in this offering.

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We intend to use any remaining net proceeds from this offering and the concurrent private placement for general corporate purposes, including working capital, operating expenses, and capital expenditures. We cannot specify with certainty all of the particular uses for the remaining net proceeds to us from this offering and the concurrent private placement. We may also use a portion of any remaining net proceeds for acquisitions of, or strategic investments in, complementary businesses, products, services, or technologies, although we do not currently have any agreements or commitments to enter into any material acquisitions or investments. Additionally, as part of our broader capital allocation strategy, we may consider utilizing excess cash for opportunistic share repurchases from time to time. Any future determination regarding such repurchases, if any, will be at the discretion of our board of directors and will depend on then-existing conditions, including market conditions, our financial position, any contractual restrictions, capital requirements, business prospects, any resulting taxes, and other factors that we and our board of directors may deem relevant. We cannot guarantee that any share repurchases would occur, and we currently do not have any commitments to conduct any share repurchases.

We will have broad discretion over how we use the net proceeds from this offering and the concurrent private placement. We intend to invest the net proceeds from the offering and the concurrent private placement that are not used as described above in investment-grade, interest-bearing instruments such as money market funds, corporate debt securities, certificates of deposit, commercial paper, and U.S. government and government agency debt securities.

## **DIVIDEND POLICY**

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

## CAPITALIZATION

The following table sets forth our cash, cash equivalents, and marketable securities and our capitalization as of June 30, 2023 as follows:

- on an actual basis;
- on a pro forma basis to reflect (i) the Exchangeable Share Conversion, resulting in the issuance of 688,787 shares of our non-voting common stock in exchange for all outstanding exchangeable shares; (ii) the net issuance of 14,633,956 shares of our non-voting common stock in connection with the RSU Net Settlement (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate); (iii) the repurchase and cancellation of 132,188 shares of our outstanding non-voting restricted stock in connection with the RSA Cancellation (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate); (iv) the net issuance of 4,080,971 shares of our non-voting common stock in connection with the Option Net Exercise (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 43% tax withholding rate); (v) the issuance of 254,000 shares of our voting common stock in connection with the Option Cash Exercise; (vi) the net issuance of 2,334,023 shares of our non-voting common stock in connection with the Warrant Net Exercise (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus); (vii) the conversion of all outstanding shares of our non-voting common stock and shares of our non-voting common stock underlying outstanding equity securities into an equivalent number of shares of our voting common stock immediately prior to the closing of this offering; (viii) the Preferred Stock Conversion, resulting in the issuance of 167,691,828 shares of our voting common stock; (ix) the reclassification of all outstanding shares of our voting common stock and shares of our voting common stock underlying outstanding equity securities into an equivalent number of shares of common stock immediately prior to the closing of this offering; and (x) stock-based compensation expense of \$2.4 billion associated with RSUs and shares of outstanding non-voting restricted stock subject to service-based, market-based, and/or liquidity event-based vesting conditions, for which the service-based vesting condition and the market-based vesting condition, as applicable, were fully or partially satisfied as of June 30, 2023 and which we expect to recognize in connection with the effectiveness of the registration statement, which will satisfy the liquidity event-based vesting condition, as if such effectiveness had occurred on June 30, 2023, as further described in Notes 2 and 12 to our consolidated financial statements included elsewhere in this prospectus; and
- on a pro forma as adjusted basis to reflect (i) the pro forma adjustments described above; (ii) our receipt of \$351.8 million in estimated net proceeds from the sale and issuance by us of 14,100,000 shares of common stock in this offering, at the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting underwriting discounts and commissions and estimated offering expenses payable by us; (iii) our receipt of \$172.1 million in estimated net proceeds from the sale and issuance by us of 6,481,481 shares of Series A Preferred Stock in the concurrent private placement at the assumed price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting the placement agent fee and estimated issuance costs; and (iv) the use of net proceeds from this offering and the concurrent private placement, together with existing cash and cash equivalents, if necessary, to satisfy the estimated tax withholding and remittance obligations reflected in the pro forma adjustments described in the preceding bullet.

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You should read this information together with our consolidated financial statements and the related notes included in this prospectus, the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” and other financial information contained in this prospectus.

	As of June 30, 2023		
	Actual	Pro Forma <sup>(1)</sup>	Pro Forma As Adjusted <sup>(1)(2)(3)</sup>
	(in millions, except share amounts, which are reflected in thousands, and per share amounts)		
Cash, cash equivalents, and marketable securities <sup>(4)</sup>	\$ 1,967	\$ 1,968	\$ 2,058
Redeemable convertible preferred stock, \$0.0001 par value per share; 178,319 shares authorized, 167,302 shares issued and outstanding, actual; no shares authorized, issued, and outstanding, pro forma and pro forma as adjusted	\$ 2,822	\$ —	\$ —
Series A redeemable convertible preferred stock, \$0.0001 par value per share; no shares authorized, issued, or outstanding, actual; no shares authorized, issued, or outstanding, pro forma; 6,481 shares authorized, 6,481 shares issued and outstanding, pro forma as adjusted	—	—	172
Stockholders’ equity:			
Voting and non-voting common stock, \$0.0001 par value per share; 820,509 shares authorized, 72,376 shares issued and outstanding, actual; no shares authorized, issued, and outstanding, pro forma and pro forma as adjusted	—	—	—
Exchangeable shares, no par value, 702 shares authorized, 689 shares issued and outstanding, actual; no shares authorized, issued, and outstanding, pro forma and pro forma as adjusted	—	—	—
Preferred stock, \$0.0001 par value per share; no shares authorized, issued, or outstanding, actual; 23,519 shares authorized, no shares issued and outstanding, pro forma and pro forma as adjusted	—	—	—
Common stock, \$0.0001 par value per share; no shares authorized, issued, and outstanding, actual; 2,000,000 shares authorized, pro forma and pro forma as adjusted; 261,927 shares issued and outstanding, pro forma; 276,027 shares issued and outstanding, pro forma as adjusted	—	—	—
Additional paid-in capital	928	5,763	6,115
Accumulated other comprehensive loss	(2)	(2)	(2)
Accumulated deficit	(735)	(3,158)	(3,158)
Total stockholders’ equity	191	2,603	2,955
Total capitalization	\$ 3,013	\$ 2,603	\$ 2,955

- (1) The pro forma and pro forma as adjusted columns in the table above do not include the effects of the Additional RSU Net Settlement and the Additional RSA Cancellation. The Additional RSU Net Settlement and the Additional RSA Cancellation, including the satisfaction of the remaining vesting conditions for the related RSUs and non-voting restricted stock, would result in (i) additional stock-based compensation expense of \$162.6 million, reflected as an additional increase to additional paid-in capital and accumulated deficit; and (ii) additional tax withholding and remittance obligations of \$72.3 million (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate), reflected as the related decrease in cash and cash equivalents and corresponding decrease in additional paid-in capital.
- (2) Each \$1.00 increase (decrease) in the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, would increase (decrease) the amount of cash, cash equivalents, and marketable securities, additional paid-in capital, total stockholders’ equity, and total capitalization by approximately \$13.3 million, assuming the number of shares offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us in connection with this offering and the placement agent fee and estimated issuance costs in connection with the concurrent private placement. Similarly, each increase (decrease) of 1,000,000 in the number of shares we are offering would increase (decrease) the amount of cash, cash equivalents, and marketable securities, additional paid-in capital, total stockholders’ equity, and total

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capitalization by approximately \$25.5 million, assuming the assumed initial public offering price per share, the midpoint of the price range 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 in connection with this offering and the placement agent fee and estimated issuance costs in connection with the concurrent private placement. In addition, each 1.0% increase (decrease) in the tax withholding rate would increase (decrease) the amount of tax withholding and remittance obligations related to the RSU Net Settlement, the RSA Cancellation, and the Option Net Exercise by \$9.5 million and (decrease) increase cash, cash equivalents, and marketable securities, additional paid-in capital, total stockholders' equity, and total capitalization by \$9.5 million, assuming that the assumed initial public offering price remains the same, that the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us in connection with this offering and the placement agent fee and estimated issuance costs in connection with the concurrent private placement.

- (3) As the accounting treatment of the Series A Preferred Stock, including the determination of fair value, has not yet been finalized, it is assumed for the pro forma as adjusted column that the Series A Preferred Stock will be recorded at cash proceeds less estimated issuance costs.
- (4) Includes short-term marketable securities of \$125.0 million and long-term marketable securities of \$4.0 million as of June 30, 2023.

The number of shares of our common stock that will be outstanding after this offering is based on 261,927,344 shares of our common stock outstanding as of June 30, 2023 (after giving effect to the Exchangeable Share Conversion, the Preferred Stock Conversion, the RSU Net Settlement, the RSA Cancellation, the Option Net Exercise, the Option Cash Exercise, and the Warrant Net Exercise), and excludes:

- 20,454,965 shares of our non-voting common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of June 30, 2023, with a weighted-average exercise price of \$8.46 per share (after giving effect to the Option Net Exercise and the Option Cash Exercise);
- 35,855,790 shares of our non-voting common stock issuable in connection with the vesting and settlement of RSUs outstanding as of June 30, 2023 subject to service-based, market-based, and/or liquidity event-based vesting conditions, for which (i) the liquidity event-based vesting condition will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part but (ii) the service-based and/or market-based vesting conditions were not satisfied as of June 30, 2023 (the service-based and/or market-based vesting conditions for 5,668,791 of these RSUs will be satisfied, and additional shares of our non-voting common stock will be issued, in connection with the Additional RSU Net Settlement);
- 1,281,449 shares of our non-voting common stock issuable in connection with the vesting and settlement of RSUs granted after June 30, 2023 subject to service-based and liquidity event-based vesting conditions, for which the liquidity event-based vesting condition will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part (the service-based and/or market-based vesting conditions for 400 of these RSUs will be satisfied, and additional shares of our non-voting common stock will be issued, in connection with the Additional RSU Net Settlement);
- 6,481,481 shares of our common stock issuable upon the conversion of the Series A Preferred Stock (assuming all shares of Series A Preferred Stock are converted into shares of common stock at an assumed conversion price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and based on an initial stated value of \$175 million);
- 114,875,120 shares of our common stock reserved for future issuance under our 2023 Equity Incentive Plan, or the 2023 Plan, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part, consisting of 14,300,000 new shares plus the number of shares (not to exceed 100,575,120 shares) (i) that remain available for grant of future awards under our 2018 Equity Incentive Plan, or the 2018 Plan, at the time the 2023 Plan becomes effective, which shares will cease to be available for issuance under the 2018 Plan at such time, and (ii) any shares underlying outstanding stock awards granted under our 2013 Equity Incentive Plan, or the 2013 Plan, or the 2018 Plan that expire, or are forfeited, cancelled, withheld, or reacquired; and
- 7,000,000 shares of our common stock reserved for future issuance under our 2023 Employee Stock Purchase Plan, or the ESPP, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part.

Our 2023 Plan and ESPP provide for annual automatic increases in the number of shares reserved thereunder. See the section titled "Executive Compensation—Equity Plans" for additional information. We have not authorized any offerings under the ESPP as of the date of this prospectus.

## DILUTION

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

Our historical net tangible book deficit as of June 30, 2023 was \$(219.8) million, or \$(3.01) per share. Historical net tangible book deficit represents the amount of our total tangible assets less our total liabilities and redeemable convertible preferred stock, divided by the number of shares of common stock and exchangeable shares outstanding as of June 30, 2023.

Our pro forma net tangible book value as of June 30, 2023 was \$2.2 billion, or \$8.37 per share. Pro forma net tangible book value per share represents the amount of our total tangible assets less our total liabilities, divided by the number of shares of common stock outstanding as of June 30, 2023, after giving effect to (i) the Exchangeable Share Conversion, resulting in the issuance of 688,787 shares of our non-voting common stock in exchange for all outstanding exchangeable shares; (ii) the net issuance of 14,633,956 shares of our non-voting common stock in connection with the RSU Net Settlement (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate); (iii) the repurchase and cancellation of 132,188 shares of our outstanding non-voting restricted stock in connection with the RSA Cancellation (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate); (iv) the net issuance of 4,080,971 shares of our non-voting common stock in connection with the Option Net Exercise (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 43% tax withholding rate); (v) the issuance of 254,000 shares of our voting common stock in connection with the Option Cash Exercise; (vi) the net issuance of 2,334,023 shares of our non-voting common stock in connection with the Warrant Net Exercise (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus); (vii) the conversion of all outstanding shares of our non-voting common stock and shares of our nonvoting common stock underlying outstanding equity securities into an equivalent number of shares of our voting common stock immediately prior to the closing of this offering; (viii) the Preferred Stock Conversion, resulting in the issuance of 167,691,828 shares of our voting common stock; (ix) the reclassification of all outstanding shares of our voting common stock and shares of our voting common stock underlying outstanding equity securities into an equivalent number of shares of common stock immediately prior to the closing of this offering; and (x) stock-based compensation expense of \$2.4 billion associated with RSUs and shares of outstanding non-voting restricted stock subject to service-based, market-based, and/or liquidity event-based vesting conditions, for which the service-based vesting condition and the market-based vesting condition, as applicable, were fully or partially satisfied as of June 30, 2023 and which we expect to recognize in connection with the effectiveness of the registration statement, which will satisfy the liquidity event-based vesting condition, as if such effectiveness had occurred on June 30, 2023, as further described in Notes 2 and 12 to our consolidated financial statements included elsewhere in this prospectus.

Our pro forma as adjusted net tangible book value as of June 30, 2023 was \$2.5 billion, or \$9.23 per share of common stock. Pro forma as adjusted net tangible book value per share represents the amount of our total tangible assets less our total liabilities and our Series A Preferred Stock to be issued in the concurrent private placement, divided by the number of shares of common stock outstanding as of June 30, 2023, after giving effect to the pro forma adjustments described above and after giving further effect (i) to the sale of shares of common stock that we are offering at the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us; (ii) the sale and issuance by us of 6,481,481 shares of Series A Preferred Stock in the concurrent private placement at the assumed price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting the placement agent fee

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and estimated issuance costs; and (iii) the use of proceeds and existing cash and cash equivalents to satisfy the assumed tax withholding and remittance obligations described above. This amount represents an immediate increase in pro forma net tangible book value of \$0.86 per share to our existing stockholders before this offering and immediate dilution in pro forma as adjusted net tangible book value of \$17.77 per share to investors purchasing shares of common stock in this offering.

Our pro forma and pro forma as adjusted net tangible book values do not include the effects of the Additional RSU Net Settlement and the Additional RSA Cancellation. The Additional RSU Net Settlement and the Additional RSA Cancellation would result in additional estimated tax withholding and remittance obligations of \$72.3 million (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate), reflected as the related decrease in cash and cash equivalents and resulting decrease in net tangible book value.

Dilution per share to new investors is determined by subtracting pro forma as adjusted net tangible book value per share after this offering from the initial public offering price per share paid by investors in this offering. The following table illustrates this dilution:

Assumed initial public offering price per share	\$27.00
Historical net tangible book deficit per share as of June 30, 2023	\$ (3.01)
Increase per share attributable to the pro forma adjustments described above	<u>11.38</u>
Pro forma net tangible book value per share as of June 30, 2023	8.37
Increase in pro forma net tangible book value per share attributable to investors purchasing shares in this offering	<u>\$ 0.86</u>
Pro forma as adjusted net tangible book value per share after this offering	\$ 9.23
Dilution in pro forma as adjusted net tangible book value per share attributable to investors in this offering	<u>\$17.77</u>

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. Each \$1.00 increase (decrease) in the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, would decrease (increase) our pro forma as adjusted net tangible book value per share after this offering by approximately \$0.01 per share, and increase (decrease) the dilution in the pro forma as adjusted net tangible book value per share to new investors by approximately \$1.01 per share, in each case, assuming that the number of shares of common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting underwriting discounts and commissions and estimated offering expenses payable by us in connection with this offering and the placement agent fee and estimated issuance costs in connection with the concurrent private placement. Each increase (decrease) of 1,000,000 shares in the number of shares of common stock offered by us would increase (decrease) our pro forma as adjusted net tangible book value per share after this offering by approximately \$0.06 per share and increase (decrease) the dilution to investors participating in this offering by approximately \$0.06 per share, in each case assuming that the assumed initial public offering price remains the same, and after deducting underwriting discounts and commissions and estimated offering expenses payable by us in connection with this offering and the placement agent fee and estimated issuance costs in connection with the concurrent private placement.

If the underwriters exercise their option to purchase additional shares of common stock from us in full, our pro forma as adjusted net tangible book value per share after this offering would be \$9.43, and the dilution in pro forma as adjusted net tangible book value per share to investors purchasing shares of common stock in this offering would be \$17.57.

The following table summarizes, on the pro forma as adjusted basis described above, as of June 30, 2023, the number of shares of our common stock, the total consideration, and the average price per share (i) paid to us



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by existing stockholders before this offering, (ii) to be paid by investors purchasing shares of our common stock in this offering at the assumed initial public offering price of \$27.00 per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, before deducting underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price per Share
	Number	Percent	Amount (in millions)	Percent	
Existing stockholders before this offering	261,927,344	95%	\$ 3,114	89%	\$ 11.89
Investors purchasing shares in this offering	14,100,000	5	381	11	27.00
<b>Total</b>	<b>276,027,344</b>	<b>100%</b>	<b>\$ 3,495</b>	<b>100%</b>	<b>\$ 12.66</b>

Sales by the selling stockholders in this offering will cause the number of shares held by existing stockholders before this offering to be reduced to 254,027,344 shares, or 92% of the total number of shares of our common stock outstanding immediately after the completion of this offering, and will increase the number of shares held by new investors to 22,000,000 shares, or 8% of the total number of shares of our common stock outstanding immediately after the completion of this offering.

If the underwriters exercise their option to purchase additional shares of common stock from us in full, our existing stockholders before this offering would own 94%, and investors purchasing shares of our common stock in this offering would own 6%, of the total number of shares of our common stock outstanding immediately after the completion of this offering.

The number of shares of our common stock that will be outstanding after this offering is based on 261,927,344 shares of our common stock outstanding as of June 30, 2023 (after giving effect to the Exchangeable Share Conversion, the Preferred Stock Conversion, the RSU Net Settlement, the RSA Cancellation, the Option Net Exercise, the Option Cash Exercise, and the Warrant Net Exercise), and excludes:

- 20,454,965 shares of our non-voting common stock issuable upon the exercise of options to purchase shares of our common stock outstanding as of June 30, 2023, with a weighted-average exercise price of \$8.46 per share (after giving effect to the Option Net Exercise and the Option Cash Exercise);
- 35,855,790 shares of our non-voting common stock issuable in connection with the vesting and settlement of RSUs outstanding as of June 30, 2023 subject to service-based, market-based, and/or liquidity event-based vesting conditions, for which (i) the liquidity event-based vesting condition will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part but (ii) the service-based and/or market-based vesting conditions were not satisfied as of June 30, 2023 (the service-based and/or market-based vesting conditions for 5,668,791 of these RSUs will be satisfied, and additional shares of our non-voting common stock will be issued, in connection with the Additional RSU Net Settlement);
- 1,281,449 shares of our non-voting common stock issuable in connection with the vesting and settlement of RSUs granted after June 30, 2023 subject to service-based and liquidity event-based vesting conditions, for which (i) the liquidity event-based vesting condition will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part (the service-based and/or market-based vesting conditions for 400 of these RSUs will be satisfied, and additional shares of our non-voting common stock will be issued, in connection with the Additional RSU Net Settlement);
- 6,481,481 shares of our common stock issuable upon the conversion of the Series A Preferred Stock (assuming all shares of Series A Preferred Stock are converted into shares of common stock at an assumed conversion price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and based on an initial stated value of \$175 million);
- 114,875,120 shares of our common stock reserved for future issuance under our 2023 Equity Incentive Plan, or the 2023 Plan, which will become effective upon the effectiveness of the registration statement

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of which this prospectus forms a part, consisting of 14,300,000 new shares plus the number of shares (not to exceed 100,575,120 shares) (i) that remain available for grant of future awards under our 2018 Equity Incentive Plan, or the 2018 Plan, at the time the 2023 Plan becomes effective, which shares will cease to be available for issuance under the 2018 Plan at such time, and (ii) any shares underlying outstanding stock awards granted under our 2013 Equity Incentive Plan, or the 2013 Plan, or the 2018 Plan that expire, or are forfeited, cancelled, withheld, or reacquired; and

- 7,000,000 shares of our common stock reserved for future issuance under our 2023 Employee Stock Purchase Plan, or the ESPP, which will become effective upon the effectiveness of the registration statement of which this prospectus forms a part.

Our 2023 Plan and ESPP provide for annual automatic increases in the number of shares reserved thereunder. See the section titled “Executive Compensation—Equity Plans” for additional information. We have not authorized any offerings under the ESPP as of the date of this prospectus.

To the extent any additional outstanding options are exercised, additional outstanding RSUs vest and settle, additional restricted stock vests, the Series A Preferred Stock is converted, new stock options or RSUs are issued under our equity incentive plans, or we issue additional equity or convertible debt securities in the future, there will be further dilution to investors participating in this offering. In addition, we may choose to raise additional capital because of market conditions or strategic considerations, even if we believe that we have sufficient funds for our current or future operating plans. If we raise additional capital through the sale of equity or convertible debt securities, the issuance of these securities could result in further dilution to our stockholders.

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

*You should read the following discussion and analysis of our financial condition and results of operations together with our consolidated financial statements and related notes included elsewhere in this prospectus. This discussion and other parts of this prospectus contain forward-looking statements, such as those relating to our plans, objectives, expectations, intentions, and beliefs, which involve risks and uncertainties. Our actual results could differ materially from those discussed in these forward-looking statements. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the sections titled "Special Note Regarding Forward-Looking Statements" and "Risk Factors" included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results that may be expected for any period in the future.*

### Overview

Instacart is powering the future of grocery through technology. We partner with retailers to help them successfully navigate the digital transformation of their businesses.

Instacart was founded in 2012 to bring the grocery industry online and help make grocery shopping effortless. We started by understanding what consumers want and then built enterprise-grade technologies that allow retailers to meet those needs. We want to enable any retailer, large or small, to drive success both online and in-store and serve their customers better in all of the ways they choose to shop. Today, more than 1,400 national, regional, and local retail banners<sup>63</sup> that collectively represent more than 85% of the U.S. grocery market partner with Instacart.<sup>64</sup> We have demonstrated our ability to help our retail partners drive strong growth and stay competitive in a complex and increasingly digital industry. Our GTV, representing the online sales we power for all of our retail partners, grew at a CAGR of 80% between 2018 and 2022, compared to 50% for the overall online grocery market and 1% for offline grocery.<sup>65</sup> In 2022, we generated approximately \$29 billion of GTV, which makes Instacart the leading grocery technology company in North America.<sup>66</sup>

Instacart invented a new model for online grocery shopping by offering consumers on-demand delivery from the stores they know and trust. We help our retail partners reach 7.7 million monthly active orderers who spend approximately \$317 per month on average on Instacart.<sup>67</sup> Retailers reach customers through both Instacart Marketplace, where customers can shop from their favorite retailers through our app or website, and retailers' owned and operated online storefronts that are powered by Instacart Enterprise Platform, our end-to-end technology solution encompassing eCommerce, fulfillment, Connected Stores, ads and marketing, and insights.

When shopping for groceries, consumers want selection, quality, value, and convenience, and they shop in many different ways. Instacart started as a way for households to conveniently manage their weekly grocery shopping, a recurring and high order value consumer use case. Today, customers can place orders for delivery or pickup across a variety of use cases including the weekly shop, bulk stock-up, convenience, and special occasions. Customers can select the fulfillment option and speed that best serve their needs. For example, a busy parent may prefer the reliability of having their family's groceries delivered every Sunday, but if they need a few items in the middle of the week, they can trust Instacart to help deliver the items they need with priority delivery (as fast as 30 minutes). Each order can be shopped for and delivered with care by one of the hundreds of thousands of shoppers who value the flexible earnings opportunities that Instacart provides.<sup>68</sup>

<sup>63</sup> As of June 30, 2023.

<sup>64</sup> Based on total grocery sales in 2022, excluding alcohol sales. CSG.

<sup>65</sup> Incisiv.

<sup>66</sup> Based on total online grocery sales in 2022.

<sup>67</sup> For the month ended June 30, 2023.

<sup>68</sup> As of June 30, 2023.

As consumers and retailers move online, CPG brands can use Instacart Ads as a new way to reach customers at the point of purchase and within minutes of delivery and consumption. Today, over 5,500 brands are using Instacart Ads and are now more easily discoverable as customers fill their digital carts.<sup>69</sup> Instacart Ads offers brands a highly measurable ads offering that leverages first-party transaction data to move products off of store shelves more efficiently.

We believe the future of grocery is about helping consumers find products they love from retailers they trust, no matter where they are or how they choose to shop. Grocery is the largest category in all of retail, with an annual spend of approximately \$1.1 trillion in the United States in 2022.<sup>70</sup> Despite the size of the market, grocery has historically been significantly slower to move online compared to other consumer categories. In 2022, only 12% of U.S. grocery shopping took place online,<sup>71</sup> compared to 66% of consumer electronics, 38% of apparel, 23% of consumer foodservice, and 20% of home goods.<sup>72</sup> Over the past three years, this spend shifted from offline to online at an accelerated pace. Online grocery penetration took 10 years to triple from 1% of total grocery sales in 2009<sup>73</sup> to 3% in 2019, and just three years to quadruple to 12% in 2022.<sup>74</sup> Market penetration could double or more over time.<sup>75</sup>

Grocery retailers have earned the trust and loyalty of customers over generations by offering selection, quality, value, and convenience. For more than a decade, we have invested in technology that is custom-built for online grocery. We believe our scaled marketplace provides us with unique insights into the needs of the online grocery consumer. Our strategy is to put our technology capabilities and consumer insights into the hands of our retail partners. We are investing more in technology custom-built for online grocery than any single grocer could on their own, allowing grocers to leverage our scale and investments to grow their businesses.

Our technology solutions are better together. Since our founding, Instacart Marketplace has powered more than \$100 billion of GTV and over 900 million orders with approximately 20 billion items ordered.<sup>76</sup> This scale gives us unique insights into consumer buying behavior, needs, and trends across the entire grocery industry in North America. We then utilize these insights to enhance Instacart Enterprise Platform, ensuring retailers can best meet their customers' needs across their owned and operated online and physical storefronts. Similarly, Instacart Enterprise Platform enhances Instacart Marketplace, as our deep integration with retailers allows us to expand marketplace capabilities for our customers. As we continue to scale and refine our technology and data insights across Instacart Marketplace and Instacart Enterprise Platform, our algorithms continuously improve to provide significant benefits, including better search results and recommendations, more intelligent replacements, and more seamless checkout flows, among others. Many of these benefits also enhance the value delivered to our brand partners. This draws more brands to Instacart Ads, which yields benefits for Instacart Marketplace and Instacart Enterprise Platform.

- *Instacart Marketplace.* Connects customers to their favorite national, regional, and local retailers on the largest online grocery marketplace in North America through our mobile app or website.<sup>77</sup>
- *Instacart Enterprise Platform.* Provides retailers with a suite of enterprise-grade technologies that span eCommerce, fulfillment, Connected Stores, ads and marketing, and insights.

<sup>69</sup> Active brand partners as of June 30, 2023.

<sup>70</sup> Incisiv.

<sup>71</sup> Incisiv.

<sup>72</sup> Euromonitor, *Retail* (2023 edition), *Consumer Foodservice* (2023 edition); categories: Consumer Electronics, Consumer Electronics E-Commerce, Apparel and Footwear, Apparel and Footwear E-Commerce, Homewares and Home Furnishings, Homewares and Home Furnishings E-Commerce, Consumer Foodservice by Type, categorization type: online and total; Consumer Foodservice by Type covers Foodservice Value RSP, data for the Retail Categories covers Retail Value RSP excluding Sales Tax; USD, current prices.

<sup>73</sup> Euromonitor, *Retail* (2023 edition), categories: Food E-Commerce and Drinks and Tobacco E-Commerce 2009 retail value RSP in USD, excluding sales tax, current terms; calculated as a percentage of total Grocery Retailers Food E-Commerce, and Drinks and Tobacco combined 2009 retail value RSP in USD, excluding sales tax.

<sup>74</sup> Incisiv.

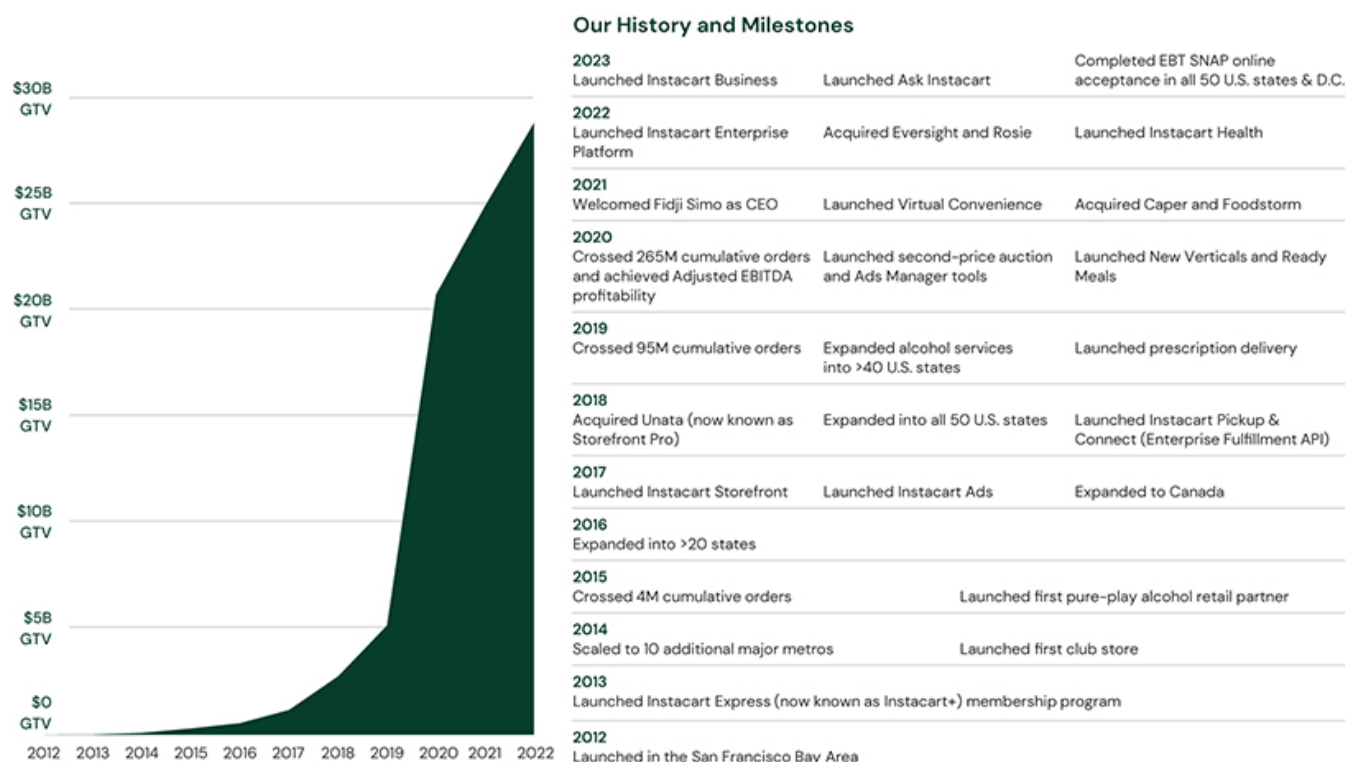
<sup>75</sup> McKinsey, *The next horizon for grocery e-commerce: Beyond the pandemic bump.*

<sup>76</sup> As of July 31, 2023.

<sup>77</sup> Based on GTV generated on Instacart and total grocery sales in 2022.

- *Instacart Ads*. Allows CPG brands to drive sales by engaging with high-intent customers in a highly measurable and targeted way while also providing savings and product discovery to customers through our leading digital advertising solutions and insights.

Our focus on powering the future of grocery through technology has propelled us to achieve numerous milestones:



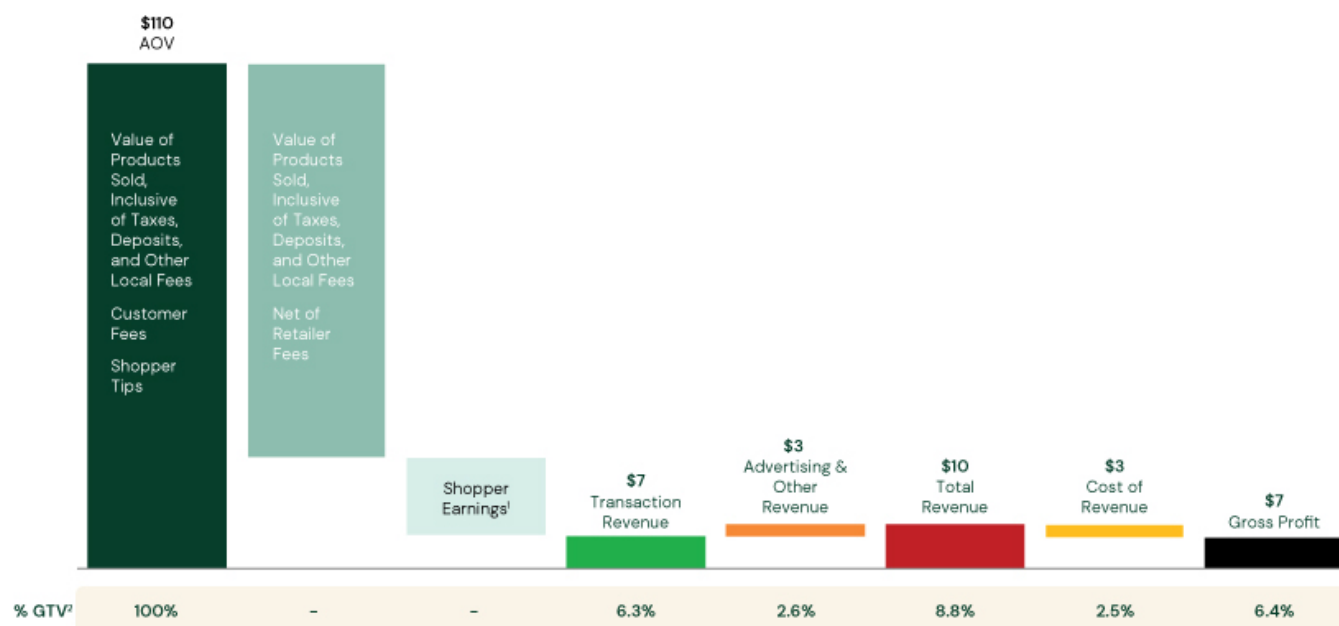
### Our Financial Model

Our financial model is driven by the success of retailers, customers, brands, and shoppers in the Instacart ecosystem. As our key constituents engage on Instacart, we generate more orders for our retail partners, who generate transaction volume. We enjoy diversified revenue streams and scaling operating efficiencies.

### How We Generate Revenue

We generate revenue, and ultimately gross profit, through fees paid on each order by retail partners and customers as well as advertising fees paid by brands less the associated costs of those revenues. The following chart illustrates the economics of a completed order on Instacart, based on the average order in the year ended December 31, 2022. The order represents a blended average of orders on Instacart Marketplace as well as retailers' owned and operated online storefronts powered by Instacart Enterprise Platform. Instacart Enterprise Platform has represented approximately 20% of our total GTV since early 2022. Instacart Marketplace and Instacart Enterprise Platform orders have comparable economics, which makes us agnostic as to where orders happen, aligning our incentives with the incentives of our retail partners.

### Instacart Order Economics



(1) 100% of shopper tips are paid to shoppers.  
 (2) Totals may not foot due to rounding.

- Gross Transaction Value.** GTV is the value of the products sold based on prices shown on Instacart, in addition to applicable taxes, deposits and other local fees, customer tips, which go directly to shoppers, customer fees, which include flat membership fees related to Instacart+ that are charged monthly or annually, and other fees. GTV consists of orders completed through Instacart Marketplace and services that are part of Instacart Enterprise Platform. Given grocery is one of the largest recurring monthly household expenses, we have a high average order value, which was \$110 in 2022. This large average order value allows us to keep fees as a percent of GTV lower for retailers and customers relative to other on-demand delivery platforms.<sup>78</sup> Of the total average order value of \$110 in 2022, retailers and customers incurred an average of \$16 in fees before netting shopper earnings and customer incentives, coupons, and refunds, as described below, to arrive at transaction revenue. See the section titled “—Key Business and Non-GAAP Metrics—Gross Transaction Value (GTV)” for additional information about GTV.
- Transaction Revenue.** In 2022, our average transaction revenue per order was approximately \$7, or 6.3% of GTV. Our transaction revenue primarily consists of:

  - Retailer Fees.** We charge retail partners a fee on orders completed. These fees are generally charged as a percentage of the value of the order but in some cases can be charged as a fixed fee per order. Our fee structure is similar for orders completed through Instacart Marketplace and retailers’ owned and operated online storefronts powered by Instacart Enterprise Platform. Retailer fees may be influenced in the near term by renegotiations of our agreements with retailers, including as a result of competitive pressure, and may fluctuate over time.
  - Customer Fees.** We charge customers a delivery fee as well as a service fee. The delivery fee and service fee vary based on market and the value and composition of the order, as well as the time window selected and distance from the store location. Instacart+, our membership program, offers unlimited free delivery on orders over a certain size, a reduced service fee, credit back on eligible pickup orders, and exclusive benefits. For Instacart+, we generally charge customers a flat fee of \$99 for an annual subscription or \$9.99 for a monthly subscription. Customers also have the option to include a tip on any delivery order, which goes directly to shoppers and is not included in fees received by Instacart.

<sup>78</sup> Instacart estimates that restaurant food delivery companies charge their merchant partners and customers fees of 30% or more in the aggregate as a percent of transaction value, based on Wall Street research and information publicly disclosed by certain leading restaurant delivery platforms.

- Retailer and customer fees together were 14.2% of GTV in 2021 and 14.9% of GTV in 2022, translating to \$16 per order for each of those fiscal years. We have historically managed these fees together as a percentage of GTV and expect to continue to optimize both customer and retailer fees to reflect the value we deliver across a range of use cases.
- *Shopper Earnings.* Shoppers earn on Instacart for each batch of orders they fulfill. The amount a shopper earns per batch is based on the effort it takes to complete the batch, including the number and weight of items, driving distance, and expected time to shop and deliver. Shoppers also earn tips, which get passed directly to them from customers. In 2022, shopper earnings, excluding customer tips, were 8.2% of GTV. Shoppers keep 100% of tips and also have opportunities to generate additional earnings through incentives and promotions. As a result, over the past year, shopper earnings increased due to more earnings opportunities, types of batches available, and customer tips.
- *Customer Incentives, Coupons, and Refunds.* Transaction revenue is recognized upon delivery, net of any incentives, coupons, and refunds, after remitting the purchase value of the goods to retailers and payments to shoppers for their services.
- *Advertising and Other Revenue.* In 2022, average advertising and other revenue per order was approximately \$3, or 2.6% of GTV. We generate fees from brand and retail partners that vary by the product, category, search term, and other criteria that the brand or retailer specifies. These fees are generated through Sponsored Product ads on a per click basis, coupon redemptions, and display ads placements on an impression or fixed fee basis. Other revenue includes fees paid by retailers for use of certain of our technology solutions, such as Eversight, Storefront Pro, and Caper.
- *Gross Profit.* In 2022, our average gross profit per order was approximately \$7, or 6.4% of GTV, which is defined as total revenue less the following:
  - *Cost of Revenue.* In 2022, our average cost of revenue per order was approximately \$3, or 2.5% of GTV. Cost of revenue primarily consists of third-party payment processing fees, expenses related to payment chargebacks, hosting fees, insurance costs attributed to fulfillment, compensation costs of our employees primarily involved in fulfillment, depreciation expense, and amortization expense of technology-related intangible assets and capitalized internal-use software. Compensation costs include salaries, taxes, benefits, and bonuses.

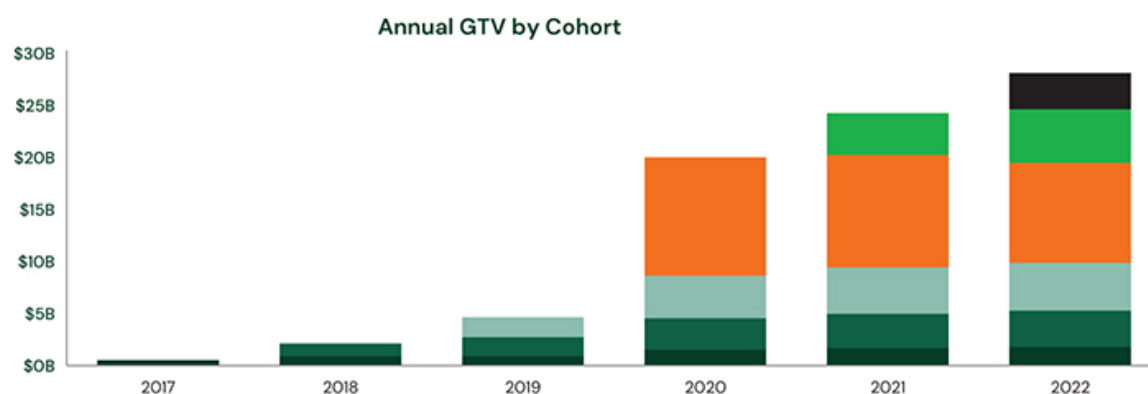
### **Core Principles of Our Financial Model**

#### *Generate More Orders*

We believe every Instacart order represents a success for retailers, customers, brands, and shoppers. The success of our business relies on the success of all these constituents. When we help retailers succeed, orders and GTV on Instacart grow. We aim to continue to grow orders for our retail partners by expanding the breadth of services we offer to retailers, acquiring new customers, and increasing engagement and orders from our new and existing customers. We have 7.7 million monthly active orderers,<sup>79</sup> a small fraction of the households in North America. Prior to 2021, we did not spend significantly on sales and marketing since the majority of our growth in our new customers was organic. Beginning in 2021, after we achieved meaningful improvement in unit economics, we began to significantly increase consumer marketing. We believe we have a significant opportunity to increase our brand awareness to fuel new customer acquisition.

<sup>79</sup> For the month ended June 30, 2023. The number of monthly active orderers may overstate the number of unique individuals, as one customer may register for, and use, multiple accounts. Fluctuations in the number of monthly active orderers are not necessarily indicative of changes in our financial performance.

Our customer cohorts highlight the strong retention dynamics in our business and our proven ability to increase engagement with each cohort over time. Each cohort represents customers who placed their first order with us in a given year. As the chart below indicates, annual GTV for the 2017 to 2019 and 2021 customer cohorts have generally expanded year-over-year compared to annual GTV in the first year on Instacart. This means the annual GTV from customers we retained more than offsets GTV lost from customers who did not further transact with Instacart. For example, for the 2017 and 2018 cohorts, GTV tripled and nearly tripled, respectively, by Year 4, and the 2019 cohort more than doubled.



**Annual GTV by Cohort Indexed to Year 1**

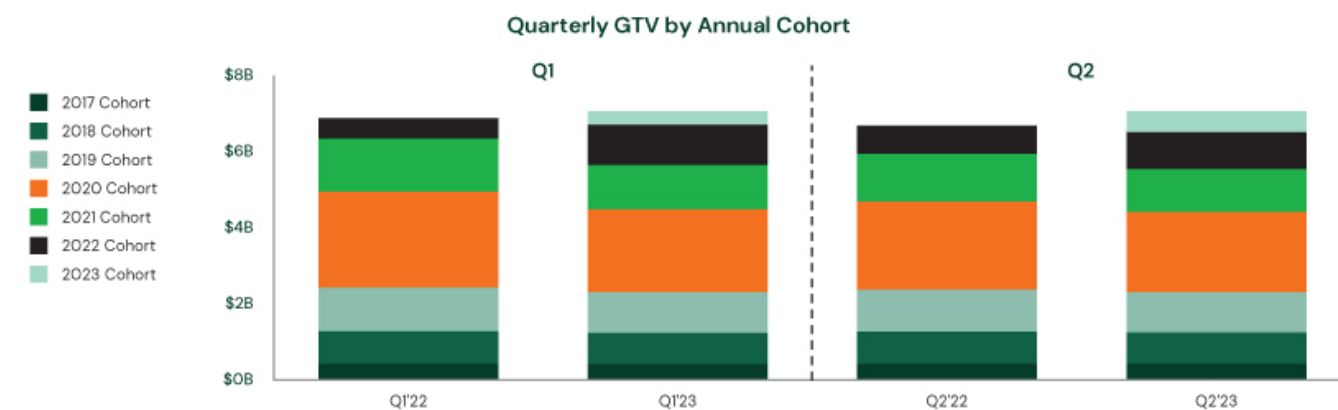
	Year 1	Year 2	Year 3	Year 4	Year 5	Year 6
2017 Cohort	1.00x	1.73x	1.74x	3.00x	3.26x	3.52x
2018 Cohort	1.00x	1.49x	2.42x	2.67x	2.81x	
2019 Cohort	1.00x	2.18x	2.36x	2.43x		
2020 Cohort	1.00x	0.95x	0.85x			
2021 Cohort	1.00x	1.29x				
2022 Cohort	1.00x					

The COVID-19 pandemic had certain impacts on our cohort behavior that were inconsistent with prior trends. During the COVID-19 pandemic and its variant outbreaks, we experienced a significant increase in spend across all cohorts due to increased consumer demand for grocery delivery and higher average order value, which was a significant factor in annual GTV growth for cohorts during those years, including the growth trends highlighted above. The 2020 cohort performance is more nuanced given its unique, COVID-19-driven characteristics. In addition to being significantly larger than other cohorts, we believe spending behavior of the 2020 cohort was heavily influenced by health and safety considerations. See the section titled “—COVID-19 Impact on Our Business.” GTV from the 2020 cohort declined sequentially in 2021 and 2022 because certain health factors became less important to our customers. Over the near term, we expect this trend to continue for our more recent historical cohorts, including our 2021 and 2022 cohorts. We also expect GTV growth to be tempered across our existing and new customer cohorts over the near term. These expected GTV trends are primarily due to the subsiding effects of the COVID-19 pandemic on demand for online grocery, including a return to pre-COVID grocery shopping behaviors, continuing macroeconomic uncertainty (including inflation and recession risks), the cessation of government stimulus (including the termination of certain EBT SNAP benefits in March 2023), the declining effectiveness of historical growth initiatives as we continue to scale, and the effects of our initiatives to drive profitable growth.

Our cohorts displayed some of these trends in the first half of 2023, during which our 2017, 2018, and 2019 cohorts generated GTV in-line with the same period in 2022, but GTV from our 2020 and 2021 cohorts declined relative to the same period in 2022, which still experienced a modest amount of COVID-driven demand. As shown below, this COVID-driven demand decreased from the first quarter to the second quarter of 2022, allowing for a more normalized year-over-year comparison for all cohorts in the second quarter of 2023 compared to the same period in 2022. In addition, in the first six months of 2023, despite overall tempered GTV growth, our GTV from new customers was 1.6 times higher than our GTV from new customers in the first six months of 2019. This is driven in part by the continued scaling of our business and customer acquisition costs compared to pre-COVID periods. See the section titled “—Our Performance in the Six Months



Ended June 30, 2023” for more information. Over time, we believe that long-term growth in demand for online grocery and our focus on achieving profitable growth over time can support habitual customer behavior across all of our cohorts.

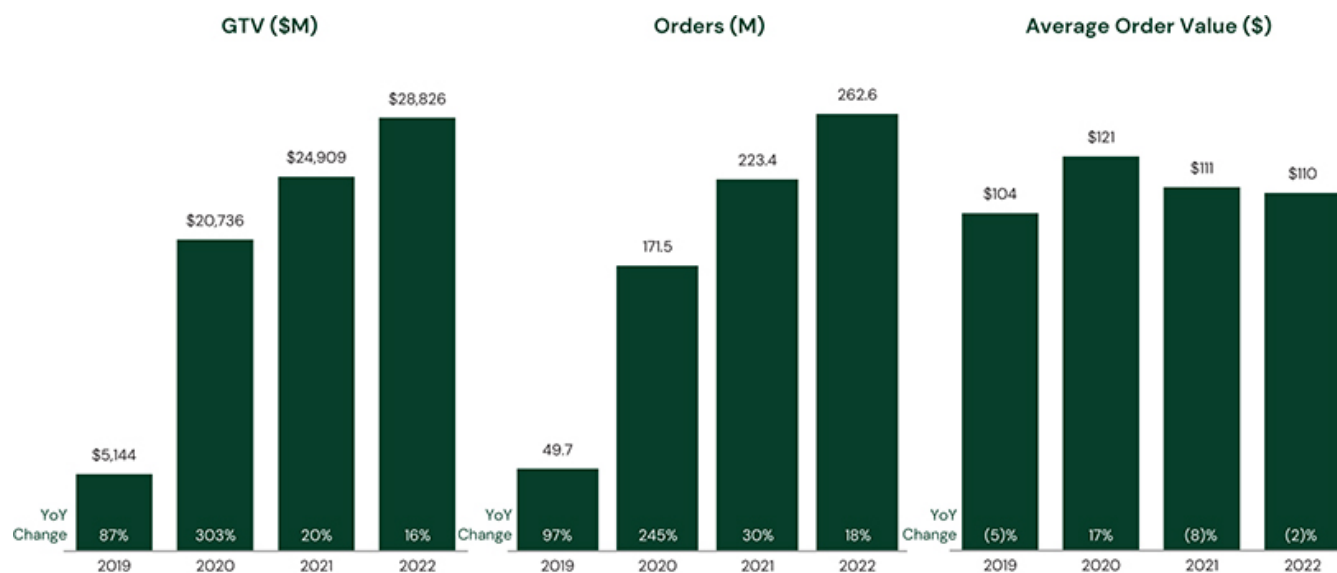


Quarterly GTV by Annual Cohort Indexed to Q1'22 & Q2'22

	Q1'22	Q1'23	Q2'22	Q2'23
2017 Cohort	1.00x	0.98x	1.00x	0.99x
2018 Cohort	1.00x	0.96x	1.00x	0.97x
2019 Cohort	1.00x	0.93x	1.00x	0.96x
2020 Cohort	1.00x	0.86x	1.00x	0.91x
2021 Cohort	1.00x	0.84x	1.00x	0.90x
2022 Cohort	1.00x	NM	1.00x	NM

“NM” - not meaningful

GTV growth from existing cohorts was elevated in 2020 due to both an increase in orders and higher average order value. The below graphic illustrates these trends by comparing growth in GTV, orders, and average order value. GTV grew faster than orders in 2020 driven by a 17% increase in average order value as a result of COVID-19-related consumer health concerns that led to a larger number of stock-up orders during months with more significant shelter-in-place restrictions. Beyond a return to pre-COVID-19 grocery shopping behaviors, we expect average order value to continue to be impacted by the mix of consumer use cases, product categories shopped on Instacart, consumer shopping behaviors (including changes due to macroeconomic uncertainty, inflation, and cessation of government stimulus), and Instacart+ orders. We have added additional fulfillment options, such as priority delivery (as fast as 30 minutes) that may have lower order values than a traditional weekly shop but potentially higher frequency. Throughout 2022, inflationary pressures driving higher prices have also resulted in higher GTV and average order values. However, customers have also been purchasing fewer items on average per order and shifting toward lower-price product categories on Instacart, partially offsetting the effects of inflation and driving average order values back down. Our Instacart+ membership lowers the cost of online grocery through waived delivery fees, lower service fees, and credit back on eligible pickup orders. Instacart+ members order more frequently and have higher average order values, despite lower customer fees, and typically develop a more habitual and sticky behavior on Instacart over time. While average order value may continue to decline or fluctuate, including as inflation abates and due to the other factors described above, we believe these strategic decisions, which include expansion of fulfillment options and increased GTV from Instacart+ members, will benefit our business over the long term by increasing orders and GTV per customer over time.

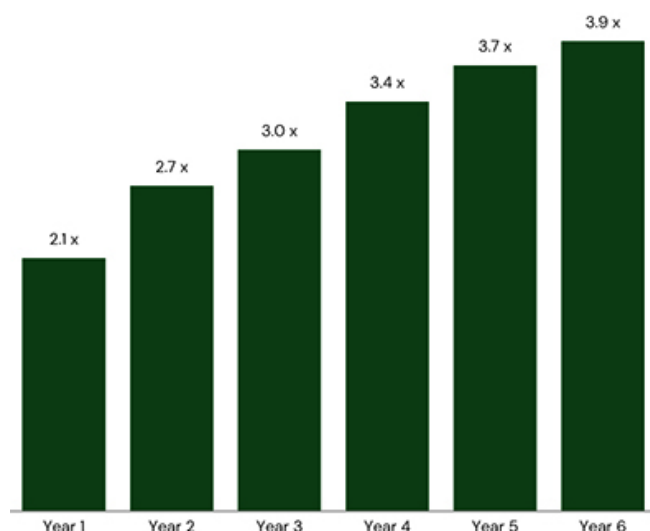


The strength of our customer cohorts is driven by the habitual behavior and expanding engagement of our customers. We aim to have every Instacart customer regularly use and engage with our offerings. To illustrate the strength of our customer cohorts, the charts below depict the average behavior of our monthly active orderers in each annual cohort for the years shown, weighted by the relative size of each cohort. These charts demonstrate that our customers order more frequently and spend more on Instacart over time. As shown below, our monthly active orderers increased their monthly order frequency on Instacart from approximately 2.1 times in the year of their first order to 3.9 times by Year 6. Similarly, monthly active orderers increased their monthly average spend on Instacart from \$226 in the year of their first order to \$480 by Year 6.<sup>80</sup> This compares to the average U.S. household monthly grocery spend of \$438,<sup>81</sup> showing that engaged Instacart customers spend a majority of their entire grocery budget with Instacart. While the charts below do not include in years 2 through 6 any cohorts for which the requisite number of years has not yet been completed, we believe that we can continue growing average monthly GTV and orders per monthly active orderer for these cohorts over time due to our ability to drive customer engagement through product enhancements and continued marketing investment. However, over the near term, we expect engagement trends and GTV growth for our customer cohorts to be tempered, particularly for our more recent cohorts, primarily due to the reasons described earlier in this section titled “—Generate More Orders.”

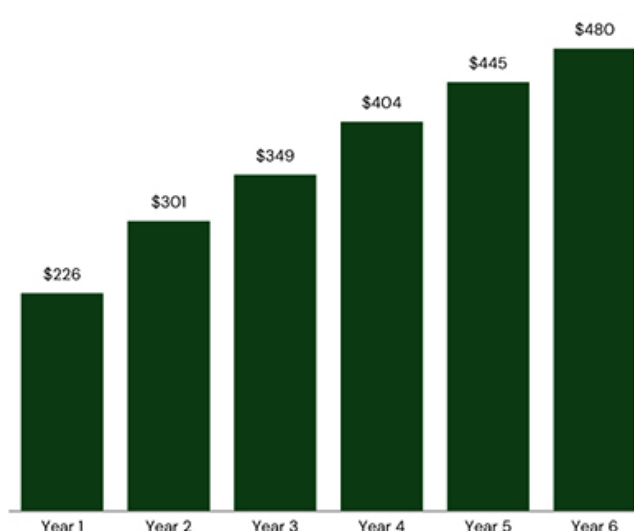
<sup>80</sup> Year 1 amount based on the average monthly spend of the 2017, 2018, 2019, 2020, 2021, and 2022 cohorts in the year of their first order, and Year 6 amount based on the average monthly spend of the 2017 cohort in 2022.

<sup>81</sup> U.S. Bureau of Labor Statistics; based on consumer expenditures in 2021.

**Average Monthly Orders per Monthly Active Orderer<sup>1</sup>**  
(2017 – 2022 Customer Cohorts)



**Average Monthly GTV per Monthly Active Orderer<sup>1</sup>**  
(2017 – 2022 Customer Cohorts)



<sup>(1)</sup> For each year, the average figure represents average monthly orders or average monthly GTV, as applicable, per monthly active orderer for the applicable cohorts, weighted by the size of each cohort on the basis of monthly active orderers. For example, “Year 1” reflects the first year of results for the 2017 through 2022 customer cohorts while “Year 4” reflects the results for only the 2017, 2018, and 2019 customer cohorts. Average monthly GTV or orders, as applicable, per monthly active orderer for each cohort in a given year is calculated by determining GTV or total orders, as applicable, per monthly active orderer for each calendar month and averaging each monthly GTV or total orders, as applicable, per monthly active orderer, weighted on the basis of the monthly active orderers for each month. For the purposes of these charts, a monthly active orderer is a customer who places at least one order on Instacart in any particular month in that customer’s year of activation. Each monthly active orderer belongs to the annual cohort in which that customer made an initial order. Multiple accounts using a single phone number count as a single customer in the annual cohort when the customer placed the first order across the accounts. For each month in which a monthly active orderer places at least one order, that customer is included as a single monthly active orderer for purposes of calculating average GTV or orders, as applicable, per monthly active orderer for that month.

In addition, we aim to increase our customer engagement through Instacart+. Instacart+ members exhibit higher order frequency compared to non-members. On average, an Instacart+ member spends an aggregate of \$461 over 4.0 orders per month, compared to an aggregate of \$223 spent over 2.0 orders by a non-member.<sup>82</sup> As a result, orders from Instacart+ members represent a meaningful portion of our GTV, comprising \$7,597 million, or 53%, of our total GTV in the first six months of 2022, compared to \$8,533 million, or 57%, in the first six months of 2023. We had approximately 4.6 million and 5.1 million Instacart+ members as of June 30, 2022 and 2023, respectively.<sup>83</sup>

#### *Deepen Relationships with Retail Partners*

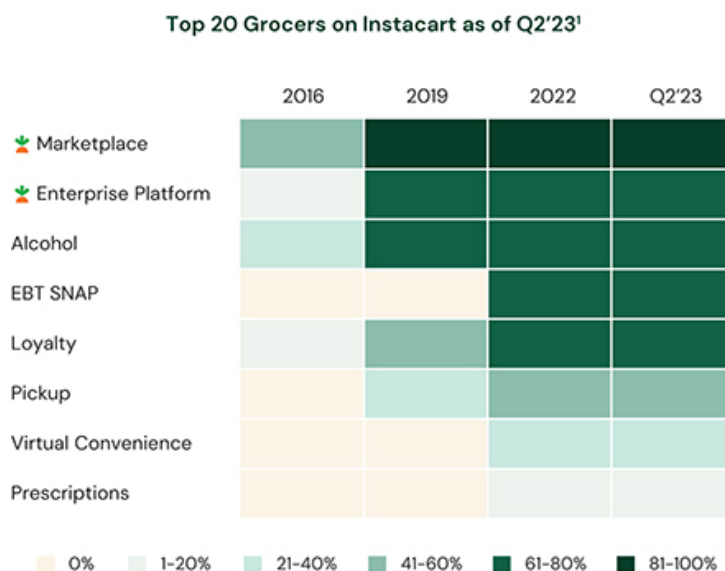
Our strategy of powering every grocery transaction is contingent on our ability to deepen our relationships with existing retail partners and attract new retail partners. We expand with retail partners by offering them a comprehensive set of enterprise-grade technology products and services that can help them grow and thrive both within and beyond their four walls. These technology solutions and services include building owned and operated online storefronts powered by Instacart Enterprise Platform, fulfilling orders through new options such as pickup, offering a range of delivery speeds from as fast as 30 minutes to next available window to next day, and addressing additional consumer use cases such as alcohol, convenience, and ready-made meals. As our retail partners utilize Instacart for more use cases, we are able to power a greater number of orders on behalf of our retail partners and increase our GTV.

We have deep trust and integrations with retailers and have demonstrated our ability to expand with them over time as illustrated in the graphic below. For example, 25% of our top 20 retail partners offered alcohol

<sup>82</sup> For the month ended June 30, 2023. Instacart+ monthly spend and orders based on paying Instacart+ monthly active orderers.

<sup>83</sup> Includes paying Instacart+ members only and excludes free trial members. Fluctuations in the number of Instacart+ members are not necessarily indicative of changes in our financial performance or contribution of Instacart+ members to GTV or orders over time.

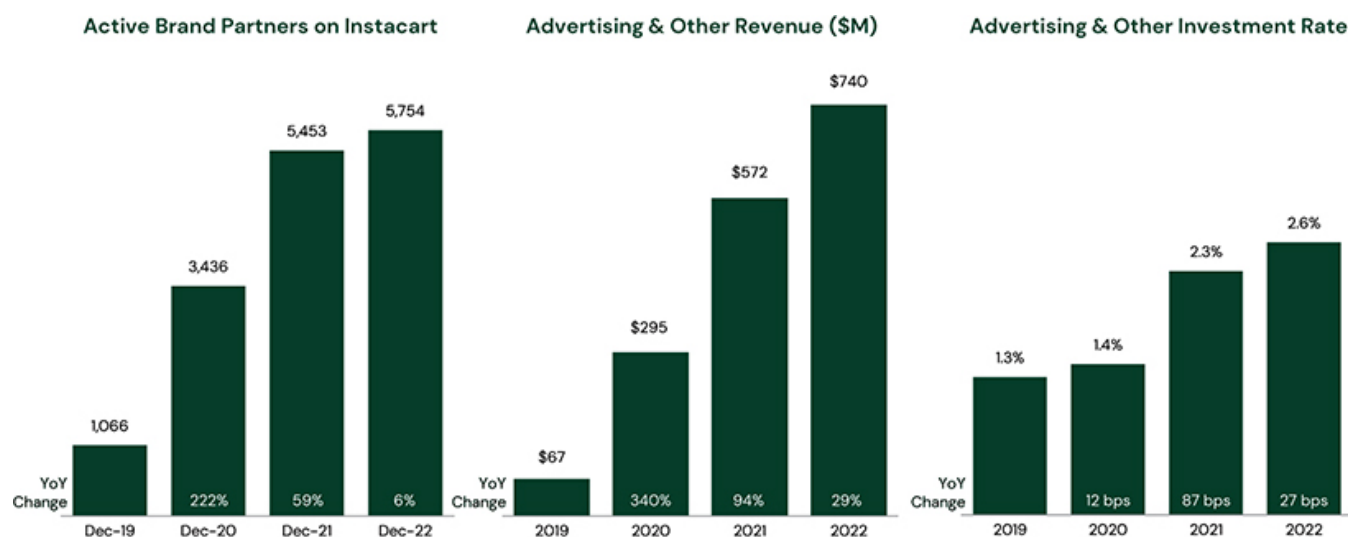
through Instacart in 2016, which increased to 80% in the second quarter of 2023. We launched EBT SNAP payments in 2020, and 65% of our top 20 retail partners enable EBT SNAP payments on Instacart as of the second quarter of 2023. Since 2019, 16 of our top 20 retail partners have adopted one or more additional solutions, including Kroger, Publix, and Wegmans.



(1) Based on retail partner level data. All metrics, except for Instacart Enterprise Platform, measured by retail partners adopting a feature on Instacart Marketplace.

### Grow Relationships with Brands

As consumers move online, we have built Instacart Ads as a new way for brands to reach consumers and succeed. Since launch, we have demonstrated durable and consistent growth in advertising and other revenue, primarily driven by the increasing scale of our business, the increase in number of active brand partners that use our ads offerings, and an increase in spend from brand partners that currently advertise with us. As of June 30, 2023, over 5,500 CPG brands used Instacart Ads, representing growth of over five times compared to December 2019. As a result, we have demonstrated strong growth in our advertising and other revenue, which grew 340% from 2019 to 2020, 94% from 2020 to 2021, and 29% from 2021 to 2022 and have increased our advertising and other investment rate from 1.3% in 2019 to 2.6% in 2022. Macroeconomic uncertainty, including from inflation, rising interest rates, supply chain shortages, and cessation of government stimulus, has caused advertisers, including our brand partners, to decrease spending, which negatively impacts our advertising and other revenue. In addition, our brand partners' sales generated from digital marketing campaigns on Instacart may fail to meet their expectations, including as a result of decreases in GTV growth, which in turn can result in reductions in future brand partner digital marketing spend on Instacart and related decreases in advertising and other revenue in future periods. We expect our advertising and other revenue to be negatively impacted as a result of these factors over the near term. Additionally, given we do not provide advertising for retailers that use only select Instacart Enterprise integrations (versus our full Instacart Enterprise Platform), if we add any such retailers or any such retailers expand their use of our non-advertising solutions, our GTV may grow, but our advertising and other investment rate may decline. However, as we continue to scale, optimize, and refine our strategy, we believe we are well positioned to grow our Instacart Ads offerings by offering our brand partners highly targeted ad opportunities and precise measurement capabilities.



Advertising and other investment rate is an indicator of our ability to grow our relationships with brand partners as it demonstrates how much advertising revenue we are able to monetize out of the total sales generated through Instacart. Advertising and other investment rate typically fluctuates with GTV growth on a delayed basis for the reasons described above, and can also be asymmetrical based on advertising budget negotiations or if we generate more GTV growth through retailers’ owned and operated online storefronts where we do not serve advertising. We intend to increase our advertising revenue by continuing to execute against the following strategies:

- *Capture More Ad Spend and Add New Brands on Instacart Ads.* We intend to earn a greater portion of brands’ spend across digital marketing as well as other data and customer insights. Growing the number of active brand partners and their spend will depend on our ability to grow the size and engagement of our customer base to create more clicks and impressions and to innovate on our ads offerings to deliver attractive ROI to our brand partners.
- *Grow Sales for Emerging Brands and Non-Food Categories.* We intend to grow sales for emerging brands and non-food categories that have higher advertising budgets, such as household products, pet items, and personal care. As we grow sales for emerging brands and these categories, we expect to experience a mix shift towards GTV with higher advertising and other investment rate.

#### Drivers of Profitability

At Instacart, we have multiple levers that we use to drive profitability, including: large average order values, diversified revenue streams, revenue cost optimization, scale, multiple use cases and fulfillment options, operating expense efficiencies, and capital efficiency. Over time, we aim to achieve and maintain profitable growth, meaning we intend to drive continued engagement from Instacart customers in a manner that optimizes for margin and profitability, including by focusing on the levers below.

- *Large Average Order Value.* Given grocery is one of the largest recurring monthly household expenses, we have a high average order value, which was \$110 in 2022. Larger order values are structurally more profitable as certain costs, such as shopper earnings and hosting expenses, are allocated across a larger base, and the advertising opportunity increases with more items in an order. While we have a leading share of orders among digital-first platforms both above and below \$75, our share is even more pronounced in orders larger than \$75, where retailers who partner with Instacart command 74% of the digital-first platform sales volume of these larger orders, which we believe is where the majority of the profit opportunity exists. See the charts under the section titled “Business—Our Industry—Online Grocery Market Dynamics—Share of Sales among Digital-First Platforms—Share of Sales by Order Value” for more information.

- *Diversified Revenue Streams.* We primarily generate revenue from customer fees, retailer fees, and advertising fees. As we generate more orders for retailers, our revenue from customers and retailers grows. This allows us to deliver greater value to advertisers and increases our advertising and other revenue. As our business has scaled, we have been able to grow each of these diversified revenue streams in a way that is accretive to gross margin.
- *Revenue Cost Optimization.* We continue to identify and improve efficiencies in areas that negatively impact revenue and gross profit, such as appeasements and refunds, customer incentives and promotions, shopper earnings, and third-party payment processing fees. We have used our data insights and machine learning to reduce many of these costs. For example, for our customers, we leveraged our data to recommend over 75 million replacements, with an average customer satisfaction rate of 95% with the replacement item.<sup>84</sup> These successful replacements are a key component of lowering appeasement and refund costs.
- *Economies of Scale.* We drive efficiencies through the number of orders powered by technology-backed picking and batching abilities that help shoppers fulfill multiple orders simultaneously. These capabilities allow retailers and shoppers to improve overall efficiencies by reducing costs and increasing the number of batches with multiple orders. Increasing batch rate allows shopper earnings to increase on an hourly basis by reducing the cost and time to fulfill each order while increasing shopper flexibility and earnings transparency. As we increased our batch rate by 50% from the fourth quarter of 2019 to the second quarter of 2023, we have seen a significant increase in hourly shopper earnings over the same period. Combined with other efficiencies, this has allowed us to decrease fulfillment costs per order from 10.2% of GTV in the fourth quarter of 2019 to 7.1% of GTV in the second quarter of 2023. Thus, these efficiencies translated into both higher profitability for Instacart and greater earnings for shoppers.
- *Multiple Use Cases and Fulfillment Options.* Our strategy of supporting multiple use cases, such as convenience and the weekly shop, all the way to the monthly bulk stock-up, across a variety of fulfillment options and speeds, from pickup to next day delivery, has increased engagement and order frequency. About 30% of monthly active orderers use multiple fulfillment options across priority delivery, same-day delivery, next day delivery, no rush delivery, and pickup, on average.<sup>85</sup> We are also increasing our deployment of flexible, better optimized pricing to cater to different use cases and fulfillment options, charging more for options like priority delivery and less for pickup and next day delivery. Our fulfillment efficiencies result in higher shopper earnings through improvements in batch rate and reduction in time spent per order, which simultaneously translates into lower costs to Instacart. While incremental use cases and fulfillment options could be margin dilutive on their own and may reduce average order value, we believe that the adoption of multiple use cases and fulfillment options deepens our customer engagement and improves retention.
- *Operating Expense Efficiencies.* We have also demonstrated increased efficiencies in managing our operating expenses, including costs associated with customer and shopper support and attracting and onboarding new shoppers, as well as various overhead and occupancy costs. We have historically reduced these costs through economies of scale, automation, business process improvement, and better vendor management. In 2022, we introduced more guardrails around workforce budgeting, including a more rigorous approach to backfilling for attrition. As a result, our overall headcount peaked in the second quarter of 2022 and declined over the next two quarters, reducing our fixed operating cost base. As a result, we improved operations and support expense, general and administrative expense, and research and development expense as a percent of GTV from 3.7%, 2.6%, and 2.5%, respectively, in 2019 to 0.9%, 1.2%, and 1.8%, respectively, in 2022. This strong operating leverage allows us to continue to invest in our research and development and sales and marketing functions to drive overall growth in a disciplined manner to sustain or increase profitability.
- *Capital Efficiency.* We operate an asset-light model that focuses on delivering technology solutions to our retail partners and brand partners. We do not carry inventory and do not own a large physical footprint.

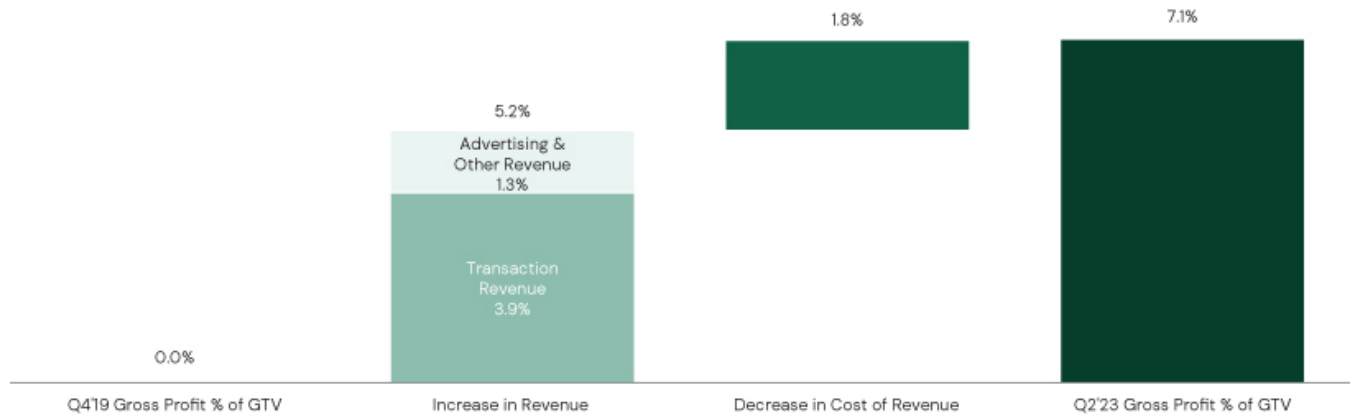
<sup>84</sup> For the quarter ended June 30, 2023.

<sup>85</sup> For the quarter ended June 30, 2023.

By enabling and partnering with retailers, we allow millions of customers to shop across a diverse network of retailers and over 80,000 local stores.<sup>86</sup> This capital efficiency is best reflected in our capital expenditures, which remained consistently low as a percent of revenue at 0.7% in 2021 and 0.9% in 2022.

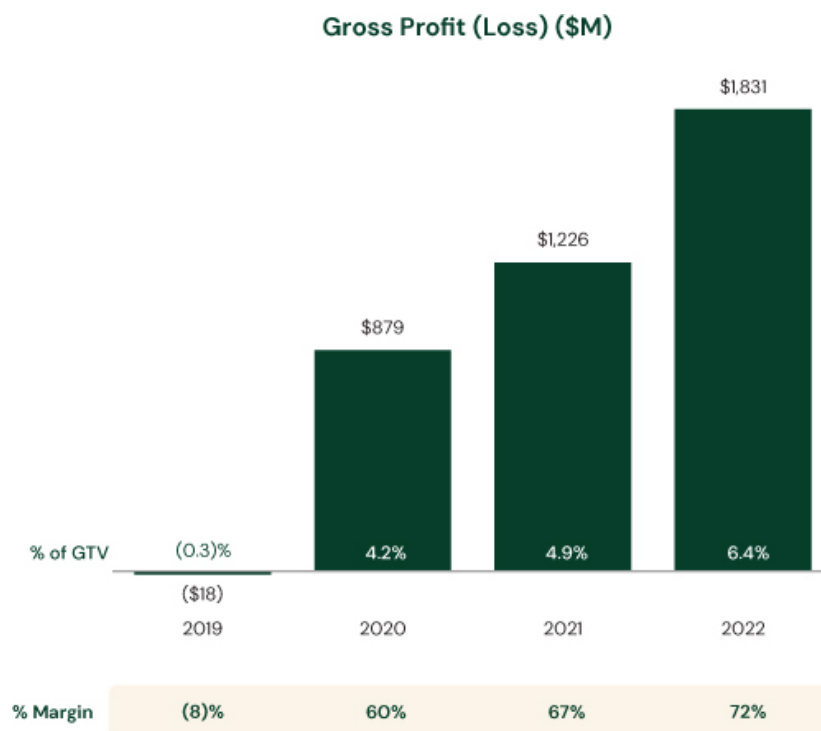
Our ability to drive profitable growth is also dependent on improving gross profit. Gross profit is an indicator of the growth in our revenue as well as greater efficiencies in costs that impact our revenue and gross profit, such as appeasements and refunds, customer incentives and promotions, shopper earnings, and third-party payment processing fees. The chart below indicates the gross margin improvement from each of these key components from the quarter ended December 31, 2019 to the quarter ended June 30, 2023. We utilized all of these levers to significantly improve our gross profit as a percent of GTV from 0.0% in the quarter ended December 31, 2019 to 7.1% in the quarter ended June 30, 2023. The increase in gross profit as a percent of GTV between these periods was largely driven by improvements in fulfillment efficiencies, the effects of which are expected to taper over time.

### Gross Profit % of GTV Progression



<sup>86</sup> As of June 30, 2023.

The chart below illustrates this expansion on an annual basis. We have grown gross profit (loss) from \$(18) million, or (0.3)% of GTV, in 2019 to \$1,831 million, or 6.4% of GTV, in 2022.



We intend to continue to improve cost efficiencies that impact revenue and gross profit, including by expanding shopper productivity and reducing customer appeasements and refunds. We are continuously calibrating our algorithms to better predict supply and demand dynamics and improve our routing. Our technology efficiently batches orders together to increase shopper earnings while reducing costs per order. As we grow order volume, we believe we can further leverage our technology to reduce the time spent on each order and help shoppers increase accuracy, both of which expand profitability. Greater shopper productivity can result in fewer customer appeasements and refunds, and will lower our rate of cancellations and redeliveries.

We expect these factors will help us continue to increase our margin and profitability. However, we expect the pace of gross profit expansion to taper in the future. Recent trends were driven in large part by the benefits from optimization of customer fees and the realization of fulfillment efficiencies that increased transaction revenue, which benefits are expected to decelerate in the future, as well as the increase in advertising and other revenue from increased advertising volume. While gross margin trends are affected by a variety of factors, including efficiencies in cost of revenue, we expect gross margin expansion to taper in the future as growth in transaction revenue begins to align more closely with growth in GTV. As we continue to expand across fulfillment options and consumer use cases, we also expect to incur additional types of costs, such as certain labor costs, that can impact both our cost of revenue and profitability trends in the future.

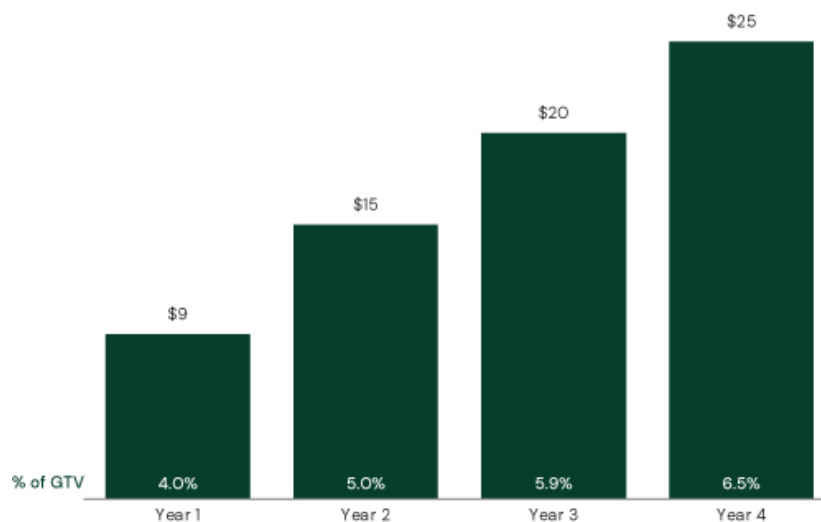
Our customer cohorts also exhibit our ability to scale our unit economics and generate strong gross profit expansion over time. The chart below depicts the average behavior of our 2019, 2020, 2021, and 2022 monthly customer cohorts, weighted by the size of each cohort on the basis of monthly active orderers. Average monthly gross profit per monthly active orderer increased from approximately \$9 in the year of a customer’s first order to \$25 by year four.

We have demonstrated our ability to grow gross profit at a significantly higher rate than GTV. Gross profit expansion is driven, in part, by customer behavior, with average order value and order frequency increasing over time by cohort. Larger order values tend to be more profitable, as the advertising opportunity increases with more



items in an order and costs such as hosting, cancellations, and redeliveries are allocated across a larger average order value. Gross profit expansion is also driven by strategic decisions we have made that have diversified our revenue streams, grown our advertising and other investment rate, optimized customer fees and incentives, improved batching technology, increased shopper productivity, reduced appeasements, decreased the number of in-store shoppers, and reduced third-party payment processing fees as a percent of GTV. We expect the growth trends for our customer cohorts to be tempered in the near term primarily due to the reasons described in the section titled “—Generate More Orders,” which have impacted and could continue to impact the retention and engagement of customers in these cohorts. Additionally, we expect the pace of gross profit expansion to taper in the future, as described above. However, for the reasons set forth above, we believe that we can continue growing our average monthly gross profit per monthly active orderer across all of our cohorts over time.

**Average Monthly Gross Profit per Active Orderer<sup>1</sup>**  
(2019 – 2022 Customer Cohorts)

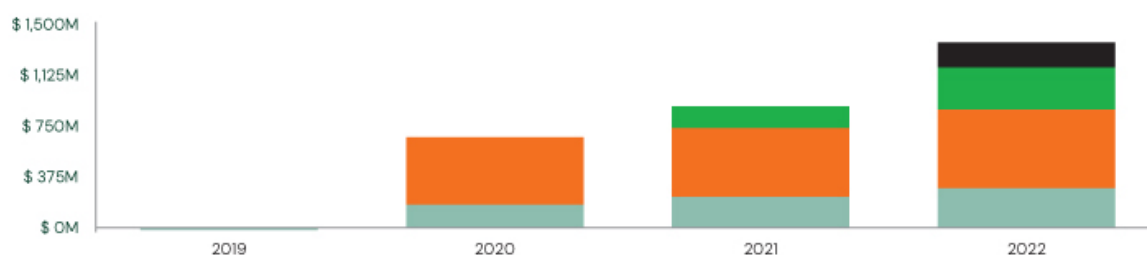


<sup>(1)</sup> For each year, the dollar value represents average monthly gross profit per monthly active orderer for the 2019, 2020, 2021, and 2022 customer cohorts, weighted by the size of each cohort on the basis of monthly active orderers. For example, “Year 1” reflects the first year of results for the 2019, 2020, 2021, and 2022 customer cohorts while “Year 3” reflects the results for only the 2019 and 2020 customer cohorts. Average monthly gross profit per monthly active orderer for each cohort in a given year is calculated by determining the gross profit per monthly active orderer for each calendar month and averaging each monthly gross profit per monthly active orderer, weighted on the basis of the monthly active orderers for each month. For purposes of the chart above, a monthly active orderer is a customer who places at least one order on Instacart in any particular month in that customer’s year of activation. Each monthly active orderer belongs in the annual cohort in which that customer made an initial order. Multiple accounts using a single phone number count as a single customer in the annual cohort when the customer placed the first order across the accounts. For each month in which a monthly active orderer places at least one order, that customer is included as a single monthly active orderer for purposes of calculating average gross profit per monthly active orderer for that month. Percent of GTV is calculated as average monthly gross profit per monthly active orderer (2019 - 2022 customer cohorts) divided by the average monthly GTV per monthly active orderer (2019 - 2022 customer cohorts) in the same given year.

In addition, the chart below demonstrates our ability to improve the gross profit of our customer cohorts year-over-year compared to their first year on Instacart. Gross profit as a percent of GTV for both the 2019 and 2020 cohorts illustrates this improvement, expanding from (1.0)% in Year 1 to 6.5% by Year 4 for the 2019 cohort, and from 4.5% in Year 1 to 6.2% in Year 3 for the 2020 cohort. Since our 2020 cohort, we have been able to achieve positive gross profit in our customer cohorts’ first year with Instacart. Our business has been and may continue to be adversely impacted by market and economic factors as well as the subsiding effects of the COVID-19 pandemic on demand for online grocery, which has adversely impacted the retention and engagement of our customer cohorts acquired during the COVID-19 pandemic and variant outbreaks. These impacts and our focus on profitable growth over time may result in fluctuations in gross profit. Despite this, we believe we have crossed a critical scale threshold that significantly improves our ability to consistently achieve positive gross profit, driven by diversified revenue streams and numerous cost efficiencies. In fact, our 2021 and 2022 cohorts

exhibited comparatively high gross profit. Our 2021 cohort has expanded to 6.2% gross profit as a percentage of GTV by Year 2—a level our 2019 and 2020 cohorts did not reach until Year 4 and Year 3, respectively. Our 2022 cohort has exhibited the highest gross profit as a percentage of GTV in Year 1 at 5.3%, demonstrating our ability to drive more profitable cohorts as we have scaled.

**Annual Gross Profit (Loss) by Cohort**

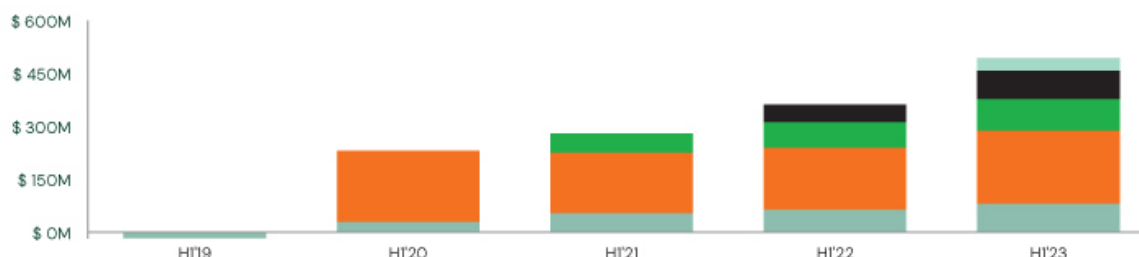


**Gross Profit (Loss) as % GTV by Annual Cohort**

	Year 1	Year 2	Year 3	Year 4
2019 Cohort	(1.0)%	4.3%	5.3%	6.5%
2020 Cohort	4.5%	4.8%	6.2%	
2021 Cohort	4.1%	6.2%		
2022 Cohort	5.3%			

As shown below, this expansion trend continued in the first six months of 2023, where gross profit by cohort increased for every cohort when compared to the prior period, with each cohort achieving the highest gross profit as a percent of GTV in the first six months of 2023. See the section titled “—Our Performance in the Six Months Ended June 30, 2023” for more information.

**Gross Profit (Loss) by HI Cohort**

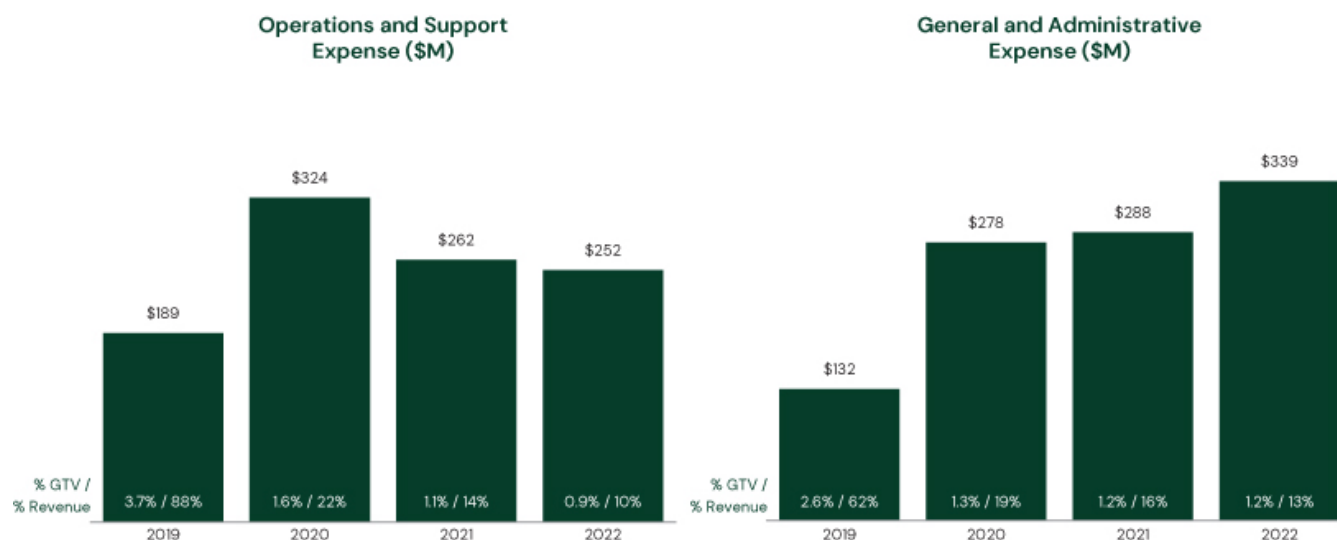


**Gross Profit (Loss) as % GTV by HI Cohort**

	Year 1	Year 2	Year 3	Year 4	Year 5
HI'19 Cohort	(2.9)%	3.4%	5.1%	6.0%	7.8%
HI'20 Cohort	4.2%	4.4%	5.5%	7.4%	
HI'21 Cohort	3.8%	5.5%	7.7%		
HI'22 Cohort	4.0%	7.7%			
HI'23 Cohort	4.0%				

In addition to the costs that impact our revenue and gross profit, we incur other costs that impact our operating profit, including costs of customer and shopper support, the cost of attracting and onboarding new shoppers, and various overhead and occupancy costs. We have historically improved these costs through economies of scale, automation, business process improvement, and better vendor management. As a result, we

improved operations and support expense and general and administrative expense as a percent of GTV from 3.7% and 2.6%, respectively, in 2019 to 0.9% and 1.2%, respectively, in 2022.



*Re-Invest for Growth*

The strength of our historical customer cohorts and our proven and scaling unit economics have allowed us to re-invest in supporting our growth, in particular in sales and marketing and research and development. We plan to continue to re-invest in our business to ensure the strengthening of the compelling value proposition we offer to our retail partners, customers, brand partners, and shoppers.

The charts below show the increase in our customer marketing expense and customer incentives and promotions, collectively referred to as our customer acquisition costs, since 2019 and for the first six months of 2022 and 2023. Customer marketing expense includes paid marketing, brand marketing, and headcount costs related to consumer marketing, which are recorded in sales and marketing expense. Customer incentives and promotions include marketing coupons and referral credits to new customers and are recorded as a reduction of revenue. We also at times offer waived first delivery fees, which reduce the total customer fees we collect but are not included in customer acquisition costs.

In order to reach more customers and generate more orders for our retail partners, we have increased our customer acquisition costs by approximately \$500 million in 2022 compared to 2019. In 2019, our gross profit was negative, and our unit economics were not mature. As a result, we did not make significant investments in customer acquisition. In 2020, we saw a dramatic increase in demand due to the COVID-19 pandemic, which brought customers organically to Instacart. Beginning in 2021 and 2022, we gained increasing confidence in our improving unit economics, as evidenced by gross profit increasing to 4.9% and 6.4% of GTV, respectively. These results, along with efficiencies in our marketing channels, have allowed us to confidently increase our customer acquisition budgets to grow our customer base. This trend continued into the first six months of 2023, during which we expanded our gross profit as a percent of GTV to 7.4% from 5.4% in the first six months of 2022. During this period, we also increased customer acquisition spend as a percent of GTV compared to the same period in 2022 to attract new customers to Instacart, reengage customers that have stopped using Instacart, and increase engagement of existing customers.

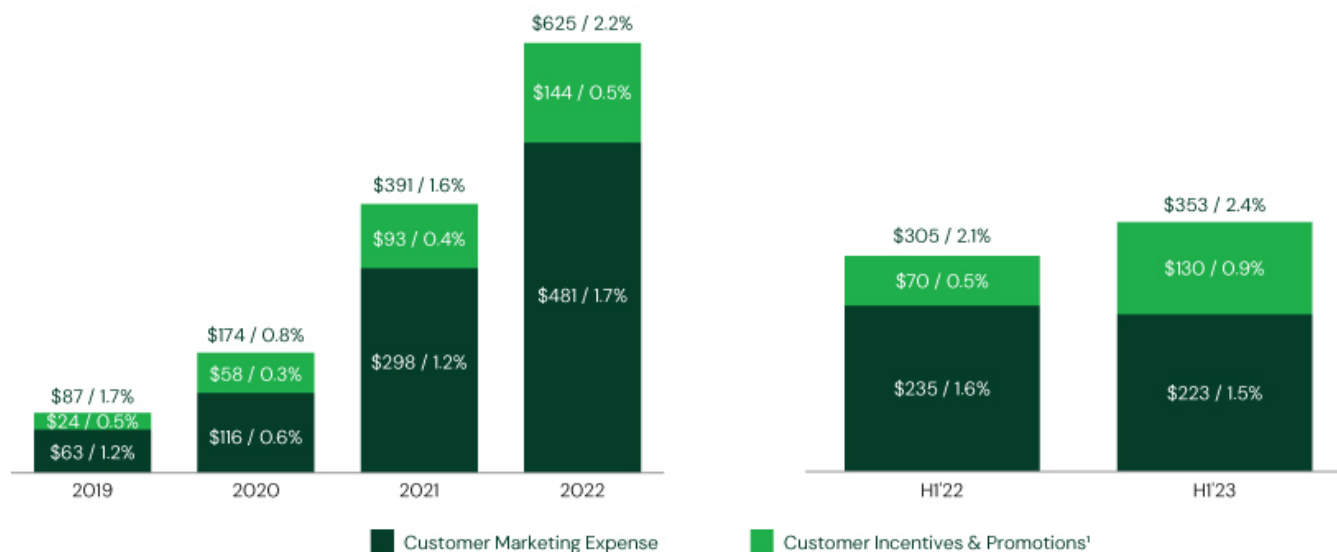
While our business has scaled significantly, we continue to believe we are early in our opportunity. We believe the strength of our brand enables us to attract customers to Instacart on an organic basis. Our retailers' brands also attract customers to their owned and operated online storefronts that are powered by Instacart Enterprise Platform. In addition, we intend to invest in ongoing customer acquisition spend across categories, including customer incentives and promotions, performance marketing, demand generation partnerships, and brand development to attract new

customers, reengage customers that have stopped using Instacart, and increase customer engagement. We expect that such expenses will continue to increase on an absolute dollar basis and be one of our largest expenses in the near term.

As we continue to increase our customer acquisition cost, we are focused on ensuring that each additional dollar of spend yields a positive return on investment. We achieve this by taking a rigorous approach to customer acquisition spend that enables us to invest up to efficiency guardrails that are based on years of historical cohort behavior. As we invest up to these guardrails, we are doing this more efficiently via better marketing strategies and by optimizing spend across a variety of performance channels. At the same time, we continuously make product enhancements to improve the customer experience, which we believe drives stronger customer engagement and retention. Together, this drives greater gross profit as a percentage of GTV and allows us to further optimize our customer marketing efficiencies.

In addition, while increases in customer acquisition costs that have longer time horizons, such as incentives and promotions as well as brand marketing campaigns, may initially have a negative impact on our profitability, we believe that these investments will drive increased engagement from existing customers and enable us to attract new customers to Instacart.

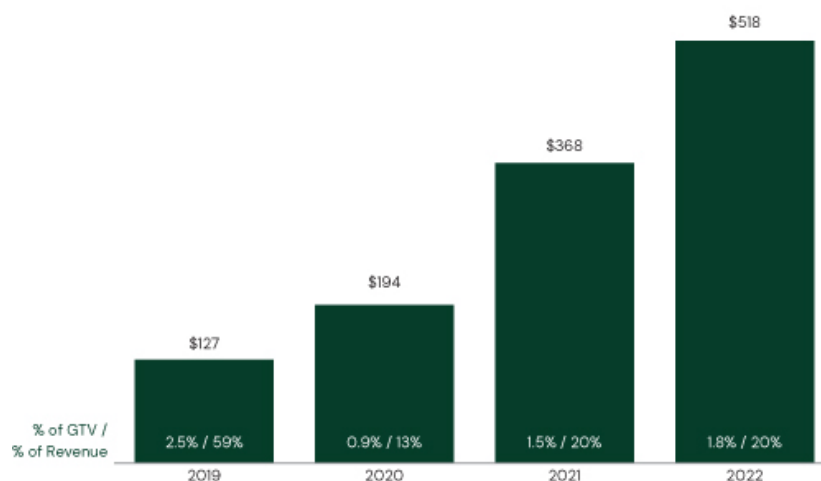
### Customer Acquisition Cost (\$M / % of GTV)



(1) Excludes waived first delivery fees as the absence of such fees reduce the revenue otherwise recognized from a transaction and therefore are not recorded as contra revenue nor expense. These fees are viewed and managed by us as part of our overall revenue performance as opposed to costs.

Our main value proposition to retailers is our end-to-end technology solution that is custom-built for online grocery, and our success is dependent on our ability to sustain product and technology innovation to better serve all of our constituents. To support such innovation, we have increased our research and development expense by 308% from \$127 million in 2019 to \$518 million in 2022. In 2021 and 2022, our research and development expense increased primarily as a result of rapid scaling of headcount. In the second half of 2022, we took a disciplined approach to research and development expense and focused on driving more efficiencies in our research and development function. We expect our research and development expense to continue increasing on an absolute dollar basis for the foreseeable future, including as we continue to build additional products, services, features, and functionalities that improve and broaden our capabilities and enhance our value proposition. We plan to continue taking a disciplined approach to research and development expense and focus on driving more efficiencies in our research and development function.

**Research and Development Expense (\$M)**



*Disciplined Equity Compensation and Dilution Management*

We have granted equity awards consisting primarily of restricted stock units and stock options to our employees, our board of directors, and certain non-employees. The substantial majority of our equity awards have been made to employees. We believe that it is important to have equity as a component of our overall compensation program, as it fosters an ownership culture within Instacart and helps align the interests of our employees with business outcomes, while exercising discipline to manage the dilutive impact of equity compensation. We have also improved our operating cash flow generation, generating \$242 million in the first six months of 2023 compared to \$99 million in the same six months of 2022. Our strong and growing cash position enables us to offer cash alternatives to employees while allowing us to optimize our decisions to minimize dilution. For example, in April 2023, we offered employees the option to elect cash in lieu of a portion of certain equity awards. As a result, in the first six months of 2023, we reduced the weighted-average grant-date fair value of equity granted, net of forfeitures, in such period to \$154 million compared to \$347 million in the first six months of 2022, as outlined in the table below.

Period Covered	RSUs Granted		RSUs Forfeited		Total Grant-Date Fair Value of RSUs Granted, Net of Forfeitures (in millions) <sup>(1)</sup>
	Shares (in millions)	Weighted Average Grant-Date Fair Value per Share	Shares (in millions)	Weighted Average Grant-Date Fair Value per Share	
2021	18.3	\$ 120.02	3.5	\$ 61.35	\$ 1,978
2022	25.2	\$ 46.08	7.6	\$ 90.99	\$ 468
H1'2022	11.7	\$ 61.08	3.8	\$ 96.90	\$ 347
H1'2023	8.8	\$ 35.72	2.3	\$ 69.69	\$ 154

(1) Certain of these awards have been modified, cancelled, and/or replaced since their original grant dates, and as a result, we remeasured the fair value for the affected awards as of the modification or cancellation and replacement dates. See Note 12 to our consolidated financial statements included elsewhere in this prospectus for additional details regarding these modifications, cancellations, and replacements. The weighted-average grant-date fair values in the table represent the original grant date fair values and do not reflect the aforementioned modifications.

### Key Business and Non-GAAP Metrics

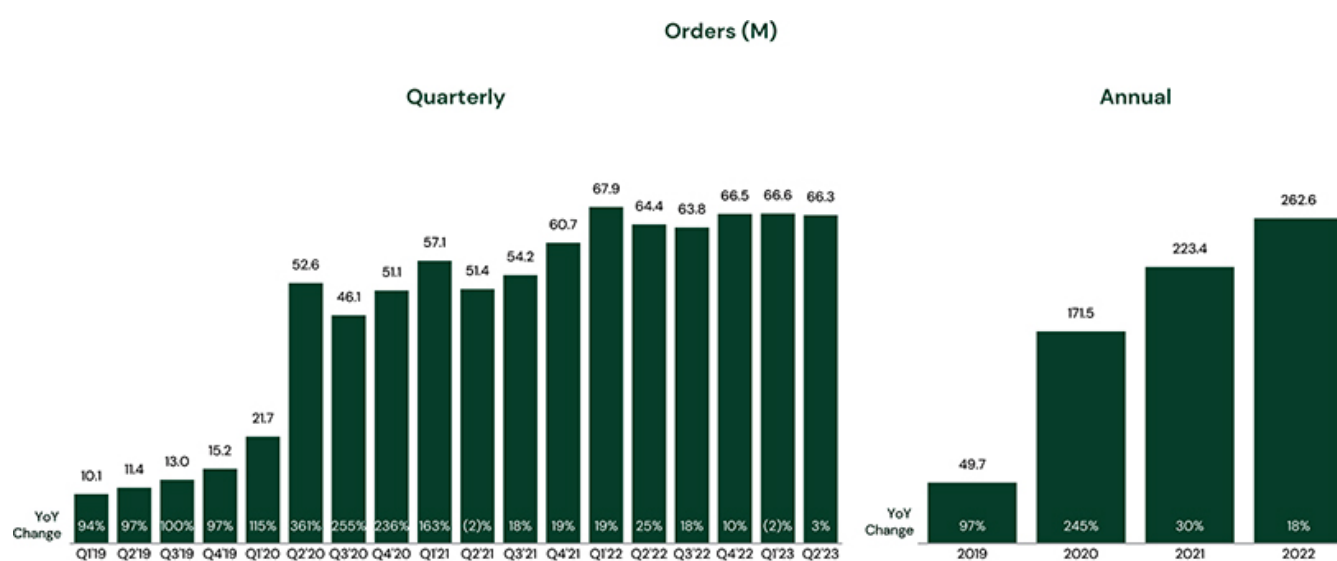
We use the following key business and non-GAAP metrics to help us evaluate our business, identify trends affecting our performance, formulate business plans, and make strategic decisions.

#### Key Business Metrics

##### Orders

We define an order as a completed customer transaction to purchase goods for delivery or pickup from a single retailer on Instacart during the period indicated, including those completed through Instacart Marketplace or retailers’ owned and operated online storefronts that are powered by Instacart Enterprise Platform. We believe that orders are an indicator of the scale and growth of our business as well as the value we bring to our constituents.

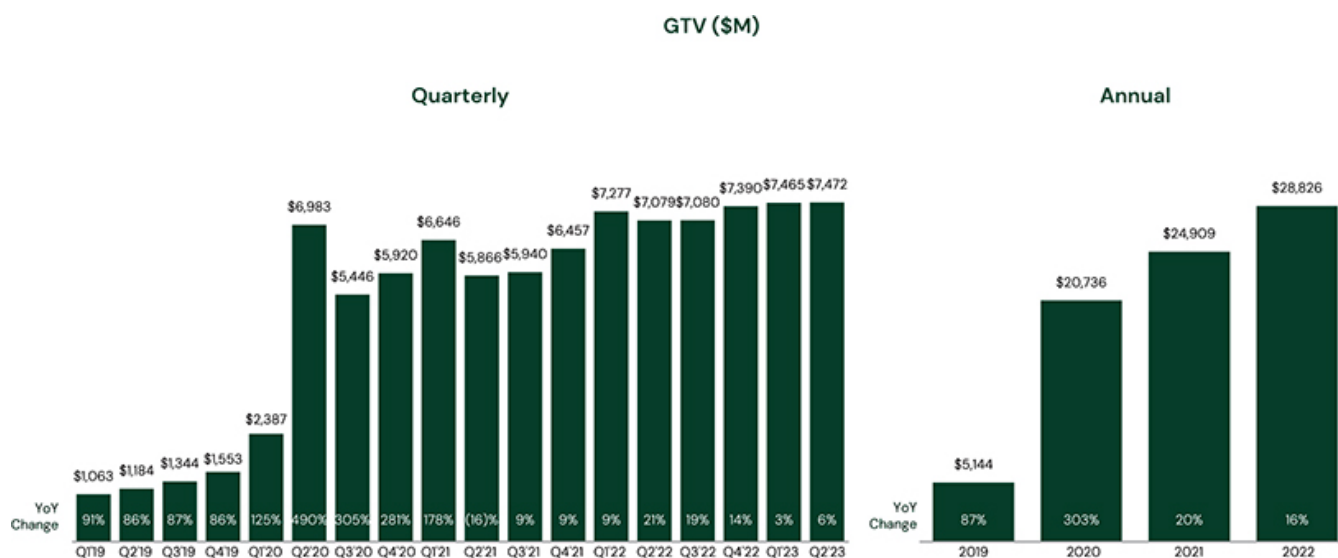
Orders increased 245% from 2019 to 2020, 30% from 2020 to 2021, and 18% from 2021 to 2022 as we added new customers and increased engagement from existing customers. The COVID-19 pandemic significantly accelerated new order volume beginning at the end of the first quarter of 2020 through the first quarter of 2021. In the first quarter of 2023, orders decreased 2% compared to the same quarter in 2022, during which we experienced an elevated number of COVID-influenced orders due to the Omicron variant. The decline in COVID-influenced orders in the second quarter of 2022 allowed for a more normalized year-over-year comparison for the same quarter in 2023, during which orders increased by 3%. Order volumes have also been, and continue to be, adversely impacted by the effects of macroeconomic conditions, including heightened inflation and rising interest rates, as well as the cessation of government stimulus programs. While we do not expect our pandemic-accelerated order volume growth rate to recur in future periods, we believe we can generate profitable growth in order volume over time.



##### Gross Transaction Value (GTV)

We define GTV as the value of the products sold based on prices shown on Instacart, in addition to applicable taxes, deposits and other local fees, customer tips, which go directly to shoppers, customer fees, which include flat subscription fees related to Instacart+ that are charged monthly or annually, and other fees. GTV consists of orders completed through Instacart Marketplace or services that are part of the Instacart Enterprise Platform. GTV consists of orders completed through Instacart Marketplace or services that are part of the Instacart Enterprise Platform. We believe that GTV indicates the health of our business, including our ability to drive revenue and profits, and the value we provide to our constituents.

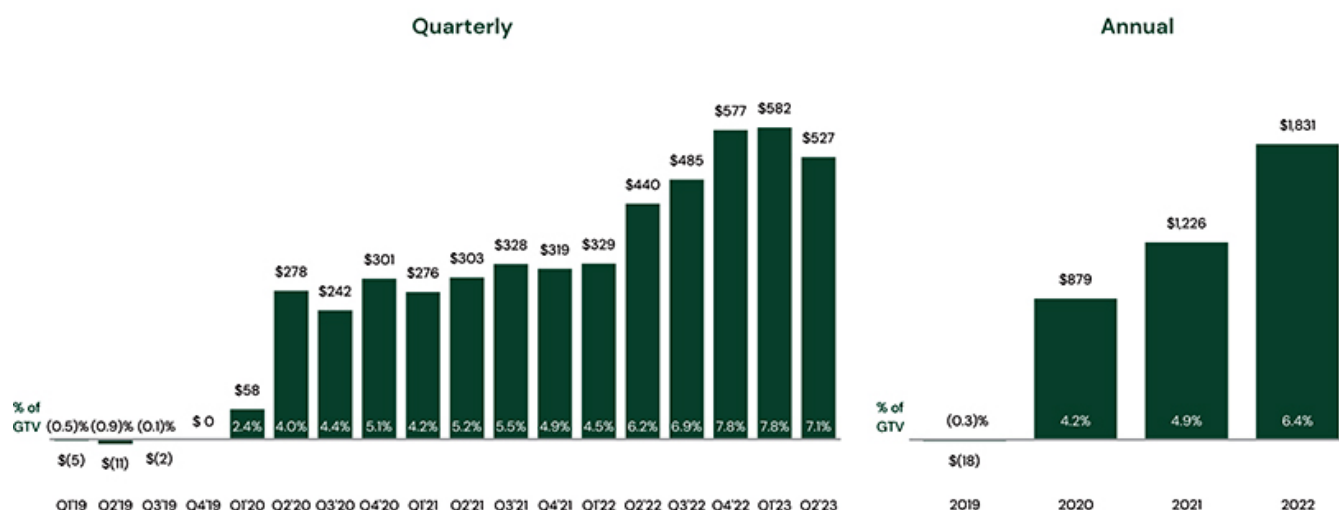
GTV increased 303% from 2019 to 2020, 20% from 2020 to 2021, and 16% from 2021 to 2022 as we added new customers and increased engagement from existing customers. The COVID-19 pandemic significantly accelerated new order volume beginning at the end of the first quarter of 2020 through the first quarter of 2021. In the first quarter of 2023, GTV grew 3% compared to the same period in 2022 as the increase in average order value offset a decline in orders, and this growth increased to 6% for the second quarter of 2023 compared to the same period in 2022. GTV grew more quickly than orders in 2020 due to elevated average order values, more slowly than orders in 2021 and 2022 as average order values normalized, and more quickly than orders in the first and second quarters of 2023 as average order values increased over the same time periods in 2022. GTV has grown more slowly than revenue since 2020 because it does not reflect the growth of advertising and other revenue or efficiency improvements like higher batch rate. GTV and average order values have also been, and continue to be, negatively impacted by the factors described in the section titled “—Our Financial Model—Core Principals of Our Financial Model—Generate More Orders.” While we do not expect our pandemic-accelerated GTV growth rate to recur in future periods, we believe we can generate profitable growth in GTV over time, as further described in “—Core Principals of Our Financial Model—Drivers of Profitability.”



*Gross Profit and Gross Margin*

Gross profit is defined as revenue less cost of revenue, and gross margin is defined as gross profit as a percent of revenue. We believe that gross profit and gross margin are important indicators of the growth and efficiencies of our business. Gross profit and gross margin have experienced significant growth since 2019 due to diversified revenue streams, growth in our advertising and other investment rate, numerous cost efficiencies, and economies of scale. This can be seen in the improvement in gross margin in the first and second quarters of 2023 of 7.8% and 7.1% of GTV or 77% and 74% of revenue, respectively, versus 4.5% and 6.2% or 65% and 71%, respectively, for the same periods in 2022. However, we expect the rate of gross profit growth and gross margin expansion to taper in the future as the benefits of certain cost efficiencies decelerate, and we continue to invest in customer incentives and promotions.

Gross Profit (Loss) (\$M)



**Non-GAAP Financial Measures**

To supplement our consolidated financial statements prepared and presented in accordance with GAAP, we use certain non-GAAP financial measures, as described below, to facilitate analysis of our financial and business trends and for internal planning and forecasting purposes.

We use Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, Adjusted EBITDA margin, adjusted cost of revenue, adjusted operations and support expense, adjusted research and development expense, adjusted sales and marketing expense, and adjusted general and administrative expense in conjunction with GAAP measures to assess performance, to inform the preparation of our annual operating budget and quarterly forecasts, to evaluate the effectiveness of our business strategies, and to discuss our business and financial performance with our board of directors. We believe that these non-GAAP financial measures provide useful information to investors about our business and financial performance, enhance their overall understanding of our past performance and future prospects, and allow for greater transparency with respect to metrics used by our management in their financial and operational decision making. We are presenting these non-GAAP financial measures to assist investors in seeing our business and financial performance through the eyes of management, and because we believe that these non-GAAP financial measures provide an additional tool for investors to use in comparing results of operations of our business over multiple periods with other companies in our industry.

Our definitions may differ from the definitions used by other companies and therefore comparability may be limited. In addition, other companies may not publish these or similar metrics. Further, these metrics have certain limitations in that they do not include the impact of certain expenses that are reflected in our consolidated statements of operations. Thus, our Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, Adjusted EBITDA margin, adjusted cost of revenue, adjusted operations and support expense, adjusted research and development expense, adjusted sales and marketing expense, and adjusted general and administrative expense should be considered in addition to, not as substitutes for, or in isolation from, measures prepared in accordance with GAAP.

We encourage investors and others to review our business, results of operations, and financial information in their entirety, not to rely on any single financial measure, and to view Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, Adjusted EBITDA margin, adjusted cost of revenue, adjusted operations and support expense, adjusted research and development expense, adjusted sales and marketing expense, and adjusted general and administrative expense in conjunction with their respective most directly comparable financial measure calculated in accordance with GAAP.



*Adjusted EBITDA, Adjusted EBITDA as a Percent of GTV, and Adjusted EBITDA Margin*

We define Adjusted EBITDA as net income (loss), adjusted to exclude (i) provision for (benefit from) income taxes, (ii) interest income, (iii) other income (expense), net, (iv) depreciation and amortization expense, (v) stock-based compensation expense, (vi) certain legal and regulatory accruals and settlements, net, (vii) reserves for sales and other indirect taxes, (viii) COVID-19 response initiatives, (ix) acquisition-related expenses, and (x) non-capitalizable expenses related to the public listing of our common stock and the settlement of certain patent infringement claims. We define Adjusted EBITDA margin as Adjusted EBITDA as a percent of revenue.

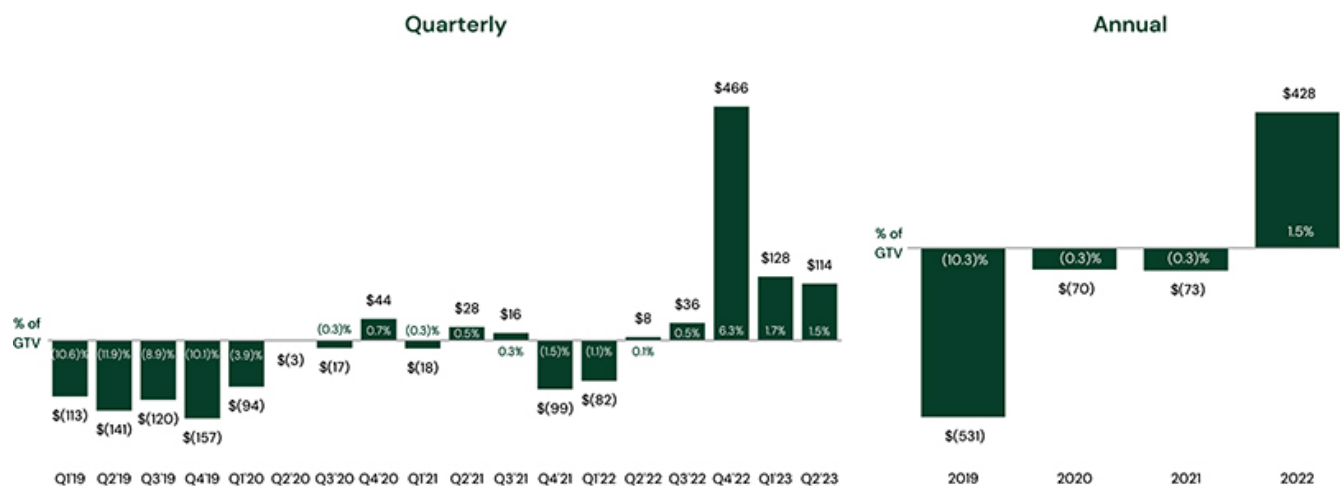
We include Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin in this prospectus because they are important measures upon which our management assesses our operating performance and the operating leverage in our business. Because Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin facilitate internal comparisons of our historical operating performance, including as an indication of our revenue growth and operating efficiencies when compared to GTV over time, we use them to evaluate the effectiveness of our strategic initiatives and for business planning purposes. We also believe that Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin, when taken collectively, may be useful to investors because they provide consistency and comparability with past financial performance, so that investors can evaluate our operating efficiencies by excluding certain items that may not be indicative of our business, results of operations, or outlook. In addition, we believe Adjusted EBITDA is widely used by investors, securities analysts, ratings agencies, and other parties in evaluating companies in our industry as a measure of operational performance.

Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin should not be considered as alternatives to net income (loss), net income (loss) as a percent of GTV, net income (loss) as a percent of revenue, or any other measure of financial performance calculated and presented in accordance with GAAP. There are a number of limitations related to the use of Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin rather than net income (loss), net income (loss) as a percent of GTV, and net income (loss) as a percent of revenue, which are the most directly comparable GAAP measures. Some of these limitations are that each of Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin:

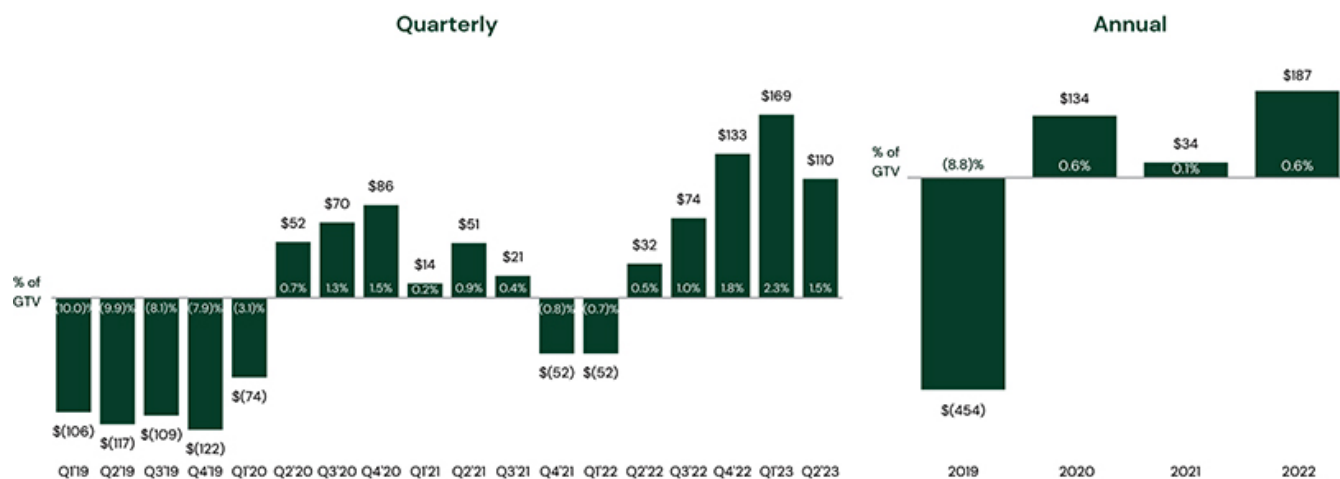
- excludes stock-based compensation expenses;
- excludes depreciation and amortization expense, and although these are non-cash expenses, the assets being depreciated may have to be replaced in the future, increasing our cash requirements;
- does not reflect the positive or adverse adjustments related to the reserve for sales and other indirect taxes;
- does not reflect interest income which increases cash available to us;
- does not reflect other income that may increase cash available to us;
- does not reflect other income and expense that includes unrealized and realized gains and losses on foreign currency exchange; and
- does not reflect provision for or benefit from income taxes that reduces cash available to us.

Other companies, including companies in our industry, may calculate Adjusted EBITDA differently, which reduces its usefulness as a comparative measure. Because of these limitations, we consider, and you should consider, Adjusted EBITDA together with other operating and financial performance measures presented in accordance with GAAP. A reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable financial measure calculated in accordance with GAAP, is provided further below. See also the section titled “—Quarterly Results of Operations—Reconciliations of Non-GAAP Financial Measures” below.

### Net Income (Loss) (\$M)



### Adjusted EBITDA (\$M)



Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin improved from 2019 to 2020, driven by cost structure improvements and increased operating leverage as a result of scale in our business. Our Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin can vary significantly as we continue to make substantial investments to fuel our growth and scale Instacart. In 2021, we meaningfully grew our employee headcount and invested in sales and marketing to capture a significant market opportunity as consumer adoption of online grocery continued to grow. As a result, our Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin declined sequentially in 2021. In addition, in the fourth quarter of 2021, we launched our first national brand campaign, which raised awareness of our brand and lifted the efficiency of our overall acquisition channels. Over time, while we expect sales and marketing expense to increase on an absolute dollar basis, we expect sales and marketing spend to decline as a percent of GTV as we reach higher levels of penetration in our core markets and continue to leverage our internal AI capabilities to drive efficiencies. In 2022, our Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin increased to \$187 million, 0.6%, and 7%, respectively, as we took a more disciplined approach to operating efficiencies and expenses. Our performance in 2022 reflects the benefit of fulfillment efficiencies, in particular, our improvement in batch rate and average shopper time spent per order, and customer fee optimization. We expect the benefits of fulfillment efficiencies to taper in the future. We also focused on driving efficiencies across overhead expenses like hosting and software costs, and limited outside services and other discretionary spend. We introduced more guardrails around workforce budgeting, including a more rigorous approach to backfilling for attrition. As a result, our overall headcount peaked in the second

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quarter of 2022 and declined over the next two quarters, reducing our fixed operating cost base. This trend continued into the first half of 2023 as our Adjusted EBITDA for the first and second quarters of 2023 increased to 2.3% and 1.5% of GTV or 22% and 15% of revenue, respectively, versus (0.7)% and 0.5% or (10)% and 5%, respectively, for the same periods in 2022.

The following table presents a reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable financial measure calculated in accordance with GAAP:

	Year Ended December 31,				Six Months Ended June 30,	
	2019	2020	2021	2022	2022	2023
	(in millions, except percentages)					
Net income (loss)	\$ (531)	\$ (70)	\$ (73)	\$ 428	\$ (74)	\$ 242
Add (deduct):						
Provision for (benefit from) income taxes	—	—	1	(357)	1	64
Interest income	(25)	(5)	(2)	(17)	(2)	(34)
Other (income) expense, net	—	—	(12)	8	2	(3)
Depreciation and amortization expense	7	10	16	34	15	22
Stock-based compensation expense	43	64	22	33	13	9
Certain legal and regulatory accruals and settlements, net <sup>(1)</sup>	42	76	46	50	19	(6)
Reserves for sales and other indirect taxes <sup>(2)</sup>	10	44	13	(1)	—	(11)
COVID-19 response initiatives <sup>(3)</sup>	—	7	3	—	—	—
Acquisition-related expenses	—	1	10	4	1	(4)
Other <sup>(4)</sup>	—	7	10	5	5	—
Adjusted EBITDA	\$ (454)	\$ 134	\$ 34	\$ 187	\$ (20)	\$ 279
GTV	\$ 5,144	\$ 20,736	\$ 24,909	\$ 28,826	\$ 14,356	\$ 14,937
Net income (loss) as a percent of GTV	(10.3)%	(0.3)%	(0.3)%	1.5%	(0.5)%	1.6%
Adjusted EBITDA as a percent of GTV	(8.8)%	0.6%	0.1%	0.6%	(0.1)%	1.9%
Revenue	\$ 214	\$ 1,477	\$ 1,834	\$ 2,551	\$ 1,126	\$ 1,475
Net income (loss) as a percent of revenue	(248)%	(5)%	(4)%	17%	(7)%	16%
Adjusted EBITDA margin	(212)%	9%	2%	7%	(2)%	19%

(1) Represents certain legal, regulatory, and policy expenses related to worker classification matters.

(2) Represents sales and other indirect tax reserves, net of abatements, for periods in which we were unable to collect such taxes from customers. We believe this adjustment is useful for investors in understanding our operating performance because in these cases, the taxes were not intended to be a cost to us but rather are to be borne by the customers.

(3) Represents the cost of all personal protective equipment distributed to shoppers during the COVID-19 pandemic. We ceased excluding this cost following the first quarter of 2022 as the impact of the COVID-19 pandemic and its variant outbreaks on our business subsided.

(4) Represents (i) non-capitalizable expenses related to the public listing of our common stock and (ii) expenses related to the settlement of certain patent infringement claims.

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Our calculation of Adjusted EBITDA does not adjust net income (loss) for net reductions in revenue related to equity agreements with certain retailers of \$9 million, \$26 million, \$5 million, \$3 million, zero, and zero in the years ended December 31, 2019, 2020, 2021, and 2022 and the six months ended June 30, 2022 and 2023, respectively. See Note 3 to our consolidated financial statements included elsewhere in this prospectus for additional details regarding such equity agreements.

### *Adjusted Cost of Revenue*

We define adjusted cost of revenue as cost of revenue, excluding depreciation and amortization, as it is non-cash in nature.

The following table provides a reconciliation of cost of revenue to adjusted cost of revenue:

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
	(in millions)				
Cost of revenue	\$ 598	\$ 608	\$ 720	\$ 357	\$ 366
Adjusted to exclude the following:					
Depreciation and amortization expense	(5)	(8)	(20)	(9)	(12)
Adjusted cost of revenue	<u>\$ 593</u>	<u>\$ 600</u>	<u>\$ 700</u>	<u>\$ 348</u>	<u>\$ 354</u>

### *Adjusted Operations and Support*

We define adjusted operations and support expense as operations and support expense excluding depreciation and amortization expense, stock-based compensation expense, and expenses related to COVID-19 response initiatives. We exclude depreciation and amortization expense and stock-based compensation expense as they are non-cash in nature, and we exclude COVID-19 response initiatives as these costs are not indicative of our operating performance.

The following table provides a reconciliation of operations and support expense to adjusted operations and support expense:

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
	(in millions)				
Operations and support	\$ 324	\$ 262	\$ 252	\$ 130	\$ 128
Adjusted to exclude the following:					
Depreciation and amortization expense	(1)	(1)	(2)	(1)	(2)
Stock-based compensation expense	(3)	(1)	—	—	—
COVID-19 response initiatives <sup>(1)</sup>	(7)	(3)	—	—	—
Adjusted operations and support	<u>\$ 313</u>	<u>\$ 257</u>	<u>\$ 250</u>	<u>\$ 129</u>	<u>\$ 126</u>

(1) Represents the cost of personal protective equipment distributed to shoppers during the COVID-19 pandemic. We ceased excluding this cost following the first quarter of 2022 as the impact of the COVID-19 pandemic and its variant outbreaks on our business subsided.

### *Adjusted Research and Development*

We define adjusted research and development expense as research and development expense excluding depreciation and amortization expense, stock-based compensation expense, and acquisition-related expenses. We

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exclude depreciation and amortization expense and stock-based compensation expense as they are non-cash in nature, and we exclude acquisition-related expenses as these costs are not indicative of our operating performance.

The following table provides a reconciliation of research and development expense to adjusted research and development expense:

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
Research and development	\$ 194	\$ 368	\$ 518	\$ 243	\$ 257
Adjusted to exclude the following:					
Depreciation and amortization expense	(2)	(3)	(4)	(2)	(2)
Stock-based compensation expense	(20)	(9)	(18)	(7)	(4)
Acquisition-related expenses	—	(3)	(1)	—	—
Adjusted research and development	<u>\$ 172</u>	<u>\$ 353</u>	<u>\$ 495</u>	<u>\$ 234</u>	<u>\$ 251</u>

### Adjusted Sales and Marketing

We define adjusted sales and marketing expense as sales and marketing expense excluding depreciation and amortization expense, stock-based compensation expense, and acquisition-related expenses. We exclude depreciation and amortization expense and stock-based compensation expense as they are non-cash in nature, and we exclude acquisition-related expenses as these costs are not indicative of our operating performance.

The following table provides a reconciliation of sales and marketing expense to adjusted sales and marketing expense:

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
Sales and marketing	\$ 158	\$ 394	\$ 660	\$ 316	\$ 327
Adjusted to exclude the following:					
Depreciation and amortization expense	(1)	(2)	(5)	(2)	(4)
Stock-based compensation expense	(5)	(3)	(4)	(2)	(2)
Acquisition-related expenses	—	(1)	2	—	4
Adjusted sales and marketing	<u>\$ 152</u>	<u>\$ 388</u>	<u>\$ 653</u>	<u>\$ 312</u>	<u>\$ 325</u>

### Adjusted General and Administrative

We define adjusted general and administrative expense as general and administrative expense excluding depreciation and amortization expense, stock-based compensation expense, certain legal and regulatory accruals and settlements, net, reserves for sales and other indirect taxes, acquisition-related expenses, non-capitalizable expenses related to the public listing of our common stock, and expenses related to the settlement of certain patent infringement claims. We exclude depreciation and amortization expense and stock-based compensation expense as these are non-cash in nature. We exclude certain legal and regulatory accruals and settlements, reserves for sales and other indirect taxes, acquisition-related expenses, non-capitalizable expenses related to the public listing of our common stock, and expenses related to the settlement of certain patent infringement claims as these are not indicative of our operating performance.

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The following table provides a reconciliation of general and administrative expense to adjusted general and administrative expense:

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
General and administrative	\$ 278	\$ 288	\$ 339	\$ 153	\$ 128
Adjusted to exclude the following:					
Depreciation and amortization expense	(1)	(2)	(3)	(1)	(2)
Stock-based compensation expense	(36)	(9)	(11)	(4)	(3)
Certain legal and regulatory accruals and settlements, net <sup>(1)</sup>	(76)	(46)	(50)	(19)	6
Reserves for sales and other indirect taxes <sup>(2)</sup>	(44)	(13)	1	—	11
Acquisition-related expenses	(1)	(6)	(5)	(1)	—
Other <sup>(3)</sup>	(7)	(10)	(5)	(5)	—
Adjusted general and administrative	\$ 113	\$ 202	\$ 266	\$ 123	\$ 140

(1) Represents certain legal, regulatory, and policy expenses related to worker classification matters.

(2) Represents sales and other indirect tax reserves, net of abatements, for periods in which we were unable to collect such taxes from customers. We believe this adjustment is useful for investors in understanding our operating performance because in these cases, the taxes were not intended to be a cost to us but rather are to be borne by the customers.

(3) Represents (i) non-capitalizable expenses related to the public listing of our common stock and (ii) expenses related to the settlement of certain patent infringement claims.

## Additional Factors Affecting Our Performance

### Regulation

Laws that limit or regulate our ability to enable shoppers to provide service on and benefit from Instacart will have an impact on our financial performance.

For example, in November 2020, voters in California voted in favor of, and on December 11, 2020, the California Secretary of State certified Proposition 22, which created a framework for compensation and benefits for independent contractors working in California with gig economy companies like Instacart. The applicable provisions under Proposition 22, among other things, require us to provide shoppers with a net earnings floor of at least 120% of the minimum wage for a shopper's engaged time plus an amount per engaged mile, which was initially \$0.30 and is adjusted for inflation annually. We are also required to provide certain levels of healthcare subsidy payments based on shoppers' engaged time per week. Therefore, we expect our compliance with Proposition 22 to adversely impact our costs in California.

Several other states in which we operate may also adopt legislation that provides for compensation and benefits for independent contractors similar to Proposition 22 or may challenge the status of independent contractors altogether. Regulations like this will impact our costs, may impair or prevent our ability to continue to operate, and may impact customer pricing and our ability to enable the same customer experience we have historically provided.

### Macroeconomic Factors

Commencing in the first half of 2022, we began seeing macroeconomic trends affecting our markets and industry such as higher inflation, rising interest rates, and associated decreases in consumer discretionary income,

the effects of supply chain challenges, cessation of government stimulus, and uncertainty regarding an economic recession. For example, decreases in consumer discretionary income due to inflationary or recessionary economic pressures and rising interest rates, as well as cessation of government stimulus, have resulted in decreased customer retention and reduced demand for premium or discretionary grocery purchases. Supply chain disruptions, higher inflation, macroeconomic uncertainty, and cessation of government stimulus have caused advertisers, including our brand partners, to decrease spending and reduce their budgets and have heightened our brand partners' focus on profitability.

Throughout 2022 and the first six months of 2023, inflationary pressures have resulted in higher GTV and average order values. However, customers have also been purchasing fewer items on average per order and shifting toward lower-price product categories on Instacart, partially offsetting the effects of inflation on average order values. These factors and the magnitude of their effects are expected to cause our average order value to continue fluctuating over the near term. While we and the rest of our industry face near-term uncertainty and challenges stemming from these trends, we are closely monitoring them as well as our customer engagement and spending.

Despite the broader macroeconomic challenges, we believe that our operating model, economies of scale, and strong business fundamentals will enable us to navigate ongoing changes in the broader economic landscape. This scale, combined with the investments that we have made over the past decade in pursuit of our vision of building the technologies that power every grocery transaction, enables us to operate with proven and scaling unit economics and provides us with multiple levers to generate operating leverage.

### **Seasonality**

We experience seasonality in both the number of orders and GTV and in advertising and other revenue. We typically see lower levels of order volume growth in the second quarter and the third quarter resulting from lower usage during the spring and summer months, followed by higher levels of order volume growth in the second half of the year during the back-to-school period and holiday season. Our rapid growth and the impact of the COVID-19 pandemic have made, and may in the future make, seasonal fluctuations difficult to detect. In addition, our advertising and other revenue has historically been seasonally high in the fourth quarter and seasonally low in the first quarter in a given year as a result of how advertisers deploy their budgets. We expect these seasonal trends to become more pronounced over time if our growth slows or other seasonal trends emerge, which would contribute to fluctuations in our results of operations.

### **COVID-19 Impact on Our Business**

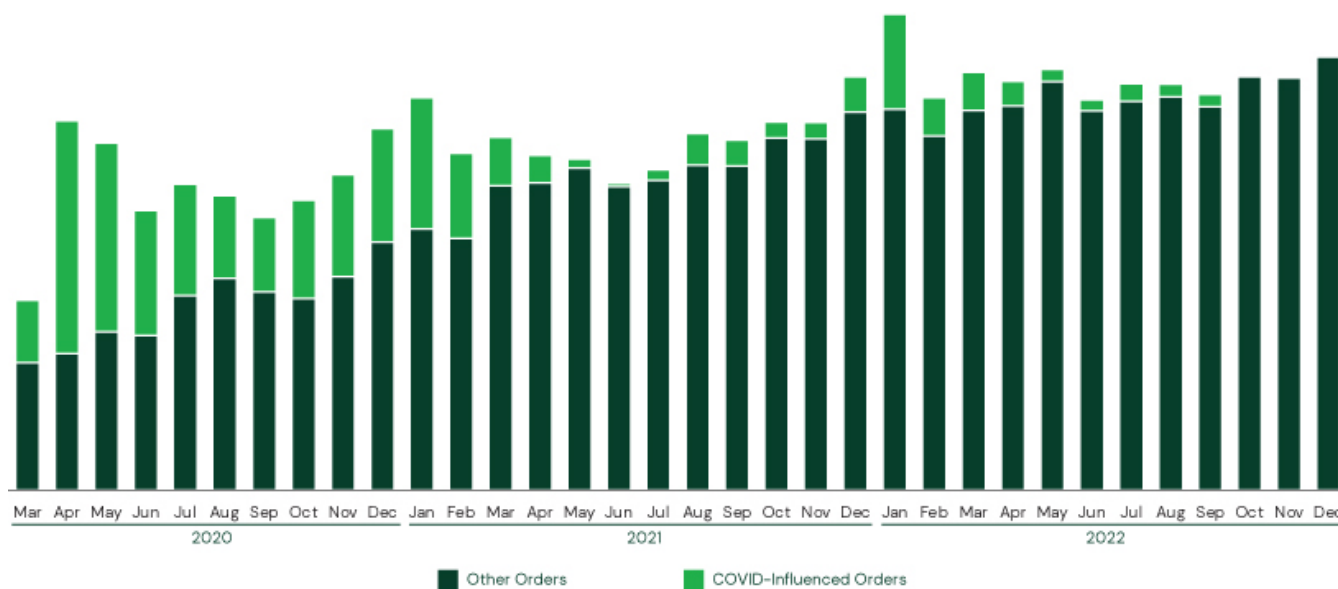
The COVID-19 pandemic significantly accelerated consumers' adoption of online grocery beginning in the first quarter of 2020. Prior to the COVID-19 pandemic, our business was characterized by rapid growth and expanding profitability. In 2019, orders grew 97% year-over-year, and GTV grew 87% year-over-year. In 2019, our net loss improved from (10.6)% of GTV in the first quarter to (10.1)% of GTV in the fourth quarter, and our Adjusted EBITDA improved from (10.0)% of GTV in the first quarter to (7.9)% of GTV in the fourth quarter.

COVID-19 began to significantly impact our business and operations in March 2020. To date, the observed effects of COVID-19 on our business and financial model have been most pronounced in three different periods: (i) March 2020 through July 2020, (ii) October 2020 through January 2021, and (iii) December 2021 through July 2022. We saw the most pronounced impact on our business in the first period, and saw more muted but observable impacts in the second and third periods, despite higher COVID-19 case counts in those periods.

- **Increase in Orders.** We experienced a large increase in orders beginning in March 2020, driven by an increased number of orders from new customers, as well as greater repeat order activity from new and existing customers. The chart below breaks down our total orders into two groups: (i) orders we believe

occurred due to the impact of the COVID-19 pandemic (referred to as COVID-influenced orders) and (ii) orders we believe would have occurred regardless of the pandemic (referred to as other orders). To estimate these values, we modeled orders in a time series regression based primarily on the following three inputs: (a) mobility data identifying how frequently people visited grocery stores and pharmacies in the United States, as a proxy for in-store shopping trends,<sup>87</sup> (b) weekly reported COVID-19 cases in the United States (which also served as a proxy for Canadian COVID-19 cases given similarity to U.S. trends),<sup>88</sup> and (c) our own historical data on paid orders (that is, orders driven by paid marketing, incentives, and notifications) and total orders. As the chart indicates, based on this modeling, we estimate that COVID-influenced orders accounted for the majority of our total orders in April 2020 and May 2020, a period characterized by widespread shelter-in-place restrictions in the United States. While the impact of COVID-influenced orders subsided in subsequent months, we estimate that COVID-influenced orders accounted for an increased portion of our total orders during times of elevated COVID-19 cases and shelter-in-place restrictions in the United States. We believe that the COVID-19 pandemic and its variant outbreaks had minimal impact on our order volume following the third quarter of 2022.

**Impact of COVID-19 on Orders**



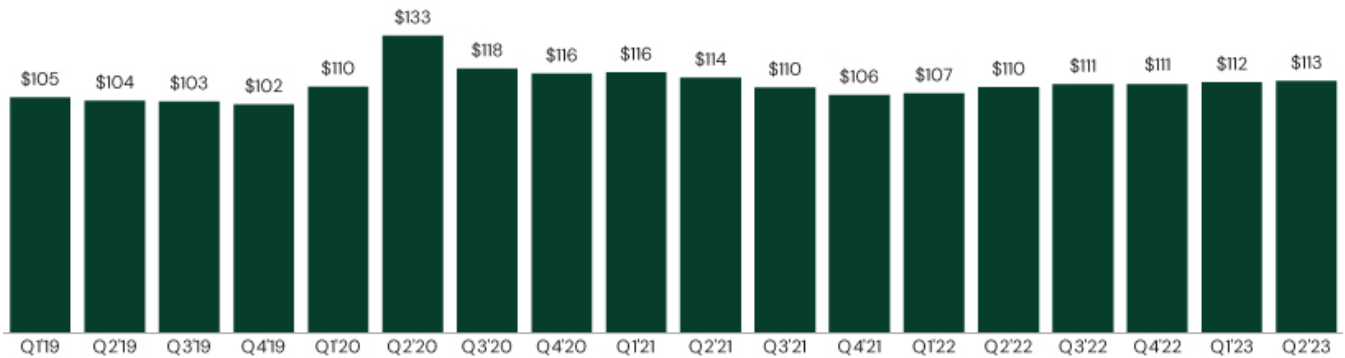
This chart represents our estimate of the number of COVID-influenced orders and other orders based primarily on our historical data on paid and total orders, combined with data on COVID-19 cases and consumer mobility trends from third-party sources. The inputs used in the underlying model are based on our assumptions regarding the key drivers for COVID-influenced orders and have not been reviewed or validated by any third party. While we believe these inputs represent the most relevant predictors for COVID-influenced orders, there may be other drivers affecting consumer ordering behavior that we did not account for. The model is limited to order data over a three-year period only, and longer-term order trends may be materially different, including due to uncertainty relating to the future effects of the COVID-19 pandemic and its variants on our business. While we believe the third-party mobility and COVID-19 case data used in this model are reliable, we have not independently verified the accuracy or completeness of this third-party data. See the section titled “Market, Industry, and Other Data.” As a result, readers should not place undue reliance on the model outcomes for these periods as a predictor of future trends in our total orders, business, or results of operations.

<sup>87</sup> Google, *COVID-19 Community Mobility Reports*.  
<sup>88</sup> The New York Times.



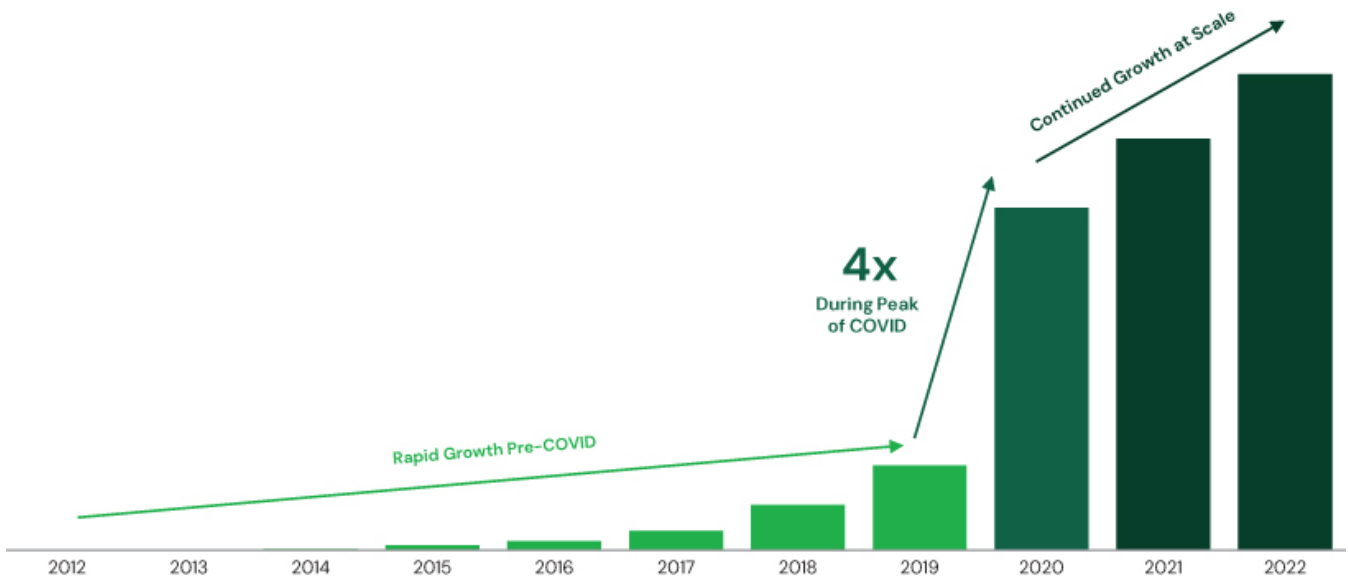
- Fluctuations in Average Order Value.** We experienced a meaningful increase in average order value beginning in March 2020. Higher average order values were most pronounced in months that were characterized by higher shelter-in-place restrictions, which led to more stock-up orders. For example, our average order value peaked at \$133 in the second quarter of 2020 and has since normalized to near pre-pandemic levels beginning with the easing of shelter-in-place restrictions and the availability of the COVID-19 vaccine, which led to increased mobility, though average order values continue to be impacted by the effects of recent macroeconomic conditions as described under the section titled “—Core Principles of Our Financial Model—Generate More Orders.” As COVID-19 trends subside, we have made other strategic decisions that we believe may decrease average order value over time but are beneficial to our business. For example, we introduced new consumer use cases and product categories and have invested in initiatives to increase GTV from Instacart+ members, both of which may decrease average order value in the future.

**Average Order Value (\$)**



- Increase in GTV.** From 2012 to 2019, we experienced rapid growth, but the meaningful increase in orders and average order value we experienced during the COVID-19 pandemic accelerated our scale and drove an over 303% increase in GTV. As the impact from the COVID-19 pandemic has subsided, we have continued to scale meaningfully. In 2021 and 2022, GTV grew 20% and 16% year-over-year, respectively. We believe that long-term secular trends, including the adoption of online grocery, enable profitable growth in our business over time even as growth rates subside from pandemic levels.

**Instacart GTV Since Founding**



- **Increase in Organic Customer Additions.** We experienced higher than average organic customer additions beginning in March 2020 that led to lower sales and marketing expense as a percent of our GTV. However, in 2021, we built a marketing engine to drive efficient and effective customer acquisition, and in the fourth quarter of 2021, we launched our first national brand campaign. While the volume of new customers we add to Instacart each year has declined since 2020, new customers continue to join Instacart at levels significantly greater than during pre-COVID periods, demonstrating both our strong value proposition and the runway in online grocery. In the first half of 2023, our GTV from new customers was 1.6 times higher than our GTV from new customers in the first half of 2019.
- **Increase in Shopper Incentives and Customer Appeasements.** Large and sudden increases in the number of orders lead to a number of increased costs that impacted our gross profit and overall profitability. For example, we increased shopper incentives to encourage shoppers to pick and deliver during periods of elevated customer demand. During this period and others that were characterized by large and sudden increases in orders or supply chain disruptions experienced by retailers (which became more frequent in recent periods and may continue in the future), customers experienced higher rates of out-of-stock items, which resulted in a greater number of refunded items. In response and to mitigate any negative effects on customer satisfaction, we generally increase customer appeasements, refunds, and incentives, which directly reduce our revenue and adversely impact our profitability. Further, we cannot assure you that the decreases to our revenue and margin resulting from our mitigation efforts will be offset by future growth in GTV, orders, and profitability.
- **Significant Increase in Revenue.** We experienced a significant increase in revenue due to increased customer demand for grocery delivery in 2020, growing 590% year-over-year. This rapid revenue increase outpaced increases in operating expenses, such as research and development expense, resulting in an accelerated margin expansion that is not indicative of normalized performance. In 2021, we expanded headcount and invested in our business to appropriately support our future growth.

While COVID-19 impacts have subsided and may continue to subside from peak levels, year-over-year-comparisons of future periods will be influenced by prior periods that were impacted by COVID-19. The full extent to which the COVID-19 pandemic will directly or indirectly impact our business, results of operations, and financial condition will depend on future developments that are highly uncertain and cannot be accurately predicted.

We believe that the strong secular trends driving higher online penetration in grocery will be a more important long term business driver than the impact of the COVID-19 pandemic. However, we cannot predict the extent to which the lingering effects of the COVID-19 pandemic, in particular the associated macroeconomic effects, will impact our business, including volatility in future engagement or retention of customer cohorts acquired during the COVID-19 pandemic or variant outbreaks, and therefore cannot estimate the financial impact of the pandemic on our future results of operations, cash flows, or financial condition. For additional details, refer to the section titled “Risk Factors.”

#### **Our Performance in the Six Months Ended June 30, 2023**

The following summarizes the key trends in our performance in the six months ended June 30, 2023. From the onset of the COVID-19 pandemic in the United States in 2020 through the first half of 2022, the COVID-19 pandemic significantly impacted the performance of our business. We believe that 2023 is our first fiscal year since 2019 without a pronounced impact from any COVID-19 variant outbreaks, and we have seen this in the first six months of 2023, during which the impact of the COVID-19 pandemic on our business performance has subsided. We believe that customers have clearly returned to pre-COVID behaviors and are spending more time away from home. Over this period, GTV grew 3% year-over-year in the first quarter of 2023 and 6% in the second quarter of 2023. Our significant historical and ongoing improvements in our unit economics and operating leverage have helped drive \$242 million of net income and \$279 million of Adjusted EBITDA in the

first six months of 2023, compared to \$74 million of net loss and \$(20) million of Adjusted EBITDA in the prior year period.

As the leading grocery technology company in North America, we believe that we are well positioned to benefit from the long-term opportunity in online grocery and to grow our business. Our market opportunity remains significant at \$1.1 trillion, and we see a clear runway to support our growth as only 12% of that spend was online as of 2022.<sup>89</sup> We partner with over 1,400 retail banners that collectively represent more than 85% of the U.S. grocery market,<sup>90</sup> with a clear opportunity to deepen these relationships as online penetration grows. See the section titled “—Our Financial Model—Core Principles of Our Financial Model—Deepen Relationships with Retail Partners” for more information. As grocery spend becomes increasingly omnichannel, we believe that more of the approximately \$200 billion that CPG brands spend to advertise their products will follow, representing another compelling growth vector as nearly 25% of that spend is through online channels as of 2022.<sup>91</sup> We believe our market leadership and over a decade of investment in technology custom-built for online grocery put us in a position to capture this long-term opportunity while still navigating near-term macroeconomic headwinds and ensuring the best experience for our retailers, customers, brands, and shoppers. See the sections titled “Business—Our Market Opportunity” and “Business—Our Growth Strategies” for more information.

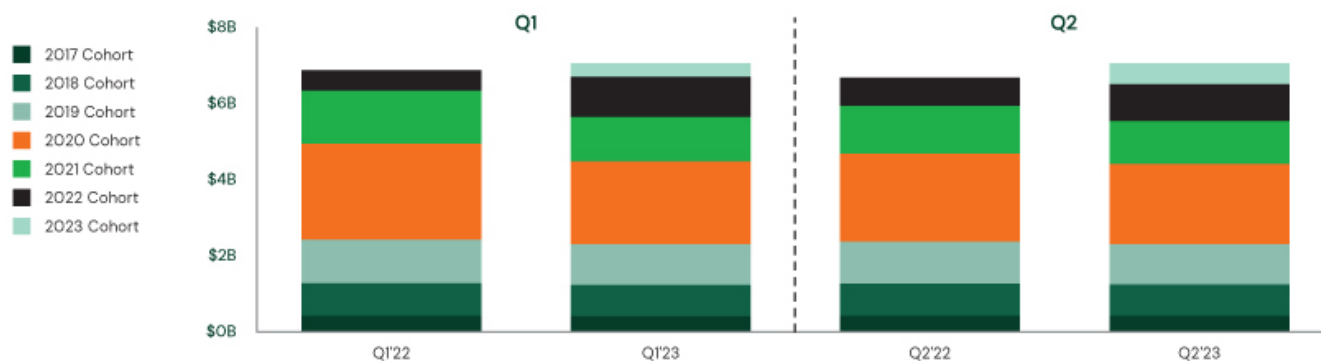
- **Order Growth.** In the first quarter of 2023, orders decreased 2% compared to the same quarter in 2022, during which we experienced an elevated number of COVID-influenced orders due to another variant outbreak. The decline in COVID-influenced orders in the second quarter of 2022 allowed for a more normalized year-over-year comparison for the same quarter in 2023, during which orders increased by 3% year-over-year. Growth in both quarters was also impacted by the cessation of government stimulus associated with COVID-19, in particular the emergency SNAP benefits that began in March 2020 and ended in March 2023.
- **GTV Growth.** In the first six months of 2023, GTV growth was impacted by the same trends that impacted our order growth as well as average order value trends. Average order values continued to increase year-over-year in both quarterly periods due to heightened inflation, resulting in higher growth for GTV than orders. GTV grew 3% year-over-year in the first quarter of 2023 and 6% year-over-year in the second quarter of 2023. As another indication of the subsiding impact of COVID-19 on our performance, 2023 is the first year since 2020 in which GTV did not decline sequentially between the first and second quarters. GTV decreased 12% and 3% quarter-over-quarter in the quarters ended June 30, 2021 and 2022, respectively, partly caused by COVID-19 variant outbreaks in the first quarter of those years. See the section titled “—Key Business and Non-GAAP Metrics—Key Business Metrics” for more information.
- **GTV by Cohort Trends.** In the first six months of 2023, GTV from our 2017, 2018, and 2019 customer cohorts remained in line with their GTV from the same period in 2022, whereas GTV from our 2020 and 2021 customer cohorts declined relative to the first half of 2022, during which COVID-19 outbreaks resulted in moderate increases in demand for online grocery, particularly in the first three months of 2022. Because the impact of the COVID-19 pandemic on demand for online grocery subsided from the first quarter to the second quarter of 2022, we believe that the year-over-year comparison for the second quarter of 2023 is more normalized. In particular, for our 2020 and 2021 customer cohorts, we saw a smaller year-over-year decline in GTV in the second quarter of 2023 compared to the first quarter of 2023. See the section titled “—Our Financial Model—Core Principles of Our Financial Model—Generate More Orders” for more information.

<sup>89</sup> Incisiv.

<sup>90</sup> Number of retail banners as of June 30, 2023. Percent of U.S. grocery market based on total grocery sales in 2022, excluding alcohol sales. CSG.

<sup>91</sup> Cadent.

Quarterly GTV by Annual Cohort



Quarterly GTV by Annual Cohort Indexed to Q1'22 & Q2'22

	Q1'22	Q1'23	Q2'22	Q2'23
2017 Cohort	1.00x	0.98x	1.00x	0.99x
2018 Cohort	1.00x	0.96x	1.00x	0.97x
2019 Cohort	1.00x	0.93x	1.00x	0.96x
2020 Cohort	1.00x	0.86x	1.00x	0.91x
2021 Cohort	1.00x	0.84x	1.00x	0.90x
2022 Cohort	1.00x	NM	1.00x	NM

“NM” - not meaningful

- New Customer GTV.** While total GTV from each customer cohort in its first year on Instacart has declined since 2020, our 2023 customer cohort still generated more GTV in its six months on Instacart than those from pre-COVID periods. In the first six months of 2023, our GTV from new customers was 1.6 times higher than our GTV from new customers in the first six months of 2019. This is driven in part by the continued scaling of our business and customer acquisition spend compared to pre-COVID periods. We believe this demonstrates our ability to continue to attract new customers supported by our strong value proposition and the growth runway in online grocery. See the section titled “—Our Financial Model—Core Principles of Our Financial Model—Re-Invest for Growth” for more information.
- Market Dynamics.** We have continued to maintain our strong share of sales among select digital-first platforms, as described further under the section titled “Business—Our Industry—Online Grocery Market Dynamics.” The sales volume of our retail partners generated through Instacart Marketplace and Storefront represents the leading share of sales based on total online grocery sales in the United States of certain digital-first platforms in both larger and smaller order sizes, representing 74% of orders greater than \$75 and 56% of orders less than \$75 for the six months ended June 30, 2023.<sup>92</sup> Compared to the six months ended June 30, 2022, we have maintained share for orders greater than \$75 and increased share from 54% of orders less than \$75, despite new entrants in online grocery with order volumes more concentrated in smaller basket sizes.<sup>93</sup> Our market opportunity remains significant at \$1.1 trillion today, and we see a clear runway to support our growth as only 12% of that spend was online as of 2022.<sup>94</sup> Online grocery penetration could double or more, reaching as high as 35% over time.<sup>95</sup> As the leading grocery technology company in North America,<sup>96</sup> we believe we are best positioned to benefit from this long-term online adoption and grow our business.

<sup>92</sup> YipitData. See footnote 135 for additional information.

<sup>93</sup> YipitData. See footnote 135 for additional information.

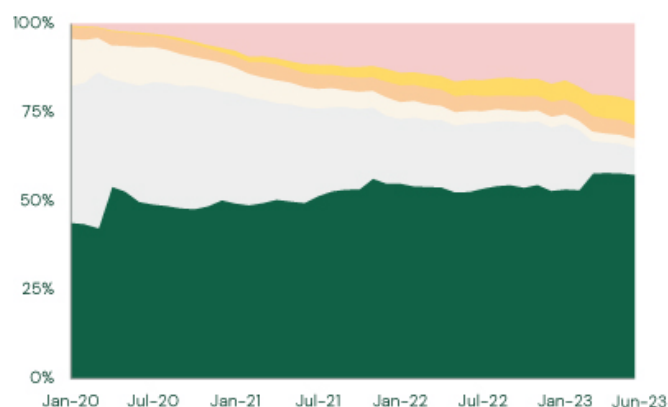
<sup>94</sup> Incisiv.

<sup>95</sup> McKinsey, *The next horizon for grocery e-commerce: Beyond the pandemic bump*.

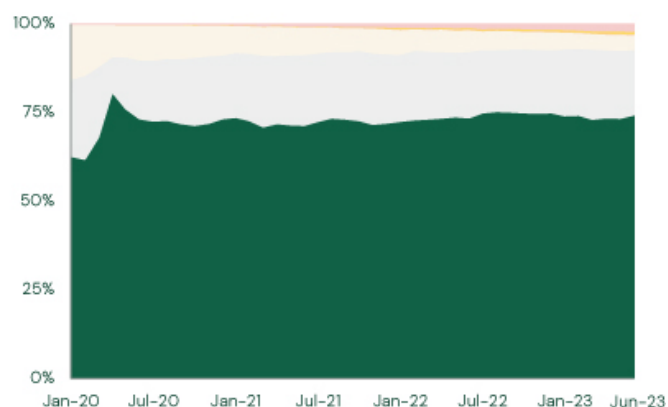
<sup>96</sup> Based on total online grocery sales in 2022.

### Share of Sales by Order Value<sup>1</sup>

**Share of Sales by \$0-\$75 Basket Size Orders**  
~25% of Total Sales



**Share of Sales by \$75+ Basket Size Orders**  
~75% of Total Sales



■ Instacart<sup>2</sup>   ■ Amazon   ■ Shipt   ■ Gopuff   ■ Uber Delivery   ■ DoorDash

(1) Based on data provided by YipitData. For the period from January 1, 2020 to June 30, 2023. Order value data are based on email receipts for online transactions from select online grocery platforms, including Instacart. YipitData's affiliate collects the email receipts from a panel of consumers who have opted to provide YipitData's affiliate with access to such receipts. YipitData's affiliate does not apply any other selection criteria or parameters for which consumers can opt in and provide data. While the number of consumers providing data to YipitData's affiliate fluctuates over time depending on various factors, including which consumers have opted in, over the time period for which data were collected, the total number was greater than 1,000,000 consumers. Order values for each platform include total amounts paid as derived from the email receipts, including item subtotals, fees, taxes, and tips as well as discounts, as determined by YipitData. Data include transactions for online grocery and convenience, including both delivery and pickup orders. For Instacart, the data exclude transactions on retailers' owned and operated online storefronts powered by Storefront Pro and Instacart APIs as described in the following footnote, and include transactions on retailers' owned and operated online storefronts powered by Storefront. The data also reflect certain additional adjustments for non-representative transactions (such as duplicate orders) and overrepresented geographies. Because the order values are based only on email purchase receipts from consumers who have opted to provide data to YipitData's affiliate, the data represent only a sample of consumers on each online platform and may not be representative of order values for all consumers on each platform or at each retailer for the measurement period.

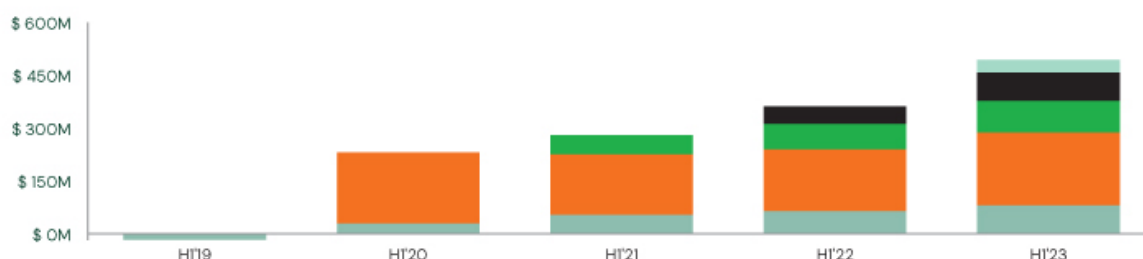
(2) YipitData identifies order values based on email receipts from consumers who have opted to provide YipitData's affiliate with access to such receipts. Consumer transactions on our retailers' owned and operated online storefronts powered by Storefront Pro (our more customizable eCommerce storefront offering) and Instacart APIs (our fulfillment APIs that are embedded in retailers' own eCommerce storefronts), two of our Instacart Enterprise Platform offerings, cannot be identified as Instacart-related transactions on email receipts. As a result, such transactions are not counted as Instacart orders for purposes of the charts above and are attributed to GTV of our retail partners instead.

- Profitable Growth.** We continue to prioritize profitable growth in our business, as described further under the section titled “—Our Financial Model—Core Principles of Our Financial Model—Drivers of Profitability,” and have driven significant efficiencies in 2023. In the first six months of 2023, we generated net income of \$242 million and Adjusted EBITDA of \$279 million, representing 1.6% and 1.9% of GTV, respectively, and 16% and 19% of revenue, respectively, compared to a net loss of \$74 million and Adjusted EBITDA of \$(20) million, representing (0.5)% and (0.1)% of GTV, respectively, and (7)% and (2)% of revenue, respectively, in the same period of 2022. The first and second quarters of 2023 represent our fourth and fifth consecutive quarters of net income and positive Adjusted EBITDA. We plan to continue to reinvest in our business to strengthen the compelling value proposition we offer to our retail partners, customers, brand partners, and shoppers.

- Revenue Cost Optimization.** In the first six months of 2023, we continued to improve efficiencies in areas that negatively impact revenue and gross profit and benefitted from previous customer fee optimizations. We improved fulfillment efficiencies as we increased our batch rate, reduced shopper incentives that were required during the first six months of 2022 due to the Omicron-driven demand surge, and reduced customer appeasements and

refunds, in each case as compared to the first six months of 2022. Together, these efficiencies more than offset elevated concessions to retailers in the second quarter of 2023 that decreased revenue and helped drive transaction revenue as a percent of GTV of 7.2% in the first six months of 2023, compared to 5.6% in the same period of 2022. These improvements also led to higher gross margin of 7.4% of GTV and 75% of revenue in the first six months of 2023, compared to 5.4% of GTV and 68% of revenue in the same period of 2022. As shown below, our gross profit by cohort for the six months ended June 30 in 2019, 2020, 2021, 2022, and 2023 illustrates the steady improvements we have driven over time, with all cohorts achieving their highest gross profit as a percent of GTV in the six months ended June 30, 2023.

**Gross Profit (Loss) by HI Cohort**



**Gross Profit (Loss) as % GTV by HI Cohort**

	Year 1	Year 2	Year 3	Year 4	Year 5
HI'19 Cohort	(2.9)%	3.4%	5.1%	6.0%	7.8%
HI'20 Cohort	4.2%	4.4%	5.5%	7.4%	
HI'21 Cohort	3.8%	5.5%	7.7%		
HI'22 Cohort	4.0%	7.7%			
HI'23 Cohort	4.0%				

- Operating Expense Efficiencies.* In the first six months of 2023, we continued to benefit from growing economies of scale, automation, business process improvements, and better spend management. As a result, we experienced operating leverage across all operating expenses compared to the same period of 2022 and increased our net income (loss) as a percent of revenue and Adjusted EBITDA margin to 16% and 19%, respectively, in the first six months of 2023 compared to (7)% and (2)%, respectively, in the same period of 2022. We significantly increased both net income and Adjusted EBITDA despite certain events in the second quarter of 2023 that lowered both figures. We had an impact from increased cash compensation associated with cash bonuses and in April 2023, certain employees opting to elect cash in lieu of a portion of their equity awards. Offering these cash alternatives enabled us to provide our employees with liquidity while minimizing equity dilution.

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- **Disciplined Equity Compensation and Dilution Management.** We believe that it is important to have equity as a component of our overall compensation program, as it fosters an ownership culture within Instacart and helps align the interests of our employees with business outcomes, while exercising discipline to manage the dilutive impact of equity compensation. We have also improved our operating cash flow generation, generating \$242 million in the first six months of 2023, compared to \$99 million in the same period of 2022. Our strong and growing cash position enables us to offer cash alternatives to employees while allowing us to optimize our decisions to minimize dilution. As a result, in the first six months of 2023, we reduced the weighted-average grant-date fair value of equity granted, net of forfeitures, in such period to \$154 million, compared to \$347 million in the first six months of 2022, as outlined in the table below.

Period Covered	RSUs Granted		RSUs Forfeited		Total Grant-Date Fair Value of RSUs Granted, Net of Forfeitures (in millions) <sup>(1)</sup>
	Shares (in millions)	Weighted Average Grant-Date Fair Value per Share	Shares (in millions)	Weighted Average Grant-Date Fair Value per Share	
2021	18.3	\$ 120.02	3.5	\$ 61.35	\$ 1,978
2022	25.2	\$ 46.08	7.6	\$ 90.99	\$ 468
H1'2022	11.7	\$ 61.08	3.8	\$ 96.90	\$ 347
H1'2023	8.8	\$ 35.72	2.3	\$ 69.69	\$ 154

(1) Certain of these awards have been modified, cancelled, and/or replaced since their original grant dates, and as a result, we remeasured the fair value for the affected awards as of the modification or cancellation and replacement dates. See Note 12 to our consolidated financial statements included elsewhere in this prospectus for additional details regarding these modifications, cancellations, and replacements. The weighted-average grant-date fair values in the table represent the original grant date fair values and do not reflect the aforementioned modifications.

## Components of Results of Operations

### Revenue

Our revenue consists of transaction revenue and advertising and other revenue.

### Transaction Revenue

We generate transaction revenue primarily from:

- end users, whom we refer to as customers, (i) through service and delivery fees paid for arranging fulfillment services from shoppers and (ii) for monthly or annual Instacart+ memberships, our membership program, which offers unlimited free delivery on orders over a certain size, a reduced service fee, credit back on eligible pickup orders, and exclusive benefits;
- retailers (i) through service fees in exchange for connecting retailers with customers to facilitate transactions on Instacart Marketplace and (ii) for orders placed through retailers' owned and operated online storefronts powered by Instacart Enterprise Platform; and
- a revenue share agreement with a third party that supplies payment cards to Instacart shoppers for in-store use.

Transaction revenue is recognized upon transfer of control of services, net of the purchase value of the goods remitted to retailers and payments to shoppers for their services (including any shopper incentives), coupons, customer incentives, and refunds. We expect the amounts of payments to shoppers, coupons, customer and shopper incentives, and refunds to fluctuate over time depending on a number of factors. For example, implementation of additional fulfillment options or shifts in our ability to use full-service shoppers could result in fluctuations in our transaction revenue. In addition, periods of elevated customer demand have resulted in and

can in the future result in increased shopper incentives and degradation of order quality due to higher rates of out-of-stock items and other delays, which in turn generally lead to more appeasement credits and refunds. Furthermore, our overall marketing strategy will impact the spend mix between promotions and customer incentives, which are recorded as reductions of revenue and sales and marketing expense, respectively. In certain cases, these reductions of revenue can be more than fees received from customers and retailers.

#### *Advertising and Other Revenue*

We generate advertising and other revenue primarily from:

- the sale of advertising services to brands that are interested in reaching customers on Instacart; and
- certain retailers for use of our software-as-a-service solution through Instacart Enterprise Platform that enhances the online shopping experience, with revenue recognized ratably over the subscription period.

Advertising revenue is recognized upon delivery of clicks for Sponsored Product ads, upon delivery of impressions or over the contract term on a fixed fee basis for display ads, or upon redemptions of coupons. Advertising and other revenue has historically been, and is expected to continue to be, seasonally high in the fourth quarter and seasonally low in the first quarter in a given year as a result of how advertisers deploy their budgets.

#### *Cost of Revenue*

Cost of revenue primarily consists of third-party payment processing fees, expenses related to payment chargebacks, compensation costs of our employees primarily involved in fulfillment, hosting fees, insurance costs attributed to fulfillment, depreciation expense, and amortization expense of technology-related intangible assets and capitalized internal-use software. Compensation costs include salaries, taxes, benefits, and bonuses.

We expect that cost of revenue will increase on an absolute dollar basis for the foreseeable future as we continue to grow and vary from period to period as a percent of revenue.

#### *Gross Profit and Gross Margin*

Gross profit represents revenue less cost of revenue. Gross margin is gross profit expressed as a percent of total revenue. Our gross margin has varied and will continue to vary from period to period based on a number of factors, including (1) changes in revenue mix, changes in the mix of order type due to changes in mix of use cases and fulfillment options, consumer shopping behaviors (including from external drivers such as public health concerns), average order values, customer fee optimization, and levels of customer incentives, (2) operational efficiencies, (3) negotiations with our retail partners, third-party payment processors, and hosting providers, and (4) macroeconomic factors, such as supply chain issues, rising interest rates, and inflation, which may negatively impact GTV and orders and also reduce spending by our brand partners. Our expectation is that our strategic and growth initiatives and disciplined approach to costs and expenses will result in both revenue expansion and increased operating leverage and scale, leading to a strong long-term gross margin profile.

#### *Operations and Support Expense*

Operations and support expense primarily consists of compensation costs for employees who support our operations, costs of customer and shopper support, costs to attract and onboard new shoppers, allocations of various overhead and occupancy costs, and depreciation and amortization expense. Compensation costs include salaries, taxes, benefits, bonuses, and stock-based compensation expense. We anticipate additional operations and support expense during the period in which the registration statement of which this prospectus forms a part becomes effective as a result of the stock-based compensation expense associated with our RSUs for which the liquidity event-based vesting condition will be satisfied upon such effectiveness. See the section titled “—Critical Accounting Policies and Estimates—Stock-Based Compensation—Restricted Stock Units and Restricted Stock.”



We also expect to incur additional stock-based compensation expense in future periods as additional RSUs meet their service-based vesting conditions, calculated using the accelerated attribution method for RSUs with a liquidity event-based vesting condition and using the straight-line method for RSUs granted following the closing of this offering and without a liquidity event-based vesting condition.

While we intend to invest in our operations and hire additional employees, third-party consultants, and contractors to support our operations, our investments in operations and support headcount may fluctuate from time to time as we focus on driving more efficiencies across our teams. As a result, we anticipate that our operations and support expense will generally increase on an absolute dollar basis for the foreseeable future and vary from period to period as a percent of revenue and as a percent of GTV.

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

Research and development expense primarily consists of compensation costs for our engineering employees, third-party consulting fees, allocations of various overhead and occupancy costs, and depreciation and amortization expense. Compensation costs include salaries, taxes, benefits, bonuses, and stock-based compensation expense. We anticipate additional research and development expense during the period in which the registration statement of which this prospectus forms a part becomes effective as a result of the stock-based compensation expense associated with our RSUs for which the liquidity event-based vesting condition will be satisfied upon such effectiveness. See the section titled “—Critical Accounting Policies and Estimates—Stock-Based Compensation—Restricted Stock Units and Restricted Stock.” We also expect to incur additional stock-based compensation expense in future periods as additional RSUs meet their service-based vesting conditions, calculated using the accelerated attribution method for RSUs with a liquidity event-based vesting condition and using the straight-line method for RSUs granted following the closing of this offering and without a liquidity event-based vesting condition.

We expect that research and development expense will increase on an absolute dollar basis and vary from period to period as a percent of revenue and as a percent of GTV for the foreseeable future as we continue to invest in research and development activities relating to ongoing improvements to, and maintenance of, our offerings, including the hiring of engineering, product development, and design employees to support these efforts. While we intend to hire additional employees, our investments in research and development headcount may fluctuate from time to time as we focus on driving more efficiencies across our teams.

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

Sales and marketing expense primarily consists of advertising expenses, compensation costs for sales and marketing employees, third-party consulting fees, allocations of various overhead and occupancy costs, depreciation expense, and amortization expense of customer relationship intangible assets. Compensation costs include salaries, taxes, benefits, bonuses, and stock-based compensation expense. We anticipate additional sales and marketing expense during the period in which the registration statement of which this prospectus forms a part becomes effective as a result of the stock-based compensation expense associated with our RSUs for which the liquidity event-based vesting condition will be satisfied upon such effectiveness. See the section titled “—Critical Accounting Policies and Estimates—Stock-Based Compensation—Restricted Stock Units and Restricted Stock.” We also expect to incur additional stock-based compensation expense in future periods as additional RSUs meet their service-based vesting conditions, calculated using the accelerated attribution method for RSUs with a liquidity event-based vesting condition and using the straight-line method for RSUs granted following the closing of this offering and without a liquidity event-based vesting condition.

We plan to continue to invest in sales and marketing to attract and increase the engagement of constituents on Instacart and increase our brand awareness. We expect that sales and marketing expense will increase on an absolute dollar basis and vary from period to period as a percent of revenue and as a percent of GTV for the foreseeable future. While we expect sales and marketing expense to be one of our largest operating expenses for the foreseeable

future, the trend and timing of our sales and marketing expense will depend in large part on the timing and magnitude of our marketing campaigns. While we intend to increase our headcount from time to time, particularly over the near term as we pursue attractive marketing opportunities, our investments in sales and marketing headcount may also fluctuate from time to time as we focus on driving more efficiencies across our teams.

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

General and administrative expense primarily consists of compensation costs for administrative employees, including finance and accounting, human resources, policy, and legal; third-party consulting fees; allocations of various overhead and occupancy costs; depreciation expense; and amortization expense of patents and trademarks. Compensation costs include salaries, taxes, benefits, bonuses, and stock-based compensation expense. We anticipate additional general and administrative expense during the period in which the registration statement of which this prospectus forms a part becomes effective as a result of the stock-based compensation expense associated with our RSUs and restricted stock for which the liquidity event-based vesting condition will be satisfied upon such effectiveness. See the section titled “—Critical Accounting Policies and Estimates—Stock-Based Compensation—Restricted Stock Units and Restricted Stock.” We also expect to incur additional stock-based compensation expense in future periods as additional RSUs and restricted stock meet their service-based and market-based vesting conditions, as applicable, calculated using the accelerated attribution method for RSUs and restricted stock with a liquidity event-based vesting condition and using the straight-line method for RSUs granted following the closing of this offering and without a liquidity event-based vesting condition.

We expect that general and administrative expense will increase on an absolute dollar basis and vary from period to period as a percent of revenue and as a percent of GTV for the foreseeable future as we continue to invest in processes, systems, and controls to enable our internal support functions to scale with the growth of our business. While we intend to increase our headcount from time to time, our investments in general and administrative headcount may fluctuate from time to time as we focus on driving more efficiencies across our teams. We also expect to incur additional expenses to support increased compliance and reporting requirements as we operate as a public company.

In addition, in April 2023, certain employees elected to receive cash in lieu of a portion of certain equity awards to be granted by our board of directors. As a result, for employee elections to receive cash, we will recognize additional cash compensation primarily within operating expenses associated with such cash elections through the second quarter of 2024 in lieu of stock-based compensation expense, which would have been recognized over the vesting period of the applicable award under the accelerated attribution method upon and after this offering.

In the quarter in which this offering is completed, we will recognize approximately \$2.6 billion of stock-based compensation expense associated with the satisfaction of the liquidity event-based vesting condition for outstanding RSUs and shares of outstanding restricted stock, for which the service-based and/or market-based vesting conditions have been fully or partially satisfied on or before August 15, 2023. As such, we expect to incur a net loss for the quarter and year in which this offering is completed, primarily as a result of recognition of this stock-based compensation amount.

#### ***Other Income (Expense), Net***

Other income (expense), net primarily consists of income related to legal settlements and gains and losses from transactions denominated in a currency other than the functional currency.

#### ***Interest Income***

Interest income consists primarily of interest earned on our cash and cash equivalents, restricted cash and cash equivalents, and marketable securities.

### Provision for (Benefit from) Income Taxes

The provision for (benefit from) income taxes consists primarily of income taxes in certain federal, state, local, and foreign jurisdictions in which we conduct business, with the exception of the fourth quarter of 2022 when we released our valuation allowance on our deferred tax assets in the United States. Foreign jurisdictions have different statutory tax rates from those in the United States. Additionally, certain of our foreign earnings may also be taxable in the United States. Accordingly, our effective tax rate will vary depending on the relative proportion of foreign to domestic income, use of tax credits, changes in the valuation of our deferred tax assets and liabilities, and changes in tax laws.

### Results of Operations

The following table sets forth our results of operations for the periods indicated:

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
	(in millions)				
<b>Consolidated Statements of Operations Data:</b>					
Revenue	\$ 1,477	\$ 1,834	\$ 2,551	\$ 1,126	\$ 1,475
Cost of revenue <sup>(1)</sup>	598	608	720	357	366
Gross profit	879	1,226	1,831	769	1,109
<b>Operating expenses:</b>					
Operations and support <sup>(1)(2)</sup>	324	262	252	130	128
Research and development <sup>(1)(2)</sup>	194	368	518	243	257
Sales and marketing <sup>(1)(2)</sup>	158	394	660	316	327
General and administrative <sup>(1)(2)</sup>	278	288	339	153	128
Total operating expenses	954	1,312	1,769	842	840
Income (loss) from operations	(75)	(86)	62	(73)	269
Other income (expense), net	—	12	(8)	(2)	3
Interest income	5	2	17	2	34
Income (loss) before provision for (benefit from) income taxes	(70)	(72)	71	(73)	306
Provision for (benefit from) income taxes	—	1	(357)	1	64
Net income (loss)	\$ (70)	\$ (73)	\$ 428	\$ (74)	\$ 242

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(1) Amounts include depreciation and amortization expense as follows:

	Year Ended December 31,			Six Months Ended	
	2020	2021	2022	June 30,	
	(in millions)			2022	2023
Cost of revenue	\$ 5	\$ 8	\$ 20	\$ 9	\$ 12
Operations and support	1	1	2	1	2
Research and development	2	3	4	2	2
Sales and marketing	1	2	5	2	4
General and administrative	1	2	3	1	2
Total depreciation and amortization expense	<u>\$ 10</u>	<u>\$ 16</u>	<u>\$ 34</u>	<u>\$ 15</u>	<u>\$ 22</u>

(2) Amounts include stock-based compensation expense as follows:

	Year Ended December 31,			Six Months Ended	
	2020	2021	2022	June 30,	
	(in millions)			2022	2023
Operations and support	\$ 3	\$ 1	\$ —	\$ —	\$ —
Research and development	20	9	18	7	4
Sales and marketing	5	3	4	2	2
General and administrative	36	9	11	4	3
Total stock-based compensation expense	<u>\$ 64</u>	<u>\$ 22</u>	<u>\$ 33</u>	<u>\$ 13</u>	<u>\$ 9</u>

The following table sets forth the components of our consolidated statements of operations data, for each of the periods presented, as a percent of revenue.

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
	(as a percent of revenue) <sup>(1)</sup>				
Revenue	100%	100%	100%	100%	100%
Cost of revenue	40	33	28	32	25
Gross profit	60	67	72	68	75
Operating expenses:					
Operations and support	22	14	10	12	9
Research and development	13	20	20	22	17
Sales and marketing	11	21	26	28	22
General and administrative	19	16	13	14	9
Total operating expenses	65	72	69	75	57
Income (loss) from operations	(5)	(5)	2	(6)	18
Other income (expense), net	—	1	—	—	—
Interest income	—	—	1	—	2
Income (loss) before provision for (benefit from) income taxes	(5)	(4)	3	(6)	21
Provision for (benefit from) income taxes	—	—	(14)	—	4
Net income (loss)	<u>(5)%</u>	<u>(4)%</u>	<u>17%</u>	<u>(7)%</u>	<u>16%</u>

(1) Totals of percent of revenue may not foot due to rounding.

**Comparison of the Six Months Ended June 30, 2022 and 2023**

*Revenue*

	<b>Six Months Ended June 30,</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>2022</b>	<b>2023</b>		
	<i>(in millions)</i>			
Transaction	\$ 799	\$ 1,069	\$ 270	34%
Advertising and other	327	406	79	24%
Total revenue	<u>\$ 1,126</u>	<u>\$ 1,475</u>	<u>\$ 349</u>	<u>31%</u>

The increase in transaction revenue during the first six months of 2023, compared to the same period of 2022, was primarily driven by fulfillment efficiencies as we increased our batch rate and reduced shopper incentives that were required during the first six months of 2022 due to the Omicron-driven demand surge, customer fee optimizations, and reduced appeasements and refunds, which also helped transaction revenue increase at a faster rate than GTV. This was partially offset by an increase in customer incentives and promotions. Transaction revenue growth was also impacted by GTV, which grew 4%, and orders, which remained relatively flat in the first six months of 2023, compared to the same period of 2022.

The increase in advertising and other revenue during the first six months of 2023, compared to the same period of 2022, was primarily driven by interrelated factors including an increase in advertising volume and increased adoption of our new advertising features and products, such as shoppable display ads and shoppable video, which we launched in the second half of 2022. This increase was partially offset by changes in spend by certain of our brand partners in the first six months of 2023 compared to the same period of 2022 in response to macroeconomic uncertainty and changes in our brand partners' businesses and performance. While we believe we have multiple levers to be able to grow advertising and other revenue over time as described in the section titled "Business—Our Growth Strategies," we expect our advertising and other revenue to be negatively impacted over the near term due to the factors described in the section titled "—Core Principles of Our Financial Model—Grow Relationships with Brands."

*Cost of Revenue, Gross Profit, and Gross Margin*

	<b>Six Months Ended June 30,</b>		<b>\$ Change</b>	<b>% Change</b>
	<b>2022</b>	<b>2023</b>		
	<i>(in millions)</i>			
Cost of revenue	\$ 357	\$ 366	\$ 9	3%
Gross profit	\$ 769	\$ 1,109	\$ 340	44%
Gross margin	68%	75%		

The increase in cost of revenue during the first six months of 2023, compared to the same period of 2022, was primarily due to an increase of \$9 million in customer success, professional services and other costs, and an increase of \$6 million in delivery insurance costs, partially offset by a decrease of \$6 million in compensation costs driven by a headcount reduction of in-store shoppers.

The increase in gross profit and gross margin during the first six months of 2023, compared to the same period of 2022, was primarily driven by the increase in transaction revenue and advertising and other revenue due to the factors described above. We expect gross margin expansion to taper in the future as growth in transaction revenue begins to align more closely with growth in GTV. See the section titled "—Core Principles of Our Financial Model—Drivers of Profitability" for more information regarding this dynamic.

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### *Operations and Support*

	<u>Six Months Ended June 30,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2022</u>	<u>2023</u>		
		(in millions)		
Operations and support	\$ 130	\$ 128	\$ (2)	(2)%
Percent of revenue	12%	9%		

Operations and support expense remained relatively flat during the first six months of 2023, compared to the same period of 2022, due to a decrease of \$5 million in referral costs and background checks related to shopper acquisition, partially offset by an increase of \$5 million in compensation costs primarily related to outsourced customer experience agents who provide phone, email, and chat support to customers and shoppers.

### *Research and Development*

	<u>Six Months Ended June 30,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2022</u>	<u>2023</u>		
		(in millions)		
Research and development	\$ 243	\$ 257	\$ 14	6%
Percent of revenue	22%	17%		

The increase in research and development expense during the first six months of 2023, compared to the same period of 2022, was primarily due to increases of \$38 million in compensation costs including bonus expense and employee elections to receive cash in lieu of a portion of their equity awards. This increase was partially offset by an increase of \$19 million in capitalized software development costs and a decrease of \$6 million in fees for engineering tools, subscriptions, and hosting.

### *Sales and Marketing*

	<u>Six Months Ended June 30,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2022</u>	<u>2023</u>		
		(in millions)		
Sales and marketing	\$ 316	\$ 327	\$ 11	3%
Percent of revenue	28%	22%		

The increase in sales and marketing expense during the first six months of 2023, compared to the same period of 2022, was primarily due to an increase of \$22 million in compensation costs including bonus expense and employee elections to receive cash in lieu of a portion of their equity awards, an increase of \$3 million in costs related to marketing programs, and an increase of \$2 million in depreciation and amortization, partially offset by a decrease of \$17 million in consulting costs related to marketing projects and brand marketing campaigns.

### *General and Administrative*

	<u>Six Months Ended June 30,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2022</u>	<u>2023</u>		
		(in millions)		
General and administrative	\$ 153	\$ 128	\$ (25)	(16)%
Percent of revenue	14%	9%		

The decrease in general and administrative expense during the first six months of 2023, compared to the same period of 2022, was primarily due to a decrease of \$30 million in our accruals for sales and indirect taxes and legal matters and settlements, a decrease of \$9 million in professional fees related to legal and other matters,

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and a decrease of \$6 million in policy spend, partially offset by an increase of \$13 million in compensation costs including bonus expense and employee elections to receive cash in lieu of a portion of their equity awards and an increase of \$6 million in business taxes.

### *Interest Income*

	<u>Six Months Ended June 30,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2022</u>	<u>2023</u>		
		(in millions)		
Interest income	\$ 2	\$ 34	\$ 32	NM

"NM" - not meaningful

The increase in interest income during the first six months of 2023, compared to the same period of 2022, was primarily due to higher average interest rates earned on our cash and cash equivalents, restricted cash and cash equivalents, and short-term investments.

### *Provision for income taxes*

	<u>Six Months Ended June 30,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2022</u>	<u>2023</u>		
		(in millions)		
Provision for income taxes	\$ 1	\$ 64	\$ 63	NM

"NM" - not meaningful

The increase in the provision for income taxes was primarily driven by a change from a pre-tax loss position during the first six months of 2022 compared to a pre-tax income position in the United States during the first six months of 2023. Additionally, in the first six months of 2023, there was no longer a valuation allowance in the United States given its release during the fourth quarter of 2022.

### *Comparison of the Years Ended December 31, 2021 and 2022*

#### *Revenue*

	<u>Year Ended December 31,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2021</u>	<u>2022</u>		
		(in millions)		
Transaction	\$ 1,262	\$ 1,811	\$ 549	44%
Advertising and other	572	740	168	29%
Total revenue	\$ 1,834	\$ 2,551	\$ 717	39%

The increase in transaction revenue during fiscal year 2022, compared to fiscal year 2021, was driven primarily by an 18% increase in number of orders and a related 16% increase in overall GTV as we attracted and engaged more customers. The increase in transaction revenue was also driven by customer fee optimizations and efficiencies in shopper earnings due to healthy shopper supply and improvements to our routing, matching, and batching systems, which also helped cause transaction revenue to increase at a faster rate than orders and GTV.

The increase in advertising and other revenue during fiscal year 2022, compared to fiscal year 2021, was primarily driven by interrelated factors including an increase in advertising volume from 2021 to 2022, increased adoption of our new advertising features and products, such as shoppable display ads and shoppable video in 2022, the 18% increase in number of orders, and the related 16% increase in overall GTV. Advertising and other revenue increased at a faster rate than GTV due in part to increased engagement of brand partners, as

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demonstrated by growth in advertising and other investment rate of 27 basis points and continued utilization of our Sponsored Product ads offering. Macroeconomic uncertainty has adversely affected the demand for advertising and caused brands to reduce their spending, which had a negative impact on our advertising and other revenue in 2022 and may have negative impacts in future periods.

### *Cost of Revenue, Gross Profit, and Gross Margin*

	<u>Year Ended December 31,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2021</u>	<u>2022</u>		
		(in millions)		
Cost of revenue	\$ 608	\$ 720	\$ 112	18%
Gross profit	\$ 1,226	\$ 1,831	\$ 605	49%
Gross margin	67%	72%		

The increase in cost of revenue during fiscal year 2022, compared to fiscal year 2021, was driven by the growth of activity on Instacart, including an increase in credit card processing fees of \$55 million; an increase in chargeback, cancellation, and redelivery costs of \$34 million due to increased GTV and order volume; an increase of \$16 million due to delivery-related insurance; and an increase of \$10 million due to the amortization of developed technology from acquired companies. The increase was partially offset by a decrease of \$21 million in headcount costs as a result of a decrease in in-store shoppers. We expect that our headcount costs will fluctuate in the future as we implement additional fulfillment options.

The increase in gross profit and gross margin during fiscal year 2022, compared to fiscal year 2021, was driven by the increase in revenue due to customer fee optimization and fulfillment efficiencies and the effects of increased efficiencies in our cost of revenue as we benefited from economies of scale. We expect the benefits of fulfillment efficiencies to taper in the future.

### *Operations and Support*

	<u>Year Ended December 31,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2021</u>	<u>2022</u>		
		(in millions)		
Operations and support	\$ 262	\$ 252	\$ (10)	(4)%
Percent of revenue	14%	10%		

The decrease in operations and support expense during fiscal year 2022, compared to fiscal year 2021, was driven by a decrease of \$34 million in referral costs and background checks related to shopper acquisition and a decrease of \$8 million in staging supplies primarily due to a decreased need for personal protective equipment for shoppers, partially offset by a \$20 million increase in compensation costs, a \$10 million increase in costs related to outsourced customer experience agents who provide phone, email, and chat support to customers and shoppers, and a \$2 million increase in costs for subscriptions and software and allocations to support our headcount growth.

### *Research and Development*

	<u>Year Ended December 31,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2021</u>	<u>2022</u>		
		(in millions)		
Research and development	\$ 368	\$ 518	\$ 150	41%
Percent of revenue	20%	20%		

The increase in research and development expense during fiscal year 2022, compared to fiscal year 2021, was primarily due to an increase of \$109 million in compensation costs as a result of additional headcount to



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support our growth, and a \$29 million increase in fees for engineering tools, subscriptions, and hosting to support continued innovation in product development and technology infrastructure.

### *Sales and Marketing*

	Year Ended December 31,		\$ Change	% Change
	2021	2022		
		(in millions)		
Sales and marketing	\$ 394	\$ 660	\$ 266	68%
Percent of revenue	21%	26%		

The increase in sales and marketing expense during fiscal year 2022, compared to fiscal year 2021, was primarily due to increases of \$164 million in costs related to marketing programs intended to drive revenue growth, which was magnified by a reduction in our marketing spend in the first three quarters of 2021 as we re-assessed our investment goals, \$60 million in compensation costs as a result of additional headcount in our sales and marketing organization to support our growth, and \$33 million in consulting costs related to marketing projects and campaigns.

### *General and Administrative*

	Year Ended December 31,		\$ Change	% Change
	2021	2022		
		(in millions)		
General and administrative	\$ 288	\$ 339	\$ 51	18%
Percent of revenue	16%	13%		

The increase in general and administrative expense during fiscal year 2022, compared to fiscal year 2021, was primarily due to increases of \$33 million in compensation costs as a result of additional headcount, \$17 million in business taxes and insurance costs related to the overall increase in business volume, \$9 million in policy spend, \$7 million in consulting fees, as well as \$6 million in software costs and other expenses related to the overall growth in our business. These expenditures were partially offset by decreases of \$23 million in our accruals for sales and indirect taxes, and legal matters and settlements.

### *Other Income (Expense), Net*

	Year Ended December 31,		\$ Change	% Change
	2021	2022		
		(in millions)		
Other income (expense), net	\$ 12	\$ (8)	\$ (20)	(167)%

The decrease in other income (expense), net during fiscal year 2022, compared to fiscal year 2021, was primarily due to other income in 2021 related to legal settlements of \$11 million that did not reoccur in 2022 and a foreign exchange loss during 2022 due to the strengthening of the U.S. dollar against the Canadian dollar and Australian dollar.

### *Interest Income*

	Year Ended December 31,		\$ Change	% Change
	2021	2022		
		(in millions)		
Interest income	\$ 2	\$ 17	\$ 15	NM

"NM" - not meaningful

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The increase in interest income during fiscal year 2022, compared to fiscal year 2021, was primarily due to higher average interest rates earned on our cash and cash equivalents and short-term investments in 2022 as compared to 2021.

### Provision for (Benefit from) Income Taxes

	Year Ended December 31,		\$ Change	% Change
	2021	2022 (in millions)		
Provision for (benefit from) income taxes	\$ 1	\$ (357)	\$ (358)	NM

"NM" - not meaningful

The increase in the provision for (benefit from) income taxes during fiscal year 2022, compared to fiscal year 2021, was primarily driven by a \$358 million release of our valuation allowance in the United States.

### Comparison of the Years Ended December 31, 2020 and 2021

#### Revenue

	Year Ended December 31,		\$ Change	% Change
	2020	2021 (in millions)		
Transaction	\$ 1,182	\$ 1,262	\$ 80	7%
Advertising and other	295	572	277	94%
Total revenue	\$ 1,477	\$ 1,834	\$ 357	24%

The increase in transaction revenue during fiscal year 2021, compared to fiscal year 2020, was driven primarily by a 30% increase in number of orders and a related 20% increase in overall GTV due to attracting and engaging more customers, the addition of more retail partners, and the introduction of new fulfillment options in 2021 such as priority delivery. Orders and GTV increased at a faster rate than transaction revenue due in part to a shift toward the use of full-service shoppers (whose costs are recorded as a reduction in revenue) from in-store shoppers, an increase in shopper payments in California following the passage of Proposition 22, and an increase in customer and shopper incentives per order and refunds primarily due to higher order volume and global supply chain constraints in 2021 (both of which are recorded as reductions in revenue). The effects of the COVID-19 pandemic on growth in number of orders and overall GTV decreased in 2021 relative to 2020 and average order values normalized from \$121 in 2020 to \$112 in 2021 as consumers began to return to pre-COVID grocery shopping behaviors. Accordingly, we experienced a shift in the mix of consumer use cases and fulfillment options, both of which also contributed to lower average order value in 2021. See the section titled "—COVID-19 Impact on Our Business."

The increase in advertising and other revenue during fiscal year 2021, compared to fiscal year 2020, was primarily driven by an increase of 59% in the number of brands on Instacart from the fourth quarter of 2020 to the fourth quarter of 2021, new advertising features and products and sales initiatives in 2021, and the 30% increase in number of orders and 20% increase in overall GTV. Advertising and other revenue increased at a faster rate than GTV due in part to increased engagement of brand partners, as demonstrated by the increase in advertising and other investment rate from 2020 to 2021.

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### *Cost of Revenue, Gross Profit, and Gross Margin*

	<u>Year Ended December 31,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2020</u>	<u>2021</u> (in millions)		
Cost of revenue	\$ 598	\$ 608	\$ 10	2%
Gross profit	\$ 879	\$ 1,226	\$ 347	39%
Gross margin	60%	67%		

The increase in cost of revenue during fiscal year 2021, compared to fiscal year 2020, was driven by the growth of activity on Instacart, including an increase in credit card processing fees of \$43 million and an increase in chargeback, cancellation, and redelivery costs of \$20 million due to increased GTV and order volume. The increase was partially offset by a decrease of \$56 million in headcount costs as a result of a decrease in in-store shoppers. We expect that our headcount costs will fluctuate in the future as we implement additional fulfillment options.

The increase in gross profit and gross margin during fiscal year 2021, compared to fiscal year 2020, was driven by the increase of advertising and other revenue as a percent of total revenue and the effects of increased efficiencies in our cost of revenue as we benefited from economies of scale.

### *Operations and Support*

	<u>Year Ended December 31,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2020</u>	<u>2021</u> (in millions)		
Operations and support	\$ 324	\$ 262	\$ (62)	(19)%
Percent of revenue	22%	14%		

The decrease in operations and support expense during fiscal year 2021, compared to fiscal year 2020, was driven by the significant investments made during 2020 in response to the accelerated growth we experienced as a result of shifts in consumer and shopper behavior during the early months of the COVID-19 pandemic, including decreases of \$32 million in costs related to outsourced care agents who provide phone, email, and chat support to customers and shoppers, \$22 million in referral costs and background checks related to shopper acquisition, and \$10 million in customer support infrastructure.

### *Research and Development*

	<u>Year Ended December 31,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2020</u>	<u>2021</u> (in millions)		
Research and development	\$ 194	\$ 368	\$ 174	90%
Percent of revenue	13%	20%		

The increase in research and development expense during fiscal year 2021, compared to fiscal year 2020, was primarily due to increases of \$145 million in compensation costs and \$9 million in overhead costs as a result of additional headcount to support continued innovation and buildout of our advertising products and \$35 million in fees for engineering tools and subscriptions, partially offset by a decrease of \$13 million in stock-based compensation expense primarily resulting from a tender offer that we completed in 2020. The impact of the COVID-19 pandemic accelerated headcount growth in 2021, and we do not expect to maintain the same rate of headcount growth in future periods.

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### *Sales and Marketing*

	<u>Year Ended December 31,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2020</u>	<u>2021</u> (in millions)		
Sales and marketing	\$ 158	\$ 394	\$ 236	149%
Percent of revenue	11%	21%		

The increase in sales and marketing expense during fiscal year 2021, compared to fiscal year 2020, was primarily due to increases of \$161 million in costs related to marketing programs intended to drive revenue growth, \$57 million in compensation costs as a result of additional headcount in our sales and marketing organization to support our growth, and \$15 million in consulting costs related to marketing projects and campaigns.

### *General and Administrative*

	<u>Year Ended December 31,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2020</u>	<u>2021</u> (in millions)		
General and administrative	\$ 278	\$ 288	\$ 10	4%
Percent of revenue	19%	16%		

The increase in general and administrative expense during fiscal year 2021, compared to fiscal year 2020, was primarily due to increases of \$49 million in compensation costs as a result of additional headcount, \$26 million in consulting and professional fees related to legal, tax, and recruiting professional services, \$9 million in software costs, allocations, and other expenses related to the overall growth in our business, as well as an increase of \$5 million in business taxes and insurance costs related to the overall increase in business volume. These expenditures were partially offset by decreases of \$29 million in our accruals for sales and indirect taxes and legal matters and settlements, \$24 million in policy spend in 2020 relative to 2021 primarily to support the passage of Proposition 22 in California, and \$26 million in stock-based compensation expense primarily resulting from a tender offer that we completed in 2020.

### *Other Income*

	<u>Year Ended December 31,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2020</u>	<u>2021</u> (in millions)		
Other income	—	\$ 12	\$ 12	NM

“NM” - not meaningful

The increase in other income during fiscal year 2021, compared to fiscal year 2020, was primarily due to income related to legal settlements.

### *Interest Income*

	<u>Year Ended December 31,</u>		<u>\$ Change</u>	<u>% Change</u>
	<u>2020</u>	<u>2021</u> (in millions)		
Interest income	\$ 5	\$ 2	\$ (3)	(60)%

Interest income was not material for the periods presented.

The decrease in interest income during fiscal year 2021, compared to fiscal year 2020, was a result of a change in mix of investments, including interest-bearing marketable securities.

### Quarterly Results of Operations

The following tables summarize our selected unaudited quarterly consolidated statements of operations data and the percent of revenue that each line item represents for each of the quarters in the years ended December 31, 2019, 2020, 2021, and 2022 and the six months ended June 30, 2023. The information for each of these quarters has been prepared on the same basis as our audited annual consolidated financial statements and, in the opinion of management, reflect all adjustments of a normal, recurring nature that are necessary for the fair statement of the results of operations for these periods. This data should be read in conjunction with our audited consolidated financial statements included elsewhere in this prospectus. Historical results are not necessarily indicative of the results that may be expected in the future.

#### Consolidated Statements of Operations Data

	Three Months Ended																	
	Mar. 31, 2019	Jun. 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Jun. 30, 2023
	(in millions)																	
Revenue <sup>(1)</sup>	\$ 41	\$ 46	\$ 59	\$ 68	\$ 147	\$ 476	\$ 397	\$ 457	\$ 440	\$ 444	\$ 473	\$ 477	\$ 505	\$ 621	\$ 668	\$ 757	\$ 759	\$ 716
Cost of revenue <sup>(2)</sup>	46	57	61	68	89	198	155	156	164	141	145	158	176	181	183	180	177	189
Gross profit (loss)	(5)	(11)	(2)	—	58	278	242	301	276	303	328	319	329	440	485	577	582	527
Operating expenses:																		
Operations and support <sup>(2)(3)</sup>	47	47	44	51	57	145	60	62	73	62	63	64	71	59	57	65	67	61
Research and development <sup>(2)(3)</sup>	26	30	33	38	38	44	59	53	64	87	101	116	114	129	127	148	127	130
Sales and marketing <sup>(2)(3)</sup>	23	22	22	23	22	18	43	75	91	69	86	148	149	167	172	172	161	166
General and administrative <sup>(2)(3)</sup>	20	38	25	49	37	74	97	70	67	56	63	102	76	77	96	90	77	51
Total operating expenses	116	137	124	161	154	281	259	260	295	274	313	430	410	432	452	475	432	408
Income (loss) from operations	(121)	(148)	(126)	(161)	(96)	(3)	(17)	41	(19)	29	15	(111)	(81)	8	33	102	150	119
Other income (expense), net	—	—	—	—	—	—	—	—	—	—	—	12	—	(2)	(5)	(1)	—	3
Interest income	8	7	6	4	2	1	1	1	1	—	1	—	—	2	5	10	14	20
Income (loss) before provision for (benefit from) income taxes	(113)	(141)	(120)	(157)	(94)	(2)	(16)	42	(18)	29	16	(99)	(81)	8	33	111	164	142
Provision for (benefit from) income taxes	—	—	—	—	—	1	1	(2)	—	1	—	—	1	—	(3)	(355)	36	28
Net income (loss)	<u>\$ (113)</u>	<u>\$ (141)</u>	<u>\$ (120)</u>	<u>\$ (157)</u>	<u>\$ (94)</u>	<u>\$ (3)</u>	<u>\$ (17)</u>	<u>\$ 44</u>	<u>\$ (18)</u>	<u>\$ 28</u>	<u>\$ 16</u>	<u>\$ (99)</u>	<u>\$ (82)</u>	<u>\$ 8</u>	<u>\$ 36</u>	<u>\$ 466</u>	<u>\$ 128</u>	<u>\$ 114</u>

(1) Revenue by type is disaggregated as follows:

	Three Months Ended																	
	Mar. 31, 2019	Jun. 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Jun. 30, 2023
	(in millions)																	
Transaction	\$ 30	\$ 33	\$ 39	\$ 45	\$ 118	\$ 414	\$ 318	\$ 332	\$ 319	\$ 301	\$ 333	\$ 309	\$ 349	\$ 450	\$ 482	\$ 530	\$ 559	\$ 510
Advertising and other	11	13	20	23	29	62	79	125	121	143	140	168	156	171	186	227	200	206
Total revenue	<u>\$ 41</u>	<u>\$ 46</u>	<u>\$ 59</u>	<u>\$ 68</u>	<u>\$ 147</u>	<u>\$ 476</u>	<u>\$ 397</u>	<u>\$ 457</u>	<u>\$ 440</u>	<u>\$ 444</u>	<u>\$ 473</u>	<u>\$ 477</u>	<u>\$ 505</u>	<u>\$ 621</u>	<u>\$ 668</u>	<u>\$ 757</u>	<u>\$ 759</u>	<u>\$ 716</u>

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(2) Amounts include depreciation and amortization expense as follows:

	Three Months Ended																	
	Mar. 31, 2019	Jun. 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Jun. 30, 2023
	(in millions)																	
Cost of revenue	\$ 1	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 1	\$ 1	\$ 1	\$ 1	\$ 2	\$ 4	\$ 5	\$ 4	\$ 4	\$ 7	\$ 6	\$ 6
Operations and support	—	1	—	—	—	—	—	1	—	1	—	—	—	1	1	—	1	1
Research and development	—	—	—	1	1	—	1	—	1	—	1	1	1	1	1	1	1	1
Sales and marketing	—	—	1	—	—	—	—	1	—	1	—	1	1	1	1	2	2	2
General and administrative	—	—	—	—	—	—	1	—	1	—	—	1	—	1	1	1	1	1
Total depreciation and amortization expense	\$ 1	\$ 2	\$ 2	\$ 2	\$ 2	\$ 2	\$ 3	\$ 3	\$ 3	\$ 3	\$ 3	\$ 7	\$ 7	\$ 8	\$ 8	\$ 11	\$ 11	\$ 11

(3) Amounts include stock-based compensation expense as follows:

	Three Months Ended																	
	Mar. 31, 2019	Jun. 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Jun. 30, 2023
	(in millions)																	
Operations and support	\$ 1	\$ 1	\$ 1	\$ 1	\$ —	\$ —	\$ 1	\$ 2	\$ —	\$ 1	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —	\$ —
Research and development	4	5	4	7	3	3	14	—	1	2	2	4	4	3	3	8	2	2
Sales and marketing	1	1	1	2	1	1	2	1	1	—	—	2	1	1	1	1	1	1
General and administrative	4	4	4	2	3	11	21	1	2	2	3	2	2	2	6	1	2	1
Total stock-based compensation expense	\$ 10	\$ 11	\$ 10	\$ 12	\$ 7	\$ 15	\$ 38	\$ 4	\$ 4	\$ 5	\$ 5	\$ 8	\$ 7	\$ 6	\$ 10	\$ 10	\$ 5	\$ 4

**Percent of Revenue Data**

	Three Months Ended																	
	Mar. 31, 2019	Jun. 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Jun. 30, 2023
	(as a percent of revenue) <sup>(1)</sup>																	
Revenue <sup>(2)</sup>	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%
Cost of revenue	112	124	103	100	61	42	39	34	37	32	31	33	35	29	27	24	23	26
Gross profit (loss)	(12)	(24)	(3)	—	39	58	61	66	63	68	69	67	65	71	73	76	77	74
Operating expenses:																		
Operations and support	115	102	75	75	39	30	15	14	17	14	13	13	14	10	9	9	9	9
Research and development	63	65	56	56	26	9	15	12	15	20	21	24	23	21	19	20	17	18
Sales and marketing	56	48	37	34	15	4	11	16	21	16	18	31	30	27	26	23	21	23
General and administrative	49	83	42	72	25	16	24	15	15	13	13	21	15	12	14	12	10	7
Total operating expenses	283	298	210	237	105	59	65	57	67	62	66	90	81	70	68	63	57	57
Income (loss) from operations	(295)	(322)	(214)	(237)	(65)	(1)	(4)	9	(4)	7	3	(23)	(16)	1	5	13	20	17
Other income (expense), net	—	—	—	—	—	—	—	—	—	—	—	3	—	—	(1)	—	—	—
Interest income	20	15	10	6	1	—	—	—	—	—	—	—	—	—	1	1	2	3
Income (loss) before provision for (benefit from) income taxes	(276)	(307)	(203)	(231)	(64)	—	(4)	9	(4)	7	3	(21)	(16)	1	5	15	22	20
Provision for (benefit from) income taxes	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	(47)	5	4
Net income (loss)	(276)%	(307)%	(203)%	(231)%	(64)%	(1)%	(4)%	10%	(4)%	6%	3%	(21)%	(16)%	1%	5%	62%	17%	16%

(1) Totals of percent of revenue may not foot due to rounding.

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(2) Revenue by type is disaggregated as follows:

	Three Months Ended																	
	Mar. 31, 2019	Jun. 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Jun. 30, 2023
Transaction	73%	72%	66%	66%	80%	87%	80%	73%	(as a percent of revenue) <sup>(1)</sup> 73%	68%	70%	65%	69%	72%	72%	70%	74%	71%
Advertising and other	27	28	34	34	20	13	20	27	28	32	30	35	31	28	28	30	26	29
Total revenue	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%	100%

(1) Totals of percent of revenue may not foot due to rounding.

### Quarterly Trends

#### Revenue

On a quarterly basis, our total revenue increased sequentially for all periods presented, with the exception of the third quarter of 2020, the first quarter of 2021, and the second quarter of 2023, as a result of increases in GTV and orders.

On a quarterly basis, transaction revenue increased sequentially quarter over quarter for all periods presented with the exception of the third quarter of 2020, the first, second, and fourth quarters of 2021, and the second quarter of 2023. The overall increase in transaction revenue was primarily driven by attracting and engaging customers, optimization of retailer and customer fees, the addition of more retail partners, and the introduction of new fulfillment options. The COVID-19 pandemic accelerated these trends beginning in the first quarter of 2020. In 2021, the effects of the COVID-19 pandemic started to subside and average order values began to normalize as consumers returned to pre-COVID grocery shopping behaviors. Commencing in the first half of 2022, average grocery prices on Instacart increased due to higher inflation, which has had a positive effect on GTV and average order values. However, customers have also been purchasing fewer items on average per order and shifting toward lower-price product categories on Instacart, partially offsetting the effects of inflation and driving average order values back down. While we do not expect our future growth rates to approach levels experienced during the COVID-19 pandemic and its variant outbreaks, we are focused on continuing to grow our transaction revenue over time. In the near term, we expect our transaction revenue, GTV, and average order values to also be impacted by the factors described in the section titled “—Our Financial Model—Core Principals of Our Financial Model—Grow Relationships with Brands,” including ongoing macroeconomic uncertainty and recession risks as well as the cessation of government stimulus programs (including the termination of certain EBT SNAP benefits in March 2023).

On a quarterly basis, advertising and other revenue increased sequentially quarter over quarter for all periods presented with the exception of the first and third quarters of 2021, the first quarter of 2022, and the first quarter of 2023, primarily due to the seasonality of our brand partners’ advertising budgets. The overall increase in advertising and other revenue was primarily driven by interrelated factors including the launch of new advertising features and products, an increased number of brands on Instacart, continued utilization of our Sponsored Product ads offering, and growth in orders and GTV.

Advertising and other revenue was generally high in the fourth quarter and low in the first quarter of a given year due to the seasonality in advertising and other revenue as a result of how advertisers deploy their budgets. In 2022 and the first six months of 2023, we continued seeing strong growth in our advertising and other revenue, driven by increased spend by our emerging brand partners and growth in our display ads offerings. However, in the first six months of 2023 our advertising performance was impacted by changes in spend by certain brand partners due to macroeconomic uncertainty and changes in our brand partners’ businesses and performance. In addition, we expect our advertising and other revenue to be negatively impacted over the near term due to the factors described in the section titled “—Our Financial Model—Core Principals of Our Financial Model—Grow Relationships with Brands.” Moreover, demand in the future may be further impacted if such factors persist and depending on market acceptance of our Ads offerings.

*Cost of Revenue*

On a quarterly basis, cost of revenue increased sequentially for all quarters presented with the exception of the third quarter of 2020, the second quarter of 2021, the fourth quarter of 2022, and the first quarter of 2023, primarily driven by the growth of activity on Instacart. Cost of revenue as a percent of revenue primarily trended downward for the quarters presented due to increases in total revenue, increasing operational efficiencies, benefits resulting from economies of scale, and decreasing headcount costs as a result of a decrease in in-store shoppers.

*Operations and Support*

On a quarterly basis, operations and support expense fluctuated primarily due to growth of activity on Instacart, increase in employees and outsourced customer experience agents, and level of full-service shopper acquisition costs. The significant increase in the second quarter of 2020 was due to increased demand for full-service shoppers and supplies for sanitation and safety due to the COVID-19 pandemic. Operations and support expense as a percent of revenue decreased through the second quarter of 2020 before stabilizing due to business process improvement, decreased reliance on outsourced customer experience agents, and benefits resulting from economies of scale.

*Research and Development*

On a quarterly basis, research and development expense increased sequentially for all quarters compared to the corresponding prior year period primarily driven by increased compensation costs as a result of additional headcount to support continued innovation, increased fees for engineering tools and subscriptions, and increased consulting costs. In the fourth quarter of 2022 and the first and second quarter of 2023, the increase in research and development expense was primarily driven by bonus expense, including employee elections to receive cash in lieu of a portion of their equity awards. In 2021 and the first half of 2022, our research and development expense increased primarily as a result of rapid scaling of headcount. In the second half of 2022, our focus shifted toward driving more efficiencies in our research and development function. Research and development expense as a percent of revenue has generally stabilized since the third quarter of 2020 as costs have scaled with revenue growth due to ongoing improvements and maintenance of our offerings, including the hiring of engineering, product development, and design employees to support these efforts. We expect that research and development expense will increase on an absolute dollar basis for the foreseeable future.

*Sales and Marketing*

On a quarterly basis, sales and marketing expense has increased sequentially for all quarters since the third quarter of 2020 compared to the corresponding prior year period, with the exception of the second quarter of 2023, primarily driven by an increase in marketing programs intended to drive revenue growth, increased compensation costs due to additional headcount in our sales and marketing organization, and costs related to marketing projects and campaigns. Sales and marketing expense as a percent of revenue trended downward until the third quarter of 2020 and has since fluctuated but generally trended upward, primarily due to an increased focus on marketing programs following a reduction in our marketing spend during the second and third quarters of 2021 as we re-assessed our investment goals, which increased focus has been driven by greater confidence in our ability to drive growth through sales and marketing spend. In the second half of 2022 and continuing in the first half of 2023, we began to optimize our sales and marketing expense across a variety of channels intended to focus on customer acquisition spend where we believe we can earn positive return on investment across categories, including performance marketing, demand generation partnerships, and brand development to attract new customers, reengage customers that have stopped using Instacart, and increase customer engagement. However, we are still early in our opportunity and intend to continue to increase our customer acquisition spend across categories.



*General and Administrative*

On a quarterly basis, general and administrative expense fluctuated in the quarters presented but generally trended upward on an absolute dollar basis primarily due to increased compensation costs as a result of additional headcount; increased consulting and professional fees related to legal, tax, and recruiting professional services; increased reserves for sales and indirect taxes and legal matters and settlements; policy spend; and increased focus on systems and controls to scale our internal support functions alongside our business. General and administrative expense as a percent of revenue initially fluctuated in the quarters presented but has generally stabilized since the first quarter of 2020 as costs continue to scale with the growth of the business with certain periods experiencing fluctuations due to legal settlements. In the first and second quarters of 2023, general and administrative expense decreased from the prior period primarily as a result of lower fees related to legal matters and settlements.

*Other Income (Expense), Net*

Other income (expense), net was not material for the quarters presented with the exception of the fourth quarter of 2021, which was primarily due to income related to legal settlements.

*Interest Income*

Interest income generally decreased as a result of a change in mix of investments, including interest-bearing marketable securities. Starting in the second quarter of 2022, interest income increased primarily due to higher average interest rates earned on our cash and cash equivalents and short-term investments.

*Provision for (Benefit from) Income Taxes*

Provision for (benefit from) income taxes was not material for the quarters presented with the exception of the fourth quarter of 2022 due to a tax benefit, which was primarily driven by a \$358 million release of our valuation allowance in the United States and the first and second quarters of 2023, which was primarily due to pre-tax income in the United States.

**Reconciliations of Non-GAAP Financial Measures**

*Reconciliation of Net Income (Loss) to Adjusted EBITDA and Calculation of Adjusted EBITDA as a Percent of GTV and Adjusted EBITDA Margin*

	Three Months Ended																
	Mar. 31, 2019	Jun. 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023
	(in millions, except percentages)																
Net income (loss)	\$ (113)	\$ (141)	\$ (120)	\$ (157)	\$ (94)	\$ (3)	\$ (17)	\$ 44	\$ (18)	\$ 28	\$ 16	\$ (99)	\$ (82)	\$ 8	\$ 36	\$ 466	\$ 128
Provision for (benefit from) income taxes	—	—	—	—	—	1	1	(2)	—	1	—	—	1	—	(3)	(355)	36
Interest income	(8)	(7)	(6)	(4)	(2)	(1)	(1)	(1)	(1)	—	(1)	—	—	(2)	(5)	(10)	(14)
Other (income) expense, net	—	—	—	—	—	—	—	—	—	—	—	(12)	—	2	5	1	—
Depreciation and amortization expense	1	2	2	2	2	2	3	3	3	3	3	7	7	8	8	11	11
Stock-based compensation expense	10	11	10	12	7	15	38	4	4	5	5	8	7	6	10	10	5
Certain legal and regulatory accruals and settlements, net <sup>(1)</sup>	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—	—
Reserves for sales and other indirect taxes <sup>(2)</sup>	2	16	3	21	8	18	32	18	5	2	—	39	13	6	18	13	1
COVID-19 response initiatives <sup>(3)</sup>	—	—	—	—	—	4	1	2	2	1	—	—	—	—	—	—	—
Acquisition-related expenses	—	—	—	—	—	—	—	1	—	—	3	7	—	1	7	(4)	1
Other <sup>(4)</sup>	—	—	—	—	—	—	1	6	7	1	1	1	1	4	—	—	—
Adjusted EBITDA	\$ (106)	\$ (117)	\$ (109)	\$ (122)	\$ (74)	\$ 52	\$ 70	\$ 86	\$ 14	\$ 51	\$ 21	\$ (52)	\$ (52)	\$ 32	\$ 74	\$ 133	\$ 169
GTV	\$ 1,063	\$ 1,184	\$ 1,344	\$ 1,553	\$ 2,387	\$ 6,983	\$ 5,446	\$ 5,920	\$ 6,646	\$ 5,866	\$ 5,940	\$ 6,457	\$ 7,277	\$ 7,079	\$ 7,080	\$ 7,390	\$ 7,465
Net income (loss) as a percent of GTV	(10.6)%	(11.9)%	(8.9)%	(10.1)%	(3.9)%	—%	(0.3)%	0.7%	(0.3)%	0.5%	0.3%	(1.5)%	(1.1)%	0.1%	0.5%	6.3%	1.7%
Adjusted EBITDA as a percent of GTV	(10.0)%	(9.9)%	(8.1)%	(7.9)%	(3.1)%	0.7%	1.3%	1.5%	0.2%	0.9%	0.4%	(0.8)%	(0.7)%	0.5%	1.0%	1.8%	2.3%
Revenue	\$ 41	\$ 46	\$ 59	\$ 68	\$ 147	\$ 476	\$ 397	\$ 457	\$ 440	\$ 444	\$ 473	\$ 477	\$ 505	\$ 621	\$ 668	\$ 757	\$ 759
Net income (loss) as a percent of revenue	(276)%	(307)%	(203)%	(231)%	(64)%	(1)%	(4)%	10%	(4)%	6%	3%	(21)%	(16)%	1%	5%	62%	17%
Adjusted EBITDA margin	(259)%	(254)%	(185)%	(179)%	(50)%	11%	18%	19%	3%	11%	4%	(11)%	(10)%	5%	11%	18%	22%

- (1) Represents certain legal, regulatory, and policy expenses related to worker classification matters.
- (2) Represents sales and other indirect tax reserves, net of abatements, for periods in which we were unable to collect such taxes from customers. We believe this adjustment is useful for investors in understanding our operating performance because in these cases, the taxes were not intended to be a cost to us but rather are to be borne by the customers.
- (3) Represents the cost of personal protective equipment distributed to shoppers during the COVID-19 pandemic. We ceased excluding this cost following the first quarter of 2022 as the impact of the COVID-19 pandemic and its variant outbreaks on our business subsided.
- (4) Represents (i) non-capitalizable expenses related to the public listing of our common stock and (ii) expenses related to the settlement of certain patent infringement claims.

Our calculation of Adjusted EBITDA does not adjust net income (loss) for net reductions in revenue related to equity agreements with certain retailers of \$(8) million, zero, \$6 million, \$11 million, \$5 million, \$5 million, \$13 million, \$3 million, \$2 million, \$1 million, \$1 million, \$1 million, zero, zero, zero, \$3 million, zero, and zero for each of the quarters in the years ended December 31, 2019, 2020, 2021, and 2022 and the six months ended June 30, 2023, respectively.

*Adjusted Cost of Revenue*

The following table provides a reconciliation of cost of revenue to adjusted cost of revenue for each of the quarterly periods for the years ended December 2019, 2020, 2021, and 2022 and the six months ended June 30, 2023:

	Three Months Ended																	
	Mar. 31, 2019	Jun. 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Jun. 30, 2023
Cost of revenue	\$ 46	\$ 57	\$ 61	\$ 68	\$ 89	\$ 198	\$ 155	\$ 156	\$ 164	\$ 141	\$ 145	\$ 158	\$ 176	\$ 181	\$ 183	\$ 180	\$ 177	\$ 189
Adjusted to exclude the following:	(in millions)																	
Depreciation and amortization expense	(1)	(1)	(1)	(1)	(1)	(2)	(1)	(1)	(1)	(1)	(2)	(4)	(5)	(4)	(4)	(7)	(6)	(6)
Adjusted cost of revenue	\$ 45	\$ 56	\$ 60	\$ 67	\$ 88	\$ 196	\$ 154	\$ 155	\$ 163	\$ 140	\$ 143	\$ 154	\$ 171	\$ 177	\$ 179	\$ 173	\$ 171	\$ 183

*Adjusted Operations and Support*

The following table provides a reconciliation of operations and support expense to adjusted operations and support expense for each of the quarterly periods for the years ended December 2019, 2020, 2021, and 2022 and the six months ended June 30, 2023:

	Three Months Ended																	
	Mar. 31, 2019	Jun. 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Jun. 30, 2023
Operations and support	\$ 47	\$ 47	\$ 44	\$ 51	\$ 57	\$ 145	\$ 60	\$ 62	\$ 73	\$ 62	\$ 63	\$ 64	\$ 71	\$ 59	\$ 57	\$ 65	\$ 67	\$ 61
Adjusted to exclude the following:	(in millions)																	
Depreciation and amortization expense	—	(1)	—	—	—	—	—	(1)	—	(1)	—	—	—	(1)	(1)	—	(1)	(1)
Stock-based compensation expense	(1)	(1)	(1)	(1)	—	—	(1)	(2)	—	(1)	—	—	—	—	—	—	—	—
COVID-19 response initiatives <sup>(1)</sup>	—	—	—	—	—	(4)	(1)	(2)	(2)	(1)	—	—	—	—	—	—	—	—
Adjusted operations and support	\$ 46	\$ 45	\$ 43	\$ 50	\$ 57	\$ 141	\$ 58	\$ 57	\$ 71	\$ 59	\$ 63	\$ 64	\$ 71	\$ 58	\$ 56	\$ 65	\$ 66	\$ 60

(1) Represents the cost of personal protective equipment distributed to shoppers during the COVID-19 pandemic. We ceased excluding this cost following the first quarter of 2022 as the impact of the COVID-19 pandemic and its variant outbreaks on our business subsided.

*Adjusted Research and Development*

The following table provides a reconciliation of research and development expense to adjusted research and development expense for each of the quarterly periods for the years ended December 2019, 2020, 2021, and 2022 and the six months ended June 30, 2023:

	Three Months Ended																	
	Mar. 31, 2019	Jun. 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Jun. 30, 2023
Research and development	\$ 26	\$ 30	\$ 33	\$ 38	\$ 38	\$ 44	\$ 59	\$ 53	\$ 64	\$ 87	\$ 101	\$ 116	\$ 114	\$ 129	\$ 127	\$ 148	\$ 127	\$ 130
Adjusted to exclude the following:	(in millions)																	
Depreciation and amortization expense	—	—	—	(1)	(1)	—	(1)	—	(1)	—	(1)	(1)	(1)	(1)	(1)	(1)	(1)	(1)
Stock-based compensation expense	(4)	(5)	(4)	(7)	(3)	(3)	(14)	—	(1)	(2)	(2)	(4)	(4)	(3)	(3)	(8)	(2)	(2)
Acquisition-related expenses	—	—	—	—	—	—	—	—	—	—	—	(3)	—	—	(1)	—	—	—
Adjusted research and development	\$ 22	\$ 25	\$ 29	\$ 30	\$ 34	\$ 41	\$ 44	\$ 53	\$ 62	\$ 85	\$ 98	\$ 108	\$ 109	\$ 125	\$ 122	\$ 139	\$ 124	\$ 127

*Adjusted Sales and Marketing*

The following table provides a reconciliation of sales and marketing expense to adjusted sales and marketing expense for each of the quarterly periods for the years ended December 2019, 2020, 2021, and 2022 and the six months ended June 30, 2023:

	Three Months Ended																	
	Mar. 31, 2019	Jun. 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Jun. 30, 2023
Sales and marketing	\$ 23	\$ 22	\$ 22	\$ 23	\$ 22	\$ 18	\$ 43	\$ 75	\$ 91	\$ 69	\$ 86	\$ 148	\$ 149	\$ 167	\$ 172	\$ 172	\$ 161	\$ 166
Adjusted to exclude the following:																		
Depreciation and amortization expense	—	—	(1)	—	—	—	—	(1)	—	(1)	—	(1)	(1)	(1)	(1)	(2)	(2)	(2)
Stock-based compensation expense	(1)	(1)	(1)	(2)	(1)	(1)	(2)	(1)	(1)	—	—	(2)	(1)	(1)	(1)	(1)	(1)	(1)
Acquisition-related expenses	—	—	—	—	—	—	—	—	—	—	—	(1)	—	—	(1)	3	(1)	5
Adjusted sales and marketing	\$ 22	\$ 21	\$ 20	\$ 21	\$ 21	\$ 17	\$ 41	\$ 73	\$ 90	\$ 68	\$ 86	\$ 144	\$ 147	\$ 165	\$ 169	\$ 172	\$ 157	\$ 168

*Adjusted General and Administrative*

The following table provides a reconciliation of general and administrative expense to adjusted general and administrative expense for each of the quarterly periods for the years ended December 2019, 2020, 2021, and 2022 and the six months ended June 30, 2023:

	Three Months Ended																	
	Mar. 31, 2019	Jun. 30, 2019	Sept. 30, 2019	Dec. 31, 2019	Mar. 31, 2020	Jun. 30, 2020	Sept. 30, 2020	Dec. 31, 2020	Mar. 31, 2021	Jun. 30, 2021	Sept. 30, 2021	Dec. 31, 2021	Mar. 31, 2022	Jun. 30, 2022	Sept. 30, 2022	Dec. 31, 2022	Mar. 31, 2023	Jun. 30, 2023
General and administrative	\$ 20	\$ 38	\$ 25	\$ 49	\$ 37	\$ 74	\$ 97	\$ 70	\$ 67	\$ 56	\$ 63	\$ 102	\$ 76	\$ 77	\$ 96	\$ 90	\$ 77	\$ 51
Adjusted to exclude the following:																		
Depreciation and amortization expense	—	—	—	—	—	—	(1)	—	(1)	—	—	(1)	—	(1)	(1)	(1)	(1)	(1)
Stock-based compensation expense	(4)	(4)	(4)	(2)	(3)	(11)	(21)	(1)	(2)	(2)	(3)	(2)	(2)	(2)	(6)	(1)	(2)	(1)
Certain legal and regulatory accruals and settlements, net <sup>(1)</sup>	(2)	(16)	(3)	(21)	(8)	(18)	(32)	(18)	(5)	(2)	—	(39)	(13)	(6)	(18)	(13)	(1)	7
Reserves for sales and other indirect taxes <sup>(2)</sup>	(2)	(2)	(2)	(4)	(5)	(16)	(12)	(11)	(12)	(10)	6	3	(1)	1	2	(1)	(1)	12
Acquisition-related expenses	—	—	—	—	—	—	—	(1)	—	—	(3)	(3)	—	(1)	(5)	1	—	—
Other <sup>(3)</sup>	—	—	—	—	—	—	(1)	(6)	(7)	(1)	(1)	(1)	(1)	(4)	—	—	—	—
Adjusted general and administrative	\$ 12	\$ 16	\$ 16	\$ 22	\$ 21	\$ 29	\$ 30	\$ 33	\$ 40	\$ 41	\$ 62	\$ 59	\$ 59	\$ 64	\$ 68	\$ 75	\$ 72	\$ 68

(1) Represents certain legal, regulatory, and policy expenses related to worker classification matters.

(2) Represents sales and other indirect tax reserves, net of abatements, for periods in which we were unable to collect such taxes from customers. We believe this adjustment is useful for investors in understanding our operating performance because in these cases, the taxes were not intended to be a cost to us but rather are to be borne by the customers.

(3) Represents (i) non-capitalizable expenses related to the public listing of our common stock and (ii) expenses related to the settlement of certain patent infringement claims.

*Quarterly Trends in Adjusted EBITDA, Adjusted EBITDA as a Percent of GTV, and Adjusted EBITDA Margin*

Our Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin have fluctuated based on investments made to fuel our growth and scale Instacart, cost structure improvements, and increased operating leverage. We expect our Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin to continue to vary significantly as we continue to make substantial investments to fuel our growth and scale Instacart. For information regarding the trends in Adjusted EBITDA, Adjusted EBITDA as a percent of GTV, and Adjusted EBITDA margin, see the section titled “—Key Business and Non-GAAP Metrics—Non-GAAP Financial Measures—Adjusted EBITDA, Adjusted EBITDA as a Percent of GTV, and Adjusted EBITDA Margin.”

**Liquidity and Capital Resources**

Since our founding, we have financed our operations primarily through the net proceeds we have received from the issuance of equity securities and through fees received from retailers, customers, and brands. As of June 30, 2023, we had cash and cash equivalents of \$1,838 million and marketable securities of \$129 million, which were primarily held for working capital purposes.

Since our founding, we have primarily generated losses from our operations as reflected in our accumulated deficit of \$735 million as of June 30, 2023 and negative cash flows from operating activities in the years ended December 31, 2020 and 2021. While we generated positive cash flows from operating activities during the year ended December 31, 2022 and the six months ended June 30, 2023, our future cash flows from operating activities may fluctuate as a result of investments we continue to make across our organization. As a result, we may require additional capital resources to execute strategic initiatives to grow our business.

Our working capital and operating cash flows may fluctuate significantly from period to period as a result of new initiatives and the timing of payments made to and/or received from retailers, shoppers, and vendors. In particular, certain transaction types, such as those involving EBT SNAP and alcohol sales, may result in longer collection cycles. For example, in the second half of 2021, we experienced longer collection cycles due to the larger volume of EBT SNAP and alcohol transactions. Additionally, we make substantial weekly payments to shoppers on Tuesdays for services delivered on Instacart. As a result, we expect our reported cash and cash flows from operating activities to be impacted based on the day of the week of each reporting period. Furthermore, due to the timing of funding to a certain payment card issuer, we may experience an increase in short-term liabilities based on the day of the week of each reporting period.

We believe that our existing cash, cash equivalents, and marketable securities will be sufficient to satisfy our anticipated cash needs for working capital and capital expenditures for at least the next 12 months and beyond. However, our future cash requirements will depend on many factors, including our growth rate, the timing and the amount of cash received from retailers, customers, and brands, the timing and extent of spending to support our research and development efforts, the expansion of sales and marketing activities, the introduction of enhancements, and the continuing market adoption of Instacart. In addition, we may enter into additional or expanded customer, retailer, brand, or other relationships, as well as agreements to acquire or invest in complementary businesses, products, teams, and technologies, including intellectual property rights, which could increase our cash requirements. As a result of these and other factors, we may be required to seek additional financing sooner than we currently anticipate. If additional financing is required from outside sources, we may not be able to raise it on terms acceptable to us, or at all. In particular, recent volatility in the global financial markets, including due to heightened inflation and rising interest rates and other macroeconomic conditions, geopolitical events, such as the military conflict involving Russia and Ukraine and economic sanctions imposed on Russia and Belarus, and recent and potential future disruptions in access to bank deposits or lending commitments due to bank failures could reduce our ability to access capital and negatively affect our liquidity in the future. If we are unable to raise additional capital when required, or if we cannot expand our operations or otherwise capitalize on our business opportunities because we lack sufficient capital, our business, results of operations, financial condition, and cash flows would be adversely affected.

### Cash Flows

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

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
			(in millions)		
Net cash provided by (used in) operating activities	\$ (91)	\$ (204)	\$ 277	\$ 99	\$ 242
Net cash provided by (used in) investing activities	301	(330)	117	68	89
Net cash provided by (used in) financing activities	671	464	46	93	(1)

### Cash Flows from Operating Activities

For the six months ended June 30, 2023, net cash provided by operating activities was \$242 million, which consisted of net income of \$242 million, adjusted for certain non-cash items of \$58 million, and net cash outflows from changes in operating assets and liabilities of \$58 million. The non-cash items primarily consisted of depreciation and amortization expense of \$22 million, deferred income taxes of \$18 million, stock-based compensation expense of \$9 million, bad debt expense of \$9 million, and amortization of operating lease right-of-use assets of \$7 million. The net cash outflows from changes in our operating assets and liabilities were primarily due to a \$97 million decrease in accrued and other current liabilities, a \$41 million decrease in accounts payable, a \$13 million decrease in other long-term liabilities, and a \$7 million decrease in operating lease liabilities, partially offset by a \$69 million decrease in accounts receivable, a \$20 million increase in deferred revenue, and an \$11 million decrease in prepaid expenses and other assets. These cash inflows were primarily due to growth in our business partially offset as a result of timing of vendor payments.

For the six months ended June 30, 2022, net cash provided by operating activities was \$99 million, which consisted of net loss of \$74 million, adjusted for certain non-cash items of \$38 million, and net cash inflows from changes in operating assets and liabilities of \$135 million. The non-cash items primarily consisted of depreciation and amortization expense of \$15 million, stock-based compensation expense of \$13 million, amortization of operating lease right-of-use assets of \$6 million, and bad debt expense of \$4 million. The net cash inflows from changes in our operating assets and liabilities were primarily due to a \$122 million decrease in accounts receivable, a \$39 million increase in deferred revenue, and a \$10 million increase in accrued and other current liabilities, partially offset by a \$20 million increase in prepaid expenses and other assets, a \$9 million decrease in accounts payable, and a \$6 million decrease in operating lease liabilities. These cash inflows were primarily due to timing of collection of accounts receivable.

In 2022, net cash provided by operating activities was \$277 million, which consisted of net income of \$428 million, adjusted for certain non-cash items of \$275 million, and net cash inflows from changes in operating assets and liabilities of \$124 million. The non-cash items primarily consisted of a deferred tax benefit of \$373 million, the majority of which is related to the release of our valuation allowance in 2022, partially offset by depreciation and amortization expense of \$34 million, stock-based compensation expense of \$33 million, amortization of operating lease right-of-use assets of \$13 million, and bad debt expense of \$10 million. The net cash inflows from changes in our operating assets and liabilities were primarily due to timing of payments for our accrued and other current liabilities and accounts payable and comprised of a \$141 million increase in accrued and other current liabilities, a \$25 million increase in accounts payable, and a \$24 million increase in deferred revenue, partially offset by a \$31 million increase in prepaid expenses and other assets, \$21 million increase in accounts receivable, and a \$13 million decrease in operating lease liabilities. These cash inflows were primarily due to increased operating expenses and vendor spend in connection with the growth of our business.

In 2021, net cash used in operating activities was \$204 million, which consisted of net loss of \$73 million, adjusted by non-cash charges of \$61 million, and net cash outflows from changes in operating assets and

liabilities of \$192 million. The non-cash charges primarily consisted of stock-based compensation expense of \$22 million, depreciation and amortization of \$16 million, amortization of operating lease right-of-use assets of \$11 million, and bad debt expense of \$7 million. The net cash outflows from changes in our operating assets and liabilities were primarily comprised of a \$318 million increase in accounts receivable, a \$60 million increase in prepaid expenses and other assets, and a \$13 million decrease in operating lease liabilities, partially offset by a \$138 million increase in accounts payable and accrued and other current liabilities, a \$47 million increase in deferred revenue, and a \$14 million increase in long-term liabilities. These cash outflows were primarily due to increased operating expenses and vendor spend in connection with the growth of our business, partially offset by an increase in sales and indirect tax reserves.

In 2020, net cash used in operating activities was \$91 million, which consisted of net loss of \$70 million, adjusted by non-cash charges of \$120 million, and net cash outflows from changes in operating assets and liabilities of \$141 million. The non-cash charges primarily consisted of stock-based compensation expense of \$64 million, amortization of common stock warrants of \$21 million, depreciation and amortization of \$10 million, amortization of operating lease right-of-use assets of \$10 million, and bad debt expense of \$9 million. The net cash outflows from changes in our operating assets and liabilities were primarily comprised of a \$405 million increase in accounts receivable, partially offset by a \$156 million increase in accounts payable and accrued and other current liabilities, a \$13 million decrease in prepaid expenses and other current assets, a \$57 million increase in deferred revenue, and a \$45 million increase in long-term liabilities. These cash outflows were primarily due to increased operating expenses in connection with the growth of our business, partially offset as a result of timing of vendor payments, timing and growth of our subscriptions, and an increase in sales and indirect tax reserves.

#### *Cash Flows from Investing Activities*

For the six months ended June 30, 2023, net cash provided by investing activities was \$89 million, comprised primarily of maturities of marketable securities of \$191 million, partially offset by purchases of marketable securities of \$80 million and purchases of property and equipment, including capitalized internal-use software of \$22 million.

For the six months ended June 30, 2022, net cash provided by investing activities was \$68 million, comprised primarily of maturities of marketable securities of \$235 million, partially offset by purchases of marketable securities of \$152 million and purchases of property and equipment, including capitalized internal-use software, primarily to support our office facilities of \$13 million.

In 2022, net cash provided by investing activities was \$117 million, comprised primarily of maturities of marketable securities of \$394 million, partially offset by purchases of marketable securities of \$158 million and the acquisition of businesses, net of cash acquired of \$93 million.

In 2021, net cash used in investing activities was \$330 million, comprised primarily of purchases of marketable securities of \$623 million, acquisitions of businesses of \$54 million, and purchases of property and equipment to support our office facilities of \$13 million, partially offset by maturities of marketable securities of \$369 million.

In 2020, net cash provided by investing activities was \$301 million, comprised of maturities of marketable securities of \$618 million, partially offset by purchases of marketable securities of \$310 million and purchases of property and equipment to support our office facilities of \$7 million.

#### *Cash Flows from Financing Activities*

For the six months ended June 30, 2023, net cash used in financing activities was not material.

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For the six months ended June 30, 2022, net cash provided by financing activities was \$93 million, comprised primarily of changes in advances from a payment card issuer of \$58 million and proceeds of \$34 million from the exercise of non-voting common stock warrants.

In 2022, net cash provided by financing activities was \$46 million, comprised primarily of proceeds of \$34 million from the exercise of non-voting common stock warrants and proceeds of \$14 million from the modification of non-voting common stock warrants.

In 2021, net cash provided by financing activities was \$464 million, comprised primarily of net proceeds of \$265 million from the issuance of redeemable convertible preferred stock, proceeds of \$125 million from the issuance of non-voting common stock, and proceeds of \$68 million from the exercise of non-voting common stock warrants.

In 2020, net cash provided by financing activities was \$671 million, comprised of net proceeds of \$625 million from the issuance of redeemable convertible preferred stock and proceeds of \$34 million and \$12 million from the exercise of non-voting common stock warrants and the exercise of stock options, respectively.

### **Contractual Obligations and Commitments**

*Operating leases.* Our operating lease commitments primarily include corporate offices. As of December 31, 2022, we had fixed lease payment obligations of \$53 million, with \$15 million to be paid within 12 months and the remainder thereafter. For additional discussion on our operating leases, see Note 10 to our audited consolidated financial statements included elsewhere in this prospectus.

*Non-cancellable purchases.* Our non-cancellable purchase commitments are primarily related to infrastructure service contracts for technology platforms. As of June 30, 2023, we had non-cancellable purchase obligations of \$84 million, with \$48 million to be paid within 12 months and the remainder thereafter.

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

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

We transact business globally in multiple currencies, with the vast majority of our cash generated from revenue denominated in U.S. dollars and a small amount denominated in Canadian dollars, Australian dollars, and Chinese yuan. Our international revenue, as well as costs and expenses denominated in foreign currencies, expose us to the risk of fluctuations in foreign currency exchange rates against the U.S. dollar. The effect of a hypothetical 10% change in foreign currency exchange rates applicable to our business would not have a material impact on our consolidated financial statements. As the impact of foreign currency exchange rates has not been material to our historical results of operations, we have not entered into derivative or hedging transactions, but we may do so in the future if our exposure to foreign currency becomes more significant.

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

As of June 30, 2023, we had cash and cash equivalents of \$1,838 million and marketable securities of \$129 million invested in a variety of securities, including U.S. government and agency securities, corporate debt securities, commercial paper, and money market funds. In addition, we had \$94 million of restricted cash and cash equivalents primarily due to legally restricted funds maintained in a custodial bank account pursuant to an agreement with a payment card issuer and outstanding letters of credit established in connection with lease agreements for our facilities. Our cash, cash equivalents, and marketable securities are held for working capital purposes. We do not enter into investments for trading or speculative purposes. Due to the short-term durations



and nature of our investments, we have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates. A hypothetical 10% increase or decrease in interest rates would not have had a material impact on our consolidated financial statements as of June 30, 2023.

### ***Inflation Risk***

We do not believe that inflation has had a material effect on our business, financial condition, or results of operations, other than its impact on the general economy. However, we are currently operating in a more volatile inflationary environment due to macroeconomic conditions and have limited data and experience doing so in our history, particularly at our current scale. The principal inflationary factors affecting our business are higher prices of products offered by retail partners through Instacart, including due to higher raw material costs, shipping and freight costs, higher fuel prices that are borne by our partners, and customers purchasing fewer items on average per order. Higher retailer prices, resulting in increased grocery costs and reduced consumer discretionary spending could negatively impact consumer demand for online grocery as consumers return to in-store shopping to save on service and delivery fees and also reduce order frequency, drive lower order volume, and decrease average order values. As a result, we may experience lower GTV and orders, which would negatively impact our revenue and margin. Customers have and may continue to reduce spending on more premium products, and our brand partners have and may continue to reduce their overall advertising budgets, either of which could harm our revenue and margin. Customers have and may continue to reduce the number of items purchased overall, which has produced fulfillment efficiencies in the short term but may harm our revenue and margin if and when inflationary pressures subside. We may also not be able to fully offset higher costs through operational efficiencies or price increases. Increased fuel prices as a result of supply chain and other macroeconomic factors may also result in fewer shoppers or reduced shopper activity. While we have previously implemented certain shopper incentives in response to these factors, persistent or increased shopper shortages may require us to reintroduce or further increase shopper incentives to ensure sufficient shoppers are available to meet demand or provide additional customer incentives or refunds due to shopper delays or incorrect orders, which have historically occurred and reduce our revenue and profitability.

Certain of our new offerings focused on value and affordability, such as the addition of discount grocers to Instacart, continued customer promotions, launch of no rush delivery, and Instacart+ members-only discounts, may improve customer accessibility to online grocery and help offset pricing challenges faced by customers due to inflationary pressures and customer fees. However, we cannot predict whether such offerings will offset or mitigate the negative impacts of inflationary pressures to our business, such as general reductions in discretionary spending by customers. Our inability or failure to address challenges relating to inflation could harm our business, financial condition, and results of operations.

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

Management's discussion and analysis of our financial condition and results of operations is based on our consolidated financial statements, which have been prepared in accordance with GAAP. The preparation of these consolidated financial statements requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenue, costs, and expenses and related disclosures. Our estimates are based on our historical experience and on various other factors that we believe are reasonable under the circumstances, the results of which form the basis for making judgments about the carrying value of assets and liabilities and the amount of revenue and expenses that are not readily apparent from other sources. Actual results may differ from these estimates under different assumptions or conditions, and any such differences may be material. We believe that of our significant accounting policies, which are described in Note 2 to our consolidated financial statements included elsewhere in this prospectus, the following accounting policies involve a greater degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition, results of operations, and cash flows.

### **Revenue Recognition**

Instacart connects multiple parties to facilitate transactions. Our revenue consists of transaction revenue and advertising and other revenue and is recognized in accordance with ASC 606, Revenue from Contracts with Customers.

#### *Transaction Revenue*

We generate revenue primarily from fees received from end users and amounts paid by retailers for our transaction service, net of any coupons, incentives, and refunds, as well as payments to shoppers. Our sole performance obligation to the retailer is to connect retailers with end users for the provision of goods by the retailer to the end user. Our sole performance obligation to the end user is to arrange for a shopper to provide fulfillment services to the end user. Each performance obligation is satisfied at a point in time, upon the transfer of control of the services.

#### *Advertising and Other Revenue*

We generate revenue from the sale of advertising to companies that are interested in reaching end users on Instacart. Advertising products include sponsored product, display ads, coupons, and a variety of other online advertising services. Our performance obligation is to continually promote a brand over the duration of the contractual term. We recognize revenue in the amount that we have the right to invoice as advertising services are rendered, which occurs upon delivery of clicks for Sponsored Product ads, upon delivery of impressions or over the contract term on a fixed fee basis for display ads, or upon redemptions of coupons. We also offer software subscription services that enhance the online shopping experience to certain retailers and generate an immaterial amount of other revenue from software subscriptions. Revenue from our software subscription services is recognized ratably over the subscription period.

#### *Principal vs. Agent Considerations*

As multiple parties are involved in a transaction between end users, retailers, and shoppers, judgment is required in determining whether we are the principal or agent for the goods and services provided to the end user or retailer in a transaction. We present revenue on a gross or net basis based on whether we control the goods or services provided to the end user or retailer and are the principal (gross), or we arrange for other parties to provide the goods or service to the end user or retailer and are an agent (net).

*Goods:* We have determined that we are an agent for the retailer in the sale of goods to the end user as we do not control the goods at any time before they are transferred to the end user. We do not pre-purchase or otherwise obtain control of the goods and only benefit from our fee for arranging for the sale of goods by the retailer to the end user. We also do not take inventory risk and do not generally have discretion over pricing of the goods.

*Fulfillment services:* We have determined that we are an agent for the end user in the procurement of fulfillment services from shoppers who are independent contractors. We do not control the fulfillment services provided as we do not pre-purchase services or otherwise direct shoppers to perform fulfillment services on our behalf. We do not promise fulfillment services to end users at any time. In addition, we are not primarily responsible for and do not have inventory risk for the fulfillment services. Although we have discretion in establishing the fees paid for the services, we believe this indicator does not alone provide persuasive evidence that we control the fulfillment services.

We recognize as revenue the net amount we retain from both the retailer and the end user from a transaction after remitting the purchase value of the goods to the retailer and amounts owed to the shopper for their services.

In limited situations, we utilize our own employees to provide certain fulfillment activities for end users with the related costs of employees recorded as cost of revenue.

#### *Revenue Share*

We generate revenue from a partnership with a payment card issuer whereby shoppers use cards issued by the payment card issuer to pay for goods at the retailers' point-of-sale. We earn a revenue share from the payment card issuer for transactions processed through these payment cards and record these amounts in the same period the underlying transaction takes place.

#### *Coupons, Refunds, and Incentives*

We offer several types of coupons and incentives to encourage use of our services, including customer appeasement credits, promotional coupons, and referral bonus coupons. In certain cases, we also provide refunds to retailers primarily in the form of price concessions. Refunds are accounted for as variable consideration and there is limited uncertainty in estimation given the short duration. In certain cases, end user fees received may be less than the amount of refunds, coupons, incentives, and shopper payments applicable to a particular transaction. This shortfall is recorded in revenue.

#### *Equity Agreements with Retailers*

Prior to 2019, we entered into equity agreements with certain retailers for the grant of common stock warrants and subscriptions for our non-voting common stock, which are generally executed at or near the time of execution of commercial agreements with these retailers for our services. Accordingly, we consider any excess of the fair value of the equity instruments issued over any cash payments received in exchange for these instruments to be consideration paid to the retailers and, therefore, a reduction of revenue.

The fair value of warrants was determined initially as of the grant date. Prior to January 1, 2020, the warrants with time-based vesting conditions were subsequently remeasured at each reporting period until the measurement date was reached by using the Black-Scholes option-pricing model. Warrants with performance-based vesting conditions were measured at the then current lowest aggregate fair value at each reporting period until the measurement date is reached. In 2022, certain warrants were modified to extend the exercise period, and we measured the fair value of the warrants as of the modification date using the Black-Scholes option-pricing model.

The Black-Scholes option pricing model requires the input of subjective assumptions, including (1) the fair value of common stock, (2) the expected stock price volatility, (3) the expected term of the warrant, (4) the risk-free interest rate, and (5) expected dividend yields. These assumptions are estimated as follows:

- *Fair value of common stock.* Because our common stock is not yet publicly traded, we are required to estimate the fair value of our common stock, as discussed in the section titled "—Common Stock Valuations" below.
- *Expected volatility.* As a result of the lack of historical and implied volatility data of our common stock, the expected stock price volatility is generally estimated based on the historical volatilities of a specified group of companies in our industry for a period equal to the expected life of the warrant. We select companies with comparable characteristics to us, including enterprise value, risk profiles, and position within the industry, and with historical share price information sufficient to meet the expected term of the stock options. The historical volatility data is computed using the daily closing prices for the selected companies.
- *Expected term.* We determine the expected term of our warrants based on the vesting term and contractual term.
- *Risk-free rate.* The risk-free rate assumption is based on the U.S. Treasury instruments whose term is consistent with the expected term of the warrants.
- *Expected dividend yield.* We utilize a dividend yield of zero, as we have not paid dividends and do not expect to do so in the foreseeable future, and as such, the dividend yield has been estimated to be zero.

On January 1, 2020, we adopted ASU No. 2019-08 and remeasured all outstanding stock-based awards to retailers using the award's fair value on the adoption date. Subsequent to adoption, outstanding stock-based awards to retailers were no longer required to be remeasured at each reporting period.

The fair value of non-voting common stock subscriptions is determined by management in part considering independent valuations of our common stock as discussed in the section titled "—Common Stock Valuations" below.

### **Stock-Based Compensation**

We measure compensation expense for all stock-based payment awards, including stock options, restricted stock, and restricted stock units granted to employees, directors, and nonemployees based on the estimated fair value of the awards on the date of grant. Stock-based compensation expense is recognized over the period during which an employee is required to provide service. The service-based vesting condition for the majority of these awards is satisfied over four years.

#### *Stock Options*

We estimate the fair value of stock options granted to employees using the Black-Scholes option-pricing model on the date of grant. The fair value of stock options with service-based vesting conditions is recognized as compensation expense on a straight-line basis over the requisite service period. The Black-Scholes option-pricing model requires the input of subjective assumptions including the following:

- *Fair value of common stock.* Because our common stock is not yet publicly traded, we are required to estimate the fair value of our common stock, as discussed in the section titled "—Common Stock Valuations" below.
- *Expected volatility.* As a result of the lack of historical and implied volatility data of our common stock, the expected stock price volatility has been estimated based on the historical volatilities of a specified group of companies in our industry for a period equal to the expected life of the option. We selected companies with comparable characteristics to us, including enterprise value, risk profiles, and position within the industry and with historical share price information sufficient to meet the expected term of the stock options. The historical volatility data has been computed using the daily closing prices for the selected companies.
- *Expected term.* The expected term of stock options represents the weighted-average period the stock options are expected to remain outstanding and is based on the stock options' vesting terms and contractual terms, estimated employee termination behavior, and potential future stock price outcomes.
- *Risk-free rate.* The expected risk-free rate assumption is based on the U.S. Treasury instruments whose term is consistent with the expected term of the stock options.
- *Expected dividend yield.* The expected dividend assumption is based on our history and expectation of dividend payouts. We have not paid dividends and do not expect to do so in the foreseeable future, and as such, the dividend yield has been estimated to be zero.

We have also granted stock options that vest only upon the satisfaction of both service-based vesting conditions and market-based vesting conditions. The market-based vesting conditions are satisfied upon our achievement of specified future valuation amounts. In the event of a change of control, 100% of the then unvested shares subject to the market-based vesting condition shall vest. We determined the grant-date fair value utilizing a Monte Carlo valuation model, which incorporates various assumptions, including expected stock price volatility, expected term, risk-free interest rates, expected date of a qualifying event, and expected capital raise amount. We record stock-based compensation expense for market-based equity awards on an accelerated attribution method over the requisite service period. We determined the requisite service period by comparing the

derived service period to achieve the market-based vesting conditions and the explicit time-based service period, using the longer of the two service periods as the requisite service period for recognition of stock-based compensation expense. If the market-based vesting conditions are met sooner than the derived service period, we will adjust our stock-based compensation expense to accelerate the cumulative expense associated with the vested award. Assuming that the service-based vesting condition has been met, we will recognize stock-based compensation expense over the requisite service period, regardless of whether the market-based vesting conditions are achieved.

#### *Restricted Stock Units and Restricted Stock*

We have granted RSUs and restricted stock to our employees and directors under our 2018 Plan. RSUs and restricted stock outstanding as of June 30, 2023 have both service-based and liquidity event-based vesting conditions. The service-based vesting period for these awards is typically four years with a cliff vesting period of one year and continued vesting monthly or quarterly thereafter. Upon satisfaction of the liquidity event-based vesting condition, RSUs and restricted stock for which the service-based vesting condition has also been satisfied will vest immediately, and any remaining unvested RSUs and restricted stock will vest ratably over the remaining service period. The liquidity event-based vesting condition is satisfied on the earlier of (1) a combination or disposition transaction provided that such transaction (or series of transactions) qualifies as a change of control, and (2) the effective date of a registration statement for an initial public offering of our common stock, which will be satisfied in connection with the effectiveness of the registration statement of which this prospectus forms a part. As of June 30, 2023, all stock-based compensation expense related to RSUs and restricted stock remained unrecognized because the liquidity event-based vesting condition was not satisfied. At the time the liquidity event-based vesting condition becomes probable, which is not until such condition is satisfied, we will recognize cumulative stock-based compensation expense for the outstanding RSUs and restricted stock using the accelerated attribution method for awards that have fully or partially satisfied the service-based vesting condition.

We have also granted RSUs that vest only upon the satisfaction of service-based, liquidity event-based, and market-based vesting conditions with certain RSUs including a one-year holding period prior to any sale, transfer, or disposal, subject to certain exceptions. The liquidity event-based vesting condition is satisfied on the earlier of (1) a change of control or (2) the effective date of a registration statement for an initial public offering of our common stock, which will be satisfied in connection with the effectiveness of the registration statement of which this prospectus forms a part. The market-based vesting conditions are satisfied upon our achievement of specified future market capitalization goals. We determined the grant-date fair value utilizing a Monte Carlo valuation model, which incorporates various assumptions including expected stock price volatility, expected term, risk-free interest rates, expected date of a qualifying event, and expected capital raise amount. We record stock-based compensation expense for these awards on an accelerated attribution method over the requisite service period and only if the liquidity event-based vesting condition is considered probable to be satisfied. We determine the requisite service period by comparing the derived service period to achieve the market-based vesting conditions and the explicit time-based service period, using the longer of the two service periods as the requisite service period for recognition of stock-based compensation expense. If the market-based vesting conditions are met sooner than the derived service period, we will adjust our stock-based compensation expense to accelerate the cumulative expense associated with the vested award. Assuming that both the service-based vesting condition and the liquidity event-based vesting condition have been met, we will recognize stock-based compensation expense over the requisite service period, regardless of whether the market-based vesting conditions are achieved.

As of June 30, 2023, approximately 63.9 million RSUs and shares of restricted stock were outstanding, of which approximately 28.0 million had met their service-based vesting condition, and, as applicable, both their service-based and market-based vesting conditions. The total unrecognized stock-based compensation expense relating to these awards as of June 30, 2023 was \$3.3 billion. Of that amount, \$2.5 billion relates to awards for which the service-based vesting condition, or as applicable, both the service-based and market-based vesting conditions, had been satisfied or partially satisfied as of June 30, 2023, calculated using the accelerated attribution

method. In connection with this offering, we expect 0.6 million RSUs will satisfy their market-based vesting conditions. After the closing of this offering, based on RSUs outstanding as of August 30, 2023, we expect that approximately 3.3 million, 3.2 million, and 3.3 million RSUs will satisfy their service-based vesting conditions by each of November 15, 2023, February 15, 2024, and May 15, 2024, respectively, assuming no forfeitures. These amounts do not assume any satisfaction of market-based vesting conditions for outstanding performance stock awards following this offering. We may delay the settlement of certain of these vested RSUs until after the expiration of lock-up agreements and market stand-off provisions described elsewhere in this prospectus.

### **Common Stock Valuations**

The fair value of the shares of common stock underlying stock options, RSUs, and restricted stock issued in connection with business acquisitions has historically been determined by our board of directors, with input from management and corroboration from contemporaneous third-party valuations, as there was no public market for the common stock. We believe that our board of directors has the relevant experience and expertise to determine the fair value of our common stock. Given the absence of a public trading market of our common stock, and in accordance with the American Institute of Certified Public Accounting and Valuation Guide, *Valuation of Privately-Held Company Equity Securities Issued as Compensation*, our board of directors exercised reasonable judgment and considered numerous objective and subjective factors to determine the best estimate of the fair value of our common stock at each option grant date, including:

- independent third-party valuations of our common stock;
- the rights, preferences, and privileges of our redeemable convertible preferred stock relative to those of our common stock;
- the prices of common or redeemable convertible preferred stock sold to third-party investors by us and in secondary transactions;
- our actual operating and financial performance;
- current business conditions and projections;
- hiring of key personnel and the experience of our management;
- our history and the introduction of new services;
- our stage of development;
- likelihood of achieving a liquidity event, such as an initial public offering, direct listing, or a merger or acquisition given prevailing market conditions;
- the market performance of comparable publicly traded companies; and
- the U.S. and global capital market conditions.

In valuing our common stock, the board of directors determined the value using both the market approach and the income approach valuation methods. The market approach measures the value of a business through an analysis of recent sales or offerings of comparable investments or assets. In applying this method, valuation multiples are derived from historical operating data of a peer company group. We then apply multiples to our operating data to arrive at a range of indicated values of the company. The income approach estimates value based on the expectation of future cash flows that a company will generate. These future cash flows are discounted to their present values using a discount rate derived from an analysis of the cost of capital of comparable publicly traded companies in our industry or similar business operations as of each valuation date and is adjusted to reflect the risks inherent in our cash flows. In 2020 through February 2021, the enterprise value was estimated by back-solving for the enterprise value implied by recent sales of common and/or preferred equity. Starting in May 2021, the enterprise value was estimated using a probability-weighted expected return method, or PWERM.

For each valuation, the enterprise value determined by the income and/or market approaches was then allocated to the common stock using the option pricing method, or OPM, or a hybrid of the PWERM and OPM,

which estimates the probability weighted value across multiple scenarios but uses OPM to estimate the allocation of value within one or more of those scenarios.

The OPM method allows for the allocation of a company's equity value among the various equity capital owners. The OPM uses the preferred stockholders' liquidation preferences, participation rights, dividend policy, and conversion rights to determine how proceeds from a liquidity event shall be distributed among the various ownership classes at a future date. The PWERM method involves the estimation of future potential outcomes for the company, as well as values and probabilities associated with each respective potential outcome. This method is particularly useful when discrete future outcomes can be predicted at a relatively high confidence level with a probability distribution. Discrete future outcomes considered under the PWERM include a liquidity event, as well as non-liquidity event market-based outcomes. Determining the fair value of the enterprise using the PWERM requires the development of assumptions and estimates for both the probability of a liquidity event and stay private outcomes, as well as the values those outcomes could yield.

In addition, we also considered any secondary transactions involving our capital stock. In our evaluation of those transactions, we considered the facts and circumstances of each transaction to determine the extent to which they represented a fair value exchange and assigned the transactions an appropriate weighting in the valuation of our common stock. Factors considered include the number of different buyers and sellers, transaction volume, timing relative to the valuation date, whether the transactions occurred between willing and unrelated parties, and whether the transactions involved investors with access to our financial information.

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

For valuations after the completion of this offering, the board of directors will determine the fair value of each share of underlying common stock based on the closing price of our common stock as reported on the date of grant. Future expense amounts for any particular period could be affected by changes in our assumptions or market conditions.

### ***Business Combinations***

Business combinations are accounted for under the acquisition method of accounting. This method requires, among other things, allocation of the fair value of purchase consideration to the tangible and intangible assets acquired and liabilities assumed at their estimated fair values on the acquisition date. The excess of the fair value of purchase consideration over the values of these identifiable assets and liabilities is recorded as goodwill. When determining the fair value of assets acquired and liabilities assumed, management makes significant estimates and assumptions, especially with respect to intangible assets. Management's estimates of fair value are based upon assumptions believed to be reasonable but which are inherently uncertain and unpredictable, and as a result, actual results may differ from estimates. During the measurement period, not to exceed one year from the date of acquisition, we may record adjustments to the assets acquired and liabilities assumed, with a corresponding offset to goodwill if new information is obtained related to facts and circumstances that existed as of the acquisition date. After the measurement period, any subsequent adjustments are reflected in the consolidated statements of operations. Acquisition costs, consisting primarily of third-party legal and consulting costs, are expensed as incurred.

### ***Sales and Indirect Taxes***

In the United States, we are under audit by various state tax authorities with regard to sales and indirect tax matters. The subject matter of these audits primarily relates to the reporting of sales on behalf of our third-party

sellers or tax treatment applied to the sale of our services in these jurisdictions. We believe that we properly accrue and pay taxes according to our understanding of tax requirements in each taxing jurisdiction; however, it is possible that tax authorities may question our interpretation of taxability. As such, there is a high degree of complexity involved in the interpretation and application of states and local sales and indirect tax rules to our activities. As a result, we maintain a reserve for potential sales and indirect taxes that may result from examinations or settlement agreements with these tax authorities when we believe that it is both probable that a liability has been incurred and the amount can be reasonably estimated. These reserves are recorded within long-term liabilities on the consolidated balance sheets and within general and administrative expense in the consolidated statements of operations.

### ***Loss Contingencies***

We are involved in various legal proceedings, claims and regulatory, non-income tax audits, or government inquiries and investigations that arise in the ordinary course of business. Certain of these matters include claims for substantial or indeterminate amounts of damages. We record liabilities to address potential exposures related to tax positions we have taken that have been or could be challenged by taxing authorities. In addition, we record liabilities associated with legal proceedings and lawsuits. These liabilities are recorded when we believe that it is both probable that a loss has been incurred and the amount can be estimated.

We review the developments of each individual legal proceeding that could affect the amount of liabilities that have been previously recorded and the range of possible losses disclosed. We make adjustments to our liabilities and disclosures accordingly to reflect the impact of negotiations, settlements, rulings, advice of legal counsel, and updated information. Significant judgment is required to determine both the probability and the estimated amount of loss. These estimates have been based on our assessment of the facts and circumstances at each balance sheet date and are subject to change based on new information and future events.

The outcomes of these legal proceedings are inherently uncertain. Therefore, if one or more of these matters were resolved against us for amounts in excess of management's expectations, our results of operations and financial condition, including in a particular reporting period in which any such outcome becomes probable and estimable, could be materially adversely affected.

### ***Income Taxes***

We record a provision for income taxes for the anticipated tax consequences of our reported results of operations using the asset and liability method. Deferred income taxes are recognized by applying enacted statutory tax rates applicable to future years to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases as well as net operating loss and tax credit carryforwards. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in income in the period that includes the enactment date. The measurement of deferred tax assets is reduced, if necessary, by a valuation allowance for any tax benefits for which future realization is uncertain.

Although we believe our assumptions, judgments, and estimates are reasonable, changes in tax laws or our interpretation of tax laws and the resolution of any tax audits could significantly impact the amounts provided for income taxes in our consolidated financial statements.

In evaluating our ability to recover our deferred tax assets, in full or in part, we consider all available positive and negative evidence, including such factors as the history of recent earnings and expected future taxable income on a jurisdiction-by-jurisdiction basis. The assumptions utilized in determining future taxable income require judgment and are consistent with the plans and estimates we are using to manage the underlying business. Actual operating results in future years could differ from our current assumptions, judgments, and estimates. As of December 31, 2022, after considering these factors, we determined that the positive evidence overcame any negative evidence, and concluded that it was more likely than not that the U.S. federal and state deferred tax assets were realizable. As a result, we released the entire valuation allowance of \$358 million related to the U.S. federal and state net deferred tax assets during the year ended December 31, 2022.



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We did not recognize certain tax benefits from uncertain tax positions within the provision for income taxes. We may recognize a tax benefit only if it is more likely than not 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 financial statements from such positions are then measured based on the largest benefit that has a greater than 50% likelihood of being realized upon settlement. At June 30, 2023, our estimated gross unrecognized tax benefits were \$35 million, which, if recognized, would favorably impact our future earnings. Due to uncertainties in any tax audit outcome, our estimates of the ultimate settlement of our unrecognized tax positions may change and the actual tax benefits may differ significantly from the estimates.

**Recent Accounting Pronouncements**

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

## BUSINESS

### Overview

Instacart is powering the future of grocery through technology. We partner with retailers to help them successfully navigate the digital transformation of their businesses.

Instacart was founded in 2012 to bring the grocery industry online and help make grocery shopping effortless. We started by understanding what consumers want and then built enterprise-grade technologies that allow retailers to meet those needs. We want to enable any retailer, large or small, to drive success both online and in-store and serve their customers better in all of the ways they choose to shop. Today, more than 1,400 national, regional, and local retail banners<sup>97</sup> that collectively represent more than 85% of the U.S. grocery market partner with Instacart.<sup>98</sup> We have demonstrated our ability to help our retail partners drive strong growth and stay competitive in a complex and increasingly digital industry. Our GTV, representing the online sales we power for all of our retail partners, grew at a CAGR of 80% between 2018 and 2022, compared to 50% for the overall online grocery market and 1% for offline grocery.<sup>99</sup> In 2022, we generated approximately \$29 billion of GTV, which makes Instacart the leading grocery technology company in North America.<sup>100</sup>

Instacart invented a new model for online grocery shopping by offering consumers on-demand delivery from the stores they know and trust. We help our retail partners reach 7.7 million monthly active orderers who spend approximately \$317 per month on average on Instacart.<sup>101</sup> Retailers reach customers through both Instacart Marketplace, where customers can shop from their favorite retailers through our app or website, and retailers' owned and operated online storefronts that are powered by Instacart Enterprise Platform, our end-to-end technology solution encompassing eCommerce, fulfillment, Connected Stores, ads and marketing, and insights.

When shopping for groceries, consumers want selection, quality, value, and convenience, and they shop in many different ways. Instacart started as a way for households to conveniently manage their weekly grocery shopping, a recurring and high order value consumer use case. Today, customers can place orders for delivery or pickup across a variety of use cases including the weekly shop, bulk stock-up, convenience, and special occasions. Customers can select the fulfillment option and speed that best serve their needs. For example, a busy parent may prefer the reliability of having their family's groceries delivered every Sunday, but if they need a few items in the middle of the week, they can trust Instacart to help deliver the items they need with priority delivery (as fast as 30 minutes). Each order can be shopped for and delivered with care by one of the hundreds of thousands of shoppers who value the flexible earnings opportunities that Instacart provides.<sup>102</sup>

As consumers and retailers move online, CPG brands can use Instacart Ads as a new way to reach customers at the point of purchase and within minutes of delivery and consumption. Today, over 5,500 brands are using Instacart Ads and are now more easily discoverable as customers fill their digital carts.<sup>103</sup> Instacart Ads offers brands a highly measurable ads offering that leverages first-party transaction data to move products off of store shelves more efficiently.

### *The Future of Grocery*

We believe the future of grocery is about helping consumers find products they love from retailers they trust, no matter where they are or how they choose to shop. Grocery is the largest category in all of retail, with an

<sup>97</sup> As of June 30, 2023.

<sup>98</sup> Based on total grocery sales in 2022, excluding alcohol sales. CSG.

<sup>99</sup> Incisiv.

<sup>100</sup> Based on total online grocery sales in 2022.

<sup>101</sup> For the month ended June 30, 2023.

<sup>102</sup> As of June 30, 2023.

<sup>103</sup> Active brand partners as of June 30, 2023.

annual spend of approximately \$1.1 trillion in the United States in 2022.<sup>104</sup> Despite the size of the market, grocery has historically been significantly slower to move online compared to other consumer categories. In 2022, only 12% of U.S. grocery shopping took place online,<sup>105</sup> compared to 66% of consumer electronics, 38% of apparel, 23% of consumer foodservice, and 20% of home goods.<sup>106</sup> Over the past three years, this spend shifted from offline to online at an accelerated pace. Online grocery penetration took 10 years to triple from 1% of total grocery sales in 2009<sup>107</sup> to 3% in 2019 and just three years to quadruple to 12% in 2022.<sup>108</sup> Market penetration could double or more over time.<sup>109</sup>

For grocery retailers, this means that online success is critical, and all grocers from large national players to local mainstays must prepare for a future where all aspects of their business, including their stores, will be improved through technology. Compared to other industries, however, grocery is difficult to digitize. Grocery retail is characterized by diverse consumer behaviors, complex inventory management and fulfillment, lack of integrated omni-channel data, a shortage of technology that is custom-built for online grocery, a disaggregated supply chain, and a low operating margin. Before Instacart, grocery retailers did not have access to a unified technology solution to manage eCommerce, fulfillment, Connected Stores, ads and marketing, and insights. Instacart is solving this problem.

### **Instacart Technology**

Grocery retailers have earned the trust and loyalty of customers over generations by offering selection, quality, value, and convenience. For more than a decade, we have invested in technology that is custom-built for online grocery. We believe our scaled marketplace provides us with unique insights into the needs of the online grocery consumer. Our strategy is to put our technology capabilities and consumer insights into the hands of our retail partners. We are investing more in technology custom-built for online grocery than any single grocer could on their own, allowing grocers to leverage our scale and investments to grow their businesses.

Our technology solutions are better together. Since our founding, Instacart Marketplace has powered more than \$100 billion of GTV and over 900 million orders with approximately 20 billion items ordered.<sup>110</sup> This scale gives us unique insights into consumer buying behavior, needs, and trends across the entire grocery industry in North America. We then utilize these insights to enhance Instacart Enterprise Platform, ensuring retailers can best meet their customers' needs across their owned and operated online and physical storefronts. Similarly, Instacart Enterprise Platform enhances Instacart Marketplace, as our deep integration with retailers allows us to expand marketplace capabilities for our customers. As we continue to scale and refine our technology and data insights across Instacart Marketplace and Instacart Enterprise Platform, our algorithms continuously improve to provide significant benefits, including better search results, more intelligent replacements, and more seamless checkout flows, among others. Many of these benefits also enhance the value delivered to our brand partners. This draws more brands to Instacart Ads, which yields benefits for Instacart Marketplace and Instacart Enterprise Platform.

- *Instacart Marketplace*. Connects customers to their favorite national, regional, and local retailers on the largest online grocery marketplace in North America through our mobile app or website.<sup>111</sup>

<sup>104</sup> Incisiv.

<sup>105</sup> Incisiv.

<sup>106</sup> Euromonitor, *Retail* (2023 edition), *Consumer Foodservice* (2023 edition); categories: Consumer Electronics, Consumer Electronics E-Commerce, Apparel and Footwear, Apparel and Footwear E-Commerce, Homewares and Home Furnishings, Homewares and Home Furnishings E-Commerce, Consumer Foodservice by Type, categorization type: online and total; Consumer Foodservice by Type covers Foodservice Value RSP, data for the Retail Categories covers Retail Value RSP excluding Sales Tax; USD, current prices.

<sup>107</sup> Euromonitor, *Retail* (2023 edition), categories: Food E-Commerce and Drinks and Tobacco E-Commerce 2009 retail value RSP in USD, excluding sales tax, current terms; calculated as a percentage of total Grocery Retailers, Food E-Commerce, and Drinks and Tobacco combined 2009 retail value RSP in USD, excluding sales tax.

<sup>108</sup> Incisiv.

<sup>109</sup> McKinsey, *The next horizon for grocery e-commerce: Beyond the pandemic bump*.

<sup>110</sup> As of July 31, 2023.

<sup>111</sup> Based on GTV generated on Instacart and total grocery sales in 2022.

- *Instacart Enterprise Platform.* Provides retailers with a suite of enterprise-grade technologies that span eCommerce, fulfillment, Connected Stores, ads and marketing, and insights.
- *Instacart Ads.* Allows CPG brands to drive sales by engaging with high-intent customers in a highly measurable and targeted way while also providing savings and product discovery to customers through our leading digital advertising solutions and insights.

Instacart is built for the entire grocery ecosystem, improving the experiences for each of our constituents and helping them succeed:

- *Retailers.* We enable more than 1,400 retail banners to grow by providing technology that can accelerate the digital transformation of their entire business.<sup>112</sup> Our retail partners include national leaders such as Aldi, Costco, and Kroger, regional favorites such as Publix and Wegmans, local mainstays like Mollie Stone's Markets, and retailers serving many specific use cases, such as Best Buy, Lowe's, Sephora, and Walgreens. We estimate that the sales volume we power for our top 20 retail partners represented 5.0% of their total sales in 2022, up from 0.6% in 2018.<sup>113</sup>
- *Customers.* We help 7.7 million monthly active orderers<sup>114</sup> shop at their favorite retailers and enjoy selection, quality, value, and convenience. We reach over 95% of households in North America.<sup>115</sup> Our membership program, Instacart+, offers expanded customer benefits to our 5.1 million members,<sup>116</sup> including unlimited free delivery on orders over a certain size, a reduced service fee, credit back on eligible pickup orders, and exclusive benefits.
- *Brands.* We represent one of the largest and fastest growing eCommerce channels for CPG brands. We provide discovery and attractive ROI for over 5,500 brands through our industry-leading advertising tools and insights purpose-built for the online grocery category.<sup>117</sup> We estimate that on average, our ads deliver more than a 15% incremental sales lift, and in some cases twice that, for our brand partners.<sup>118</sup> Our brand partners include household brands such as Campbell's, Nestlé, and Pepsi and emerging brands such as Banza, Chloe's Fruit Pops, and Whisps.
- *Shoppers.* We offer approximately 600,000 shoppers an immediate, flexible earnings opportunity that allows them to choose when and how much to work.<sup>119</sup> Distinct from other on-demand workers, shoppers are about two-thirds female, about half of them are parents, and they work on average about 9 hours per week, nearly half of which is spent shopping as opposed to driving.<sup>120</sup> Because the most important part of the job is picking the right products for customers, Instacart tends to attract people who use empathy, efficiency, communication, and problem-solving to pick, pack, and deliver an order. Shoppers are deeply valued members of the Instacart community, and we strive to make the shopping experience as seamless as possible and protect shoppers while they work.

### **Our Business Model**

We believe that every Instacart order benefits retailers, customers, brands, and shoppers. The success of our business relies on the success of all these constituents. As more customers increase engagement, we benefit from more orders and GTV that generate diversified revenue streams and improve operational efficiencies. Our revenue consists of transaction revenue, primarily from fees paid on each order by retail partners and customers,

<sup>112</sup> As of June 30, 2023.

<sup>113</sup> Based on total grocery sales in 2022, excluding alcohol sales. CSG.

<sup>114</sup> For the month ended June 30, 2023.

<sup>115</sup> U.S. Census Bureau (July 2021) and Statistics Canada (2021). Based on number of households in Instacart's active delivery-enabled or pickup zones as of June 30, 2023.

<sup>116</sup> As of June 30, 2023. Includes paying Instacart+ members only and excludes free trial members.

<sup>117</sup> Active brand partners as of June 30, 2023.

<sup>118</sup> Based on internal tests run across all brand partners using our Sponsored Product ads offering in the quarter ended June 30, 2023 and individual tests run for select brands or types of brands.

<sup>119</sup> Based on shoppers who completed at least one order during the month ended June 30, 2023.

<sup>120</sup> Average hours per week and time spent shopping for the quarter ended June 30, 2023. Shopper demographics based on a random sampling of 2,906 shoppers who completed at least one order during the four weeks ended May 23, 2023.

as well as advertising and other revenue, primarily from advertising fees paid by brand partners. In 2022 and the six months ended June 30, 2023, our transaction revenue and advertising and other revenue were approximately 6.3% and 2.6% and 7.2% and 2.7%, respectively, of GTV. Since grocery is one of the largest recurring monthly household expenses, we have high average order values, which allows us to keep fees as a percent of GTV lower for retailers and customers relative to other on-demand delivery platforms and enables us to allocate certain costs, such as shopper earnings and hosting expenses, across a larger base.

By growing advertising and other revenue and making fulfillment more efficient at scale, we have historically been able to increase gross profit consistently faster than GTV. Expanding gross profit as a percent of GTV contributes to our improving unit economics. This, in turn, allows us to reinvest in our business, particularly in research and development to build new technologies for retailers and in sales and marketing to help attract and engage customers to grow orders and GTV.

Since our founding, we have achieved substantial growth and an improved margin. Starting in March 2020 and through the first quarter of 2022, our growth was significantly accelerated by the COVID-19 pandemic. While we do not expect our pandemic-accelerated growth rates to recur in future periods, our growth during this period helped establish a business with much greater scale and much higher gross profit.

- Orders grew from 223.4 million in 2021 to 262.6 million in 2022, an increase of 18%, and remained consistent from 132.3 million for the six months ended June 30, 2022 to 132.9 million for the six months ended June 30, 2023;
- GTV grew from \$24,909 million in 2021 to \$28,826 million in 2022, an increase of 16%, and from \$14,356 million for the six months ended June 30, 2022 to \$14,937 million for the six months ended June 30, 2023, an increase of 4%;
- Total revenue grew from \$1,834 million in 2021 to \$2,551 million in 2022, an increase of 39%, and from \$1,126 million for the six months ended June 30, 2022 to \$1,475 million for the six months ended June 30, 2023, an increase of 31%;
- Transaction revenue grew from \$1,262 million (or 69% of total revenue) in 2021 to \$1,811 million (or 71% of total revenue) in 2022, an increase of 44%, and from \$799 million (or 71% of total revenue) for the six months ended June 30, 2022 to \$1,069 million (or 72% of total revenue) for the six months ended June 30, 2023, an increase of 34%;
- Advertising and other revenue grew from \$572 million (or 31% of total revenue) in 2021 to \$740 million (or 29% of total revenue) in 2022, an increase of 29%, and from \$327 million (or 29% of total revenue) for the six months ended June 30, 2022 to \$406 million (or 28% of total revenue) for the six months ended June 30, 2023, an increase of 24%;
- Gross profit grew from \$1,226 million in 2021 to \$1,831 million in 2022, an increase of 49%, and from \$769 million for the six months ended June 30, 2022 to \$1,109 million for the six months ended June 30, 2023, an increase of 44%;
- Net income (loss) improved from \$(73) million in 2021 to \$428 million in 2022 (including a \$358 million tax benefit from the release of our valuation allowance on our deferred tax assets in the United States) and grew as a percent of GTV from (0.3)% in 2021 to 1.5% in 2022, and from \$(74) million for the six months ended June 30, 2022 to \$242 million for the six months ended June 30, 2023 and grew as a percent of GTV from (0.5)% for the six months ended June 30, 2022 to 1.6% for the six months ended June 30, 2023. We have a history of losses and have only recently began generating profit, and as of June 30, 2023, we had an accumulated deficit of \$735 million; and
- Adjusted EBITDA grew as a percent of GTV from 0.1% in 2021 to 0.6% in 2022, and Adjusted EBITDA margin grew from 2% in 2021 to 7% in 2022, and from (0.1)% for the six months ended June 30, 2022 to 1.9% for the six months ended June 30, 2023 and (2)% for the six months ended June 30, 2022 to 19% for the six months ended June 30, 2023, respectively, demonstrating significant operating leverage.

## Our Industry

Grocery has one of the lowest levels of digitization of any industry. Grocery retailers in the United States spent an estimated \$14.2 billion on enterprise IT in 2022,<sup>121</sup> which represents approximately 1% of their total sales.<sup>122</sup> This compares to average estimated technology budgets as a percent of revenue of approximately 25% for telecommunications, 11% for air travel, and 4% for hospital services for the same year.<sup>123</sup>

### Complexities of Grocery Retail

The grocery industry has attributes not found in other consumer retail categories due to inherent market structure differences and the uniqueness of grocery operations:

#### Market Structure

- *Enterprise Market Structure.* In the United States, there are thousands of companies in grocery retail<sup>124</sup> that collectively manage tens of thousands of store locations.<sup>125</sup> 68% of the total U.S. grocery market comes from the top 20 grocers,<sup>126</sup> yet market share significantly differs by region within the United States. The largest retailers operate multiple banners, across hundreds of locations, and require nationwide integration.
- *Disaggregated Supply Chain.* There are multiple participants in the grocery supply chain, including food producers, product manufacturers, wholesalers, and distributors, each of whom capture a considerable portion of the value chain and introduce operational complexity.
- *Intense Competition from Digital-First Platforms.* Traditional grocers have spent generations building loyalty with consumers through selection and quality. However, consumers increasingly expect a high-quality digital experience. Digital-first platforms and quick delivery disruptors are investing large amounts of capital to create online experiences and develop in-store technology to compete with traditional retailers for consumer wallet share.
- *Regulations.* The grocery industry is highly regulated, particularly in categories such as alcohol, prescriptions, and supplemental nutrition assistance programs. Grocers must comply with different state and local laws, which vary significantly state by state and city by city and require a comprehensive compliance system.

#### Grocery Operations

- *Expansive and Diverse Product Assortment.*
  - *Diversity of Products.* In order to have the assortment consumers expect, grocers sell a high volume of products. The average grocer carries over 31,000 products in a single store location across a wide range of categories like food, alcohol, consumer health, pet care, ready-made meals, and more.<sup>127</sup>
  - *High Inventory Turnover.* Grocery inventory turns over in real time with high velocity. Inventory forecasting and SKU rationalization, as well as evaluating which products to sell or discontinue, are critical to maximizing sales and profitability. For pickup or delivery orders, high inventory turnover also means that it is critical for grocers to direct consumers to appropriate replacements to avoid lost demand.

<sup>121</sup> Gartner.

<sup>122</sup> Incisiv.

<sup>123</sup> Gartner.

<sup>124</sup> As of 2023. FactSet.

<sup>125</sup> As of 2022. IBISWorld.

<sup>126</sup> In 2022. Euromonitor, *Retail* (2023 edition), category: Grocery Retailers; retail value RSP in USD, excluding sales tax, calculated as a percentage of total Grocery Retailers retail value RSP in the United States in 2022 in USD, excluding sales tax.

<sup>127</sup> In 2019. FMI, *Supermarket Facts*.

- *Large Portion of Perishables.* Perishables account for 16% of North American grocery sales.<sup>128</sup> As a result, it is imperative for grocers to manage this inventory carefully and maintain specific temperatures to reduce food waste and operational inefficiencies.
- *Breadth of Fulfillment Options.* Whether a consumer chooses pickup, scheduled delivery, or on-demand delivery, each order requires picking and packing. Picking is complex due to the sheer scale of grocery stores, where the over 48,000 square feet on average of each distinct location may be merchandised differently.<sup>129</sup> There are a number of factors that require quality control, such as accuracy of the item, preferred replacement, and product freshness.
- *Competition for Technical Talent.* In a survey, more than half of respondents in the grocery industry reported they believe it will be difficult to attract the necessary talent to support digital growth in the next five years.<sup>130</sup>
- *Limited Personalization.* Grocers have historically collected data through loyalty programs at checkout, but they have lacked access to a solution to aggregate and analyze data across online and offline channels, provide actionable insights, and help create personalized experiences for customers while they are preparing to shop or in the act of shopping.
- *Lack of Technology Custom-Built for Online Grocery.* The industry has historically lacked a unified technology solution built specifically for grocers. Even where adequate point solutions exist, grocers still have to engage large technical teams to integrate several point solutions into their systems, and these point solutions frequently do not integrate well with one another. With operations spread across multiple products with varying technology capabilities, many grocers struggle to manage their businesses while simultaneously providing a seamless experience for their customers.
- *Low Operating Margins and High Fixed Costs.* The typical grocery retail operating margin is 6%,<sup>131</sup> which is lower than other consumer categories. Many grocery retailers are also burdened by a high fixed cost base that is sensitive to market share gains and losses. We believe these factors, taken together, increase the importance of operational efficiencies and limit most grocers' ability to deploy capital for digital transformation, which is key for competitive differentiation.

### **Diverse Consumer Use Cases**

Grocery is a large, recurring, non-discretionary, and high frequency consumer category. Americans shop for groceries 1.6 times per week on average,<sup>132</sup> spend \$438 per month on groceries on average,<sup>133</sup> and have a wide range of brand and retailer loyalties. For example, a consumer may prefer the produce selection from one retailer and the pantry selection from another. Given grocery is a non-discretionary expense, it touches a broad demographic of consumers, and value is critical. Urgency varies each time a consumer shops. For example, a consumer may be looking to buy a last-minute ingredient before dinner that same day or may be comfortable purchasing household goods in bulk and receiving them later. We categorize consumer shopping occasions as follows:

- *Weekly shop* is a recurring, planned shop to buy groceries and household items. We believe that weekly grocery shopping represents the largest portion of the market and has historically been the most common consumer use case, balancing the optimal mix of selection, quality, value, and convenience. We started by solving for the weekly shop and have expanded to serve broader needs for our retail partners and their customers.

<sup>128</sup> In 2022. Euromonitor, Retail (2023 edition), Fresh Food (2023 edition). Fresh Food retail value RSP in North America in 2022 in USD, including sales tax, current terms, calculated as a percentage of total Grocery Retailers, Food E-Commerce, and Drinks and Tobacco E-Commerce retail value RSP in North America in 2022 in USD, including sales tax, current terms.

<sup>129</sup> Average in the United States. FMI, *Supermarket Facts*.

<sup>130</sup> McKinsey, *The next horizon for grocery e-commerce: Beyond the pandemic bump*.

<sup>131</sup> Instacart estimate based on publicly available information of five leading grocers with business in the United States.

<sup>132</sup> In 2022. Statista; based on 2,091 respondents interviewed through online survey.

<sup>133</sup> U.S. Bureau of Labor Statistics; based on consumer expenditures in 2021.

- *Bulk stock-up* is a less frequent shop for groceries and household items in large quantities. This use case has become increasingly popular as we have added retailers like BJ's, Costco, and Sam's Club that specifically cater to such orders.
- *Convenience* is a frequent top-up shop to replenish items.
- *Special occasion* is a planned shop for a known event, like a holiday or a gift, often requiring special items on a tight schedule.

Consumers will expect to have a seamless, personalized experience across these four use cases both online and in-store. The only way that a retailer can meet this demand is by leveraging an integrated technology solution that can seamlessly enable omni-channel operations.

### **Online Grocery Market Dynamics**

Given its inherent market structure differences and the complexity of operations, grocery retail's shift online demonstrates unique characteristics not seen in other consumer categories.

In 2022, 12% of grocery sales in the United States were online, defined as orders placed online for pickup or delivery.<sup>134</sup> Within online grocery sales, pickup fulfillment method accounts for 46% of total online sales while delivery accounts for 54%.<sup>135</sup> While delivery has consistently grown faster than pickup on a market level since 2020, pickup is expected to continue to be a meaningful component of the online grocery market, as it appeals to more value-oriented consumers focused on minimizing fees but who still want the convenience of online grocery.

Given the enterprise market structure of grocery retail, the majority of online sales are processed through traditional grocery retailers' owned and operated online storefronts. While GTV processed through traditional retailers' owned and operated online storefronts consisted of 95% of the pickup market, it accounted for 48% of the delivery market.<sup>136</sup>

The remaining 5% and 52% of online grocery sales for pickup and delivery, respectively, occurred on digital-first platforms.<sup>137</sup> While certain digital-first platforms own and manage inventory, we distinguish them from traditional retailers because digital-first platforms are purpose built to operate eCommerce businesses. We believe this data highlights the strength of digital-first platforms in delivery, and that pickup is a large and untapped opportunity for digital-first platforms.

The combination of Instacart Marketplace and Instacart Enterprise Platform enables us to power online transactions across channel types, whether orders are placed on Instacart Marketplace or on our retail partners' owned and operated online storefronts. This advantage results in our leading share of sales among the digital-first

<sup>134</sup> Incisiv.

<sup>135</sup> Based on data provided by YipitData. For the period from July 1, 2022 to June 30, 2023, Sales data are based on email receipts for online transactions from select U.S. grocery retailers for which representative data were available to YipitData, as well as online transactions from select online grocery platforms, including Instacart. YipitData's affiliate collects the email receipts from consumers who have opted to provide YipitData's affiliate with access to such receipts. YipitData's affiliate does not apply any other selection criteria or parameters for which consumers can opt in and provide data. While the number of consumers providing data to YipitData's affiliate fluctuates over time depending on various factors, including which consumers have opted in, over the time period for which data were collected, the total number was greater than 1,000,000 consumers. For Instacart, the data exclude transactions on retailers' owned and operated online storefronts powered by Storefront Pro and Instacart APIs and include transactions on retailers' owned and operated online storefronts powered by Storefront. The data also reflect certain additional adjustments for non-representative transactions (such as duplicate orders) and overrepresented geographies. Because the data are based only on email purchase receipts from consumers who have opted to provide data to YipitData's affiliate, the data represent only a sample of consumers and may not be representative of online sales for all consumers on each platform or at each retailer for the measurement period.

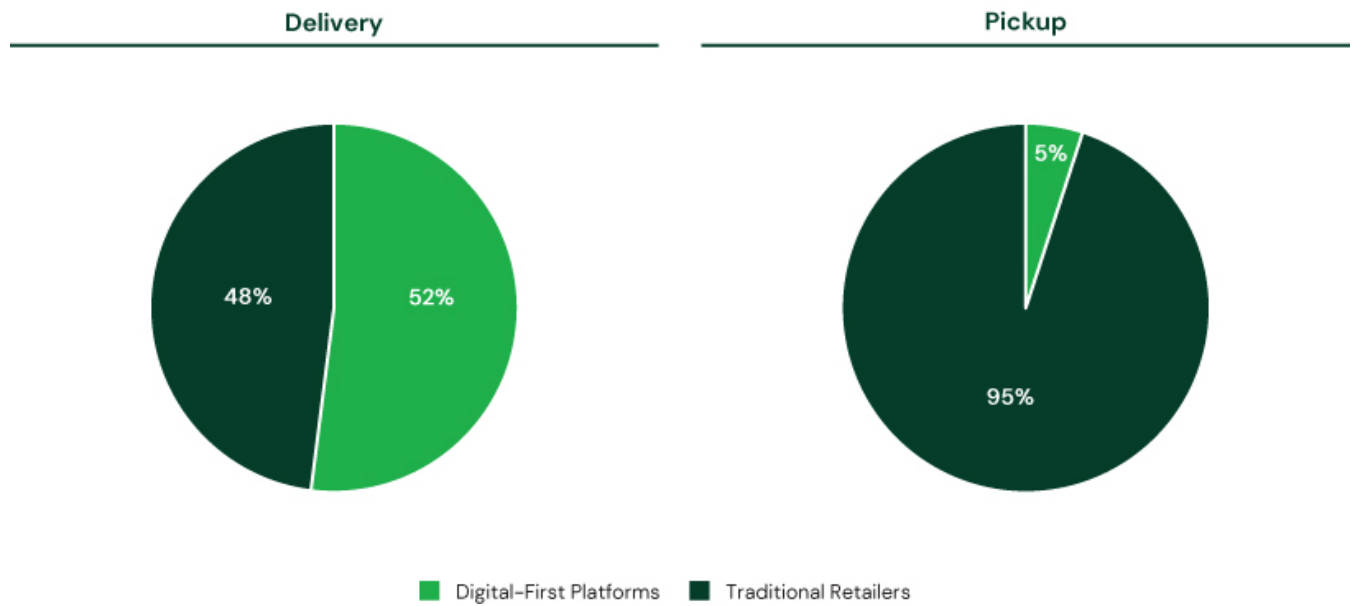
<sup>136</sup> YipitData. See footnote 135 for additional information.

<sup>137</sup> YipitData. See footnote 135 for additional information.



platforms that represent 30% of online grocery sales.<sup>138</sup> Our broader Instacart Enterprise Platform allows us to serve the other 70% of online grocery sales, powering our retail partners’ owned and operated online storefronts and helping them grow their share of online grocery sales.<sup>139</sup>

**U.S. Online Grocery Share of GTV by Fulfillment Method<sup>1</sup>**



(1) Based on data provided by YipitData. For the period from July 1, 2022 to June 30, 2023. Sales data are based on email receipts for online transactions from select U.S. grocery retailers for which representative data were available to YipitData, as well as online transactions from select online grocery platforms, including Instacart. YipitData’s affiliate collects the email receipts from consumers who have opted to provide YipitData’s affiliate with access to such receipts. YipitData’s affiliate does not apply any other selection criteria or parameters for which consumers can opt in and provide data. While the number of consumers providing data to YipitData’s affiliate fluctuates over time depending on various factors, including which consumers have opted in, over the time period for which data were collected, the total number was greater than 1,000,000 consumers. For Instacart, the data exclude transactions on retailers’ owned and operated online storefronts powered by Storefront Pro and Instacart APIs and include transactions on retailers’ owned and operated online storefronts powered by Storefront. The data also reflect certain additional adjustments for non-representative transactions (such as duplicate orders) and overrepresented geographies. Because the data are based only on email purchase receipts from consumers who have opted to provide data to YipitData’s affiliate, the data represent only a sample of consumers and may not be representative of online sales for all consumers on each platform or at each retailer for the measurement period.

*Share of Sales among Digital-First Platforms*

For purposes of evaluating our share of sales in smaller and larger order sizes, relative to certain other digital-first platforms, we focus on the portion of the online grocery segment that consists of digital-first platforms. We make a distinction between digital-first platforms that own and manage inventory from traditional retailers because such digital-first platforms are purpose built to operate eCommerce businesses and include our competition. On the other hand, traditional retailers represent current or future partners of Instacart.

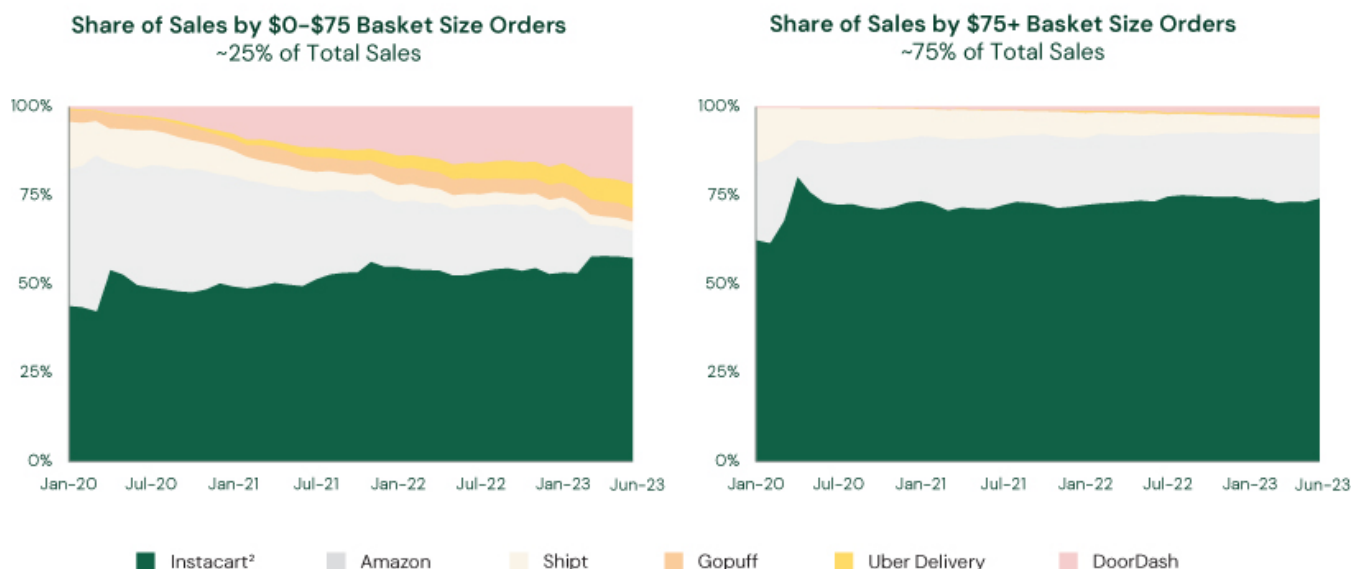
The charts below show the shares of sales by order value among select digital-first platforms in the United States based on third-party data.

This data illustrates that the sales volume of our retail partners generated through Instacart Marketplace and Storefront represents the leading share of sales based on total online grocery sales in the United States of the digital-first platforms included in this analysis in both larger and smaller order sizes, representing nearly 74% of orders greater than \$75 and nearly 56% of orders less than \$75. In both instances, we have partnered with our retailers to help them grow their share of online grocery sales over time.

<sup>138</sup> YipitData. See footnote 134 for additional information.  
<sup>139</sup> YipitData. See footnote 134 for additional information.

We believe this is an indicator of our ability to help retailers meet their customers preferences for how and where they want to shop by supporting a wide array of fulfillment options, shopping occasions, and categories. Our retailers are particularly strong in large orders over \$75, representing nearly 74% of the aggregate sales of the digital-first platforms included in this analysis. We view this as an important competitive advantage because larger order values are structurally more profitable for us, including because costs such as shopper earnings, customer incentives, promotions, appeasement credits, refunds, hosting, cancellations, and redeliveries are allocated across a larger average order value. This allows us to drive greater gross profit dollars on a per order basis.

### Share of Sales by Order Value<sup>1</sup>



- (1) Based on data provided by YipitData. For the period from January 1, 2020 to June 30, 2023. Order value data are based on email receipts for online transactions from select online grocery platforms, including Instacart. YipitData’s affiliate collects the email receipts from a panel of consumers who have opted to provide YipitData’s affiliate with access to such receipts. YipitData’s affiliate does not apply any other selection criteria or parameters for which consumers can opt in and provide data. While the number of consumers providing data to YipitData’s affiliate fluctuates over time depending on various factors, including which consumers have opted in, over the time period for which data were collected, the total number was greater than 1,000,000 consumers. Order values for each platform include total amounts paid as derived from the email receipts, including item subtotals, fees, taxes, and tips as well as discounts, as determined by YipitData. Data include transactions for online grocery and convenience, including both delivery and pickup orders. For Instacart, the data exclude transactions on retailers’ owned and operated online storefronts powered by Storefront Pro and Instacart APIs as described in the following footnote, and include transactions on retailers’ owned and operated online storefronts powered by Storefront. The data also reflect certain additional adjustments for non-representative transactions (such as duplicate orders) and overrepresented geographies. Because the order values are based only on email purchase receipts from consumers who have opted to provide data to YipitData’s affiliate, the data represent only a sample of consumers on each online platform and may not be representative of order values for all consumers on each platform or at each retailer for the measurement period.
- (2) YipitData identifies order values based on email receipts from consumers who have opted to provide YipitData’s affiliate with access to such receipts. Consumer transactions on our retailers’ owned and operated online storefronts powered by Storefront Pro (our more customizable eCommerce storefront offering) and Instacart APIs (our fulfillment APIs that are embedded in retailers’ own eCommerce storefronts), two of our Instacart Enterprise Platform offerings, cannot be identified as Instacart-related transactions on email receipts. As a result, such transactions are not counted as Instacart orders for purposes of the charts above and are attributed to GTV of our retail partners instead.

### Challenges for CPG Brands

For many commerce categories, digital advertising has provided significant advantages — from precise targeting, to the ability for consumers to take immediate action on the ads, to exceptional measurement tools. For CPG brands, there has not yet been an advertising solution that combines the actionability and measurability of digital advertising with the ability to move products off the shelves at grocery retail stores.




As grocery moves online, CPG brands increasingly need to drive sales through digital channels. Brands have lacked access to a solution that runs a full-funnel marketing strategy purpose-built for online grocery. This is relevant for brands of all sizes, as even the most established brands must maintain mind share as consumers move online or risk being disrupted by emerging digital-first brands. Emerging brands face their own unique challenges in driving discovery through the traditional in-store model. Brands have historically lacked access to omni-channel insights to drive product development decisions, such as which items are selling and what consumers are searching for.

**Instacart's Role**

We believe we can continue to lead the way in grocery innovation by offering a set of modular technology solutions to retailers, customers, and brands. Retailers across consumer verticals are facing similar hurdles, though the challenges we are solving for are particularly acute in grocery. This provides us with a significant opportunity to power the future of grocery.

**Instacart Technology**

We built Instacart to serve the entire grocery ecosystem. The key pillars of our technology are Instacart Marketplace, Instacart Enterprise Platform, and Instacart Ads. Our solutions are underpinned by a shared foundation of technology, infrastructure, data insights, and fulfillment that leverages our scale and expertise specific to the grocery category. Our technology solutions are better together. Instacart Marketplace is the largest online grocery marketplace in North America<sup>140</sup> and since our founding has powered more than \$100 billion of GTV and over 900 million orders with approximately 20 billion items ordered.<sup>141</sup> This scale gives us unique insights into consumer buying behavior, needs, and trends across the entire grocery industry in North America. We then utilize these insights to enhance Instacart Enterprise Platform, ensuring retailers can best meet their customers' needs across their owned and operated online and physical storefronts. Similarly, Instacart Enterprise Platform enhances Instacart Marketplace, as our deep integration with retailers allows us to expand marketplace capabilities for our customers. For example, as we integrate more deeply with our retail partners, we give them the ability to offer more fulfillment options, get more control over their brand, generate new revenue streams via Carrot Ads and Marketing Solutions, and integrate their own loyalty program.

 <p><b>Marketplace</b></p> <p>1,400+ Retail Banners</p> <p>80,000+ Retail Locations</p>	 <p><b>Enterprise Platform</b></p> <p>eCommerce</p> <p>Fulfillment</p> <p>Connected Stores</p> <p>Ads &amp; Marketing</p> <p>Insights</p>	 <p><b>Ads</b></p> <p>Sponsored Products</p> <p>Display &amp; Video</p> <p>Promotions</p> <p>Insights</p>
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**Shared Technology, Infrastructure, Data Insights, and Fulfillment**

As we continue to scale and refine our technology and data insights across Instacart Marketplace and Instacart Enterprise Platform, our algorithms also continue to improve to provide significant benefits for all of

<sup>140</sup> Based on GTV generated on Instacart and total grocery sales in 2022.

<sup>141</sup> As of July 31, 2023.

our constituents. We believe these benefits can drive both growth and operational efficiencies in our business that contribute to margin expansion.

- *For Retailers.* Actionable business insights that empower retailers to make better informed decisions about assortment, inventory, quantity, and replenishment.
- *For Customers.* Better search results, more intelligent replacements, more seamless checkout flows, and greater personalization that promotes engagement.
- *For Brands.* More measurable and targeted ads offerings that deliver higher returns and draw more brands to Instacart Ads, which yields benefits for Instacart Marketplace and Instacart Enterprise Platform.
- *For Shoppers.* More seamless and efficient delivery, leading to greater shopper satisfaction and earnings opportunities.

### ***Instacart Marketplace***

We launched Instacart Marketplace in 2012 and quickly became the first company to make online grocery shopping affordable and accessible to households across North America. Over the next decade, we built partnerships with more than 1,400 retail banners with more than 80,000 stores serving millions of households with same-day delivery.<sup>142</sup> We focused on allowing customers to shop from grocers they trust while creating a differentiated customer experience. Today, through Instacart Marketplace, we help customers find their favorite products, provide an innovative ad business that inspires people to try new brands, connect customers to our dedicated shopper community, and help retailers and customers build deeper relationships. We help retailers serve their customers' needs as to how and where they want to shop by supporting a wide array of fulfillment options, shopping occasions, and categories.

### ***Instacart Enterprise Platform***

Instacart Enterprise Platform is an end-to-end technology solution that powers retailers across all aspects of their business. Our offerings are modular, allowing retail partners to pick and choose which technologies best fit their needs. These solutions work seamlessly together, so retailers can more efficiently integrate with Instacart than they can with multiple separate technologies. Key components of Instacart Enterprise Platform include:

- *eCommerce.* We power world class eCommerce storefronts for more than 550 retail banners,<sup>143</sup> including Publix, Sprouts, and The Fresh Market, and services, from product discovery tools, to merchandising, to different payment models, to loyalty-as-a-service.
- *Fulfillment.* We help retailers fulfill grocery orders directly from their stores through our community of dedicated shoppers. Retailers — from national and regional retailers to local mainstays — can leverage our fulfillment API to help fulfill orders that are placed through their owned and operated online storefronts. In most instances, Instacart shoppers pick, pack, and deliver these orders, but retailers can also use our technology to enable orders that are picked and packed by their own employees, or use a combination of the two.
- *Connected Stores.* Instacart helps retailers create a unified, seamless, and personalized experience across their online and in-store footprints by leveraging technologies like Caper Carts, Scan & Pay, Lists, Carrot Tags, FoodStorm, and Out of Stock Insights.
- *Ads and Marketing.* Carrot Ads, our enterprise ads offering, brings the best of Instacart Ads to retailers' owned and operated online storefronts and apps. This opens up new revenue streams for retailers and increases the profitability of online orders. Our retail partners can also utilize our suite of marketing solutions, from self-serve tools to fully customized strategic partnerships, to grow their business by serving targeted promotions to customers.

<sup>142</sup> As of June 30, 2023.

<sup>143</sup> As of June 30, 2023.

- *Insights.* Insights gives retailers near real-time visibility into their operations. By enabling visibility into key metrics like item popularity, inventory levels and availability, order sizes, delivery times, delivery ratings, and sales, Insights helps retailers optimize operations and provide better customer experiences.

### **Instacart Ads**

Instacart Ads combines the best of digital advertising — precision, actionability, and measurability — with the ability to directly move products off the shelves at stores, getting these products into the hands of customers within hours. Because it offers CPG brands a way to reach customers at the point of purchase and within minutes of delivery and consumption, our solution delivers highly measurable and strong ROI across all parts of the customer shopping journey, from awareness to consideration to purchase. We have a wide breadth of advertising solutions, including sponsored product, display ads, brand pages, and coupons, to meet all of our brand partners' needs. Instacart Ads also enables brands to learn more about general customer behavior from discovery to purchase, offering valuable insights about how to optimize their advertising spend.

We are not only building our advertising solutions to benefit brands, but also customers and retailers. We believe Instacart Ads delivers a superior shopping experience and improves pricing for customers by giving them access to thousands of deals and discounts, which in turn drives larger average order values for our retail partners. Retailers are also able to leverage Carrot Ads, an Instacart Enterprise Platform product that brings Instacart Ads to retailers' own eCommerce sites and expands the customer reach available to our brand partners.

### **Our Strengths**

We believe the following strengths represent key strategic advantages for Instacart and have allowed us to build the leading grocery technology company in North America:

- *Deep Partnerships with Grocers that Represent more than 85% of the U.S. Grocery Industry.* Today, more than 1,400 national, regional, and local retail banners<sup>144</sup> that collectively represent more than 85% of the U.S. grocery industry partner with Instacart.<sup>145</sup> We believe this represents the broadest selection of grocers on a marketplace in North America, providing customers with a superior online grocery shopping experience. Beyond Instacart Marketplace, we also power many of our retail partners' owned and operated online storefronts through Instacart Enterprise Platform, positioning us as an increasingly integral part of our retail partners' future growth.
- *Trusted Technology Partner to the Grocery Industry.* For more than a decade, we have invested in technology that is custom-built for all aspects of grocers' businesses. We are investing more in technology custom-built for online grocery than any single grocer could on their own. Our machine learning algorithms process billions of data points each day to optimize a range of decisions and tasks, including basket building, merchandising, replacements, personalization, ads quality, demand forecasting, order fulfillment, shopper fleet mobilization, dispatching, and routing. Whenever a relevant new technology emerges, we look at how to adapt this technology for the specific needs of the grocery industry and make it available to our retail partners in short order. We believe this incentivizes grocers to partner with Instacart, as they know that our technology will enable them to transform their businesses and enhance omni-channel customer experiences. Our business model has been built on shared success with grocers, and because we do not own inventory, we do not compete with our retail partners. We believe this combination puts us in a unique position to foster greater trust between grocers and Instacart, making us the preferred technology partner.
- *Scale Benefits for Instacart as well as Our Retail Partners and Brands.* We believe that we have the greatest breadth of grocer relationships with over 1,400 retail banners that operate more than 80,000

<sup>144</sup> As of June 30, 2023.

<sup>145</sup> Based on total grocery sales in 2022, excluding alcohol sales. CSG.

stores, coupled with 7.7 million monthly active orderers and 262.6 million orders fulfilled in 2022 alone.<sup>146</sup> We help fulfill hundreds of millions of orders each year, a scale that is necessary to realize the operational expertise and efficiencies that drive profitability and underpin our attractive financial model. Our scale also allows us to offer our customers the best selection, quality, value, and convenience, which attracts more customers and drives higher engagement. This results in more orders and increased customer wallet share for our retail partners, driving compelling economics for both retailers and Instacart. When brands advertise with us, they can reach their target audience more efficiently and at greater scale than is possible through other online channels.

- *Large Average Order Value Underpins Profitable Unit Economics.* Given grocery is one of the largest recurring monthly household expenses, we have a high average order value, which was \$110 in 2022. Larger order values are structurally more profitable as certain costs, such as shopper earnings and hosting expenses, are allocated across a larger base, and the advertising opportunity increases with more items in an order. While we have a leading share of orders among digital-first platforms both above and below \$75, our share is even more pronounced in orders larger than \$75, where retailers on Instacart command 74% of the digital-first platform sales volume and where we believe the majority of the profit opportunity exists. See the charts under the section titled “—Our Industry—Online Grocery Market Dynamics—Share of Sales among Digital-First Platforms—Share of Sales by Order Value” for more information.
- *Synergies from the Unique Combination of Marketplace and Enterprise Platform.* We create powerful synergies by combining Instacart Marketplace and Instacart Enterprise Platform. Our high-intent customers, their deep engagement with our marketplace, and our deep understanding of customer shopping behavior and preferences enable us to develop the best enterprise technology solutions to serve the grocery industry. We leverage aggregated and anonymized data generated through Instacart Marketplace to continuously enhance our enterprise offerings and help our retail partners best meet their customers’ demands. For example, successful features like advanced search, personalized replacements, and EBT SNAP acceptance can be developed on Instacart Marketplace and quickly launched on retailers’ owned and operated online storefronts, leveraging Instacart Enterprise Platform. In turn, as we continue to improve our enterprise offering and deepen our partnerships with retailers, our retail partners benefit from enhanced marketplace capabilities such as the ability to offer more fulfillment options, get more control over their brand, generate new revenue streams via Carrot Ads and Marketing Solutions, and integrate their own loyalty program. Our deeply integrated solutions provide a seamless and unmatched omni-channel experience for both our retail partners and our customers.
- *Breadth and Diversity of Grocery Use Cases.* Instacart allows customers to place orders across a variety of use cases including weekly shop, bulk stock-up, convenience, and special occasions. For retailers, we enable them to offer customers a full range of fulfillment options, from on-demand delivery in as fast as 30 minutes to two hours or next day. Our model is flexible and efficient, which allows us to help retailers serve all use cases of grocery, unlike other players that tend to focus on serving a particular use case. Because we serve this breadth of use cases, we are a better partner to retailers by helping them address consumer needs and drive engagement and a better partner to brands by creating more diverse and actionable advertising opportunities.
- *Ads Offerings that Combine Online Performance with the Ability to Move Products Off Shelves.* Our grocery expertise has enabled us to build differentiated advertising solutions and tools that allow CPG brands to reach and engage with high-intent customers at the point of purchase and within minutes of delivery and consumption. With our unique customer data and insights, we provide differentiated analytics for brands, allowing them to better optimize their advertising spend and grow their wallet share.
- *Capital Efficient, Flexible Model.* Our technology helps retail partners expand the consumer use cases and fulfillment options they offer using their existing store footprints. This allows retailers to transition

<sup>146</sup> Retail banners and stores as of June 30, 2023. Monthly active orderers for the month ended June 30, 2023. Orders for the year ended December 31, 2022.

from a brick-and-mortar business to a complete omni-channel offering within weeks, and for us to seamlessly add new retail partners to Instacart without significant capital investments or the need to take on any inventory risk. Our capital efficiency enables us and our retail partners to react quickly to changes in the industry and consumer preferences.

- *Compelling Financial Model Based on Shared Success.* Our technology helps drive growth and strengthen operational efficiencies for our retail partners, which in turn strengthens Instacart's financial model. For example, our technology helps retail partners expand the consumer use cases and fulfillment options they offer. This drives new customer acquisition and greater customer engagement, resulting in growth for retailers, CPG brands, and Instacart. Our ads offerings not only provide high marketing ROI and drive incremental sales for our brand partners, but our retail partners also benefit from CPG brands' incremental sales, whether the consumer is shopping on Instacart Marketplace or retailers' owned and operated online storefronts powered by Instacart Enterprise Platform. In turn, we believe the success of our brand partners and retail partners increases highly profitable advertising and other revenue on Instacart, improving our unit economics. The success of our partners enables them to deliver a superior shopping experience for customers, who become more engaged and more valuable, benefiting all constituents in our ecosystem and driving our financial success. As a result, over the long term, we believe we can drive profitable growth with a focus on improving operating leverage.

## Our Value Proposition

### For Retailers




What makes Instacart technology powerful for retailers is this unique combination of enabling retailers to succeed on the largest online grocery marketplace in North America as well as on their own digital properties.<sup>147</sup> This positions us to be retailers' partner of choice to help them navigate their digital transformations. The key elements of our retailer value proposition include:

- *End-to-End Technology Solution Custom-Built for Online Grocery*
  - Instacart powers eCommerce, fulfillment, and customer and shopper care for all of our retail partners through Instacart Marketplace. Instacart Enterprise Platform, our end-to-end technology solution, supports our retail partners on their owned and operated online storefronts through offerings like storefronts and mobile apps, fulfillment solutions, ads offerings, in-store technologies, and business insights. Whenever a relevant new technology emerges, we look at how to adapt this technology for the specific needs of the grocery industry and make it available to our retail partners in short order.
  - Our solutions are better together. Our enterprise solutions benefit from unique consumer and market insights that only a scaled marketplace can access. These insights inform the product development of our enterprise offerings. Functions such as EBT SNAP and personalized replacements were initially built for Instacart Marketplace and subsequently included in Instacart Enterprise Platform to better serve retailers. In turn, Instacart Enterprise Platform solutions allow for a deeper integration with retailers' operations, and this provides retailers with more capabilities on Instacart Marketplace such as ability to offer more fulfillment options, get more control over their brand, generate new revenue streams via Carrot Ads and Marketing Solutions, and integrate their own loyalty program.
  - Our technology is modular, meaning retailers can use all of our offerings for a seamlessly integrated solution, or they may choose to select technologies à la carte, depending on which best fit their needs. For example, our storefronts come with the ability to run Instacart Ads by default, though it is up to the retailer if they want to implement it.
- *Advertising Capabilities.* Retailers can leverage our ads offerings through their owned and operated online storefronts powered by Instacart Enterprise Platform. We allow retailers to benefit from the

<sup>147</sup> Based on GTV generated on Instacart and total grocery sales in 2022.

scale advantages of Instacart Ads. By allowing retailers to use our turn-key ads offerings, they can avoid time and financial investment associated with building ad technology and sales. This is a prohibitive investment for most retailers, but with Carrot Ads, they can now open a new revenue stream using our solutions at scale without needing to make this upfront investment themselves. Additionally, our suite of marketing solutions, from self-serve tools to fully customized strategic partnerships, enables retailers to grow their businesses by serving targeted promotions to customers. Retailers can use these tools to advertise across various surfaces of Instacart Marketplace, as well as through different media channels, regardless of size or budget.

- **Customer Access.** We help retailers reach millions of customers—consumers and businesses alike. We generate meaningful incremental sales for our retail partners through Instacart Marketplace and help retailers meet online demand wherever customers are. We believe pickup generates incremental foot traffic and higher sales by providing customers with the ability to browse items, place orders wherever they are, and pick up their basket directly from local retailers. We also enable retailers to drive loyalty and engagement through branded online shopping experiences, personalization, and our membership program, Instacart+, where customers pay a membership fee for free delivery, among other benefits. With Instacart Business, retailers will be able to reach customers shopping for their businesses of all sizes. Finally, our investments in sales and marketing help attract new customers and increase engagement among existing customers, helping drive sales for our retail partners.
- **Breadth of Shopping and Fulfillment Options.** We have expanded across in-store, delivery, and pickup to help retailers offer a variety of fulfillment methods and speeds and address different shopping occasions and consumer categories. Because customers use different options based on the occasion, we help retailers offer a full portfolio of omni-channel eCommerce options. Retailers can leverage our fulfillment API to help fulfill orders that are placed through their owned and operated online storefronts. This helps retailers increase spend and drive higher shopping frequency.

 <p><b>Consumer Use Cases</b></p> <p><b>Shopping Occasions</b></p> <table border="0"> <tr> <td>Weekly Shop</td> <td>Convenience</td> </tr> <tr> <td>Bulk Stock Up</td> <td>Special Occasion</td> </tr> </table> <p><b>Category Specific</b></p> <table border="0"> <tr> <td>Grocery</td> <td>Ready Meals</td> </tr> <tr> <td>Alcohol</td> <td>Gifts</td> </tr> <tr> <td>Business</td> <td>Health</td> </tr> </table>	Weekly Shop	Convenience	Bulk Stock Up	Special Occasion	Grocery	Ready Meals	Alcohol	Gifts	Business	Health	 <p><b>Fulfillment Options</b></p> <p>Delivery</p> <p>Pickup</p> <p>In-Store</p>	 <p><b>Delivery Speeds</b></p> <p>Priority (as fast as 30 minutes)</p> <p>Standard (2 hours)</p> <p>Scheduled Delivery</p> <p>No Rush</p>
Weekly Shop	Convenience											
Bulk Stock Up	Special Occasion											
Grocery	Ready Meals											
Alcohol	Gifts											
Business	Health											

Our strategy is to help retailers capture the breadth of consumer demand, from a larger weekly basket that arrives the same day to a smaller convenience order that is at a customer’s door in as fast as 30 minutes. While it is difficult to do this in a physical store, we can create virtual stores such as Publix Quick Picks that bring these new use cases to customers on our marketplace.

- **Ability to Drive Operational Efficiencies.** We are able to provide a lower cost of fulfillment for retailers due to efficiencies primarily driven by our scale and frequency of large orders. We help fulfill millions of orders every week, with many large orders coming into a single location at a given time. Shoppers can leverage our technology-backed picking and batching abilities to efficiently fulfill these orders. We believe this allows retailers to improve operating efficiencies and reduce costs without compromising the customer experience.
- **Seamless Onboarding and Depth of Integration.** We designed our technology to enable retailers’ transition from a brick-and-mortar business to a complete omni-channel offering within weeks. When we partner with a retailer, we can typically bring their entire store footprint online, helping them compete with digitally native competitors and meet consumers’ needs. This process includes ingesting

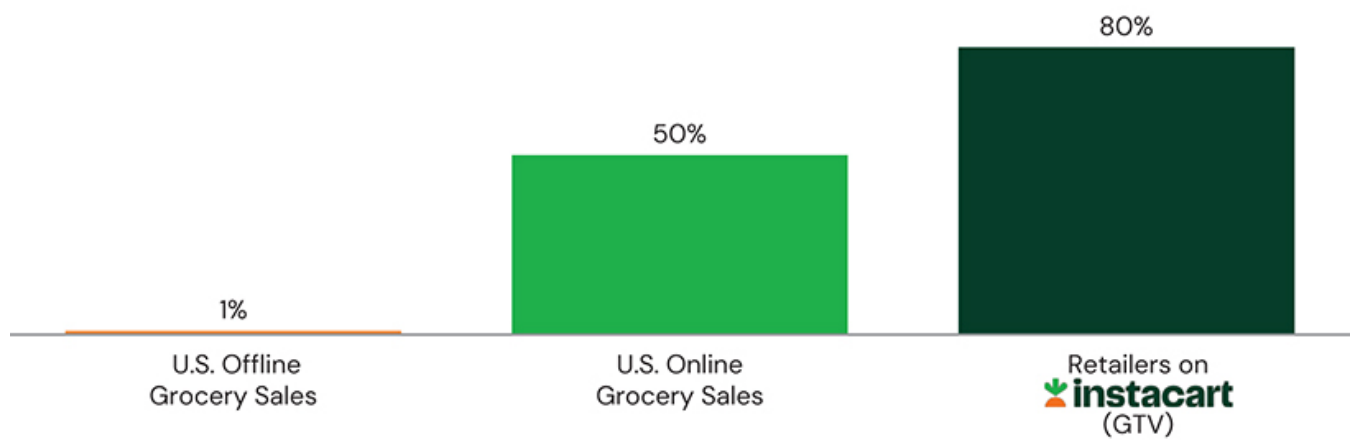


data on tens of thousands of products, enriching that baseline data with additional information for online merchandising, and optimizing item availability on retailers' owned and operated online storefronts using our proprietary algorithms. We then leverage machine learning to help retailers with their item pricing decisions using tools such as our price rounding algorithms. Our enterprise solutions can also integrate with existing operations to allow our retail partners to maintain existing loyalty and promotion programs. We help retailers optimize all aspects of their business by establishing data pipelines to help inform retailers' store operations, merchandising, and marketing strategies. We also integrate physically in retailers' stores including setting up dedicated staging areas to fulfill orders and a streamlined checkout process to ensure a more seamless experience for both our retail partners and shoppers.

- *Dedicated Support.* We have teams of account managers who focus on helping retailers succeed. These relationships include deep involvement with operational initiatives like store planning and optimizing eCommerce fulfillment and data interpretation on key metrics such as in-store inventory levels.

We have demonstrated our ability to drive growth for our retail partners. The chart below shows that retailers who partner with Instacart outperformed the market since 2018. Our GTV, which represents the online sales we power for all of our retail partners, grew at a CAGR of 80% between 2018 and 2022, compared to 50% for the overall online grocery market, and 1% for offline grocery.<sup>148</sup> We believe that we are best positioned to help retailers grow their digital businesses in a competitive market, something that they may not otherwise have the resources to do themselves given grocery's operating complexities and low operating margins.

### 2018–2022 CAGR

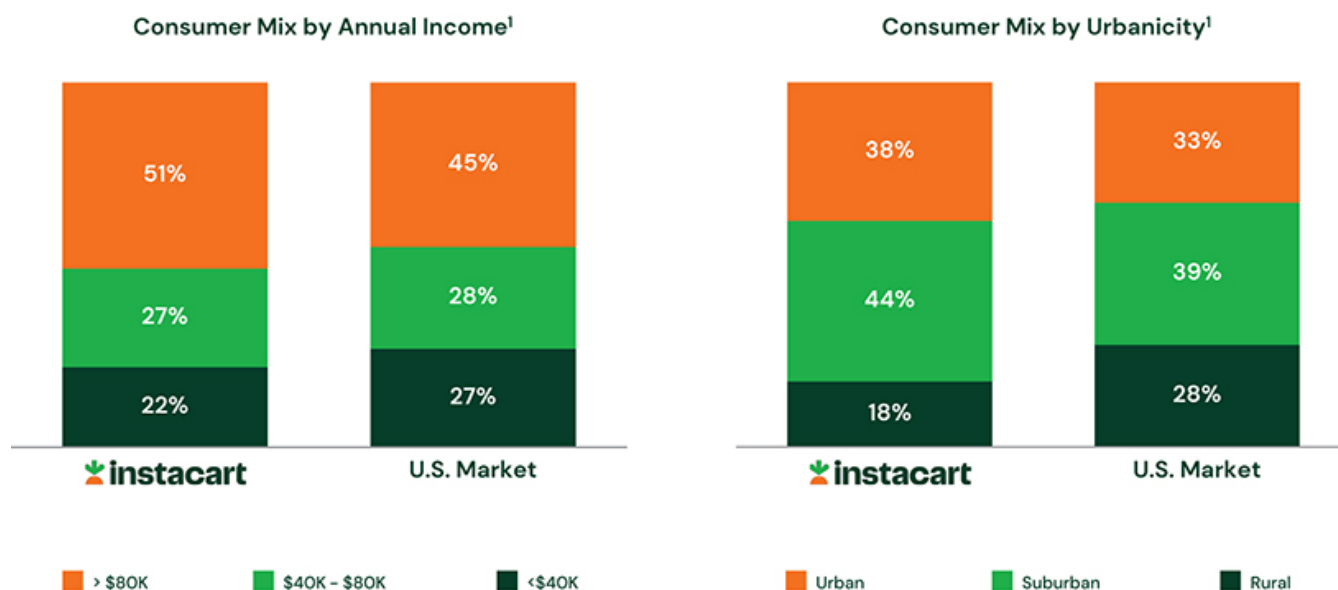


#### **For Customers**

At Instacart, we aim to provide our customers a superior online grocery shopping experience with optimal selection, quality, value, and convenience. We partner with more than 1,400 retail banners across the United States offering over a million unique products at attractive prices,<sup>149</sup> while meeting our customers wherever they want to shop, however they want to shop, and across many use cases and fulfillment options.

<sup>148</sup> Incisiv.  
<sup>149</sup> As of June 30, 2023.

The diversity and breadth of our offering attracts a wide range of customers to Instacart that is similar to the economic and geographic composition of the United States, as seen in the graphic below.<sup>150</sup>



(1) For the 12 months ended March 13, 2022. Numerator. Data from approximately 105,000 households across the United States selected by Numerator and designed to be nationally representative compared to U.S. census data.

This dynamic is also observed in our customers' spending habits. On Instacart, the average order value is \$110, compared to \$100 for the broader U.S. grocery market.<sup>151</sup> This translates into a monthly active orderer spending on average \$226 per month in the year of their first order, increasing up to \$480 per month by Year 6,<sup>152</sup> compared to the average U.S. household monthly grocery spend of \$438.<sup>153</sup> We will continue to expand our offering to meet the diverse needs of all of our customers.

- **Selection.** Today, more than 1,400 national, regional, and local retail banners<sup>154</sup> that collectively represent more than 85% of the U.S. grocery market partner with Instacart.<sup>155</sup> On Instacart Marketplace, a typical customer will see over 50 retail banners available on average on our mobile app or website, ranging from national chains to regional and local retailers.<sup>156</sup> Instacart Marketplace provides customers with a new way to shop over a million unique products all in one place sold by their favorite retailers, who can offer their full grocery catalogs of over tens of thousands of SKUs on Instacart.
- **Breadth of Use Cases.** We meet the customer wherever they want to shop, however they want to shop, across many use cases and fulfillment options whether for personal or business needs. We support all use cases including weekly shop, bulk stock-up, convenience, and special occasion. In addition, we offer a broad range of fulfillment options, including pickup and delivery ranging from no rush to next available window to next day and priority (as fast as 30 minutes). For certain customers who want quick delivery, we have continued to invest in our fulfillment technology to shorten delivery times

<sup>150</sup> For the 12 months ended March 13, 2022. Numerator. Data from approximately 105,000 households across the United States selected by Numerator and designed to be nationally representative compared to U.S. census data.

<sup>151</sup> Average order value on Instacart in 2022. U.S. Bureau of Labor Statistics; based on consumer expenditures in 2020.

<sup>152</sup> Year 1 amount based on the average monthly spend of the 2017, 2018, 2019, 2020, 2021, and 2022 cohorts in the year of their first order, and Year 6 amount based on the average monthly spend of the 2017 cohort in 2022.

<sup>153</sup> U.S. Bureau of Labor Statistics; based on consumer expenditures in 2021.

<sup>154</sup> As of June 30, 2023.

<sup>155</sup> Based on total grocery sales in 2022, excluding alcohol sales. CSG.

<sup>156</sup> Instacart estimate based on the weighted average number of retail banners per monthly active orderer by geographic zone for the quarter ended June 30, 2023.

without compromising quality and customer experience. We are constantly innovating and introducing new services to serve our customers' needs:

- *Instacart Business.* For customers shopping for their businesses, we expect to launch tailored Instacart Business solutions to centralize their ordering, build shared lists, generate invoices, and access other business-friendly product features.
- *Instacart Health.* As we develop partnerships with payers, providers, employers, and non-profits, we aim to make it easier for them to fund the cost of nutritious food and prescribe food to patients as easily as they prescribe medication. Our goal is to make it possible for a larger number of people to get access to affordable, nutritious food.
- *Reclaim Time.* Consumers who shop in-store spend on average approximately 60 hours per year shopping for groceries, in addition to time spent commuting to and from stores.<sup>157</sup> Across our entire footprint, customers can place an order in minutes and specify convenient delivery or pickup windows. Our in-store offerings also help customers save time and enjoy a seamless shopping experience. For example, our AI-powered Caper Carts in select stores allow customers to bag products as they shop, navigate the store efficiently, connect to their shopping lists, and self-checkout right from the cart. Instacart has helped customers save over 700 million hours in the aggregate since our founding.
- *Value.* Our technology makes it easier for our customers to save money:
  - *Retailer choice.* Customers can seamlessly search for retailers that best meet their needs including value retailers such as Save Mart and shop from over 425 banners that offer in-store pricing on Instacart.<sup>158</sup> We recently launched "Stores to Help You Save," which spotlights stores with offerings that meet various savings criteria on our Home screen.
  - *Brand choice.* Instacart offers an efficient way for consumers to compare across established, challenger, and store brands to find the best priced products, while leveraging exclusive coupons and benefits for tens of thousands of items that are all easily discoverable through the Deals tab on Instacart Marketplace. We believe our acquisition of Eversight will bolster this capability, as we can leverage the Eversight platform's AI-powered technology to create compelling savings opportunities for customers in real-time.
  - *Personalized recommendations.* We leverage our machine learning capabilities and Eversight's AI-powered technology to create compelling savings opportunities for customers in real-time. "Your Items on Sale" feature is one example that leverages this AI-recommendation system to highlight personalized deals based on customers' past orders. Another is the "Floating Cart" feature that allows customers to understand total savings in their cart as they shop and highlights when customers meet a dollar or item threshold for savings offers from our brand partners. We also use these models to personalize the app experience based on individual customers' estimated price sensitivities, highlighting more affordable options to those customers that are estimated to be particularly price-conscious.
  - *Fulfillment choice.* We offer a wide range of fulfillment options including pickup, no rush delivery, or next day delivery that are more affordable, further helping those customers who want to prioritize affordability over speed. For example, we launched No rush delivery, which offers a \$2 credit for choosing a more flexible delivery window. No rush delivery grew to approximately 6% of orders by December 2022 following its rollout in September 2022. Customers who prioritize speed over affordability can utilize Priority delivery, which charges an extra fee for faster delivery. Priority deliveries accounted for 35% of orders in the second quarter of 2023.
  - *Payment choice.* We accept a variety of payment methods including the Instacart Mastercard that offers 5% cashback on all Instacart purchases, among other benefits, buy now pay later options,

<sup>157</sup> Instacart estimate based on the average number of shopping trips per week and the average time spent shopping in-store per shopping trip in the United States in 2022.  
<sup>158</sup> As of June 30 2023.

Fresh Funds, and EBT SNAP, a program that serves more than 42 million people in the United States.<sup>159</sup> Instacart is the first and only online grocery marketplace to accept SNAP in all 50 states and Washington D.C., reaching nearly 95% of U.S. households enrolled in SNAP through more than 120 retail banners across more than 10,000 stores.<sup>160</sup>

- **Membership.** Our Instacart+ members have additional benefits including free delivery on orders over a certain size, reduced service fees, credit back on eligible pickup orders, and other exclusive benefits. The combination of these features makes it possible for customers to place an order that is cheaper than the cost of the same order in-store, helping our customers save money by shopping on Instacart.
- **Member Benefits.** With Instacart+, we provide customers with a membership program that lowers the cost of online grocery through waived delivery fees, lower service fees, and credit back on eligible pickup orders. On average, Instacart+ members enjoy more than \$30 of monthly savings with these membership benefits compared to customers without Instacart+.<sup>161</sup> In the first six months of 2023, Instacart+ members represented \$8,533 million of our total GTV, including order costs and fees paid by Instacart+ members. On average, this translates to an Instacart+ member spending an aggregate of \$461 over 4.0 orders per month, compared to an aggregate of \$223 spent over 2.0 orders by a non-member.<sup>162</sup> On average, Instacart+ members have shopped at more than twice as many retail banners since joining Instacart than non-members.<sup>163</sup> The greater engagement of Instacart+ members grows over time, with an Instacart+ member generating on average 6.2 times more GTV compared to a non-member in a five-year period.<sup>164</sup> We had approximately 4.6 million and 5.1 million Instacart+ members as of June 30, 2022 and 2023, respectively.<sup>165</sup>
- **Personalization.** Our personalization capabilities are underpinned by the hundreds of millions of large basket orders we have completed over the past decade, and they improve the more customers interact with Instacart, making it easier for us to power better personalization. Our relationships with customers improve with each interaction. As customers browse our selection and place orders, we continue to refine our understanding of customer tastes and preferences. This allows us to tailor new item recommendations and promotional coupons, make replacements that fit our customers' needs when items are out of stock, and suggest "buy-it-again" items. With more than 75% of customers re-ordering items from previous carts, we make it easier for customers to shop with us in each subsequent transaction.<sup>166</sup> We leveraged all of these insights to launch Ask Instacart, our generative AI tool, to be a thought partner for customers and help them further personalize their shopping.
- **Quality.** We have prioritized improving quality in each step of the customer experience. We have invested significant resources to make shopping online seamless, from improving search results to offering produce by the unit versus the pound to ensuring timely deliveries. We make it easy for customers and shoppers to chat, and our proprietary algorithm suggests high-quality replacements when needed. We also provide customer service to ensure every order meets the needs of our customers and delivers a high-quality experience.

### **For Brands**

We provide our brand partners with access to millions of high-intent customers from the point of purchase and within minutes of delivery and consumption.<sup>167</sup> Our advertising solutions empower brand discovery and

<sup>159</sup> U.S. Department of Agriculture Food and Nutrition Service, *SNAP: Monthly Participation, Households, Benefits*.

<sup>160</sup> As of June 30, 2023. Percent of households reached is an Instacart estimate as of July 2023 based on the number of EBT SNAP households in areas serviced by EBT SNAP-enabled retailers on Instacart.

<sup>161</sup> For the quarter ended June 30, 2023.

<sup>162</sup> For the month ended June 30, 2023. Instacart+ monthly spend and orders based on paying Instacart+ monthly active orderers.

<sup>163</sup> As of June 30, 2023.

<sup>164</sup> Instacart+ GTV is based on average cumulative GTV from paying Instacart+ monthly active orderers for the January 2017 through June 2018 monthly customer cohorts over a five-year period following each customer's first order on Instacart.

<sup>165</sup> Includes paying Instacart+ members only and excludes free trial members. Fluctuations in the number of Instacart+ members are not necessarily indicative of changes in our financial performance or contribution of Instacart+ members to GTV or orders over time.

<sup>166</sup> For the quarter ended June 30, 2023.

<sup>167</sup> As of June 30, 2023.

drive meaningful value for CPG brands, including emerging brands that face unique challenges driving discovery through the traditional in-store model. The key elements of our brand value proposition include:

- *High ROI.* We drive incremental sales for advertisers through our online advertising products purpose-built for grocery. We estimate that on average, our ads deliver more than a 15% incremental sales lift, and in some cases twice that, for our brand partners.<sup>168</sup> Our Sponsored Product ads offering, which uses a second-price cost-per-click auction, enables ads for relevant products to appear throughout the customer journey on Instacart. Our solutions offer optimized bidding to help maximize sales and budget pacing, among many other features to drive higher ROI. Our data and insights dashboard provides advertisers with the comprehensive overview of customer behavior they need to maximize return on their spend. We help brands target the fastest growing segment of the grocery market, given retailers that partner with Instacart have generally grown their online sales faster than the market since 2018. Additionally, by virtue of Instacart being the leading grocery technology company in North America, we are increasingly customers' first online destination for grocery. As a result, customers discover brands on Instacart and build brand affinity, which may result in purchases on Instacart Marketplace or offline where approximately 90% of shopping takes place. While the ROI on offline purchases is not directly measurable via Instacart, we believe that the brand affinity built on Instacart through ads drives offline purchases and delivers incremental value to brands.
- *High-Intent Customers.* We offer brands a differentiated opportunity to influence purchase behavior of high-intent customers and drive market share gains. In the second quarter of 2023, we helped customers discover over 180 million items through recommendations. Our customers order over 1.2 billion items each quarter, which underscores the large opportunity that brands have to reach customers.<sup>169</sup>
- *Actionability and Immediacy.* CPG brands are seeking more opportunities to connect digital advertising investments directly to sales impact. Instacart Ads offers CPG brands an opportunity to move products off of store shelves as a direct result of their ads on Instacart. We help them advertise their products in a way that can enable an immediate purchase that can be delivered to the customer within hours or even minutes. The real-time nature of purchase and consumption allows brands to optimize their targeting and messaging to achieve compelling returns on investment.
- *Self-Service Management.* CPG brands can use our self-service Ads Manager to create, manage, monitor, and optimize their ad campaigns on Instacart, and can choose to streamline eCommerce campaign management with API partners utilizing our API integration.
- *First-Party Data.* To power Instacart Ads, we use first-party data collected through a customer's activities on Instacart, including browsing, searching, purchasing, and choosing replacements. This gives us control over the data we use to optimize the performance of our ads offerings without reliance on third-party data that is susceptible to significant privacy and data sharing regulations.
- *Measurability.* Since we leverage first-party data, our brand partners are able to measure ROI and performance with greater accuracy and better understand the value of advertising on Instacart and how their spend drives purchases.
- *Impactful Insights.* We provide our brand partners with actionable customer insights that are not available via traditional distribution channels, including their basket penetration, category share, and parent company and brand-level sales on Instacart. Brands are able to leverage this anonymized and aggregated data to expand their reach, drive sales with effective targeting, and optimize their advertising spend.
- *Broad Solution Set.* We offer a broad set of solutions — from organic discovery of products through our search engine, to sponsored search ad products, paid placements through our display ads, and promotions. Our solutions create more value for our entire ecosystem by providing product discovery

<sup>168</sup> Based on internal tests run across all brand partners using our Sponsored Product ads offering in the quarter ended June 30, 2023 and individual tests run for select brands or types of brands.

<sup>169</sup> For the quarter ended June 30, 2023.

and savings for customers and helping drive larger average order values for our retail partners. Our unique data insights have also allowed us to build a powerful recommendation system and inspire customers to try new items and products on Instacart Marketplace.

- *Nationwide Retailer Scale.* Instacart provides brands with a single channel to optimize their portfolio of advertising spend across nearly the entire base of retailers on Instacart. Rather than managing hundreds of individual retailer accounts like they do offline, brands can scale and optimize their online spend in one centralized location.

### **For Shoppers**

Instacart offers immediate, flexible earnings opportunities for hundreds of thousands of individuals.<sup>170</sup> Shoppers are about two-thirds female, about half of them are parents, and they work on average about 9 hours per week, nearly half of which is spent shopping as opposed to driving.<sup>171</sup> The key elements of our shopper value proposition include:

- *Earnings Potential.* Since our founding, shoppers have earned over \$15 billion on Instacart.<sup>172</sup> We provide shoppers with tools to manage their earnings, providing estimated earnings for an individual batch. We also implemented a number of measures to increase and protect shopper earnings, including covering customer tips that were removed without justification, subject to certain limitations, and taking steps to encourage customers to tip shoppers who provide excellent service through additional prompts. We also offer Instant Cashout so shoppers can choose to withdraw earnings instantly or accumulate earnings for payout on a weekly cycle.
- *Flexibility.* Shoppers can start earning with simply a mobile device and a car. We equip shoppers with information so they can choose which batches they want to accept based on the characteristics of that batch, including the retailer, estimated effort, items, distance, potential earnings, and estimated customer tip upfront. Shoppers can accept any batch they want to shop, and they are never penalized for choosing not to accept a batch. Shopping with Instacart is differentiated from other flexible alternatives, like rideshare or restaurant delivery, because nearly half of the time is spent in-store and the work can often be done throughout the day. Instacart offers shoppers a guaranteed minimum batch payment that we believe is attractive relative to others in the industry and also offers first-of-its-kind tip protection,<sup>173</sup> covering a tip up to \$10 if a customer chooses to remove their tip after delivery without reporting an issue with the order.
- *Safety and Care.* We have always prioritized the care and safety of the shopper community. We have several innovative safety features to help protect shoppers. We facilitate shopper injury protection and offer in-app safety features such as safety alerts, incident reporting, and the ability to contact emergency services directly through the app. We also offer optional lessons on best practices for shopping and delivering with safety. Going forward, we are committed to continuing investing in shopper safety to maintain a safe and positive experience for all shoppers.
- *Technology Tools.* We make a variety of resources available to help shoppers enhance the efficiency of their work. Our batching algorithm helps shoppers maximize earnings by taking multiple orders at once, while our routing algorithm optimizes a shopper's path to, through, and from the store.
- *Incentives.* We believe that the work of shoppers is highly meaningful, as they balance empathy, efficiency, communication, and problem-solving to prepare the customer's order. We recognize hard work and reward shoppers with impactful incentives, such as priority access to batches, gas savings, recognition in the customer app, and discounted backup care, that help them stand out to their customers, increase their access to earnings, and reach their personal goals. See the section titled "—Our Offerings—For Shoppers" for more information on incentives we offer to shoppers.

<sup>170</sup> Based on shoppers who completed at least one order during the month ended June 30, 2023.

<sup>171</sup> Average hours per week and time spent shopping for the quarter ended June 30, 2023. Shopper demographics based on a random sampling of 2,906 shoppers who completed at least one order during the four weeks ended May 23, 2023.

<sup>172</sup> As of June 30, 2023.

<sup>173</sup> Among select digital-first platforms.

RETAILER

PARTNER SINCE 2016

# Publix

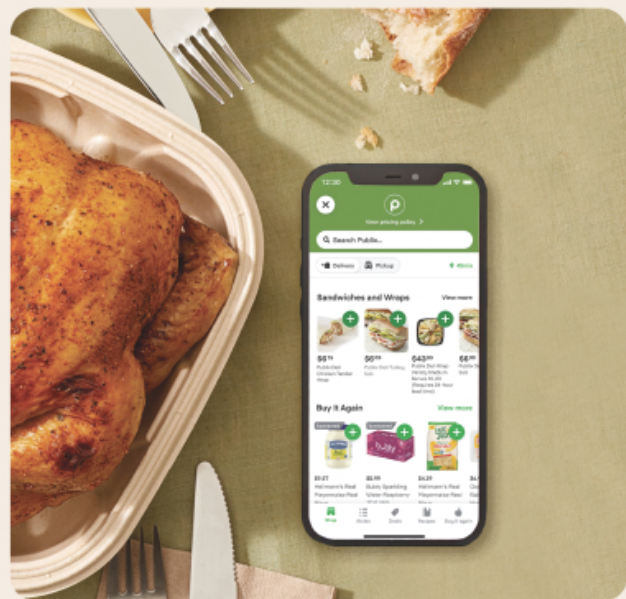
“We partner with Instacart to achieve our omnichannel goal of allowing customers to shop with us however they choose. Our original marketplace partnership has expanded over the years, as we’ve deepened our relationship with Instacart to include curbside pickup, virtual convenience, and a deep meals integration that allows us to get Pub Subs to customers in as little as 30 minutes. Instacart’s scalable solution has allowed us to capture demand as customer needs change. This has been particularly important as online continues to be an important and growing channel for customers to shop. The combination of our convenient store locations and wide product assortment with Instacart’s technology and logistics expertise has created something that is truly greater than the sum of the individual parts.”

**“The combination of our convenient store locations and wide product assortment with Instacart’s technology and logistics expertise has created something that is truly greater than the sum of the individual parts.”**

**Erik Katenkamp**  
VP Omnichannel, Publix

**INSTACART OFFERINGS PUBLIX LEVERAGES:**

Instacart Marketplace	Alcohol Delivery and Pickup
Instacart Enterprise Platform	Delivery
Storefront	EBT SNAP
	Insights
	Order Ahead
	Pickup
	Prescriptions
	Virtual Convenience



RETAILER

PARTNER SINCE 2015

# Mollie Stone's

“Our partnership with Instacart is best described as an extension of our business. Instacart’s team and technology equip us with the resources and capabilities we need to meet shifting consumer expectations and digitize our business. With Instacart, we can do all of this quickly, without having to build it

**INSTACART OFFERINGS MOLLIE STONE'S LEVERAGES:**

Instacart Marketplace	Alcohol Delivery
Instacart Enterprise Platform	Delivery
Storefront	Insights
	Order Ahead

**“With Instacart, we can do all of this quickly, without having to build it on our own.”**



on our own. Instacart’s FoodStorm offering is an example of technology that has helped us modernize and grow our catering business. With FoodStorm, we were able to move from PDF menus that required customers to call in every catering order to managing catering menus and orders digitally across all nine of our store locations. We’ve harnessed FoodStorm to offer the convenience and flexibility that customers expect and to streamline our production and fulfillment processes utilizing improved data availability.”

**Mike Stone**  
CEO and President, Mollie Stone's Markets



RETAILER

PARTNER SINCE 2017

# Wegmans

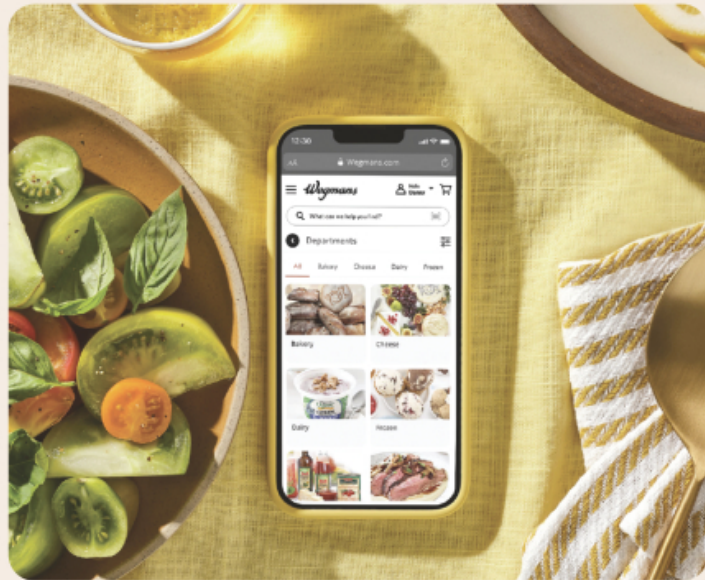
“Since launching on the Instacart Marketplace in 2017, we’ve continued to rely on Instacart to enhance our omni-channel presence. We’ve consistently been able to deliver an exceptional customer experience, no matter how and when our customers choose to shop, because partnering with Instacart allows us to reach, serve, and understand our customers better. Our Instacart-driven sales have grown more than 11x from 2018 to Q2 2023, and order sizes on Instacart have consistently been larger than what we’ve seen in-store.”

**“Our Instacart-driven sales have grown more than 11x from 2018 to Q2 2023, and order sizes on Instacart have consistently been larger than what we’ve seen in-store.”**

**Tom DiNardo**  
Senior VP of Merchandising & Marketing, Wegmans

**INSTACART OFFERINGS WEGMANS LEVERAGES:**

Instacart Marketplace	Alcohol Delivery and Pickup
Instacart Enterprise Platform	Delivery
Storefront Pro	EBT SNAP
	Insights
	Loyalty
	Pickup
	Prescriptions



# Customers



## Gertrude

CUSTOMER SINCE 2020



“I’m 81 years old and not very tech savvy—I was afraid of trying to navigate Instacart on my own. I called Instacart’s customer service and they told me about the senior line. The young lady I was connected to helped me set up my account, place my first order, and said ‘if you ever have any trouble, you can call this senior line.’ It has been my lifeline—and I’ve been a loyal Instacart customer ever since.”

## Ose

CUSTOMER SINCE 2021



“I love that I can use my EBT SNAP benefits on Instacart and have my groceries delivered. I also use Instacart to shop from other retailers for non-grocery items. It’s perfect for everyday life and special occasions, like sending flowers or balloons to a loved one on their birthday.”

## Yassine

CUSTOMER SINCE 2021



“I became an avid user of Instacart because so many grocery stores in Vancouver are hard to access without a car. On top of the convenience that it offers, Instacart also helps me save money by providing easy access to value retailers, letting me shop without having to rent a car or pay for gas.”

## Temple Isaiah Preschool

DR. TAMAR ANDREWS  
CUSTOMER SINCE 2023



“Instacart is a staple in the Temple Isaiah preschool programming for ordering food and other supplies such as first aid and paper goods. Instacart gives us a better selection and quality than other options. We’ve used other vendors before, but we kept coming back to Instacart for quality control of fresh foods, which really matters when you’re serving kids.”

BRAND

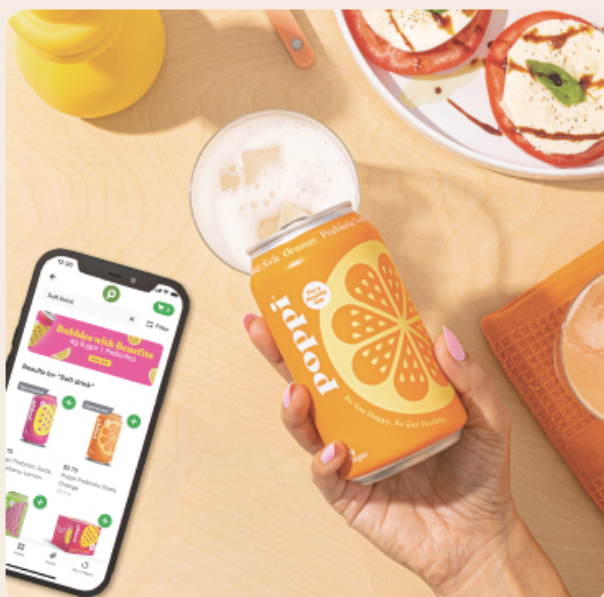
PARTNER SINCE 2020

# Poppi

“ At Poppi, we’re confident that consumer adoption of online grocery shopping is going to continue to increase, and we see Instacart as an important partner in helping us reach new and existing customers as their shopping habits evolve. Since launching with Instacart Ads Sponsored Product in May 2020, we’ve come to view Instacart as an important full-funnel marketing platform and have enthusiastically adopted newly-released products like Shoppable Display, Video, and Promotions. We also recently activated a Carrot Ads offering that

**INSTACART ADS PRODUCTS POPPI HAS LEVERAGED:**

- Sponsored Product
- Display
- Shoppable Display
- Shoppable Video
- Promotions



**“We wrapped Q2 2023 with our highest monthly sales on Instacart to date, growing June sales by over 220% year-over-year.”**

allows Poppi to target specific retailers and run ads on their owned and operated websites. Instacart has also helped to support Poppi as we expand distribution into new retailers, by seamlessly activating Instacart Ads on their storefronts when our product hits their shelves. We wrapped Q2 2023

with our highest monthly sales on Instacart to date, growing June sales by over 220% year-over-year. We’re excited to continue our investment in Instacart Ads.”

**Graham Goepfert**  
VP of Digital Commerce & Media, Poppi

BRAND

PARTNER SINCE 2020

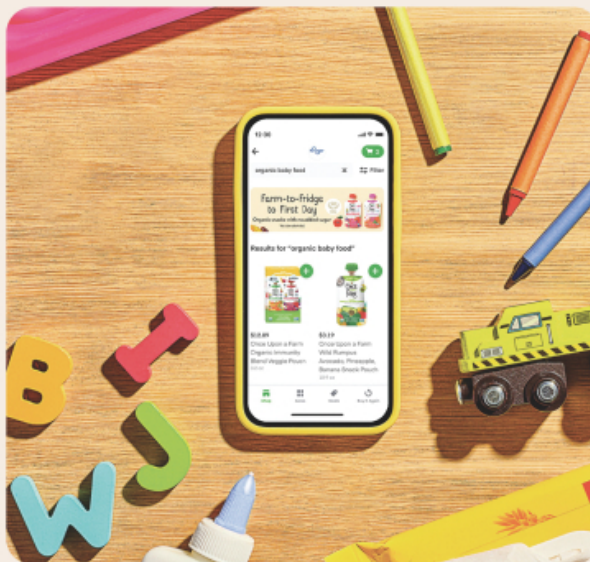
# Once Upon a Farm

“ Since 2020, Instacart has been an important component of Once Upon a Farm’s digital advertising strategy. By leveraging Instacart’s platform, we’ve successfully reached online customers across local and national retailers, leading to a significant impact as we continue to expand. Our team has worked closely with Instacart to better understand consumer preferences and ensure we continue to make investments in the right areas of the marketing funnel. Through Instacart Ads, Once Upon a Farm has seen significant sales growth on the platform, most recently achieving over 30% year-over-year sales growth in Q2 2023. As a small business, Once Upon a Farm greatly values the efficiency offered by the Optimized Bidding feature for Sponsored Product. This feature saves

**“...Once Upon a Farm has achieved significant sales growth on the platform, most recently achieving over 30% year-over-year sales growth in Q2 2023.”**

**INSTACART ADS PRODUCTS ONCE UPON A FARM HAS LEVERAGED:**

- Sponsored Product
- Display
- Shoppable Display
- Shoppable Video
- Promotions
- Storefront Banner



us time and resources and enables confident management of our advertising strategy within performance parameters. We’re also glad to be an early adopter of newly-released Instacart Ads products like Shoppable Display, Shoppable Video, and Storefront Banner.”

**Katie Marston**  
CMO, Once Upon a Farm

BRAND

PARTNER SINCE 2017

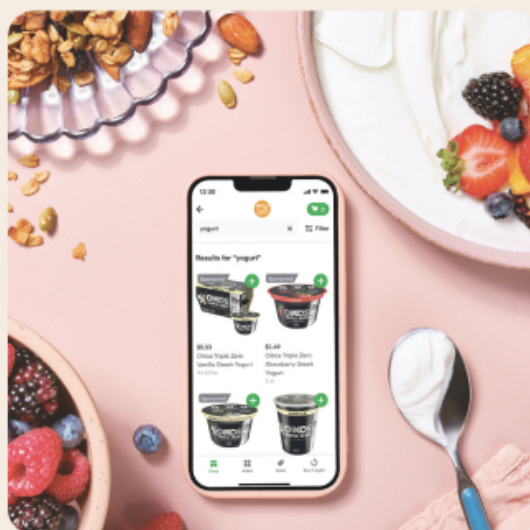
# Danone

“Instacart Ads has been an important part of Danone’s omni-channel advertising strategy, as we strive to meet all consumers on their shopping journey, whether online or in-store. Leveraging Instacart’s product suite to promote our brands has driven both meaningful and insightful results. For example, this year our investment in Sponsored Product ads, Display ads, and other promotions

**INSTACART ADS PRODUCTS DANONE HAS LEVERAGED:**

- Sponsored Product
- Display
- Shoppable Display
- Shoppable Video
- Promotions

**“For example, this year our investment in Sponsored Product ads, Display ads, and other promotions across our yogurt portfolio drove meaningful business impact across key performance metrics, such as sales and category share on Instacart.”**



across our yogurt portfolio drove meaningful business impact across key performance metrics, such as sales and category share on Instacart. We look forward to continuing our partnership with Instacart to drive results across our portfolio of brands.

**Dan Cooke**  
SVP, eCommerce, Danone North America

# Shoppers



## Raymond

**SHOPPER SINCE 2014**  
**20,000+ DELIVERIES**



“Since I started shopping with Instacart in 2014, it’s been a consistent source of earnings for me and a way to supplement the income I make as an actor. Over the years, I’ve seen Instacart grow so much, from a simple app to a powerful piece of technology that helps me instantly find the best batches, locate items in store, and connect with customers so I can best meet their needs.”

## Sheila

**SHOPPER SINCE 2018**  
**4,000+ DELIVERIES**



“I started shopping with Instacart as a way to earn a second source of income. Over the years, there have been many helpful improvements in the app to make my experience as a shopper better. From helping me determine the best replacements, to finding the quickest route to the customer—the technology just makes shopping so much easier! Most of all, I’m happy to see the immediate impact I’m making for customers, while earning some extra money for my family and having fun in the process.”

## Trudy

**SHOPPER SINCE 2020**  
**6,000+ DELIVERIES**



“After many years of being a stay-at-home mom, I turned to Instacart to re-enter the workforce with the flexibility to choose my working hours and locations, stay active, and help people in my neighborhood. My husband and I have moved many times over the years—it’s nice to know that if we move again, I’ll be able to take my work with Instacart with me.”

## Christine

**SHOPPER SINCE 2022**  
**1,000+ DELIVERIES**



“After my mom got sick, I left my previous job to move closer and have more flexibility to care for her full-time. I became an Instacart shopper so that I could make an income, without compromising the time I have to care for my mom. The app itself makes shopping seamless— simple things like the barcode scanner ensure I find the right items, and I love the new features, like being able to see the best times to shop.”

## Grow the Pie

At Instacart, one of our core values is to “Grow the Pie” for each of our key constituents: retailers, customers, brands, and shoppers. We believe that every Instacart order represents a success for each of them. As our constituents succeed, so do we, and the entire ecosystem benefits from powerful network effects.

- *Retailers* recognize the significant value we provide by enabling new use cases and fulfillment options across consumer and business needs and through our end-to-end technology solution, unlocking greater growth and efficiencies. As retailers improve their omni-channel operations, they are able to reach more customers and bring new brands into their portfolio to meet the needs of this broader audience.
- *Customers* appreciate being able to shop online with their favorite national, regional, and local retailers, across use cases, desired speeds, and payment methods, through an intuitive and personalized experience. Satisfied customers will continue to order on Instacart, driving more earnings opportunities for shoppers and more sales for retailers and brands.
- *Brands* can drive high ROI on their ad spend due to our deep understanding of customer shopping behavior and preferences. Effective advertising leads to larger average order values for retailers, deals and discounts for customers, and deeper brand affinity. Advertising revenue allows us to charge lower fees, helping retailers’ bottom line and reducing order costs for customers. Lower fees make ordering online more appealing for customers, resulting in a higher frequency of usage.
- *Shoppers* benefit from strong customer activity through more flexible earnings opportunities and value the opportunity to earn additional income. As more shoppers join Instacart, availability and speed will continue to improve for customers, which in turn will likely increase the frequency and number of purchases of goods from retailers and brands.

As we serve our constituents, we drive growth, scale, and efficiencies. By growing our retail partners’ businesses through best-in-class technology, providing customers with a personalized, easy-to-use experience for their many needs, offering differentiated, measurable advertising opportunities for our brand partners and providing immediate, flexible earnings opportunities for shoppers, we all win.

## Our Market Opportunity

We have a substantial opportunity to transform the grocery ecosystem for the benefit of all of our key constituents. We generate the vast majority of our revenue through transaction fees paid on each order by retailers and customers through Instacart Marketplace and Instacart Enterprise Platform, as well as through fees paid by brands using Instacart Ads.

### GTV Market Opportunity

While we are already the leading grocery technology company in North America,<sup>174</sup> the opportunity ahead of us remains significant. We estimate that our total market opportunity today is approximately \$1.1 trillion, which consists of U.S. grocery spend in 2022.<sup>175</sup> For online grocery, while penetration took 10 years to triple from 1% of total grocery sales in 2009<sup>176</sup> to 3% in 2019, it took just three years to quadruple to 12% in 2022.<sup>177</sup> The market is expected to grow at a CAGR of 10% to 18% between 2022 and 2025, compared to 0% to 4% for

<sup>174</sup> Based on total online grocery sales in 2022.

<sup>175</sup> Incisiv.

<sup>176</sup> Euromonitor, *Retail* (2023 edition), *Consumer Foodservice* (2023 edition); categories: Consumer Electronics, Consumer Electronics E-Commerce, Apparel and Footwear, Apparel and Footwear E-Commerce, Homewares and Home Furnishings, Homewares and Home Furnishings E-Commerce, Consumer Foodservice by Type, categorization type: online and total; Consumer Foodservice by Type covers Foodservice Value RSP, data for the Retail Categories covers Retail Value RSP excluding Sales Tax; USD, current prices.

<sup>177</sup> Incisiv.

offline sales.<sup>178</sup> Market penetration could double or more, reaching as high as 35% over time.<sup>179</sup> Even then, with at least two-thirds of the grocery market offline, the role of the store will continue to be significant, and it will be critical to serve retailers with technology that enables omni-channel commerce.

We have successfully demonstrated our ability to deepen our relationships with our retail partners. Not only do we power eCommerce solutions for our retail partners through our Instacart Marketplace, but we also support retailers' owned and operated online storefronts through Instacart Enterprise Platform. We can then help retailers fulfill orders through new options and address a broader set of shopping occasions and categories. We believe that our deep vertical focus on grocery gives us a unique ability to address all subsets of the grocery market, across fulfillment options and shopping behaviors.

#### *Market by Fulfillment Options*

Within online grocery sales, pickup fulfillment method accounts for 46% of total online sales while delivery accounts for 54%, with same-day representing 55% of total delivery and next day representing 45% of total delivery.<sup>180</sup> We address each of these and continue to expand our delivery offerings to give customers more flexibility with options like next day, priority, and rapid delivery. The future of grocery is about helping consumers find products they love from retailers they trust, no matter where they are or how they choose to shop. For grocers, this means that online success is critical and so is preparing for a future where all aspects of their business, including in-store, will be improved through technology.

#### *Market by Consumer Shopping Occasions*

Consumers exhibit a range of shopping occasions within grocery, like the weekly shop, bulk stock-up, convenience, or special occasions. These tend to vary based on frequency of shop and average order value. We started with the weekly shop, a recurring and high value use case that we believe represents the largest portion of the market. We have expanded to serve broader needs for our retail partners and their customers. We believe that average order value is a proxy for grocery shopping occasions. For example, a larger average order value may indicate a weekly shop or bulk stock-up, while a smaller average order value may represent a top-up convenience order or special occasion.

We believe we can expand our market opportunity as we enable retailers to capture more orders and greater market share through new fulfillment options and use cases, drive success both online and in-store, and serve their customers better in all of the ways they choose to shop. For example, we recently introduced our Instacart Business offering, and we expect to build capabilities to allow customers shopping for their businesses to leverage our tailored solution to centralize their ordering, build shared lists, generate invoices, and access other business-friendly product features. We also believe that we can continue to grow our opportunity by expanding our Instacart Enterprise Platform to offer more solutions for the retailer operating system over time.

#### **Advertising Market Opportunity**

As grocery spend shifts online, advertising budgets will follow. Given the data-driven ability to reach customers at the point of purchase and within hours of consumption, CPG brands now have a meaningful opportunity to grow their customer base. Online represents the fastest growing channel for CPG brands, which are some of the largest advertisers in the world. CPG brands in the United States alone spend approximately \$200 billion annually to advertise their products, of which nearly 25% is through online channels.<sup>181</sup> At the brand level, a typical CPG brand spends approximately 30% of their gross sales on advertising.<sup>182</sup> Over time, more of this spend is expected to be channeled towards online retail media networks like Instacart. In fact, 82% of advertisers expect to continue to increase their retail

<sup>178</sup> Incisiv.

<sup>179</sup> McKinsey, *The next horizon for grocery e-commerce: Beyond the pandemic bump*.

<sup>180</sup> Pickup and delivery percent of total online sales based on YipitData for the period from July 1, 2022 to June 30, 2023. See footnote 134 for additional information. Same-day and next day percentage of total delivery based on a 2022 internal study.

<sup>181</sup> Cadent.

<sup>182</sup> McKinsey, *Commerce media: The new force transforming advertising*.



media spending over the near term with 80% of that spend to be funded from new budgetary sources rather than existing trade budgets.<sup>183</sup> Nearly 70% of advertisers say their performance in retail media is significantly or somewhat better than in other channels.<sup>184</sup> Advertisers are also anticipated to spend more on retail media than linear television by 2025.<sup>185</sup>

Advertisers have struggled to measure the effectiveness of their trade and national marketing spend, however, as grocery transactions have historically been completed offline.<sup>186</sup> As grocery shopping moves online, we have a unique opportunity to help advertisers engage with customers during their shopping journey in a highly measurable and personalized way. Each shopping interaction provides an opportunity for an advertiser to influence a customer's decision, and every impression, click, purchase, and repurchase can be measured on Instacart. 71% of customers expect companies to deliver personalized interactions, but only 23% believe retailers are performing well in this regard.<sup>187</sup> We believe this provides a compelling opportunity for CPG brands, and one that will become increasingly critical as the grocery shopping experience continues to digitize.

Additionally, CPG brands invest significant resources into market research to gather critical consumer insights, identify latest consumer trends, inform their product development, and ultimately drive their success. Given the breadth of retail partner selection and number of customers on our online grocery marketplace, we access and analyze unique data at scale that generates useful market insights for CPG brands.

### Our Growth Strategies

We plan to continue to grow by delivering the best online grocery experience to more customers, increasing the number of retailers we partner with and deepening our relationships with existing retail partners, and increasing our advertising revenue.

- **Attract New Customers and Expand Use Cases.** We will continue to help retail partners capture new customers as consumer behaviors and preferences shift. We are focused on the following avenues to achieve this:
  - **Grow Online Penetration.** We plan to invest in incentives, performance and brand marketing, and partnerships to grow our customer base and expand the online grocery market.
  - **Expand Omni-Channel Offerings.** We began with delivery but have since introduced pickup and in-store capabilities. To enhance the in-store experience, we offer AI-powered Caper Carts in select stores to help customers easily navigate stores and check themselves out without manually scanning items. We plan to continue to invest in new fulfillment and in-store options.
  - **Introduce New Use Cases and Broaden Selection.** We will continue to broaden grocery shopping occasions. We will also expand into grocery-adjacent verticals to meet changing consumer demands and tailor our offering for additional shopping use cases, like Instacart Business. While this expansion may result in average order value declining, we believe it will benefit our business over the long term by increasing orders and GTV. We are also focused on investing in initiatives to increase the accessibility of Instacart.
  - **Increase Access.** We strive to make online grocery shopping accessible and affordable. We will continue to offer a wide range of fulfillment options, including pickup, no rush delivery, and next day delivery, that are more affordable relative to other fulfillment options. We will continue to work with our brand partners to expand our offerings of exclusive coupons and deals and with retailers to offer item price parity to their physical stores and retailer loyalty program benefits whenever possible.

<sup>183</sup> McKinsey, *Commerce media: The new force transforming advertising*.

<sup>184</sup> McKinsey, *Commerce media: The new force transforming advertising*.

<sup>185</sup> Insider Intelligence.

<sup>186</sup> Cadent.

<sup>187</sup> McKinsey, *Commerce media: The new force transforming advertising*.

We will leverage partnerships to augment these savings and deals through mechanisms like cashback and trial Instacart+ memberships. We also offer diverse payment types, such as EBT SNAP and recent initiatives like Fresh Funds through Instacart Health, to increase the accessibility of Instacart for more households.

- *Grow Instacart+*. We will continue to invest in Instacart+, our membership program, to drive greater customer engagement. We plan to increase adoption of Instacart+ to deliver savings back to our most loyal customers.
- *Expand AI Applications*. We believe we are well positioned to lead AI product innovation in the online grocery space and further increase engagement on Instacart. We have a robust machine learning foundation with a large amount of unique data across our retailers, product catalog, and customers. We intend to leverage this data to continue to develop AI models for deep personalization and a better customer experience. With the rapid innovation in generative AI, we believe we can create new personalized, inspirational, value-driven shopping experiences that enrich our customers' relationship with food and how they engage with the retailers and brands they love.
- **Deepen Our Offerings to Retailers**. We plan to continue to help retailers grow by enabling new use cases and broadening the capabilities of our technology solutions. We are focused on the following strategies to achieve this:
  - *Expand Use Cases and Capabilities*. We plan to continue to help retailers grow by enabling new use cases and broadening the capabilities of our technology solutions. We have successfully done so when we launched pickup solutions, EBT SNAP payments, virtual convenience, and AI product experiences for retailers on both Instacart Marketplace and on retailers' owned and operated online storefronts powered by Instacart Enterprise Platform.
  - *Pursue Opportunistic Acquisitions*. We plan to pursue next-generation technologies via organic and inorganic opportunities. To complement our internal development, we will look to make opportunistic acquisitions that bolster our technology solutions and key capabilities like we have successfully done with Caper, which offers AI-powered shopping carts and countertops for a seamless in-store check-out experience, FoodStorm, which offers a SaaS order management system, or OMS, that powers end-to-end online order ahead and catering capabilities for grocery retailers, Eversight, which offers AI-powered technology to create compelling savings opportunities for customers in real-time, and Rosie, which provides eCommerce storefront experiences specifically for local, independent retailers.
  - *Extend Our Technology Beyond Grocery*. The suite of offerings we have built for grocery is also extensible to other categories of retailers, and over time, we anticipate that we will partner with a greater number of non-grocery retailers.
  - *Pursue International Opportunities*. We believe that we have built a set of unique technologies that all grocers worldwide could benefit from, and over the long term, we intend to leverage our technology and existing partnerships to expand our business internationally.
- **Increase Brand Success and Support Emerging Brands**. We will continue to build ads offerings to provide brand partners with new ways to connect with customers shopping online. We have seen our advertising revenue grow rapidly over the last few years given our customer reach and the high ROI of advertising dollars on Instacart. We are focused on the following strategies to achieve this:
  - *Increase Advertising and Other Investment Rate*. Since launching our ads offering, we have seen strong adoption by our brand partners. Our ability to connect brand partners directly with high intent customers positions us to capture the large market opportunity as CPG advertising dollars continue to move online. Increasing advertising and other investment rate will come from existing brands spending more with us, acquisition of new advertisers as we expand ads offerings availability across new categories, and growing sales for emerging brands and non-food categories that have higher advertising budgets.

- **Add More Emerging Brands.** Emerging brands have a high desire to invest as they look to grow brand awareness and engage with customers. We are focused on expanding our ads offerings and building solutions to help emerging brands get discovered on the virtual shelf through features such as shoppable display units and brand pages, along with insights to understand growth of their brands on Instacart.
- **New Ads Offerings.** We will continue to build our display ads offerings to include rich media discovery opportunities for our brands to reach customers in new and impactful ways, including collections of shoppable products brand pages to serve as destinations for on- and offsite media. We will also continue to invest in optimization and measurement capabilities to align with brands' objectives across the marketing funnel, building on recently launched capabilities like optimized bidding to help to maximize sales.
- **Expand Our Advertising Technology to More Retailers' Sites.** We are investing to expand Instacart Ads to retailers' owned and operated online storefronts through Instacart Enterprise Platform. In 2021, we launched Carrot Ads, which helps our retail partners capture new monetization opportunities while broadening advertiser reach to millions of new customers via additional relevant placements on retailers' owned and operated online storefronts.

### Our Commitment to Our Community

We are committed to empowering the communities we serve. Our work to create positive impacts in the broader community include:

- **Economic Enablement.** Our business model is designed to enable the success of all of our constituents, including shoppers and the communities that we serve. We deeply value our community of approximately 600,000 shoppers, and we strive to provide the support and earnings opportunities that make the shopping experience as safe and rewarding as possible.<sup>188</sup> We also believe our business model translates into positive economic impacts for the broader community, and in particular benefited frontline grocery workers during the COVID-19 pandemic. From 2013 to 2020, we contributed to the creation of approximately 186,000 grocery jobs in the United States, approximately 70,000 of which were created during the early stages of the pandemic.<sup>189</sup> In communities we served at the outset of the COVID-19 pandemic, we also contributed to an average weekly grocery wage increase of approximately \$22 per employee.<sup>190</sup>
- **Access to Quality Food and Nutrition.** Today, one in 10 Americans struggles to get access to fresh, nutritious food,<sup>191</sup> and more than 100 million Americans suffer from diet-related diseases.<sup>192</sup> We believe that we are uniquely positioned to contribute to the fight against nutrition insecurity and promote healthier lifestyles for consumers through our Instacart Health initiative. Today, over 90% of the more than 37 million Americans experiencing nutrition insecurity have access to online grocery delivery or pickup from retailers via Instacart.<sup>193</sup> We launched our EBT SNAP program to increase the accessibility of Instacart for more households, and we have since expanded the program to become the first and only online grocery marketplace to accept SNAP in all 50 states and Washington D.C., reaching nearly 95% of U.S. households enrolled in SNAP through more than 120 retail banners across more than 10,000 stores in the United States.<sup>194</sup> We recently launched Fresh Funds with a similar goal. Many of these customers value the privacy and convenience that our services provide while accessing nutritious food. We also partner with a number of organizations to promote access to food through monetary and in-kind

<sup>188</sup> Based on shoppers who completed at least one order during the month ended June 30, 2023.

<sup>189</sup> NERA.

<sup>190</sup> NERA.

<sup>191</sup> U.S. Department of Agriculture Food and Nutrition Service; U.S. Department of Agriculture, *Food Security: Key Statistics & Graphics*.

<sup>192</sup> National Center for Chronic Disease Prevention and Health Promotion.

<sup>193</sup> Coverage of people experiencing food insecurity reached by our retail partners is an Instacart estimate based on Feeding America as of July 2023.

<sup>194</sup> As of June 30, 2023. Percent of households reached is an Instacart estimate as of July 2023 based on the number of EBT SNAP households in areas serviced by EBT SNAP-enabled retailers on Instacart.

donations, particularly in underserved communities and food deserts. Additionally, we designed our offering to ensure that doctors, hospitals, and health systems have access to tools that help them seamlessly launch food-as-medicine programs at scale. By partnering with payers, providers, employers, and non-profits, and making it easy for them to fund the cost of nutritious choices and administer food-as-medicine programs, we believe we can make it possible for a larger number of people to get access to affordable, nutritious food choices. To that end, we have designed programs like Fresh Funds, Care Carts, Storefronts, and Lists to enable collaborative care and empower organizations and individuals to help people get the personalized nutrition they need.

- **Promoting Diverse Businesses.** As our ads offerings continue to expand, we believe we have a valuable opportunity to support the success of minority and women-owned businesses on Instacart. For example, in 2021, we launched an initiative to invest up to \$1 million to promote Black-owned brands by providing them advertising credit and ongoing ad campaign support. We expanded this initiative with an additional \$1 million commitment to promote women-owned brands in 2022. Additionally, with Instacart Business, we are creating more ways for retailers to reach customers shopping for their businesses — ranging from a diverse cross section of local small businesses to larger, national entities. Through Instacart Business, we have also partnered with national organizations that serve diverse small businesses to help them grow, such as the U.S. Black Chambers, U.S. Hispanic Chamber of Commerce, U.S. Pan Asian American Chambers of Commerce, Women’s Business Enterprise National Council, and Black Enterprise. Combined, these organizations represent hundreds of thousands of businesses across the country. Through this partnership, we have helped these businesses expand their network through sponsoring events for diverse small business owners and providing access to training and informational resources. We have also highlighted emerging brands, local retailers, and small businesses using Instacart Business to amplify their voices and reach new customers.

## Our Offerings<sup>195</sup>

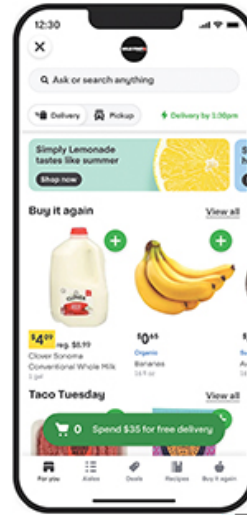
### For Retail Partners

We are a trusted partner for national, regional, and local retailers, providing them with a suite of enterprise grade technologies for eCommerce, fulfillment, in-store, ads and marketing, and insights. Our goal is to help retailers create a personalized and seamless consumer experience no matter how people choose to shop. We do this through Instacart Marketplace and Instacart Enterprise Platform.

### Instacart Marketplace

With Instacart Marketplace, retailers can typically seamlessly bring their entire store footprint online and create an omni-channel offering to reach millions of new customers in weeks. Our technology enables our retail partners to showcase their full inventory online in real-time, allowing customers to shop how they want: by aisle, purchase history, related items, recipe, or occasion.

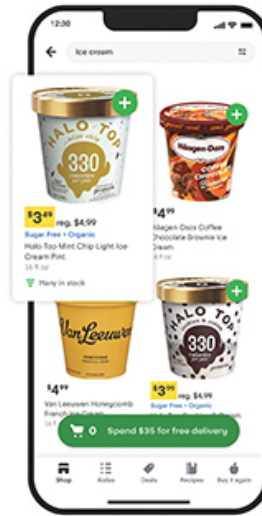
Instacart Marketplace allows customers to easily shop by aisle, purchase history, related items, recipe, or occasion



<sup>195</sup> The figures and data shown in the screenshots of our mobile app and website in this section titled “Business—Our Offerings” are illustrative and are not based on or may not reflect actual results.

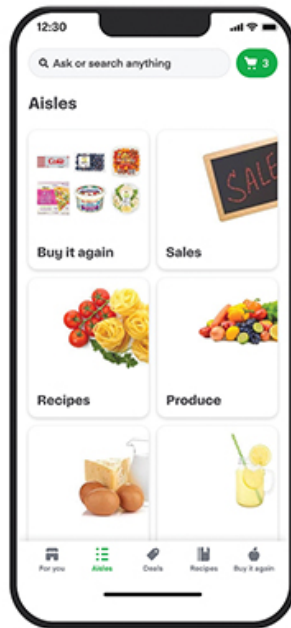
- Catalog Management.* Our catalog technology and algorithms process and reflect billions of data points each day across each retailer, store, and item to ensure we are showing customers relevant, accurate, and up-to-date information. Our deeply integrated technology allows us to aggregate detailed information from many sources—retailers, advertisers, shoppers, and other third parties—to create a comprehensive dataset that contains real-time information about item availability, size, weight, shelf and promotional pricing, nutritional content, high-resolution imagery, and more.

Our algorithm surfaces items based on relevance, stock, deals, and personalized data

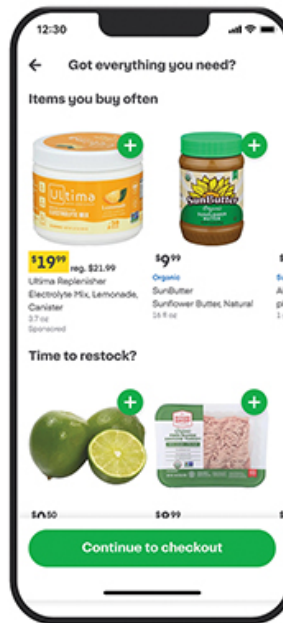


- Merchandising Integrations.* We offer a variety of proprietary integrations to help retailers mirror their offline offerings on Instacart Marketplace. We maintain digital aisles to accurately reflect retailers' merchandising priorities. We allow item pricing to remain fully in the control of our retail partners, including promotional and loyalty pricing decisions.

**Digital Aisles**  
Mirror in-store experience of aisles and reflect retailers' merchandising priorities

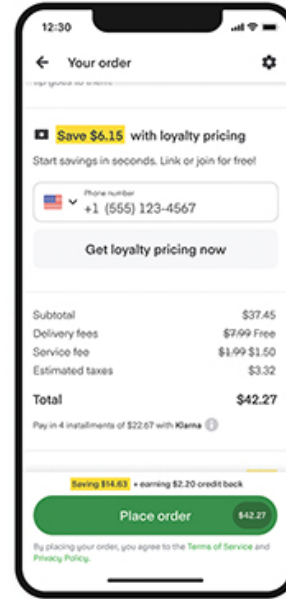
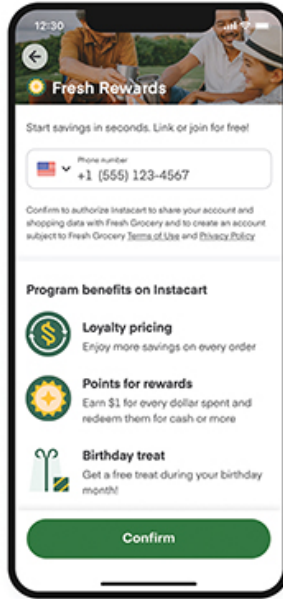


**Checkout Aisles**  
Browse suggested items before checkout



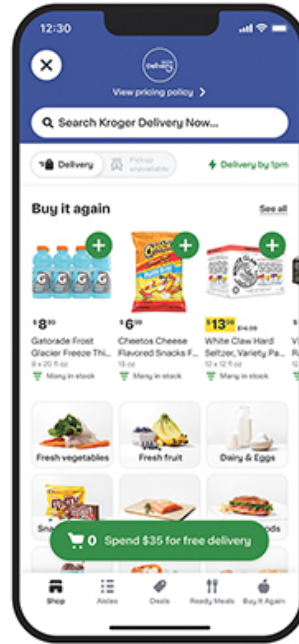
- **Loyalty Integrations.** We integrate retailers' offline loyalty programs directly onto Instacart Marketplace so that our customers are able to access their favorite loyalty programs from retailers such as Schnucks and take advantage of digital coupons and specials, as well as popular sales and perks. In turn, this bolsters retailers' offerings by creating a full view of the customer, both online and in-store.

With integrated loyalty programs on Instacart Marketplace, customers can easily access retailers' digital coupons, specials, and perks



- *Virtual Stores:* We enable retailers to have a digital presence distinct from their physical locations. For example, a retailer can easily set up a virtual convenience store on Instacart Marketplace that allows them to offer a tailored set of SKUs to customers.

Leverage existing store footprint to create a distinct digital presence and enable new use cases




- *Logistics Network.* Our logistics technology powers the shopper network and enables retailers to offer delivery across multiple speeds and pickup to their customers through Instacart Marketplace, bringing the magic of their in-store experiences directly to customers' doorsteps.



*Instacart Enterprise Platform*

Instacart Enterprise Platform is an end-to-end technology solution that powers retailers across all aspects of their business. Our offerings are modular, allowing retail partners to pick and choose which technologies best fit their needs. These solutions work seamlessly together, so retailers can more efficiently integrate with Instacart than they can with multiple separate technologies. The depth of our integrations — across inventory systems, loyalty programs, store operations, and more — also allows us to provide actionable data insights to our retail partners. Key components of Instacart Enterprise Platform include:

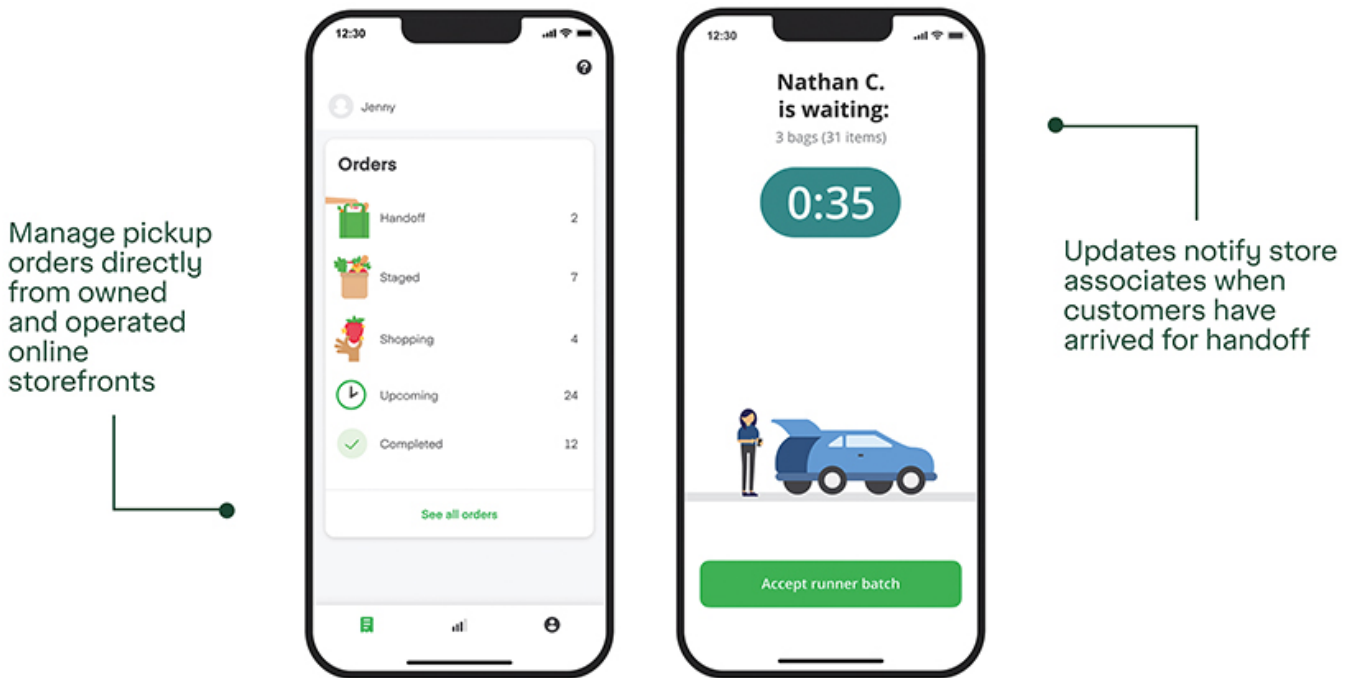
eCommerce	Fulfillment	Connected Stores	Ads & Marketing	Insights
Storefront	Shopper Network	Caper Cart	Carrot Ads	Insights
Storefront Pro	Pickup	Carrot Tags	Marketing Solutions	
Order Ahead	Next Generation Fulfillment	Scan & Pay		
Payments	Store Manager			



- *eCommerce.* Our technology solutions power owned and operated online storefronts that we build for our retail partners through Storefront and Storefront Pro. We also enable retailers with their own eCommerce storefronts to plug into Instacart API to access services for fulfillment and ads. We have invested in building robust technology that powers product discovery tools, merchandising, different payment models, and loyalty-as-a-service. These services are available to retailers of all sizes to use on their own websites, even if they do not use our storefront technology.
  - *Storefront.* Through Storefront, we build online businesses for retailers quickly and easily that allow their customers to browse and shop a branded eCommerce storefront on web or mobile. Retailers can offer pickup and delivery enabled by Instacart’s shopper community, order scheduling, payment integrations, order tracking, and limited promotional tools, among many features to provide customers with a seamless experience.
  - *Storefront Pro.* Storefront Pro allows retailers to further customize and configure their branded storefronts and enable richer customer experiences through additional integrations such as loyalty programs, enhanced content customization, and advanced merchandising capabilities. This offering also includes access to a dedicated support team and Carrot Ads. To augment these solutions, we acquired Rosie, which provides eCommerce storefront experiences specifically for local, independent retailers. Rosie expands our offerings for retailers of this size and serves as a complement to Storefront Pro but with a simple interface and set of tools designed for smaller retailers.
  - *Loyalty Integrations.* Our newly-expanded loyalty capabilities allow us to offer native sign-up for retailers’ loyalty programs. By providing access to features like points, discounts, and digital coupons, retailers can deliver more personalized and convenient shopping experiences that maximize value and savings.
- *Fulfillment.* Our fulfillment technologies allow retailers to offer grocery pickup and delivery through our community of shoppers or a retailer’s own store employees. We also provide next-generation fulfillment capabilities that are customized to a retailer’s specific needs and are designed to optimize picking speeds, accuracy, and checkout. Retailers can also leverage our fulfillment API to help fulfill orders that are placed through their owned and operated online storefronts.

- Pick & Pack.** In most instances, Instacart shoppers pick, pack, and deliver these orders, but retailers can also use our technology to enable orders that are picked and packed by that partner’s own employees. Our technologies allow customers to view their order status and speak to their Instacart shopper or a retailer’s own store employees in real time, ensuring all orders are successfully picked and packed.

  - Delivery.** We help retailers fulfill delivery orders at speeds ranging from priority (as fast as 30 minutes) to the next available window and even next day.
  - Pickup.** We also enable retailers to offer pickup to capture growing customer demand for curbside services at their local stores.
- Store Manager.** Store Manager allows retailers to better understand how their store employees are managing online orders. This offering allows retailers to track every step of the fulfillment process from staged, shopping, and handoff to completed.



- Connected Stores.** Instacart helps retailers create a unified, seamless, and personalized experience both online and in-store and provides technologies that enhance in-store operations. Tens of thousands of our retail partners’ store associates use various Instacart in-store tools, such as FoodStorm OMS, FoodStorm Production Reports, Picking App, and our Store Manager App showing operational metrics like orders, associate performance, and key store trends.<sup>196</sup> Thousands of retailers’ locations across the country also have staging areas, many of which have Instacart specific branding such as signage or Instacart-branded refrigerators.<sup>197</sup> Our omni-channel offerings are important to retailers as third-party data shows that customers who shop online and in-store spend two to four times more than in-store customers.<sup>198</sup>

  - Caper Carts.** Caper Carts are AI-powered smart carts that are equipped with scales, sensors, touchscreens, and computer vision that powers Instacart’s proprietary scanless technology, so that customers can navigate the store and check themselves out without manually scanning items. Caper Carts can also be managed remotely in real-time by retailers, providing powerful auditing and insight tools for store associates, like how many carts are being used and what types of items are being purchased.

<sup>196</sup> As of June 30, 2023.

<sup>197</sup> As of June 30, 2023.

<sup>198</sup> McKinsey, *Navigating the market headwinds: The state of grocery retail 2022*.

- *Lists.* With Lists, customers can build shopping lists on both Instacart Marketplace and retailer websites powered by Storefront and Storefront Pro as well as sync them directly to a Caper Cart by scanning a QR code. The Caper Cart helps customers locate the items they are shopping for and automatically checks them off their list as they are added to the cart.
- *Carrot Tags.* With Carrot Tags, retailers can connect electronic shelf labels to Instacart and add functionality such as pick-to-light capabilities, which allow customers, associates, or Instacart shoppers to select an item on their phone and flash a light on its corresponding shelf tag, making it easier to find the products they're looking for. Carrot Tags also help retailers display key information — like whether a specific product is gluten-free, organic, kosher, or EBT SNAP eligible — driving inspiration and product discovery in stores.
- *Scan & Pay.* Scan & Pay allows customers to scan items as they shop and pay for them from their mobile phones so they can skip checkout lines. It can also link the items customers buy in-store to their online shopping accounts, making it easy to buy them again. For EBT SNAP users, Scan & Pay easily identifies EBT SNAP-eligible products as soon as they are scanned, making it easier to identify approved products.
- *FoodStorm OMS.* FoodStorm is a digital catering experience purpose-built for grocery, enabling omni-channel ordering for customers — including online, by phone or email, or through an in-store kiosk. FoodStorm is powered by a proprietary OMS that helps retailers manage orders from prepared foods departments and collaborate across departments so that retailers can have customers' orders ready at just the right time. This technology drives efficiency for retailers and enables easy ordering for customers.
- *Out of Stock Insights.* Out of Stock Insights is an API that helps retailers provide automatic, real-time alerts to in-store associates when items are running low or out of stock. For retailers, this can result in fewer missed sales opportunities; for customers, this increases the chances they can find the specific product they are looking for.
- *Ads & Marketing.* Our ads and marketing offerings enable our retail partners to use our solutions on their owned and operated online storefronts and Instacart Marketplace storefronts to engage with more customers and generate new revenue streams. These offerings can increase our retail partners' profits while broadening their reach to millions of new customers.

- *Carrot Ads.* Carrot Ads, our enterprise ads offering, allows retailers to use Instacart’s sophisticated advertising technology and data insights on their owned and operated online storefronts. This delivers technology and insights and opens up new revenue streams for retailers by making it extremely easy to establish a retail advertising business. Retailers can also utilize Carrot Ads to promote their private label products.



- *Marketing Solutions.* Our suite of marketing solutions, from self-serve tools to fully customized strategic partnerships, allows retailers to grow their business by serving targeted promotions to customers. Retailers are able to provide tailored discounts to target new customers, offer promotions on curated collections for seasonal moments like Mother’s Day, and offer discounts when customers sign up for their loyalty programs. Retailers can use these tools to advertise across various surfaces of Instacart Marketplace, as well as through different media channels. Regardless of size or budget, we provide differentiated solutions for all our retail partners, which have driven significant increases in retailer first time orderers from in-app activation campaigns.<sup>199</sup>
- *Insights.* We complement retailers’ existing data sets from point-of-sale transactions with differentiated data and insights to better understand a customer’s journey and improve their own operations.
  - *Customer Insights.* We help retailers better understand their customers’ digital interactions, such as what they are searching for, their preferred fulfillment options, and frequency of placing orders. We also aggregate and anonymize comparative operational benchmarking so that retailers have a broader picture of customer behavior.

<sup>199</sup> Based on internal tests run across active multiple retail banners measured over four weeks ended on January 18, 2023, leveraging In-App Activation Campaign product.

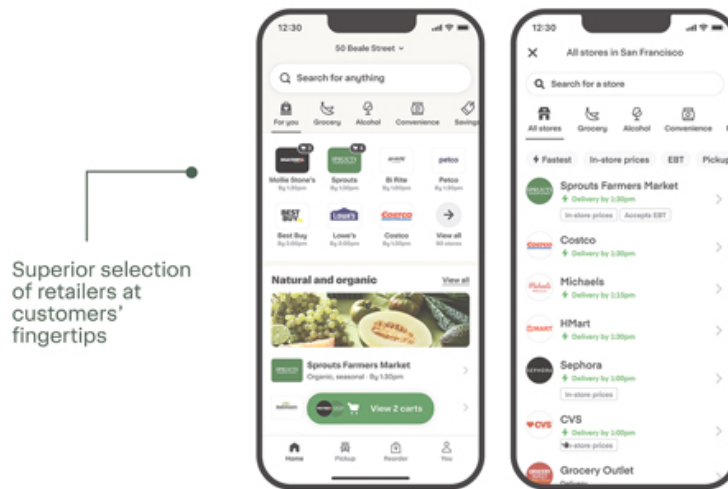
- **Retailer Insights.** Our retail partner dashboard provides key operational insights such as per item or per store detail, data on customer engagement, search conversion, and out of stock items, as well as financial insights such as sales growth and average order value. We show these metrics in real-time versus on a lagging basis helping retail partners better manage their store operations, merchandising, and marketing strategies. For example, when a shopper marks an item as out-of-stock while fulfilling an order, we can relay that information back to the retailer immediately so they know the item needs to be restocked. This would be harder to track and slower to reach a retailer at a brick-and-mortar location as they would need to physically see an empty shelf to initiate a restock.

### For Customers

We built Instacart to make grocery shopping effortless by giving customers access to their favorite national, regional, and local retailers online. Our solutions are designed to provide a personalized shopping experience as customers browse, search, and order items from retailers they know or discover. As Instacart has grown and adapted to offer broader selection, support new verticals and use cases, and lean into inspiration and discovery, our ads offerings have followed and helped to shape new customer behaviors. These offerings complement each other and offer meaningful opportunities for future product innovation.

### Customer App and Website

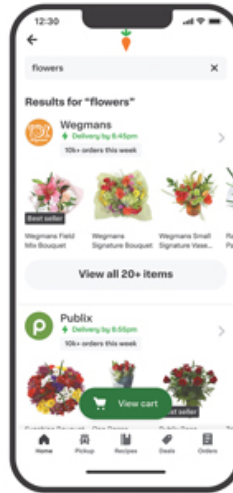
Our easy-to-use mobile app and website allow customers to shop from their favorite national, regional, and local retailers — wherever they are. Our goal is to provide a superior online grocery experience, offering the best selection, quality, value, and convenience.



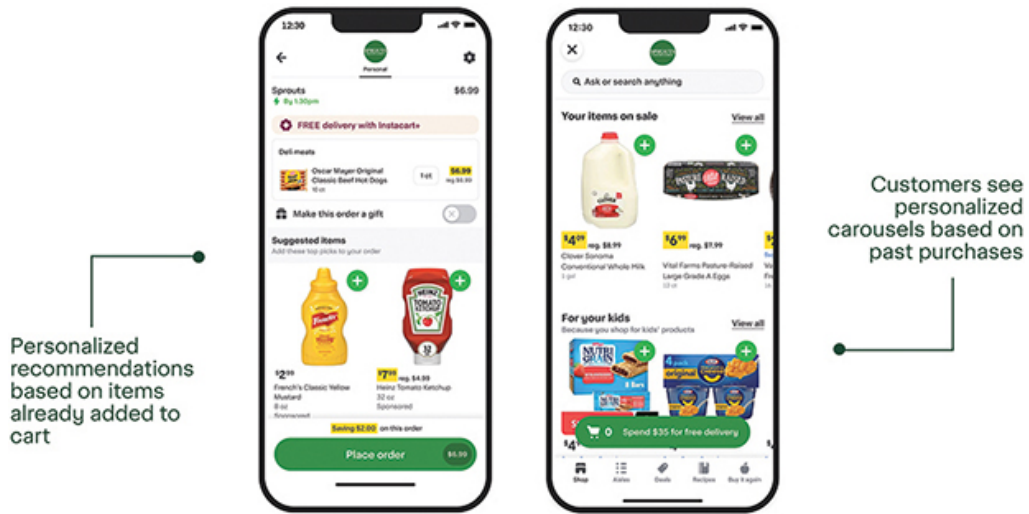
- **Search and Browse.** Customers can browse aisles, like produce, convenience, pet food, sales, or alcohol, to discover new items or search for whatever they might need from a specific retailer or even across stores. Our machine learning-based search algorithm — based on billions of search queries each year — is critical to enhance a customer's online shopping journey, by sorting over a million unique products to return the most relevant results. Our technology can decipher that a customer is searching

for steak and return results for a filet when they are shopping in a grocery store, rather than steak dog treats, which would be shown when searching in a pet store. Our search and browse process leverages our Ads, picking, replacement capabilities to drive discovery and allow customers to seamlessly pick replacements or add an item to their order based on unique recommendations. Our ranking algorithms optimize results using factors that span relevance, availability, and customer lifecycle stage to ensure customers see the most relevant items. These capabilities bolster incremental use cases and product purchases, larger average order values, and increased order frequency.

Network of machine learning algorithms surfaces relevant, personalized search results for each customer

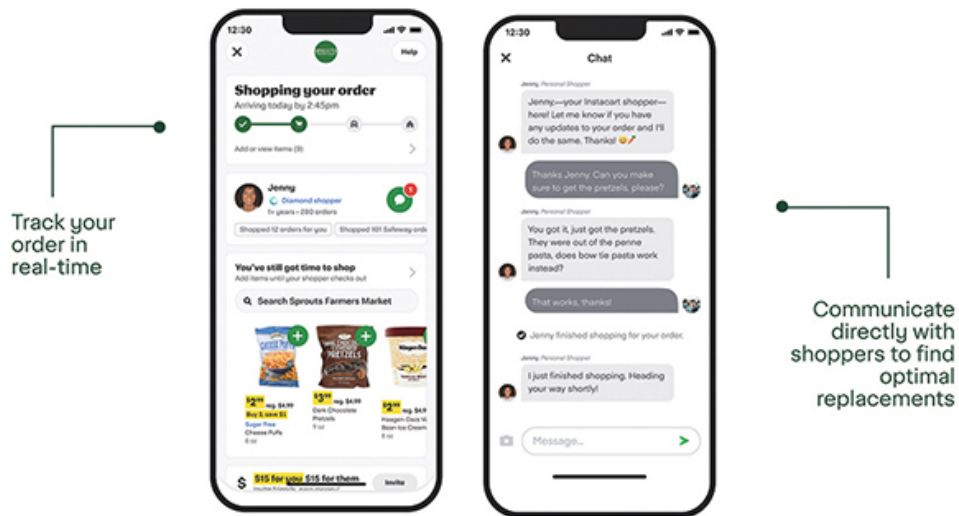


- *Personalized Experience.* We use information from past purchases, customer app engagement patterns, preferences, and billions of other data points on Instacart every day to deeply personalize the experience for each customer. Instacart allows customers to easily reorder items, tailor replacement suggestions, and offer targeted, personalized new item recommendations. For example, if a customer has hot dogs in their cart, we recommend ketchup and mustard to the customer based on our machine-learning data insights. Because we may process approximately 410 million replacements each year,<sup>200</sup> we have a differentiated data set to provide the most relevant replacements to ensure every order meets the needs of our customers and delivers a high-quality experience.



<sup>200</sup> For the year ended December 31, 2022.

- **Order Management.** Once customers place their orders, they can easily access the order status page where they can communicate directly with the shopper and track timing of completion. Customers have the option to update orders after they are placed, allowing them to add to their baskets, review item selections, pick replacements, and adjust quantities. Our replacements technology is driven by our data insights from previous orders to recommend personalized replacements.

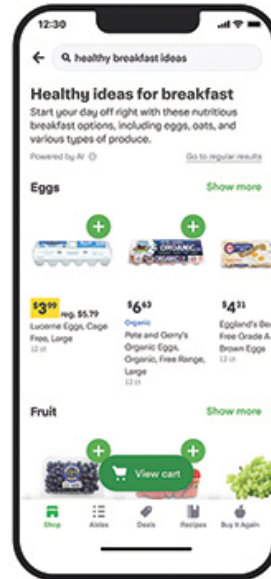


- **AI Integrations.** We offer a variety of AI product experiences to help customers get the most out of Instacart — whether that's addressing food-related questions or helping with meal planning. These products are designed to be integrated into other AI-powered consumer experiences, allowing us to participate in conversations on platforms beyond those powered by Instacart.



- *Ask Instacart.* Ask Instacart is an innovative AI-powered search tool designed to assist with customers' grocery shopping questions — saving them time, inspiring their routines, and helping them make food-related decisions by offering personalized recommendations throughout the shopping experience.

Ask Instacart harnesses AI-powered search to personalize the grocery shopping experience

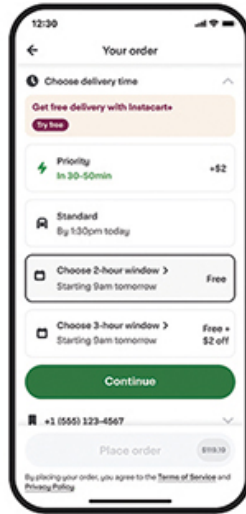


- *Instacart Plugins.* The Instacart AI plugin enables users from popular non-Instacart platforms on the internet such as ChatGPT to express their food needs in natural language. Our plugin enables customers to turn inspiration for meal planning into ingredients on their doorstep.
- *Shoppable Content.* Shoppable Content pairs entertainment with shopping to drive engagement, allowing select food creators to feature shoppable recipes and lists in their videos and online recipes. The feature includes a button that adds all required ingredients needed for a specific recipe to a user's cart.

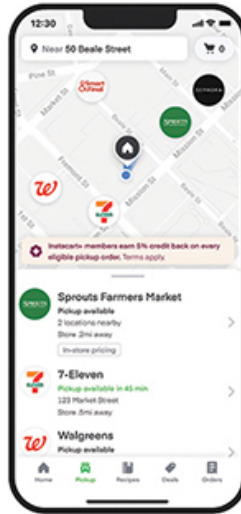
*On-Demand Delivery and Pickup*

Customers can select the fulfillment option and speed that best suit their needs. We support weekly shop, bulk stock-up, convenience, and special occasions for both delivery and pickup. Delivery speeds range from priority (as fast as 30 minutes) to the next available window or even the next day. Customers have the ultimate flexibility to use Instacart as they need: for their larger weekly or monthly grocery orders, as well as for a quick top-up of ingredients — for tonight’s meal.

Customers can select delivery speeds ranging from as fast as 30 minutes to next day to best meet their needs



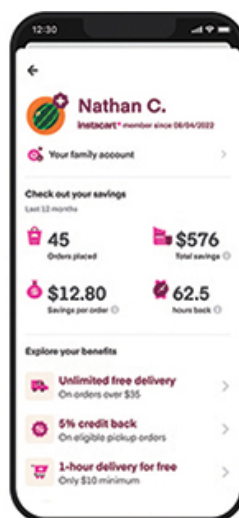
Select retailer for pickup based on proximity and fulfillment speed



*Instacart+*

Instacart+ is our membership program that lowers the cost of online grocery through waived delivery fees, lower service fees, and credit back on eligible pickup orders. On average, Instacart+ members enjoy more than \$30 of monthly savings with these membership benefits compared to customers without Instacart+.<sup>201</sup> In the first six months of 2023, Instacart+ members represented \$8,533 million of our total GTV, including order costs and fees paid by Instacart+ members. On average, an Instacart+ member spent an aggregate of \$461 over 4.0 orders per month, compared to an aggregate of \$223 spent over 2.0 orders by a non-member.<sup>202</sup> We had approximately 4.6 million and 5.1 million Instacart+ members as of June 30, 2022 and 2023, respectively.<sup>203</sup>

Save money and benefit from exclusive offers through an Instacart+ membership



**For Brand Partners**

Instacart Ads empowers discovery and drives meaningful value for over 5,500 CPG brands.<sup>204</sup> Regardless of size, brands face their own unique challenges reaching customers, so we provide them the tools to run a full-funnel marketing strategy throughout the entire customer shopping journey on Instacart, with solutions designed to drive awareness, engagement, and sales. Our advertising offerings deliver results with closed-loop measurement and include sponsored product, display, and video ads. Instacart Ads also enables brands to learn more about general customer behavior from discovery to purchase, offering valuable insights about how to optimize their advertising spend. We are building our advertising solutions to benefit not only brands, but customers and retailers as well. We believe that Instacart Ads delivers a superior shopping experience and improves pricing for customers by giving them access to thousands of deals and discounts while also driving larger average order values for our retail partners.

<sup>201</sup> For the quarter ended June 30, 2023.

<sup>202</sup> For the month ended June 30, 2023. Instacart+ monthly spend and orders based on paying Instacart+ monthly active orderers.

<sup>203</sup> Includes paying Instacart+ members only and excludes free trial members. Fluctuations in the number of Instacart+ members are not necessarily indicative of changes in our financial performance or contribution of Instacart+ members to GTV or orders over time.

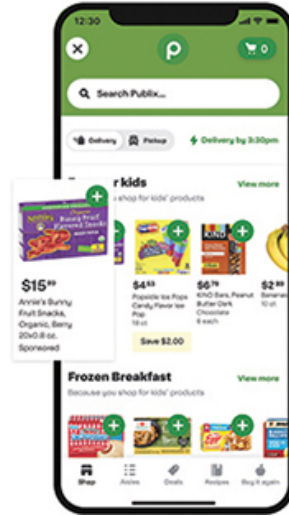
<sup>204</sup> Active brand partners as of June 30, 2023.

*Innovative Ad Formats*

We offer a rich portfolio of ads offerings to help brands connect with customers and optimize their marketing spend:

- **Sponsored Product Ads.** With Sponsored Product ads, brands benefit from prominent and highly visible placement for all types of products — from packaged goods to weighted items. Sponsored Product ads can appear when browsing storefronts, aisles, in search results, and on the path to checkout. Sponsored Product ads help brands drive conversion across the full customer journey, increasing average order value while driving higher category share. Sponsored Product ads are offered through a second-price cost-per-click auction, with ranking and relevance powered by advanced machine learning models to maximize outcomes.

Drive discovery  
and purchases  
via prominent  
shelf placement



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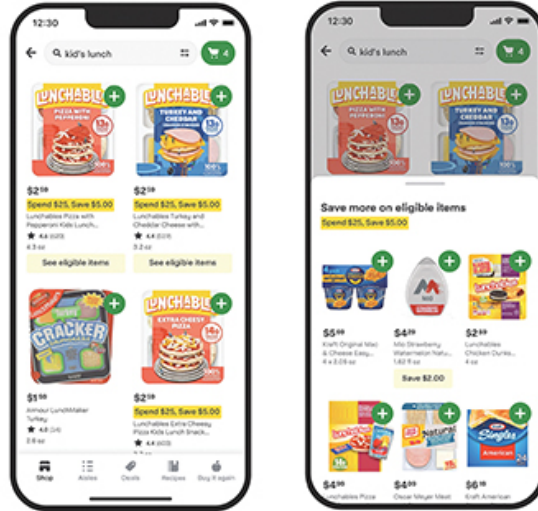
- *Display Ads.* Brands can leverage our Display ads formats to inspire discovery at the point of purchase. These ads can appear on relevant or complementary searches and while consumers browse through Home or Storefront pages for their favorite retailers. Brands can reach customers with individual ad units like Shoppable Display ads while also curating their collections on the platform with Brand Pages, which can serve as landing destinations for both onsite and offsite traffic. Auction Display ads are offered through a cost-per-thousand impressions pricing model. For tentpole and seasonal moments, advertisers can also purchase Display ads and participate in co-marketing activations on a fixed fee basis.



Drive inspiration through  
engaging sight, sound,  
and motion

- Promotions.* Instacart’s recently enhanced promotions portfolio enables brands to drive incremental purchases via compelling discounts and deals. Coupons are dollars-off opportunities surfaced to customers for specific items. Brands can offer coupons directly to customers to drive product trials and help increase sales. CPG-funded coupons are available for setup and management in Ads Manager, allowing brands of all sizes to easily set up and manage coupon campaigns on Instacart. Stock Up and Save is a new type of promotion that offers a discount when customers meet a certain dollar or item threshold on a set of items defined by the brand. This offers brands a powerful basket-building technique. Pricing for these promotions is based on a flat redemption fee, plus the cost of the savings that are passed on to the customer. Our acquisition of Eversight furthers our ability to help our partners experiment and optimize toward the right pricing and promotions decisions to drive results for brands and surface the best deals for customers.

Inspire trial and basket building through dollars-off promotions

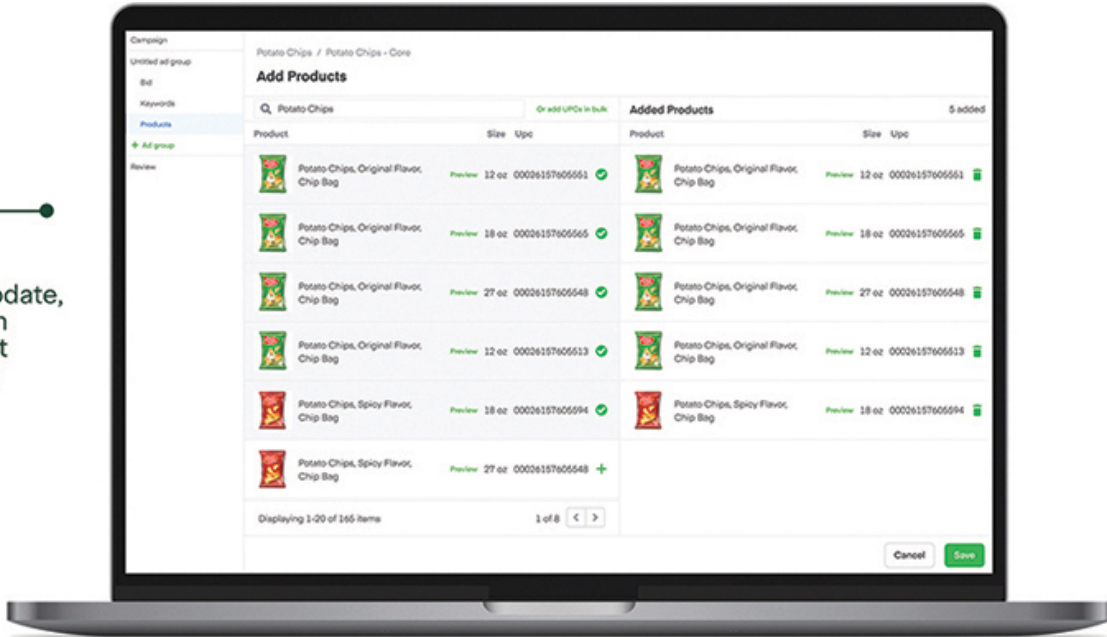


Ads Manager

Ads Manager is a self-service campaign management interface allowing brands to create, manage, and monitor their ad campaigns on Instacart. Through API integration, brands can also power management of campaigns in partnership with certified third-party API partners. Ads Manager offers core reporting metrics (e.g., clicks, cost, sales, return on ad spend, and new-to-brand metrics) and has a detailed Insights Portal for broader platform metrics (e.g., category share). It also helps brands forecast and automate campaigns helping them maximize value on marketing dollars spent. Specific tools include:

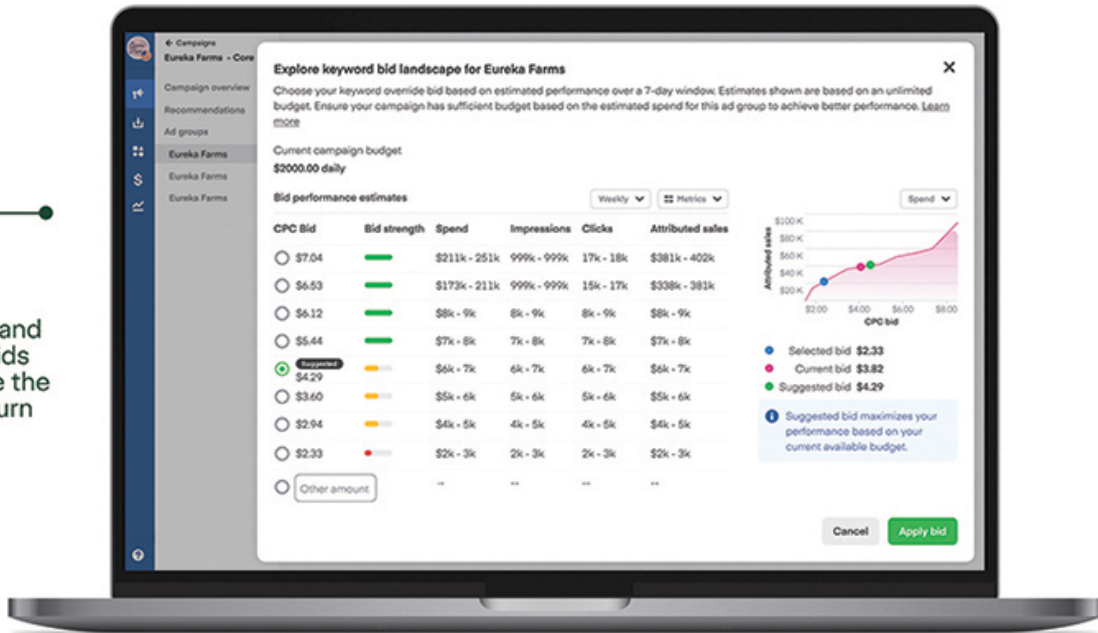
- **Library Manager.** Enables advertisers to directly edit, update, add, or claim product listings on Instacart.

Edit, update, or claim product listings

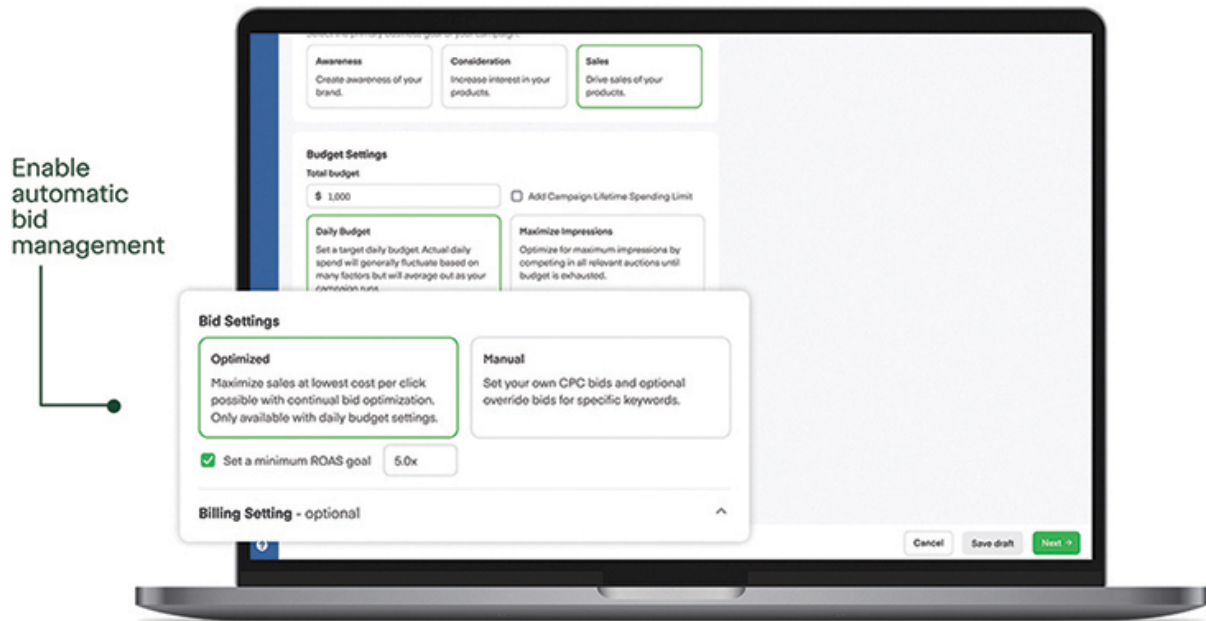


- **Bid Landscapes.** Helps advertisers understand which bids are likely to drive the best return on ad spend or increase in total sales.

Understand which bids will drive the best return

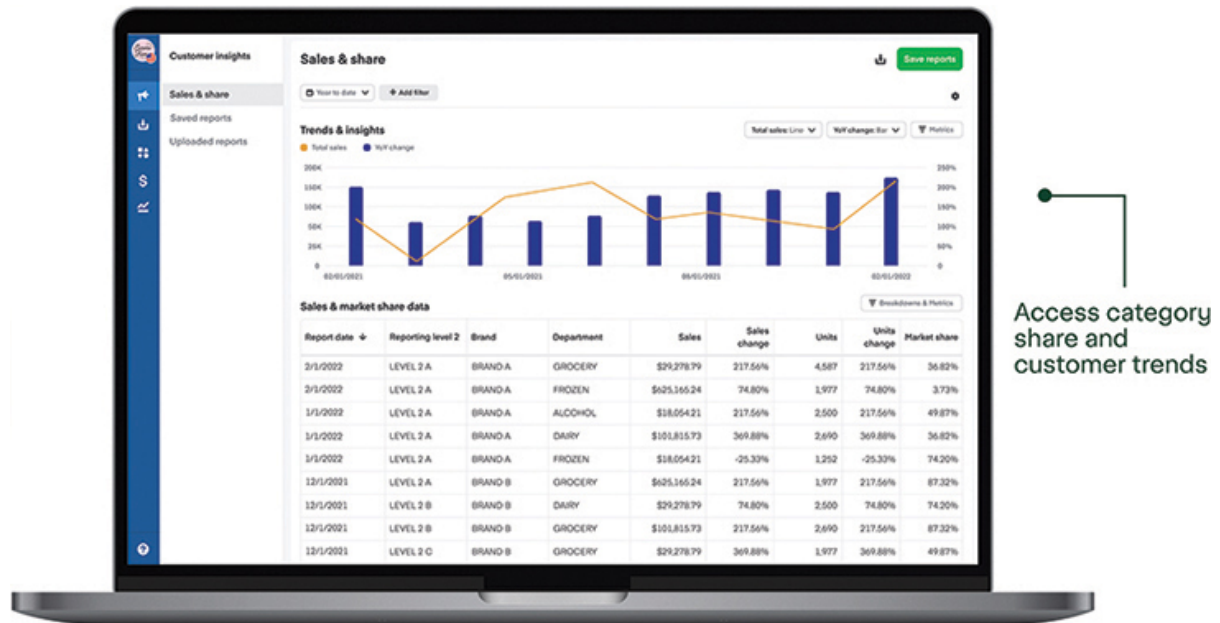


- *Optimized Bidding.* Uses machine learning and rich data signals on Instacart to automatically manage bids for advertisers, helping them to drive more efficient outcomes and increase total sales.



*Reporting & Insights Portal*

Our comprehensive analytics dashboard gives brand partners insights to help them power the most efficient and impactful marketing campaigns. Brands also get access via our Insights Portal to data on their basket penetration, category share, and parent company and brand-level sales on Instacart. Instacart’s data offers an unparalleled view into a brand’s presence nationally and its performance in grocery eCommerce broadly. In addition, our sales team works directly with clients to offer further valuable insights and analytics services that are unavailable in a traditional, in-store setting.





### ***For Shoppers***

Instacart offers immediate, flexible earnings opportunities for hundreds of thousands of individuals to work as shoppers.<sup>205</sup> We know that shoppers prioritize flexibility, and we strive to address that preference by offering an opportunity that requires only a mobile device and a car and is often done during the day. Shoppers are about two-thirds female, about half of them are parents, and they work on average about 9 hours per week, nearly half of which is spent shopping not driving.<sup>206</sup> Shoppers balance empathy, efficiency, communication, and problem-solving to prepare the perfect order. We recognize hard work and reward shoppers with impactful incentives that help them stand out to their customers, increase their access to earnings, and reach their personal goals. For example, in July 2022, we announced our shopper rewards program, Cart Star, to recognize shoppers who consistently deliver outstanding service to their customers. We know that one of the rewards shoppers want most is access to more batches, so we purposefully designed our new program in a way that offers this key benefit. As shoppers complete more orders, they will qualify for Gold, Platinum, or Diamond Cart Tier and accordingly earn more rewards, including priority access to certain batches and tailored offerings from Instacart and our partners. These offerings include savings on gas and oil changes and other automobile maintenance, recognition in the customer app, and subsidized backup child, pet, or senior care through Care.com. Shoppers can also qualify for lifetime protection of their Platinum Tier status based on certain order and rating requirements. In addition, as part of our commitment to shoppers to earn on their terms, we offer shoppers tip protection of up to \$10 per order in the event that a customer zeroes out their tip without reporting an issue with their order, as well as increased pay during times of higher demand and for batches containing heavy items or that require longer distance travel. Our shopper app enables shoppers to match with customers, navigate orders to their desired destinations, and receive earnings in one integrated experience.

### ***Shopper App***

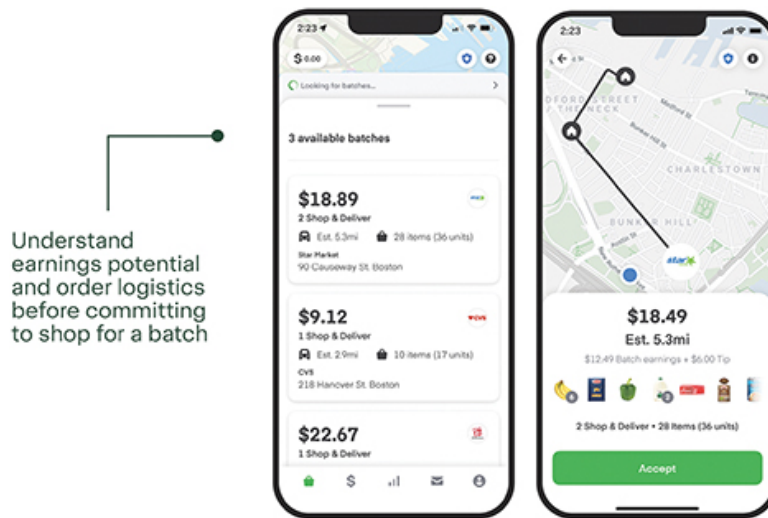
We offer shoppers a mobile application (iOS and Android) that powers the entire shopper experience seamlessly.

- ***Getting Started.*** Shoppers can download our mobile app and sign up within minutes. Onboarding includes entering a valid driver's license, contact information, and taking a picture. Following a thorough background check, shoppers are provided with a virtual credit card and can begin shopping and earning the same day.

<sup>205</sup> Based on shoppers who completed at least one order during the month ended June 30, 2023.

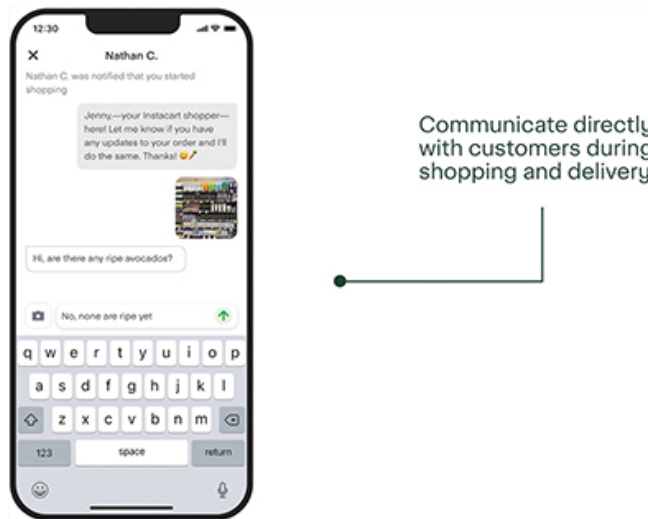
<sup>206</sup> Average hours per week and time spent shopping for the quarter ended June 30, 2023. Shopper demographics based on a random sampling of 2,906 shoppers who completed at least one order during the four weeks ended May 23, 2023.

- **Batch Information.** We give shoppers upfront information about each batch they view on Instacart. We tell them how much they will earn from Instacart, the estimated customer tip, number and type of items, store details, estimated driving distances, and more. Our batching algorithm offers shoppers chances to take multiple orders at once to maximize earnings.

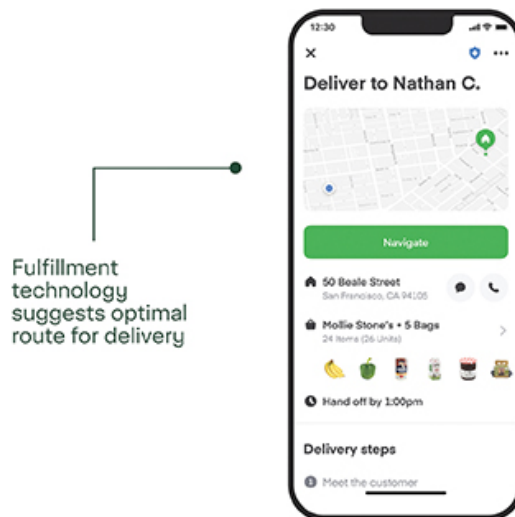


- **Picking Technology.** Once in a store, our shopper app recommends how to pick the highest-quality produce and the best replacement if an item is out of stock. Our picking technology is optimized for the complexities of grocery, where one order could include a bunch of kale, several ripe avocados, a pint of ice cream, and a pound of steak.

- *Shopper-Customer Chat.* We provide shoppers with a number of in-app tools to help them communicate directly with customers to improve the quality of their shopping experience. Shoppers can send photos to customers and inquire directly about replacements, refunds, or other clarifications to give customers the chance to decide what would make their orders complete. This technology is informed by hundreds of millions of shopper-customer interactions.<sup>207</sup>



- *Batching and Delivery.* Our fulfillment technology facilitates order allocations and suggests optimal routes to reduce the total time a shopper is on a delivery. Our algorithms based on billions of data points decide in real time how to take customer orders and create the most efficient batch offers for shoppers, in order to maximize earnings opportunities. Our machine learning simulations run every minute to re-compute the optimal combination of batch offers.



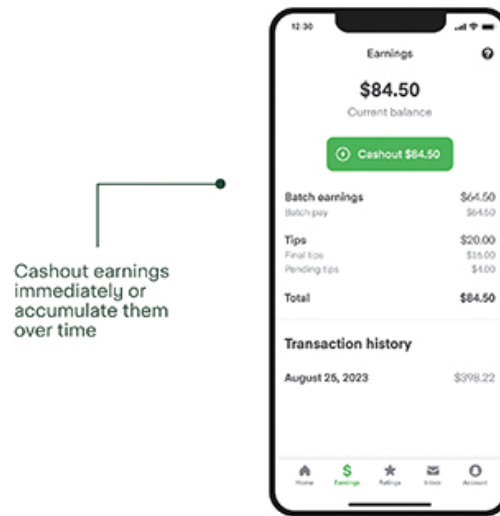
<sup>207</sup> For the quarter ended June 30, 2023.

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- *Peak Earning Times.* We give shoppers valuable information about the days and times that will offer the highest earning opportunities in specific areas through our Peak Earning Times feature. This helps shoppers plan for the week ahead and maximize their earnings potential.

### Shopper Earnings

Our app allows shoppers to quickly see their complete earnings history. Once a batch is complete, a shopper can choose to instantly get paid or accumulate earnings until a weekly payment cycle.



### Technology and Data Insights

We have invested and will continue to invest considerable resources in our technology infrastructure. We have assembled a team of about 1,200 engineers and data scientists with broad technical expertise<sup>208</sup> who are focused on expanding Instacart Marketplace's features, developing solutions to address retailers' needs through our Instacart Enterprise Platform, and increasing the value Instacart Ads can provide to advertisers and retailers. They are also focused on maximizing synergies across each of our technology solutions and ensuring all the insights and learnings from Instacart Marketplace enhance Instacart Enterprise Platform and Instacart Ads, and vice versa.

Enabling a digital grocery experience is highly complex. Our machine learning algorithms process billions of data points each day to optimize a range of decisions and tasks, including basket building, merchandising, personalization, ads quality, demand forecasting, order fulfillment, shopper fleet mobilization, dispatching, routing, fraud costs, and appeasements per order. Furthermore, we have designed our technology infrastructure to scale in real time to accommodate demand spikes. We work with multiple third parties that provide cloud hosting services that allow us to quickly and efficiently scale our technology.

<sup>208</sup> As of June 30, 2023.

We collect billions of data points across millions of orders each quarter, more than 850 million searches, nearly 100 billion Sponsored Product ads impressions, hundreds of millions of shopper-customer interactions, and facilitate orders fulfilled from over 80,000 stores.<sup>209</sup> Our technology and data insights drive efficiencies for retailers, customers, brands, and shoppers.

- *For Retailers.* We have built one of the largest consumer grocery data sets in the world, which provides retailers with business insights to which they previously did not have access. We maintain a catalog of over 1.4 billion items, the large majority of which Instacart's machine learning algorithms predict availability for every two hours,<sup>210</sup> arming retailers with the data they need to better manage their inventory. Understanding order patterns also enables us to deliver personalized shopping experiences, optimize supply for rapid order fulfillment, and empower retailers to make better decisions about assortment, inventory, quantity, and replenishment at both a regional and store level.
- *For Customers.* We use algorithms to optimize for the best possible order experience across key metrics, like service availability, speed (shopper and store placement) and quality (precise item identification and best replacement). We also use data-driven personalization to improve our recommendations. More than 70% of customers purchased recommended items in the second quarter of 2023. Additionally, we recently launched Ask Instacart, which brings generative AI into our app. As large language models become more powerful in natural language understanding, we believe Ask Instacart can become a thought partner with customers as they plan their shopping.
- *For Brands.* We offer advertisers a unique ability to promote items to high intent customers. Because we understand customers' individual and aggregate purchasing habits, we can help them discover products based on the items they are looking for and those that complement the items they buy. We leverage this data to power our optimized bidding algorithms that automate bidding decisions on advertisers' behalf to efficiently deploy advertising budgets to drive higher ROI.
- *For Shoppers.* We support shoppers by building an experience that allows them to optimize for efficiency and earnings potential. We have built picking technology into the shopper app to help shoppers navigate through stores more quickly, reducing the average picking time per order by 35% since 2021.

These data-driven capabilities that drive value for our constituents have also benefited our business by increasing average order values and customer acquisition and engagement, as well as generating cost efficiencies that help us to scale our unit economics and generate strong gross profit expansion over time.

### **Sales and Marketing**

While our brand and leading market position enable us to benefit from organic, word-of-mouth growth, we use sales and marketing to attract customers, retailers, brands, and shoppers and grow the pie for all of our constituents.

#### **Consumer Marketing**

We have built an efficient sales and marketing engine to support our organic motion and drive growth. As we have continued to grow, we have developed a broader set of marketing strategies to attract customers to, and increase their engagement with, Instacart. We run digital marketing campaigns across search engines, social media platforms, and programmatic advertising outlets. We have a CRM platform that allows us to coordinate and manage our email campaigns, push notifications, and in-app messaging. We run referral coupons and bonuses to incentivize customers to invite their family, friends, and connections to join Instacart. We also offer promotions or incentives to prospective customers, using targeted offers to increase adoption and engagement.

<sup>209</sup> For the quarter ended June 30, 2023. Number of stores as of June 30, 2023.

<sup>210</sup> As of June 30, 2023.

Finally, we are experimenting with an even broader set of marketing channels and tactics, including television, streaming audio, direct mail, billboards, and in-store marketing.

Our marketing efforts drive sales for our retail and brand partners. We also collaborate to run co-marketing initiatives with retailers and CPG brands to attract new customers. As an extension of their existing offline businesses, we give retailers the opportunity to participate in promotional efforts to drive customers to sign up for Instacart and shop their owned and operated online storefront. We are building out business-to-business marketing capabilities to support partnerships and sales to both retailers and brands, including events, content, sales enablement, and CRM.

To date, we have not meaningfully invested in brand marketing, and the majority of customers have come to Instacart through organic channels. We believe we have a significant opportunity to build awareness to fuel new customer acquisition, and we plan to prudently invest in brand marketing and other awareness campaigns in the future. See the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Core Principals of Our Financial Model—Re-Invest for Growth.”

### ***Retail Partnerships***

We maintain a dedicated account management team that identifies and onboards new retailers and broadens adoption of our offerings. Our account management team ensures retailers are as supported by and successful on Instacart as possible. They work hand-in-hand with counterparts inside retailers’ organizations ranging from product to marketing to operations teams to ensure we are delivering the value we promise. For our larger accounts, our onboarding process and initial integrations are bespoke, which helps us best serve those retailers’ specific needs. For all other accounts, we offer an efficient onboarding process onto Instacart Marketplace or Instacart Enterprise Platform that allows them to access customers quickly.

### ***Brand Partnerships***

We maintain a dedicated sales team that identifies and onboards new advertisers. An increasing portion of new advertisers are onboarded and managed through an automated self-service solution, which allows advertisers to sign up, set up a campaign built to meet specific targets set by the advertiser, manage marketing spend, and achieve incremental sales all in the same day.

Our sales team works closely with our account management team to ensure that advertisers understand how our ads offerings work, receive actionable performance trends, and make adjustments to enhance the value they derive from Instacart.

### ***Shopper Marketing***

We maintain a dedicated shopper marketing team that attracts new shoppers as well as retains and engages our existing shopper base by using referral coupons, promotional campaigns, and evergreen engagement programs. Referral coupons are given to encourage shoppers to recommend Instacart to their connections. Promotional campaigns use shopper incentives to drive shopper activation and engagement. Evergreen engagement programs include our onboarding series, focus groups, and shopper commitment initiatives, among others.

## **Competition**

The markets in which we operate are highly competitive. We compete for retailers, customers, brands, and shoppers across each offering of our end-to-end technology suite based on a number of factors:

- ***Retailers.*** We compete for retailers based on factors such as the quality of our technology including performance, flexibility, ease of use, scalability, and reliability, pricing, breadth of fulfillment capabilities, quality of support, and other professional services and ability to meet their needs in a cost-efficient manner.

- **Customers.** We compete for customers based on factors such as the quality of consumer experience, selection, quality, value, and convenience.
- **Brands.** We compete for brands based on factors such as the breadth of our offerings, technology capabilities, ease of use, strength of data insights and analytics, and pricing.
- **Shoppers.** We compete for shoppers based on factors such as flexibility, earnings potential, safety and overall experience, and our brand.

New services and offerings from competitors, trends in consumer shopping behavior, the continuing effects of the COVID-19 pandemic and its variants, macroeconomic factors, and other conditions, events, trends, or circumstances also impact our ability to compete for each of our constituents.

With respect to Instacart Marketplace, our current and potential competitors include, but are not limited to: (i) existing and well-established online grocery or shopping alternatives, including digital-first platforms, such as Amazon and Thrive Market, (ii) brick-and-mortar retailers that have their own digital and fulfillment offerings, such as Target and Walmart, some of which decide to partner with Instacart to complement their own offerings, (iii) companies that provide eCommerce and fulfillment services for third parties, including retailers, whether online or offline, such as DoorDash, Shipt (acquired by Target), and Uber Eats, (iv) digital-first platforms entering the grocery market by owning inventory, including DashMart (owned by DoorDash), Fresh Direct, Getir, and Gopuff, which may include existing retailers on Instacart, which could eventually eliminate their need to partner with us or limit their use of Instacart Marketplace, (v) companies that provide eCommerce and fulfillment services that focus on discrete categories of products, such as alcohol or prescription delivery, including Drizly (acquired by Uber), and (vi) companies that offer direct to consumer ingredient or meal offerings, such as Blue Apron or Misfits Market, some of which may partner with Instacart to complement their own offerings. Most consumers currently choose to shop for themselves at brick-and-mortar grocery stores, regardless of whether we partner with the retailers that operate these stores. Also, the cost to switch between providers of online grocery shopping is low for consumers, and consumers within various demographics have a propensity to shift to the lowest-cost or highest-quality provider and may use more than one delivery platform.

With respect to Instacart Enterprise Platform, our current and potential competitors include, but are not limited to: (i) companies that are focused on the online grocery enterprise services industry, as well as larger enterprise software companies that have products and services that provide retailers with some of the benefits we offer through Instacart Enterprise Platform, (ii) micro-fulfillment or automated warehouse providers that support grocery retailers' owned and operated online storefronts, such as Ocado, and (iii) existing and potential retailers on Instacart who develop or may in the future develop their own enterprise eCommerce system. In addition, our competitors include companies that provide point solutions for individual components of Instacart's eCommerce offering such as picking technology and retail media network solutions. Our competitors may also make acquisitions or establish cooperative or other strategic relationships among themselves or with others, including retailers. While there may be costs to switch between enterprise products, retailers may shift to the platform that offers the lowest service fee for their products and provides the highest volume of orders, or build their own. Our Instacart Enterprise Platform also includes in-store technology offerings, including Caper Carts, Scan & Pay, Lists, Carrot Tags and other in-store applications, which face competition from other retailer technology solution providers, such as Veeva.

With respect to Instacart Ads, our current and potential competitors include, but are not limited to: (i) third-party platforms that assist retailers with monetization of their digital offerings for consumers, such as CitrusAd (acquired by Publicis Groupe), Criteo, and Quotient, (ii) first-party retailer-owned solutions that provide online advertising opportunities to CPG brands on their owned and operated domains, such as Amazon, Target, Walmart, and others, some of which are also retailers on Instacart, (iii) companies that provide eCommerce and fulfillment services for third parties, including retailers, which currently offer or may in the future offer advertising products, such as DoorDash and Uber Eats, and (iv) companies that offer established online advertising products that are not specifically limited to the grocery industry, such as those offered by Amazon, Google, Meta, and Snap.

With respect to shoppers, we compete with many of the same companies with which we compete for customers, as well as companies in industries unrelated to ours that offer personal task-based services. The majority of shoppers do not shop on Instacart as their primary occupation or source of income. As such, a shopper, or someone considering to be a shopper, weighs that opportunity against others, such as traditional employment, personal task-based services, school, personal time, or other options in the labor market. Because switching costs are low, shoppers may shift to another platform that has higher or is perceived to have higher earnings potential. Other factors that impact our ability to compete include macroeconomic trends and the ongoing COVID-19 pandemic, shopper perks and payment structure (especially versus competitors), shopper safety and experience, and our brand.

For additional information about the risks to our business related to competition, see the section titled “Risk Factors—Risks Related to Our Business and Industry—The markets in which we participate are highly competitive, with well-capitalized and better-known competitors, some of which are also partners. If we are unable to compete effectively, our business and financial prospects would be adversely impacted.”

### **Government Regulation**

We are subject to a wide variety of complex laws and regulations in the United States and other jurisdictions in which we operate. The laws and regulations govern many issues related to our business practices, including those regarding privacy, data security, data protection, pay and fee transparency, health information privacy and security, consumer protection, marketing and advertising, health and safety, food and product safety, zoning, sustainability, tax, insurance, employment, weights and measures, alcohol and other age-restricted products, worker classification, collective bargaining rights, internet usage and access, eCommerce, and electronic payments.

As we operate in a relatively new industry where clear guidance is not available for the interpretation and application of existing laws and regulations, these laws and regulations are constantly evolving and may be interpreted, applied, created, superseded, or amended in a manner that could harm our business. These changes may occur immediately or develop over time through judicial decisions or as new guidance or interpretations are provided by regulatory and governing bodies, such as federal, state, and local administrative agencies. As we expand our business into new markets or introduce new features, fulfillment methods, or offerings into existing markets, regulatory bodies or courts may claim that we or shoppers on Instacart are subject to additional requirements, or that we are prohibited from conducting business in certain jurisdictions.

Because we classify shoppers as independent contractors in the jurisdictions in which we operate, we are subject to a variety of local, municipal, state, federal, and international laws and regulations governing worker classification, compensation, pay and fee transparency, and payment and benefits rules. Additionally, we are continually subject to administrative actions, government investigations, and other legal and regulatory proceedings at the federal, state, and municipal levels challenging the classification of shoppers as independent contractors, and claims that, by the alleged misclassification, we have violated various employment and other laws that would apply to employees. Laws and regulations that govern the status and classification of independent contractors are subject to change and divergent interpretations by various authorities, which can create uncertainty and unpredictability for us.

Our technology, and the user data from retailers, customers, brands, and shoppers that we collect and process to run our business, are an integral part of our business model and, as a result, our compliance with laws and regulations dealing with the collection, use, disclosure, and other processing of personal information is core to our strategy to improve our technology and user experience. Regulators and legislatures around the world have adopted or proposed increasingly stringent requirements regarding the collection, use, disclosure, transfer, security, storage, destruction, and other processing of personal information and other data. Regulators and private litigants are more actively enforcing these requirements, and violating them carries substantial penalties. Examples of such laws include the Telephone Consumer Protection Act of 1991 and related state laws, the



Health Insurance Portability and Accountability Act of 1996, and various state privacy acts, including the California Consumer Privacy Act of 2018, the California Privacy Rights Act of 2020, and the Illinois Biometric Information Privacy Act. In addition, expanding our business to European markets would subject us to some of the world's most stringent data protection laws, including the General Data Protection Regulation in the European Union and United Kingdom, which could limit our ability to do business in those markets.

See the section titled "Risk Factors—Risks Related to Our Legal and Regulatory Environment" for additional information about the laws and regulations we are subject to and the risks to our business associated with such laws and regulations.

### **Intellectual Property**

Our intellectual property is an important component of our business. We rely on a combination of patents, trademarks, copyrights, trade secrets, license agreements, confidentiality procedures, non-disclosure agreements, employee non-disclosure and invention assignment agreements, and other legal and contractual rights to establish and protect our proprietary rights.

As of June 30, 2023, we had approximately 350 issued patents in the United States that expire between 2023 and 2043, and approximately 400 patent applications (including active Patent Cooperation Treaty applications) pending in the United States and globally. While we believe our patents and patent applications in the aggregate are important to our competitive position, no single patent or patent application is material to us as a whole.

We have trademark rights in our name and other brand indicia, and have trademark registrations for select marks in the United States and other jurisdictions around the world. As of June 30, 2023, we also had approximately 120 copyright registrations. We also register domain names for certain websites that we use in our business, such as [www.instacart.com](http://www.instacart.com), as well as similar variations to protect our brands and marks from cybersquatters. We continually review our development efforts to assess the existence and registrability of new intellectual property.

We control access to and use of our proprietary technology and other confidential information through the use of internal and external controls, including contractual protections with employees, contractors, customers, and partners. It is our practice to enter into confidentiality and invention assignment agreements (or similar agreements) with our employees, consultants, and contractors involved in the development of intellectual property on our behalf. We also enter into confidentiality agreements with other third parties in order to limit access to, and disclosure and use of, our confidential information and proprietary information. We further control the use of our proprietary technology and intellectual property through provisions in our terms of service. We intend to pursue additional actions to establish and protect our intellectual property rights to the extent we believe it would be beneficial and cost effective.

See the section titled "Risk Factors—Risks Related to Our Intellectual Property" for a more comprehensive description of risks related to our intellectual property.

### **Our Facilities**

Our corporate headquarters is located in San Francisco, California, where we lease approximately 107,000 square feet of space under a lease that expires in November 2026. We also maintain other offices in North America, including in Atlanta, Georgia, Chicago, Illinois, New York City, New York, and Toronto, Ontario, as well as offices in Shanghai, China and near Melbourne, Australia. We believe our facilities are adequate and suitable for our current needs, and that should it be needed, suitable additional or alternative space will be available to accommodate our operations.

## **Our Human Capital Strategy**

As of June 30, 2023, we had a total of 3,486 full-time employees worldwide. We also engage with contractors, vendors, and consultants. We have invested substantial time and resources into building our team and believe that our employee relations are strong. Our success depends in large part on the efforts of our management, highly-skilled software engineers, sales personnel, and other professionals. Therefore, it is crucial that we continue to attract and retain high-performing employees from all demographics by providing competitive compensation and benefits, fostering a diverse, inclusive, and safe workplace, while making opportunities available for all our employees to grow and develop in their careers. Our board of directors and compensation committee oversee our human capital strategy, which is developed and managed under the leadership of our Chief Human Resources Officer, who reports to our Chief Executive Officer.

### ***Compensating and Supporting Our Employees***

Instacart is committed to providing equitable compensation opportunities and rewarding employees who achieve results, live our mission and values, and help others succeed. We also believe in supporting our employees' personal and professional growth as well as their health and wellness.

*Providing Equitable and Competitive Compensation.* Our philosophy is to provide our employees with market competitive and equitable compensation that rewards high performance. To ensure equitable compensation for our employees, we consider external market data as well as internal parity considerations for all compensation decisions. Periodically, under the direction of legal counsel, we conduct comprehensive reviews of employee compensation to help ensure equitable pay. To incentivize high performance, we aim to reward eligible employees with pay increases and equity awards in recognition of their contributions. We believe our compensation practices help us attract and retain talented and diverse employees in a competitive labor market.

*Supporting Our Employees.* Our employees work hard to ensure the success of our business, and we know that hard work requires strong support. That is why we are deeply committed to investing in resources to help our employees grow and thrive. We take a holistic approach to supporting employee well-being through providing eligible employees and their eligible dependents with competitive health and wellness benefits, retirement savings, and work-life options tailored to help keep them and their families feeling their best. In addition, in 2022, we adopted our Flex First workforce model, which provides our eligible employees with the option to work remotely, in one of our offices, or a combination of both. We believe this provides our employees with the flexibility to support their personal needs while maintaining our high-performing and collaborative culture. We are also devoted to investing in the development of our employees through learning opportunities to help them achieve their personal and professional goals.

### ***Fostering a Diverse Workforce and Cultivating a Culture of Belonging***

One of our human capital priorities is building and maintaining a high performing, diverse workforce — one that reflects the diversity of our customers and partners — at every level of our organization. We have developed a number of initiatives throughout the employee life cycle to achieve this objective.

*Supporting Representation that Reflects the Available Talent Pool.* Our recruitment processes are intended to promote access to hiring opportunities for representative talent pools. For example, with limited exceptions, we require hiring managers of all mid and senior-level individual contributor and managerial roles to consider including at least one woman and one Black, Latinx, or Indigenous candidate at the onsite interview stage. We have also implemented programs to attract talent from all backgrounds. For example, we offer conversations with members of our Employee Resource Groups, or ERGs, to all candidates so they can get a better understanding of our culture. Lastly, we provide training to recruiters, hiring managers, and interviewers on equitable recruiting practices, with the goal of ensuring that all candidates are seen and evaluated fairly.

*Ensuring Equitable Access to Opportunities while Minimizing Attrition.* We recognize that hiring representative talent is just the first step; we also prioritize retaining underrepresented talent and work to ensure

that all employees have equitable access to development, advancement, and internal opportunities. To help accomplish this, we support all of our managers with training and resources designed to help them create an inclusive environment within their teams. This includes fairly and equitably conducting performance reviews, considering promotion readiness, and, for eligible employees, providing opportunities for internal mobility. To better understand the needs of underrepresented team members and identify retention opportunities, we offer proactive talent feedback sessions with our Diversity, Equity and Belonging team to gather deeper insights into the experiences of these team members and their career growth interests.

*Fostering an Inclusive Environment.* To ensure Instacart remains a welcoming environment for all employees, while also intentionally focusing on inclusion for historically marginalized talent and their advocates, we are constantly investing in our culture and creating opportunities to build community for all of our employees. Members of our executive team personally sponsor ERGs, which are employee-led groups that help create a more inclusive culture and amplify the voices of employees with shared identities and experiences across the company. Instacart allocates funding to our ERGs every year for programming and initiatives that range from professional development sessions and volunteer events to belonging and engagement opportunities. Additionally, in order to improve collaboration among diverse teams, we have invested in resources to educate our employees on building an inclusive culture and on recognizing and managing bias. We also regularly survey employees on how effective our leadership has been in creating an equitable and inclusive workplace to discover new opportunities to build an inclusive community.

## **Legal Proceedings**

### ***Independent Contractor Classification Matters***

We are regularly subject to claims, lawsuits, arbitration proceedings, administrative actions, government investigations, and other legal and regulatory proceedings at the federal, state, and municipal levels in the United States and other jurisdictions in which we operate, challenging the classification of full-service shoppers as independent contractors, and claims that, by the alleged misclassification, we have violated various employment and other laws that would apply to employees. Laws and regulations that govern the status and classification of independent contractors are subject to change and divergent interpretations by various authorities, which can create uncertainty and unpredictability for us.

On September 13, 2019, the San Diego City Attorney filed a complaint in San Diego County Superior Court on behalf of the people of the State of California alleging unfair competition claims related to contractor misclassification, which we refer to as the San Diego Action. The suit sought restitution, civil penalties, and injunctive relief. The San Diego City Attorney subsequently filed a preliminary injunction motion, which was granted by the trial court on February 18, 2020. On February 26, 2020, we filed a Notice of Appeal with the Fourth District Court of Appeal challenging the preliminary injunction order. On February 16, 2021, the appellate court issued an order vacating the preliminary injunction. The appellate court issued a remittitur and sent the case back to the trial court on April 19, 2021. On the same day, we re-noticed our motion to compel arbitration, and on May 20, 2021, the trial court conducted a hearing and denied the motion to compel arbitration. On May 20, 2021, we filed a Notice of Appeal with the Fourth District Court of Appeal regarding the denial of our motion to compel arbitration, which the appellate court affirmed on May 8, 2022. Due to an opinion by the U.S. Supreme Court, however, on June 17, 2022, we successfully petitioned the court of appeal to vacate its prior decision affirming the trial court's denial of our motion to compel arbitration. After the court of appeal issued its second decision, we agreed with the city to settle the case. The case was remitted to the trial court, where we entered a stipulated judgment on December 8, 2022. The stipulated judgment required Instacart to pay \$46.5 million. In exchange, the city, acting on behalf of the People of the State of California, agreed to release its claims from September 13, 2015, to the settlement's effective date. The city also agreed not to sue or seek injunctive relief for periods after the effective date until Proposition 22 is declared unconstitutional. If Proposition 22 is unconstitutional, the city must meet and confer with Instacart before filing a new lawsuit. The court signed our stipulated judgment on January 27, 2023, and Instacart made the settlement payment in March 2023. We are also currently involved in several putative class actions, thousands of alleged individual claims, including those brought in arbitration or compelled to arbitrate pursuant to our Independent Contractor

Agreement, and matters brought, in whole or in part, as representative actions under California's Private Attorney General Act, Labor Code Section 2698, et seq., alleging that we misclassified shoppers as independent contractors and related claims. None of the putative class actions have progressed to or resulted in class certification. Those involving misclassification are stayed pending prior-filed cases or have motions to compel individual arbitration pending in court.

We dispute any allegations of wrongdoing and intend to continue to defend ourselves vigorously in these matters. However, the results of litigation and arbitration are inherently unpredictable, including due to the timing of any lifting of existing stays or the timing and final amounts of settlements with adverse parties, and our chances of success on the merits for any proceeding remain uncertain. In particular, an adverse ruling in connection with any misclassification class action may negatively impact our chances of success on the merits or settlement negotiation posture for our other outstanding misclassification claims and proceedings. As a result, such legal proceedings, individually or in the aggregate, could have a material impact on our business, financial condition, and results of operations. While we have accrued a legal reserve balance of \$65 million as of June 30, 2023 relating to these misclassification claims and proceedings, as further described in Note 10 to our consolidated financial statements included elsewhere in this prospectus, any actual losses incurred in connection with these claims against us may differ from the initial estimates of loss, including as a result of settlement negotiations, and such differences could be material. Regardless of the outcome, litigation and arbitration of these matters could have an adverse impact on us because of defense and settlement costs, individually and in the aggregate, diversion of management resources, and other factors.

We also anticipate future claims, lawsuits, arbitration proceedings, administrative actions, and government investigations and audits in various jurisdictions challenging our classification of shoppers as independent contractors and not employees. In California, Proposition 22 was expected to provide more legal certainty over the classification of workers on Instacart from the time it became effective on December 16, 2020. However, on August 20, 2021, a judge in Alameda County Superior Court granted a writ that would order the State of California not to enforce Proposition 22 on the ground that it is unconstitutional. The California Attorney General filed an appeal, and on March 13, 2023, the appellate court largely reversed the superior court and effectively upheld Proposition 22. Plaintiffs have appealed the decision to the California Supreme Court. If the appellate court ruling is reversed by the California Supreme Court, we will face continued legal uncertainty over whether we can properly classify a shopper as an independent contractor in California. Even if Proposition 22 is determined to be enforceable, we may still face allegations that certain of our business practices do not satisfy all of the elements of Proposition 22. While we have not concluded that an adverse ruling relating to Proposition 22 is probable and cannot estimate the potential impact of such a ruling for purposes of our consolidated financial statements, an adverse ruling may result in additional legal proceedings that could result in additional contingency reserves for purposes of our financial statements and would have an adverse impact on us because of defense and settlement costs, individually and in the aggregate, diversion of management resources, and other factors. Further, while we believe we properly provide all requisite pay standards and benefits under Proposition 22, we may nonetheless face various claims involving disputes over such pay standards and benefits. For more information, see the section titled "Risk Factors—Risks Related to Our Legal and Regulatory Environment—If the contractor status of shoppers who use Instacart is successfully challenged, or if additional requirements are placed on our engagement of independent contractors, we may face adverse business, financial, tax, legal, and other consequences."

We are also involved in administrative audits with various state and local enforcement agencies, including audits related to shopper classification, state and local ordinance requirements, and unemployment insurance and workers' compensation contributions, in California, New York, Washington, Pennsylvania, Wisconsin, New Jersey, and Florida. We believe that we comply with applicable requirements and that shoppers are properly classified as independent contractors; therefore, we dispute that we are obligated to provide such additional benefits under state law and plan to vigorously contest any adverse assessment or determination. Our chances of success on the merits are still uncertain, such that any reasonably possible loss or range of loss cannot be estimated. However, the results of these audits may result in additional payments, including settlement payments,

penalties, and interest, and such additional amounts could have a material impact on our business, financial conditions, results of operations, and cash flows.

***Other Litigation Matters***

In the ordinary course of our business, various parties have from time to time claimed, and may claim in the future, that we are liable for damages related to unpaid wages, missed breaks, premium or overtime pay, hazard pay, inadequate notice under the Worker Adjustment and Retraining Notification Act or its state equivalent, retaliation, denial of or interference with leave of absence, improper application of our paid time off or other policies, discrimination or harassment based on a protected characteristic, wrongful termination, or failure to accommodate a disability. Various parties may also file a charge with the National Labor Relations Board alleging unfair labor practices. Additionally, given the high degree of complexity involved in the interpretation and application of states' sales and indirect tax rules to our activities, it is possible that tax authorities may question our interpretation of taxability of such activities, and various parties have from time to time filed, and may in the future file, complaints related to our current and historical approach to treatment of our sales tax obligations. As a result, we maintain a reserve related to potential tax, interest, or penalties that may be due, as further described in Note 10 to our consolidated financial statements included elsewhere in this prospectus. Although the results of these claims cannot be predicted with certainty, we believe that these claims, individually or in the aggregate, could have a material adverse impact on our business, financial condition, results of operations, and cash flows.

Besides the matters described above, we are regularly subject to claims, lawsuits, arbitration proceedings, administrative actions, government investigations, and other legal and regulatory proceedings involving personal injury, intellectual property, including patent infringement, property damage, commercial and contract disputes, unfair competition, consumer protection, auto-renewal practices, data protection and privacy, environmental, health and safety, taxes, pricing and fees, appropriate disclosures of worker and customer rights and entitlements, weights and measures, compliance with regulatory requirements, and other matters. Although the results of these claims, lawsuits, government investigations, and other legal proceedings in which we are involved cannot be predicted with certainty, we believe that none of these matters is likely to have a material impact on our business, financial condition, results of operations, or cash flows. However, management's views and estimates related to these matters may change in the future, as new events and circumstances arise and the matters continue to develop. Further, regardless of final outcomes, any such legal proceedings, claims, and government investigations may nonetheless impose a significant burden on management and employees and may come with costly defense costs or unfavorable preliminary and interim rulings.

## MANAGEMENT

The following table sets forth information for our executive officers, directors, and director nominee as of July 31, 2023:

<u>Name</u>	<u>Age</u>	<u>Position</u>
<b>Executive Officers</b>		
Fidji Simo <sup>(1)</sup>	37	President, Chief Executive Officer, and Director
Nick Giovanni	47	Chief Financial Officer and Treasurer
Asha Sharma	34	Chief Operating Officer
Morgan Fong	47	General Counsel and Secretary
<b>Non-Executive Officer Directors and Director Nominee</b>		
Jeffrey Jordan	64	Director
Meredith Kopit Levien <sup>(2)(3)</sup>	52	Director
Barry McCarthy <sup>(2)</sup>	69	Director
Apoorva Mehta <sup>(1)</sup>	37	Chairperson
Michael Moritz <sup>(2)(4)</sup>	68	Director
Lily Sarafan <sup>(3)(4)*</sup>	41	Director
Frank Sloatman	64	Director
Daniel Sundheim <sup>(3)</sup>	46	Director
Ravi Gupta <sup>(5)</sup>	41	Director Nominee

(1) Mr. Mehta will resign from our board of directors, including as Chairperson, immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, at which time, Ms. Simo will be appointed Chairperson of our board of directors.

(2) Member of the audit committee.

(3) Member of the compensation committee.

(4) Member of the nominating and corporate governance committee.

(5) Mr. Gupta has been appointed to serve as a member of our board of directors, effective one business day following the closing of this offering.

\* Lead independent director.

### Executive Officers

**Fidji Simo.** Ms. Simo has served as our President since December 2021, our Chief Executive Officer since August 2021, and a member of our board of directors since January 2021. From January 2011 to August 2021, Ms. Simo served in various roles at Meta Platforms, Inc. (formerly Facebook, Inc.), a social networking company, including as Head of the Facebook App since March 2019, where she led a team of 6,000 people and was responsible for the development of Facebook, the flagship product of Meta. From January 2007 to January 2011, Ms. Simo served as Strategy Manager at eBay, Inc., an eCommerce company. Ms. Simo currently serves on the board of directors of Shopify Inc., an eCommerce platform. Ms. Simo holds a Masters of Management from HEC Paris and spent the last year of her Masters program at the University of California, Los Angeles Anderson School of Management. Ms. Simo was selected to serve on our board of directors because of her deep product expertise as a senior executive at a major technology company. In connection with Mr. Mehta's resignation from our board of directors, including as Chairperson, immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, Ms. Simo will be appointed Chairperson of our board of directors.

**Nick Giovanni.** Mr. Giovanni has served as our Chief Financial Officer and Treasurer since January 2021. From August 1998 to January 2021, Mr. Giovanni served in a number of roles at The Goldman Sachs Group, Inc., a multinational investment bank and financial services company, most recently as Global Head of the Technology, Media and Telecom Group in the Investment Banking Division, where he was responsible for group management and oversight of technology investment banking transactions. Mr. Giovanni holds a B.S. in Business Administration from the University of California, Berkeley.

*Asha Sharma.* Ms. Sharma has served as our Chief Operating Officer since February 2021. From August 2017 to February 2021, Ms. Sharma led product organizations at Meta Platforms, Inc., a social networking company, where she was most recently Vice President of Product for Messenger, where she oversaw messaging, video communication, and monetization efforts. Prior to Meta, Ms. Sharma served as the Chief Operating Officer and Corporate Secretary from July 2015 to August 2017 at Porch Group, Inc., a vertical software platform for the home, where she also served as Chief Marketing Officer from May 2013 to July 2015. Ms. Sharma holds a B.S. in Business from the University of Minnesota's Carlson School of Management.

*Morgan Fong.* Mr. Fong has served as our Secretary since December 2020 and our General Counsel since December 2016 after serving as our Director of Legal from May 2015 to December 2016. From November 2013 to April 2015, Mr. Fong served as Director and Senior Corporate Counsel for Trulia, Inc., a real estate platform and current subsidiary of Zillow Group, Inc., a real estate database company. From December 2004 to November 2013, Mr. Fong served as an attorney at Fenwick & West LLP, a private law firm, and from October 2000 to October 2004, Mr. Fong served as an attorney at Wilson Sonsini Goodrich & Rosati, P.C., a private law firm. Mr. Fong holds a B.A. in Economics and East Asian Studies from Yale University and a J.D. from the University of California, Berkeley School of Law.

#### **Non-Executive Officer Directors**

*Jeffrey Jordan.* Mr. Jordan has served as a member of our board of directors since June 2014. Since July 2011, Mr. Jordan has served as a general partner of Andreessen Horowitz, a venture capital firm. From 2007 to 2011, Mr. Jordan served as the President and Chief Executive Officer of OpenTable, Inc., an online restaurant-reservation service company. From 2004 to 2006, Mr. Jordan served as President of PayPal Holdings, Inc., a digital payments company, which was then owned by eBay Inc., a multinational eCommerce company. From 1999 to 2004, Mr. Jordan served as Senior Vice President and General Manager of eBay North America. From 1998 to 1999, Mr. Jordan served as Chief Financial Officer of Hollywood Entertainment Corporation, a video rental company, and then President of its subsidiary, Reel.com. Previously, Mr. Jordan served in various capacities at The Walt Disney Company, a multinational mass media and entertainment company, most recently as Senior Vice President and Chief Financial Officer of the Disney Store Worldwide. Prior to that, Mr. Jordan worked for The Boston Consulting Group, a management consulting firm. Mr. Jordan currently serves on the boards of directors of Pinterest, Inc., a mobile app company, Airbnb, Inc., a home sharing company, Accolade, Inc., a health and wellness company, and a number of private companies. Mr. Jordan holds a B.A. from Amherst College and an M.B.A. from the Stanford Graduate School of Business. Mr. Jordan was selected to serve on our board of directors because of his extensive experience in the venture capital industry and as an officer of technology companies.

*Meredith Kopit Levien.* Ms. Kopit Levien has served as a member of our board of directors since October 2021. Since 2020, Ms. Kopit Levien has served as President and Chief Executive Officer of The New York Times Company, a media company, for which she previously served as Executive Vice President and Chief Operating Officer from 2017 to 2020, Executive Vice President and Chief Revenue Officer from 2015 to 2017, and Executive Vice President, Advertising from 2013 to 2015. Ms. Kopit Levien currently serves on the board of directors of The New York Times Company. Ms. Kopit Levien holds a B.A. from the University of Virginia. Ms. Kopit Levien was selected to serve on our board of directors because of her extensive experience in the media and advertising industries.

*Barry McCarthy.* Mr. McCarthy has served as a member of our board of directors since January 2021. Since February 2022, Mr. McCarthy has served as the Chief Executive Officer and President of Peloton Interactive, Inc., a fitness technology company. From 2011 to January 2022, Mr. McCarthy served as an Executive Advisor to Technology Crossover Ventures, a venture capital firm. Mr. McCarthy currently serves on the boards of directors of Peloton Interactive, Inc. and Spotify Technology S.A., a music streaming company, for which he

served as Chief Financial Officer from July 2015 to January 2020 and global head of the advertising business from September 2016 to January 2020. Mr. McCarthy previously served on the boards of directors of MSD Acquisition Corp., a special purpose acquisition company, Pandora Media Inc., a music streaming company, Eventbrite, Inc., an event management company, and Chegg, Inc., an education technology company. From 1999 to 2010, Mr. McCarthy served as Chief Financial Officer and Principal Accounting Officer of Netflix, Inc., a video streaming company. Mr. McCarthy holds a B.A. in History from Williams College and an M.B.A. in Finance from the Wharton School at the University of Pennsylvania. Mr. McCarthy was selected to serve on our board of directors because of his experience as a chief financial officer, his knowledge of technology companies, and his service on the boards of directors of various private and public companies.

*Apoorva Mehta.* Mr. Mehta has served as Chairperson of our board of directors since August 2012. Mr. Mehta is our co-founder and served at Instacart from August 2012 to February 2023, including as our Chief Executive Officer from August 2012 to August 2021. Since October 2022, Mr. Mehta has served as founder and Chief Executive Officer of Cloud Health Systems, LLC, a digital healthcare startup. From 2008 to 2010, Mr. Mehta served as a supply chain engineer for Amazon.com, Inc., a multinational technology company. Mr. Mehta holds a B.S. in Electrical Engineering from the University of Waterloo. Mr. Mehta was selected to serve on our board of directors because of the perspective and experience he provides as our co-founder and former Chief Executive Officer, as well as his extensive experience with technology companies. Mr. Mehta will resign from our board of directors, including as Chairperson, immediately prior to the effectiveness of the registration statement of which this prospectus forms a part.

*Michael Moritz.* Mr. Moritz has served as a member of our board of directors since June 2013. Mr. Moritz currently serves as Senior Advisor to Sequoia Heritage, a private investment partnership, and from 1986 to July 2023, Mr. Moritz served as a Managing Member of Sequoia Capital, a venture capital firm. Mr. Moritz currently serves on the boards of directors of PhenomeX, Inc. (formerly Berkeley Lights, Inc.), a biotherapeutics company, and a number of private companies, including Klarna Inc., a financial technology company, and TrialSpark, Inc., a pharmaceutical company. Mr. Moritz previously served on the boards of directors of, among others, LinkedIn Corporation, a professional networking company, Green Dot Corporation, a financial technology company, PayPal Holdings, Inc., a digital payments company, Google, a multinational technology company, and Yahoo!, Inc., a web services provider and digital media company. Mr. Moritz holds an M.A. in History from Christ Church, Oxford. Mr. Moritz was selected to serve on our board of directors because of his extensive experience in the investment industry, his knowledge of technology companies, and his service on the boards of directors of various private and public companies.

*Lily Sarafan.* Ms. Sarafan has served as a member of our board of directors since October 2021 and as our lead independent director since October 2022. Since December 2020, Ms. Sarafan has served as Executive Chair of TheKey LLC, a premium provider of in-home care, for which she previously served as Chief Executive Officer since she co-founded the company in 2005 until December 2020. Ms. Sarafan holds a B.S. in Science, Technology, and Society from Stanford University and an M.S. in Management Science and Engineering from Stanford University. Ms. Sarafan was selected to serve on our board of directors because of her extensive experience as a founder and executive.

*Frank Sloomman.* Mr. Sloomman has served as a member of our board of directors since January 2021. Since April 2019, Mr. Sloomman has served as the Chief Executive Officer and Chairman of the board of directors of Snowflake Inc., a cloud-based data warehousing company. From October 2016 to June 2018, Mr. Sloomman served as Chairman of the board of directors of ServiceNow, Inc., an enterprise IT cloud company. From May 2011 to April 2017, Mr. Sloomman served as President and Chief Executive Officer and as a member of the board of directors of ServiceNow, Inc. From January 2011 to April 2011, Mr. Sloomman served as a Partner of Greylock Partners, a venture capital firm. From July 2009 to January 2011, Mr. Sloomman served as President of the Backup Recovery Systems Division at EMC Corporation, a computer data storage company, and then as an advisor from January 2011 to February 2012. From June 2003 until its acquisition by EMC Corporation in July 2009, Mr. Sloomman served as President and Chief Executive Officer of Data Domain Corporation, an electronic storage solution company. Mr. Sloomman previously served as a member of the board of directors of Pure



Storage, Inc., from May 2014 to February 2020, and Imperva, Inc., from August 2011 to March 2016. Mr. Sloodman holds undergraduate and graduate degrees in Economics from the Netherlands School of Economics, Erasmus University Rotterdam. Mr. Sloodman was selected to serve on our board of directors because of his experience as an executive and board member at several private and public high-growth technology companies.

*Daniel Sundheim.* Mr. Sundheim has served as a member of our board of directors since June 2020. Since July 2017, Mr. Sundheim has served as the Founder and Chief Investment Officer of D1 Capital Partners L.P., an investment management firm. From August 2002 to June 2017, Mr. Sundheim served in various capacities at Viking Global Investors, an investment management firm, including as an analyst from 2002 to 2005, a portfolio manager from 2005 to 2010, as Co-Chief Investment Officer from 2010 to 2014, and as Chief Investment Officer from 2014 to 2017. Mr. Sundheim holds a B.S. in Economics from the Wharton School of the University of Pennsylvania. Mr. Sundheim was selected to serve on our board of directors because of his extensive financial and business expertise.

#### **Non-Executive Officer Director Nominee**

*Ravi Gupta.* Mr. Gupta has been appointed to serve as a member of our board of directors, effective one business day following the closing of this offering. Since November 2019, Mr. Gupta has served as a Managing Member of Sequoia Capital, a venture capital firm. From 2015 to November 2019, Mr. Gupta served as our Chief Financial Officer, and from December 2016 to November 2019, Mr. Gupta also served as our Chief Operating Officer. From 2005 to 2015, Mr. Gupta served in a number of roles at Kohlberg Kravis Roberts & Co. L.P., a global investment firm, most recently as a director. Mr. Gupta holds a B.S. in Economics from Duke University. Mr. Gupta was selected to serve on our board of directors because of his extensive financial and business expertise and his experience as an executive or director at high-growth technology companies.

#### **Family Relationships**

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

#### **Composition of Our Board of Directors**

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

- Mr. Mehta was elected by holders of our voting common stock;
- Mr. Moritz was elected by holders of our Series A redeemable convertible preferred stock;
- Mr. Jordan was elected by holders of our Series B redeemable convertible preferred stock;
- Mr. McCarthy, Ms. Simo, Mr. Sloodman, and Mr. Sundheim were elected by holders of our redeemable convertible preferred stock and our voting common stock; and
- Ms. Kopit Levien and Ms. Sarafan were elected by our board of directors.

Upon the closing of this offering, the provisions of our amended and restated voting agreement relating to the election of our directors will terminate, and our current certificate of incorporation by which our directors were elected, along with our bylaws, will be amended and restated. The number of directors will be fixed by our board of directors, subject to the terms of our amended and restated certificate of incorporation and amended and restated bylaws that will each be in effect immediately prior to the closing of this offering. Each of our current directors will continue to serve as a director until the election and qualification of his or her successor, or until his or her earlier death, resignation, or removal.

In accordance with our amended and restated certificate of incorporation that will be in effect immediately prior to the closing of this offering, our board of directors will be divided into three classes with staggered three-year terms. At each annual meeting of stockholders, the successors to directors whose terms then expire will be elected to serve from the time of election and qualification until the third annual meeting following election. Our directors will be divided among the three classes as follows:

- the Class I directors will be Mr. Jordan, Mr. McCarthy, and Ms. Simo, and their terms will expire at our 2024 annual meeting of stockholders;
- the Class II directors will be Mr. Sloodman and Mr. Sundheim, and, upon his appointment to serve as a member of our board of directors one business day following the closing of this offering, Mr. Gupta, and their terms will expire at our 2025 annual meeting of stockholders; and
- the Class III directors will be Ms. Kopit Levien, Mr. Moritz, and Ms. Sarafan, and their terms will expire at our 2026 annual meeting of stockholders.

We expect that any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

### **Director Independence**

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning his or her background, employment, and affiliations, our board of directors has determined that Messrs. Jordan, McCarthy, Moritz, Sloodman, Sundheim, and Gupta and Ms. Kopit Levien and Sarafan do not have relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors or director nominee, as the case may be, is “independent” as that term is defined under the listing standards of Nasdaq. In making these determinations, our board of directors considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our board of directors deemed relevant in determining their independence, including the beneficial ownership of our shares held by each non-employee director and the transactions described in the section titled “Certain Relationships and Related Party Transactions.”

### **Lead Independent Director**

Our corporate governance guidelines will provide that one of our independent directors will serve as the lead independent director at any time when an independent director is not serving as the chairperson of the board of directors. Our board of directors has appointed Lily Sarafan to serve as our lead independent director. As lead independent director, Ms. Sarafan will preside over periodic meetings of our independent directors, coordinate activities of the independent directors, and perform such additional duties as our board of directors may otherwise determine and delegate.

### **Role of the Board in Risk Oversight**

Our board of directors oversees our risk management processes, which are designed to support the achievement of organizational objectives, improve long-term organizational performance, and enhance stockholder value while mitigating and managing identified risks. A fundamental part of our approach to risk management is not only understanding the most significant risks we face as a company and the necessary steps to manage those risks, but also deciding what level of risk is appropriate. Our board of directors plays an integral role in guiding management’s risk tolerance and determining an appropriate level of risk.

While our full board of directors has overall responsibility for evaluating key business risks, its committees monitor and report to our board of directors on certain risks. Our audit committee monitors our major financial, accounting, legal, compliance, investment, tax, cybersecurity, and data privacy risks, and the steps our management has taken to identify and control these exposures, including by reviewing and setting guidelines, internal controls, and policies that govern the process by which risk assessment and management is undertaken. In particular, our audit committee oversees our information security and data privacy programs and reports on these topics to our board of directors. Our management periodically updates the audit committee on information security and data privacy topics, including cybersecurity incidents involving us as well as our third-party service providers, progress of ongoing initiatives, and the effectiveness of internal control and compliance mechanisms. These mechanisms include assessments of prospective third-party service providers' cybersecurity and data privacy practices prior to entering into or renewing business transactions with them or providing them access to our data or information systems. The results of these assessments inform the controls that we would implement to mitigate any uncovered third-party service provider security risks. Our audit committee also monitors compliance with legal and regulatory programs. Our compensation committee assesses and monitors whether our compensation philosophy and practices have the potential to encourage excessive risk-taking and also plans for leadership succession. Our nominating and corporate governance committee oversees risks associated with director independence and the composition and organization of our board of directors, periodically reviews our corporate governance guidelines and code of business conduct and ethics, and provides general oversight of our other corporate governance policies and practices.

In connection with its reviews of the operations of our business, our full board of directors addresses holistically the primary risks associated with our business, as well as the key risk areas monitored by its committees, including cybersecurity and privacy risks. Our board of directors appreciates the evolving nature of our business and industry and oversees the monitoring and mitigation of new threats and risks as they emerge. In particular, our board of directors is committed to the prevention, timely detection, and mitigation of the effects of cybersecurity threats or incidents. Further, our board of directors has closely monitored the evolving COVID-19 pandemic, its potential effects on our business, and related risk mitigation strategies.

At periodic meetings of our board of directors and its committees, management reports to and seeks guidance from our board of directors and its committees with respect to the most significant risks that could affect our business, such as legal and compliance risks, cybersecurity and privacy risks, and financial, tax, and audit-related risks. In addition, among other matters, management provides our audit committee with periodic reports on our compliance programs and investment policy and practices. We have implemented controls and procedures for our management to quickly escalate violations or breaches of our compliance programs, policies, and practices, as well as cybersecurity, privacy, and other risks, to our board of directors or an applicable committee.

### **Committees of Our Board of Directors**

Our board of directors has established an audit committee, a compensation committee, and a nominating and corporate governance committee. The composition and responsibilities of each of the committees of our board of directors are described below. Members serve on these committees until their resignation or until otherwise determined by our board of directors. Our board of directors may establish other committees as it deems necessary or appropriate from time to time.

#### ***Audit Committee***

Our audit committee consists of Meredith Kopit Levien, Barry McCarthy, and Michael Moritz. Our board of directors has determined that each member of our audit committee satisfies the independence requirements under the listing standards of Nasdaq and Rule 10A-3(b)(1) of the Exchange Act. The chairperson of our audit committee is Barry McCarthy. Our board of directors has determined that Mr. McCarthy is an "audit committee

financial expert” within the meaning of SEC regulations. Each member of our audit committee can read and understand fundamental financial statements in accordance with applicable requirements. In arriving at these determinations, our board of directors has examined each audit committee member’s scope of experience and the nature of their employment.

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

- helping our board of directors oversee our corporate accounting and financial reporting processes;
- managing the selection, engagement, qualifications, independence, and performance of a qualified firm to serve as the independent registered public accounting firm to audit our financial statements and the effectiveness of our internal control over financial reporting, when required;
- discussing the scope and results of the audit with the independent registered public accounting firm and reviewing, with management and the independent registered public accounting firm, our interim and year end results of operations;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing related party transactions;
- overseeing the performance of our internal audit function;
- approving or, as permitted, pre-approving, audit and permissible non-audit services to be performed by the independent registered public accounting firm;
- preparing the audit committee report that the SEC requires in our annual proxy statement; and
- reviewing legal and regulatory compliance matters, including risks related to data privacy, information security, and cybersecurity.

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

#### ***Compensation Committee***

Our compensation committee consists of Meredith Kopit Levien, Lily Sarafan, and Daniel Sundheim. The chairperson of our compensation committee is Meredith Kopit Levien. Our board of directors has determined that each member of our compensation committee is independent under the listing standards of Nasdaq and a “non-employee director” as defined in Rule 16b-3 promulgated under the Exchange Act.

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

- reviewing and approving (or recommending to our board of directors) the compensation of our chief executive officer and other executive officers;
- reviewing and approving (or recommending to our board of directors) the compensation of our directors;
- administering our equity incentive plans and other benefit programs;

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- reviewing, adopting, amending, and terminating incentive compensation and equity plans, severance agreements, profit sharing plans, bonus plans, change-of-control protections, and any other compensatory arrangements for our executive officers and other senior management;
- reviewing and establishing general policies relating to compensation and benefits of our employees, including our overall compensation philosophy for our executive officers and directors;
- reviewing matters relating to human capital management, including policies and strategies regarding recruiting, retention, career development and progression, diversity and inclusion, and other employment practices; and
- reviewing succession planning for our executive leadership team.

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

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

Our nominating and corporate governance committee consists of Michael Moritz and Lily Sarafan. The chairperson of our nominating and corporate governance committee is Michael Moritz. Our board of directors has determined that each member of our nominating and corporate governance committee is independent under the listing standards of Nasdaq.

Specific responsibilities of our nominating and corporate governance committee include:

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

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

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

We have adopted a code of business conduct and ethics that applies to our directors, officers, and employees, including our principal executive officer, principal financial officer, principal accounting officer or controller, and persons performing similar functions. Immediately prior to the closing of this offering, our code of business conduct and ethics will be posted on the investor relations page on our website. In addition, we intend to post on our website all disclosures that are required by law or the listing standards of Nasdaq concerning any amendments to, or waivers from, any provision of the code. Information contained on, or that can be accessed through, our website is not incorporated by reference into this prospectus, and you should not consider information on our website to be part of this prospectus.

## Compensation Committee Interlocks and Insider Participation

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

### Non-Employee Director Compensation

#### *Director Compensation Table*

We did not pay any cash compensation to our non-employee directors for their service on our board of directors during 2022. We have reimbursed and will continue to reimburse all of our non-employee directors for their reasonable out-of-pocket expenses incurred in attending board of directors and committee meetings. All compensation paid to Ms. Simo in 2022 was for services rendered as our current President and Chief Executive Officer (and reported in the section titled “Executive Compensation—Summary Compensation Table”), and she did not receive any additional compensation for her service on our board of directors. See the section titled “Executive Compensation” for additional information regarding the compensation earned by Ms. Simo.

The following table presents all of the compensation awarded to or earned by or paid to our non-employee directors and Mr. Mehta for service as directors during the fiscal year ended December 31, 2022:

<u>Name</u>	<u>Option Awards (\$)<sup>(1)</sup></u>	<u>Total (\$)</u>
Jeffrey Jordan	—	—
Meredith Kopit Levien	—	—
Barry McCarthy	—	—
Apoorva Mehta <sup>(2)</sup>	4,672,114	4,672,114
Michael Moritz	—	—
Lily Sarafan	—	—
Frank Sloatman	—	—
Daniel Sundheim	—	—

(1) The amount disclosed represents the incremental fair value resulting from the modification to Mr. Mehta’s stock option originally granted in May 2018 and modified in connection with his cessation of service as an employee. Such modification extended the period during which Mr. Mehta’s option will remain exercisable following his resignation from our board of directors, including as Chairperson, immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, to the option expiration date, or May 30, 2028. This amount reflects the accounting cost for this stock option modification and does not reflect the actual economic value that may be realized by Mr. Mehta.

(2) Mr. Mehta became a non-employee director in February 2023.

The following table sets forth the outstanding stock awards held by our non-employee directors and Mr. Mehta as of December 31, 2022:

<u>Name</u>	<u>Stock Awards (#)<sup>(1)</sup></u>	<u>Option Awards (#)</u>
Jeffrey Jordan	12,500	—
Meredith Kopit Levien	3,750	—
Barry McCarthy	12,500	—
Apoorva Mehta <sup>(2)</sup>	—	4,866,785 <sup>(3)</sup>
Michael Moritz	12,500	—
Lily Sarafan	3,750	—
Frank Sloatman	12,500	—
Daniel Sundheim	6,000	—

- (1) The shares subject to these RSU awards vest upon meeting both a service-based and liquidity event-based vesting condition. The liquidity event-based vesting condition is satisfied on the earlier of (a) a change of control or (b) the effectiveness of the registration statement of which this prospectus forms a part. The service-based vesting condition is satisfied in equal quarterly installments measured from the grant date through January 2023, subject to the director's continued service with us through each such date.
- (2) Mr. Mehta became a non-employee director in February 2023.
- (3) This stock option was originally granted to Mr. Mehta in May 2018 in connection with his service as our President and Chief Executive Officer. The shares subject to this option award have an exercise price of \$9.55 per share and are fully vested. Upon Mr. Mehta's resignation from our board of directors, including as Chairperson, immediately prior to the effectiveness of the registration statement of which this prospectus forms a part, the period during which Mr. Mehta's option will remain exercisable following such resignation has been extended to the option expiration date, or May 30, 2028.

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

In February 2023, our board of directors adopted a non-employee director cash compensation policy with regard to the compensation of certain members of our board of directors. Pursuant to our non-employee director cash compensation policy, non-employee members of our board of directors will receive an annual retainer of \$50,000. Each member of our audit committee will receive an annual retainer of \$15,000, each member of our compensation committee will receive an annual retainer of \$10,000, and each member of our nominating and governance committee will receive an annual retainer of \$7,500. The chairperson of our audit committee will receive an additional annual retainer of \$10,000, the chairperson of our compensation committee will receive an additional annual retainer of \$10,000, and the chairperson of our nominating and governance committee will receive an additional annual retainer of \$7,500. These annual retainers are to be paid in quarterly installments in arrears over the course of fiscal year 2023. In connection with this offering, we intend to adopt a new non-employee director compensation policy pursuant to which our non-employee directors will be eligible to receive compensation for service on our board of directors and the committees thereof.

### ***2023 Director Equity Compensation***

In February 2023, our board of directors granted to each of our non-employee directors refresh RSU awards representing the right to be issued 8,283 shares of our common stock. Each RSU award vests upon satisfaction of both a service-based vesting condition and a liquidity event-based vesting condition. The service-based vesting condition is satisfied over a period of one year, with 25% of the shares satisfying the service-based vesting condition in equal quarterly installments beginning on May 15, 2023, subject to the director's continued service with us and subject to 100% vesting acceleration in the event a change of control occurs prior to February 15, 2024. The liquidity event-based vesting condition will be satisfied upon the earlier of (i) a change of control and (ii) the effective date of the registration statement of which this prospectus forms a part.

### **Limitations of Liability and Indemnification Matters**

Immediately prior to the closing of this offering, our amended and restated certificate of incorporation will contain provisions that limit the liability of our directors and officers for monetary damages to the fullest extent permitted by Delaware law. Delaware law allows a corporation to provide that its directors or officers will not be personally liable for monetary damages for any breach of fiduciary duties as directors, except liability for:

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

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

Our amended and restated certificate of incorporation that will be in effect immediately prior to the closing of this offering will authorize us to indemnify our directors, officers, employees, and other agents to the fullest extent permitted by Delaware law. Our amended and restated bylaws that will be in effect immediately prior to the closing of this offering will provide that we are required to indemnify our directors and executive officers to the fullest extent permitted by Delaware law and may indemnify our other officers, employees, and agents. Our amended and restated bylaws that will be in effect immediately prior to the closing of this offering will also provide that, on satisfaction of certain conditions, we will advance expenses incurred by a director or executive officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee, or other agent. We have entered and expect to continue to enter into agreements to indemnify our directors and executive officers. With certain exceptions, these agreements provide for indemnification for related expenses including attorneys' fees, judgments, fines, and settlement amounts incurred by any of these individuals in connection with any action, proceeding, or investigation. We believe that this amended and restated certificate of incorporation and these amended and restated bylaw provisions and indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain customary directors' and officers' liability insurance. In addition, Jeffrey Jordan and Daniel Sundheim are indemnified, subject to certain limitations, against liabilities incurred in their capacities as our directors pursuant to agreements with Andreessen Horowitz and D1 Capital Partners, respectively.

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

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



## EXECUTIVE COMPENSATION

### Compensation Discussion and Analysis

This Compensation Discussion and Analysis provides an overview of our executive compensation philosophy and objectives, discusses our executive compensation program and policies, and analyzes how and why the compensation committee of our board of directors arrived at the specific fiscal year 2022 compensation decisions with respect to the following current and former executive officers during the fiscal year ended December 31, 2022, who are collectively referred to herein as our “named executive officers:”

<u>Name</u>	<u>Position(s)</u>
Fidji Simo	Chief Executive Officer and President
Nick Giovanni	Chief Financial Officer and Treasurer
Asha Sharma	Chief Operating Officer
Morgan Fong	General Counsel and Secretary
Mark Schaaf <sup>(1)</sup>	Former Chief Technology Officer

(1) Mr. Schaaf ceased serving as our Chief Technology Officer, effective September 21, 2022.

### Executive Summary

Fiscal year 2022 was a significant year for our business, as we looked to capitalize on our growth and momentum. As the leading grocery technology company, we continued to innovate and execute our long-term vision to power the future of grocery through technology. We delivered more value for consumers, retailers, brands, and shoppers—all while generating strong growth and improved profitability, which will allow us to continue investing in new opportunities to further support our partners.

### Compensation Philosophy and Objectives

Our compensation committee has oversight of our executive compensation programs and evaluates their competitiveness and function so that we maintain our ability to attract and retain superior employees in key positions and motivate strong performance against our strategic goals and ultimate objective of creating stockholder value.

As our business and company continue to transform, our compensation programs continue to evolve and develop into those appropriate to our size and stage of business. We continue to carefully evaluate our compensation arrangements and develop programs that we feel are the most appropriate to drive results for our company and our stockholders. As we make changes to expand our business, we focus on ensuring that our pay program aligns our executives’ compensation with our stockholders’ interests and our company’s performance over the long term.

Specifically, our executive compensation program is designed to:

- attract, retain, and motivate top talent;
- align our compensation structures with our strategic needs and market practices;
- provide incentives that align our executives’ interests with those of our stockholders; and
- promote consistency and internal equity amongst our executive team.

### **Executive Compensation Policies and Practices**

Our executive compensation program adheres to the following practices:

<b>What We Do</b>	<b>What We Don't Do</b>
<ul style="list-style-type: none"><li>✓ Deliver a majority of compensation through long-term equity incentives</li><li>✓ Determine incentive opportunities based on corporate and individual performance</li><li>✓ Assess risks of our compensation program</li><li>✓ Retain an independent compensation advisor</li><li>✓ Broadly use double-trigger change in control arrangements</li></ul>	<ul style="list-style-type: none"><li>✗ No tax reimbursements or tax gross-ups on severance or change in control payments</li><li>✗ No special executive welfare or health benefits, or retirement plans not available to our employees generally</li><li>✗ No guaranteed salary increases or annual bonuses</li><li>✗ No hedging or pledging of our stock</li></ul>

### **How We Determine Executive Compensation**

Our compensation committee is responsible for reviewing and approving the compensation of our Chief Executive Officer and other executive officers, including base salaries, short-term and long-term incentive compensation, the size and structure of equity awards, and any executive perquisites. Our compensation committee makes decisions on a case-by-case basis and considers market insights, competitive dynamics, prior experience, and future role with Instacart in structuring a total compensation package for each named executive officer.

Our compensation committee generally determines the principal components of compensation for our executive officers on an annual basis; however, decisions may be made at other times for new hires, promotions, or other special circumstances as our compensation committee determines appropriate.

### **Role of Management**

Our compensation committee has worked with and received information and analyses from management, including within our legal, finance, and human resources departments, and our Chief Executive Officer, and considered such information and analyses in determining the structure and amount of compensation to be paid to our executive officers, including our named executive officers. Our Chief Executive Officer evaluates and provides to our compensation committee executive officer performance assessments and management's recommendations and proposals regarding executive officer compensation programs and decisions affecting base salaries, short-term incentive compensation, long-term incentive compensation, and other compensation-related matters outside of the presence of any other named executive officers. However, our compensation committee retains the final authority to make all compensation decisions for our named executive officers, including our Chief Executive Officer.

From time to time, various other members of management and other employees, as well as outside advisors or consultants, may be invited to make presentations, provide financial or other background information or advice, or otherwise participate in our board of directors and compensation committee meetings. Members of management, including our Chief Executive Officer, may attend portions of our board of directors or compensation committee meetings; however, our Chief Executive Officer may not be present during decisions regarding her compensation.

### **Role of Compensation Consultant**

Our compensation committee has the authority to engage its own advisors to assist in carrying out its responsibilities. Our compensation committee engaged Semler Brossy Consulting Group, or Semler Brossy, to provide guidance regarding the amount and types of compensation that we pay our executive officers, how our

compensation practices compare to the compensation practices of other companies, including with respect to a peer group of companies developed in consultation with Semler Brossy, and other compensation-related matters. Semler Brossy reports directly to our compensation committee, although Semler Brossy may meet with members of management for the purposes of gathering information on proposals that management may make to our compensation committee. Semler Brossy does not provide any services to us other than the services provided to our compensation committee.

***Use of Competitive Market Compensation Data***

When making compensation decisions, our compensation committee believes that it is important to be informed as to the current practices of comparable companies with which we compete for top talent. To this end, our compensation committee worked with Semler Brossy to compile a list of our peer companies to be considered, among other factors, in connection with assessing compensation practices and pay levels. Our compensation committee believes that the peer and market data provided by Semler Brossy, along with other factors, serve as an important reference point when setting compensation for our named executive officers because competition for executive management is intense in our industry and the retention of our talented leadership team is critical to our success.

***Compensation Peer Group***

For fiscal year 2022, our compensation committee, upon recommendation from Semler Brossy, approved a group of companies that would be appropriate peers to be considered, among other factors, when making compensation decisions, based on the following criteria:

- Industry (Internet & Direct Marketing Retail, IT Services, Interactive Media & Services, Media Software, Entertainment, and other technology companies);
- Scale (based on revenue and market capitalization);
- Talent profile (companies with which we compete for executive talent); and
- Business characteristics (companies with a digital marketplace or operation-based component, strong consumer-facing brand, or technology-oriented industry leaders driving disruption in their core business segment).

Using the above criteria, the following 22 companies were identified by our compensation committee in February 2022 as appropriate comparators for our compensation peer group for the purpose of informing executive pay decisions for fiscal year 2022:

Airbnb, Inc.  
Coinbase Global, Inc.  
Datadog, Inc.  
DoorDash, Inc.  
Dropbox, Inc.  
Etsy, Inc.  
GoDaddy Inc.

Lyft, Inc.  
Match Group, Inc.  
Palantir Technologies Inc.  
Palo Alto Networks, Inc.  
Peloton Interactive, Inc.  
Pinterest, Inc.  
Robinhood Markets, Inc.

Snap Inc.  
Snowflake Inc.  
Splunk Inc.  
Twitter, Inc.  
Uber Technologies, Inc.  
Workday, Inc.  
Zillow Group, Inc.  
Zoom Video Communications, Inc.

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In December 2022, we reviewed our compensation peer group to consider whether any adjustments were appropriate. Following this review, our compensation committee removed four companies (Coinbase Global, Inc., Palantir Technologies Inc., Palo Alto Networks, Inc., and Workday, Inc.) to be more reflective of our screening criteria noted above. The resulting compensation peer group for the purpose of informing executive pay decisions for fiscal year 2023 comprises the following 18 companies:

Airbnb, Inc.	Lyft, Inc.	Snowflake Inc.
Datadog, Inc.	Match Group, Inc.	Splunk Inc.
DoorDash, Inc.	Peloton Interactive, Inc.	Twitter, Inc.
Dropbox, Inc.	Pinterest, Inc.	Uber Technologies, Inc.
Etsy, Inc.	Robinhood Markets, Inc.	Zillow Group, Inc.
GoDaddy Inc.	Snap Inc.	Zoom Video Communications, Inc.

### **Factors Used in Determining Executive Compensation**

Our compensation committee sets the compensation of our executive officers at levels it determines to be competitive and appropriate for each executive officer, using the professional experience and judgment of our compensation committee members. Although market data is used as a reference point to inform initial guidelines, our compensation committee believes executive pay decisions require consideration of a multitude of relevant factors which may vary from year to year, and accordingly, pay decisions are not made by use of a rigid formulaic approach or benchmark. In making executive compensation decisions, our compensation committee generally takes into consideration the following factors:

- Company performance and existing business needs
- Each executive officer's individual performance, scope of job function and criticality of the skill set
- The need to attract new talent and retain existing talent in a highly competitive industry
- Our Chief Executive Officer's recommendations (other than for herself)
- Internal pay equity
- Instacart's culture and values
- Our compensation committee's judgment
- Each executive officer's current equity ownership and total direct compensation
- Aggregate compensation cost and impact on stockholder dilution
- Positioning relative to peers in market

### **Key Components and Design of the Executive Compensation Program**

#### ***Total Direct Compensation***

Our executive compensation program focuses on total direct compensation, which consists of base salary, short-term incentive compensation, and target long-term incentive awards. Our compensation committee takes a holistic approach to compensation and seeks to ensure that the aggregate level of pay, across all pay elements, is meeting our desired objectives for each executive officer.

In evaluating our executive compensation policies and programs, we consider both the performance and skills of each of our executives, as well as the compensation paid to executives in similar companies with similar responsibilities. We focus on providing a competitive compensation package to each of our executive officers that provides significant short-term and long-term incentives for the achievement of measurable corporate objectives. We believe that this approach provides an appropriate blend of short-term and long-term incentives to achieve corporate objectives and maximize stockholder value.

Our compensation committee uses its judgment to establish a total compensation program for each named executive officer that is a mix of base salary, short-term incentive compensation, and long-term incentive

compensation, which it believes appropriate to achieve the goals of our executive compensation program and our corporate objectives. However, our compensation committee typically structures a significant portion of our executive officers' compensation package to be comprised of long-term equity awards to align the executive officers' incentives with the interests of our stockholders and focus our executives on achieving key corporate goals that drive our business.

***Elements of Executive Compensation***

Executive compensation generally consists of, and is intended to strike a balance among, the following three principal components: base salary, short-term incentive compensation, and long-term incentive compensation. We also provide our executive officers with sign-on bonuses on a case-by-case basis, severance and change-in-control related payments and benefits, as well as benefits available to all our employees, including retirement benefits under our 401(k) plan and participation in various employee health and welfare benefit plans. The following chart summarizes the three principal elements of our executive compensation program, their objectives, and key features.

<u>Element</u>	<u>Objectives</u>	<u>Key Features</u>
Base Salary	Provides financial stability and security through a fixed amount of cash for performing job responsibilities.	Fixed compensation that is periodically reviewed and adjusted if and when appropriate.
Short-Term Incentive Compensation	Motivates and rewards for driving company-wide performance on an annual basis.	Incentive opportunities are dependent upon our compensation committee's discretionary assessment of corporate and individual performance for each applicable year.
Long-Term Incentive Compensation	Motivates and rewards for long-term company performance, including achievement of market capitalization goals, which, if achieved, would result in significant value creation for our stockholders; aligns executives' interests with stockholder interests and changes in stockholder value. Attracts highly qualified executives and encourages their continued employment over the long term.	Equity incentives may be granted as appropriate during the year for new hires, promotions, annual refresh grants or other special circumstances, such as to encourage retention, or incentivize exceptional performance.

**2022 Executive Compensation Program**

**Base Salary**

Our compensation committee determined the initial base salary for each of our named executive officers in connection with his or her commencement of employment with us. Our compensation committee reviews the base salary of each executive for potential adjustment on an annual basis. In February 2022, our compensation committee reviewed but determined not to increase base salaries for our continuing named executive officers. The annual base salaries of each of our named executive officers for 2022 are listed below.

<u>Executive</u>	<u>2022 Annual Base Salary (\$)</u>
Fidji Simo	500,000
Nick Giovanni	500,000
Asha Sharma	500,000
Morgan Fong	500,000
Mark Schaaf <sup>(1)</sup>	500,000

(1) Mr. Schaaf earned a prorated salary for 2022 in light of his cessation of service on September 21, 2022.

**Short-Term Incentive Compensation**

We did not maintain a formal performance bonus plan during fiscal year 2022, but our compensation committee provided discretionary cash bonuses to each of our continuing named executive officers in recognition of individual and company performance. In October 2022, our compensation committee, with performance-based input from our Chief Executive Officer, approved discretionary cash bonuses to each of Mr. Giovanni, Ms. Sharma, and Mr. Fong in the amounts shown below. In December 2022, our compensation committee approved a discretionary cash bonus to Ms. Simo in the amount shown below. The initial portion of each such discretionary cash bonus was paid in December 2022, and the remaining portion was paid in June 2023.

<u>Name</u>	<u>Bonus Amount Paid in 2022 (\$)</u>	<u>Bonus Amount Paid in 2023 (\$)</u>
Fidji Simo	300,000	450,000
Nick Giovanni	300,000	450,000
Asha Sharma	300,000	450,000
Morgan Fong	360,000	540,000
Mark Schaaf <sup>(1)</sup>	—	—

(1) Mr. Schaaf was not eligible to receive a bonus for 2022 in light of his cessation of service on September 21, 2022.

In determining the amount of each applicable named executive officer's bonus amount for 2022, our compensation committee considered overall company performance in 2022, time in role, and individual performance as it related to overall company success.

**Executive Performance Bonus Plan**

In 2022, our compensation committee adopted an Executive Performance Bonus Plan, or the Bonus Plan, pursuant to which the compensation committee may, after the completion of this offering, award performance-based cash incentive opportunities to certain key executives, including all of our named executive officers who are currently providing services to us at such time. The Bonus Plan provides for the opportunity to earn cash incentive payments based upon the attainment of certain corporate, financial, operational, and other performance measures or objectives to be established by our compensation committee at the beginning of each fiscal year. Each participant will have a target annual performance incentive opportunity that corresponds to the achievement of the applicable corporate performance goals, which may be a percentage of such participant's annual base

salary or a fixed dollar amount. The corporate performance goals and incentive formulas will be adopted annually by our compensation committee and communicated to each participant. If the applicable corporate performance goals are met, our compensation committee will determine if incentive payments are made as soon as practicable thereafter. After the completion of this offering, the Bonus Plan may be used by our compensation committee to administer bonus payments to our executive officers going forward.

#### ***Long-Term Incentive Compensation***

We have historically granted equity compensation to our executive officers primarily in the form of stock options, RSU awards, and performance-based RSU awards, or PSU awards. All equity awards granted to our named executive officers in 2022 consisted of RSU or PSU awards. Our compensation committee believes that PSU awards align our named executive officers' interests with those of our stockholders by providing a return directly in line with our stock price and minimize incentive for short-term risk-taking at the expense of realizing long-term value. RSU awards encourage retention through vesting over the recipient's continued employment with us over a multi-year period or, with respect to PSU awards, for a specified performance period, cover fewer shares than stock options, minimize dilution to stockholders, and are the predominant type of equity award utilized by the peer companies with whom we compete for talent.

Our general policy in effect prior to this offering is to grant equity awards on fixed dates determined in advance, although there may be occasions when grants are made on other dates, such as grants to new hires or other special circumstances. All required approvals are obtained in advance of or on the actual grant date.

#### ***Refresh RSU Grants***

In April 2022, our compensation committee granted refresh RSU awards to all of our named executive officers. In determining the appropriate size of refresh grants, our compensation committee aimed to deliver equity awards to each applicable executive officer to meet the need to maintain equity opportunities competitive with the market and serve the retention and incentive purposes of the awards.

Ms. Simo, Mr. Giovanni, Ms. Sharma, Mr. Fong, and Mr. Schaaf each received RSU awards representing the right to be issued 195,465 shares, 118,908 shares, 146,599 shares, 70,367 shares, and 78,186 shares of our common stock, respectively. Each RSU award vests upon satisfaction of both a service-based vesting condition and a liquidity event-based vesting condition, which will be satisfied upon the earlier of (i) a change of control and (ii) the effective date of the registration statement of which this prospectus forms a part, referred to as the Liquidity Condition in this "Executive Compensation" section. For Ms. Simo, pursuant to her offer letter agreement, the service-based vesting condition is satisfied over a period of one year, with 25% of the award satisfying the service-based vesting condition on each of October 5, 2022, December 8, 2022, February 10, 2023, and April 15, 2023, subject to Ms. Simo's continued service with us. For Mr. Giovanni, Ms. Sharma, Mr. Fong, and Mr. Schaaf, the service-based vesting condition is satisfied over a period of four years, with 1/16 of the award satisfying the service-based vesting condition on equal quarterly installments beginning on August 15, 2022, subject to the executive's continued service with us. Given Mr. Schaaf's departure, only 6,852 shares subject to his 2022 refresh RSU award were deemed to have satisfied the service-based vesting condition as of his cessation of service on September 21, 2022, and the remaining portion of the RSU award was forfeited.

#### ***PSU Awards***

In order to incentivize strong performance and a focus on creating stockholder value, in December 2022, our compensation committee also granted equity awards in the form of PSU awards to Ms. Simo, Mr. Giovanni, and Ms. Sharma, representing the right to be issued up to 1,200,000 shares, 600,000 shares, and 720,000 shares of our common stock, respectively. These awards vest upon the effectiveness of the registration statement of which this prospectus forms a part and the satisfaction of certain market capitalization goals ranging from \$15 billion to \$30 billion, as set forth in the table below, during the performance period commencing on the grant date and ending on

the earlier of the five-year anniversary of the grant date, a change of control, and a termination of service. At the time of grant, our compensation committee believed that the market capitalization goals were challenging, would require exceptional performance to be attained and, to the extent attained, would deliver significant value to our stockholders. In the case of Ms. Simo, in consideration of receiving such 2022 PSU award, she forfeited a previously issued PSU award representing the right to be issued up to 800,000 shares.

<b>Executive</b>	<b>Effective Date of IPO Registration Statement</b>	<b>Market Capitalization of \$15 Billion</b>	<b>Market Capitalization of \$20 Billion</b>	<b>Market Capitalization of \$30 Billion</b>
Fidji Simo	300,000	180,000	240,000	480,000
Nick Giovanni	150,000	90,000	120,000	240,000
Asha Sharma	180,000	108,000	144,000	288,000

The PSU awards are subject to a post-vesting holding requirement, pursuant to which each named executive officer is required to hold shares received in settlement of vested PSUs for one year after vesting. This requirement is subject to limited carveouts for tax withholding obligations and transfers of shares to family members for estate or tax planning purposes and will lapse upon the named executive officer's death or disability.

### **Other Features of Our Executive Compensation Program**

#### ***Employment Offer Letters***

We have entered into offer letter agreements with each of our named executive officers that set forth the terms and conditions of their employment, including position, base salary, and certain severance benefits, as described below. Each of our named executive officers is an at-will employee.

#### ***Severance and Change in Control Benefits***

We provide severance protections to our named executive officers in the event that they experience certain types of termination events, including terminations in connection with a change in control of our company. Pursuant to her offer letter with us, Ms. Simo is eligible for severance and/or change in control benefits upon an involuntary termination or a termination due to death or disability. Each of Mr. Giovanni, Ms. Sharma, and Mr. Fong is, and prior to his cessation of services with us, Mr. Schaaf was, a participant in our Severance and Change in Control Plan, or the Severance Plan, which was adopted in July 2021. The Severance Plan provides for severance and/or change in control benefits to the participants upon an involuntary termination or a termination that occurs due to a participant's death or disability. An "involuntary termination" for purposes of Ms. Simo's offer letter and the Severance Plan generally means a termination of the applicable named executive officer's employment by us other than for cause, due to death or disability, or a resignation by the applicable named executive officer for good reason (each as defined in Ms. Simo's offer letter or the Severance Plan, as applicable). A more detailed description of these arrangements is provided in the section titled "—Potential Payments upon Termination or Change of Control."

Our compensation committee believes these severance benefits are important from a retention perspective to provide some level of protection to our executives who might be terminated, including in connection with a change in control, and that the amounts are reasonable and maintain the competitiveness of our executive compensation and retention program. Further, our compensation committee believes this structure serves to mitigate the distraction and loss of key executive officers that may occur in connection with potential or actual change in control. Such payments protect the interests of our stockholders by enhancing executive focus during potential change in control activity, retaining executives despite the uncertainty that generally exists while a transaction is under consideration and encouraging the executives responsible for negotiating potential transactions to do so with independence and objectivity. However, we do not have any agreements with our named executive officers guaranteeing any tax gross-up payments on severance or change in control benefits.



In addition, each of our named executive officers holds equity awards that were granted under and subject to the terms of our equity incentive plans and the applicable award agreements thereunder.

#### ***401(k) Plan, Welfare, and Health Benefits***

We maintain a tax-qualified retirement plan that provides eligible U.S. employees, including our named executive officers, with an opportunity to save for retirement on a tax-advantaged basis. Eligible employees may make voluntary contributions from their eligible pay, up to certain applicable annual limits set by the Internal Revenue Code of 1986, as amended, or the Code. We may make matching and discretionary contributions to the 401(k) plan. During 2022, we made safe-harbor matching employer contributions to the 401(k) plan in an amount equal to 4% of eligible earnings, subject to annual IRS limits. The 401(k) plan is intended to be qualified under Section 401(a) of the Code with the 401(k) plan's related trust intended to be tax exempt under Section 501(a) of the Code. As a tax-qualified retirement plan, contributions to the 401(k) plan are deductible by us when made and contributions and earnings on those amounts are not generally taxable to the employees until withdrawn or distributed from the 401(k) plan.

In addition, we generally provide other benefits to our executive officers, including the named executive officers, on the same basis as to our other full-time employees. These benefits include, but are not limited to, medical, dental, vision, life, disability, and accidental death and dismemberment insurance plans. In general, we pay the premiums for the life, disability, and accidental death and dismemberment insurance for our employees, including our named executive officers.

We design our employee benefits programs to be affordable and competitive in relation to the market, as well as compliant with applicable laws and practices. We adjust our employee benefits programs as needed based upon regular monitoring of applicable laws and practices and the competitive market.

#### ***Business Travel***

From time to time, our Chief Executive Officer may request chartered aircraft services to facilitate travel that is directly and integrally related to the performance of her job duties when the use of a chartered plane will increase efficiency or security associated with a particular trip. Occasionally, family members may accompany her on these flights and, if this occurs, we require her to pay the incremental cost, if any, to accommodate these guests on the flight. There has been no incremental cost to us for family accompaniment on chartered business flights.

#### ***Perquisites and Other Personal Benefits***

Currently, we do not view perquisites or other personal benefits as a significant component of our executive compensation program. Accordingly, we generally do not provide excessive perquisites or other personal benefits to our executive officers, including the named executive officers, except in situations where we believe it is appropriate to assist an individual in the performance of his or her duties, to make our executive officers more efficient and effective, for recruitment and retention purposes, or to ensure their safety and security. We pay the premiums for term life insurance and disability insurance, subject to certain limitations, for all of our employees, including our named executive officers.

In the future, we may provide perquisites or other personal benefits in limited circumstances. All future practices with respect to perquisites or other personal benefits will be approved and subject to periodic review by our compensation committee.

## **Tax and Accounting Implications**

### ***Accounting for Stock-Based Compensation***

Under ASC Topic 718, we are required to measure the compensation expense for all stock-based awards made to employees and directors, including stock options, RSUs, and restricted stock, based on the grant-date fair value of these awards. We record stock-based compensation expense on an ongoing basis according to ASC Topic 718. The accounting impact of our compensation programs is one of many factors that our compensation committee considers in determining the structure and size of our executive compensation programs.

### ***Deductibility of Executive Compensation***

Under Section 162(m) of the Code, or Section 162(m), compensation paid to each of the company's "covered employees" that exceeds \$1 million per taxable year is generally non-deductible unless the compensation qualifies for certain grandfathered exceptions (including the "performance-based compensation" exception) for certain compensation paid pursuant to a written binding contract in effect on November 2, 2017 and not materially modified on or after such date.

Although our compensation committee will continue to consider tax implications as one factor in determining executive compensation, our compensation committee also looks at other factors in making its decisions and retains the flexibility to provide compensation for our named executive officers in a manner consistent with the goals of our executive compensation program and the best interests of our company and stockholders, which may include providing for compensation that is not deductible by the company due to the deduction limit under Section 162(m). Our compensation committee also retains the flexibility to modify compensation that was initially intended to be exempt from the deduction limit under Section 162(m) if it determines that such modifications are consistent with our business needs.

## **Other Compensation Policies and Practices**

### ***Clawback Policy***

As a public company, if we are required to restate our financial results due to our material noncompliance with any financial reporting requirements under the federal securities laws as a result of misconduct, our Chief Executive Officer and Chief Financial Officer may be required to reimburse us for any bonus or other incentive-based or equity-based compensation they receive in accordance with the provisions of Section 304 of the Sarbanes-Oxley Act of 2002. Additionally, we will implement a Dodd-Frank Wall Street Reform and Consumer Protection Act-compliant compensation recoupment policy in accordance with SEC and Nasdaq requirements.

### ***Policy Prohibiting Hedging and Pledging of Our Equity Securities***

Hedging or monetization transactions, including through the use of financial instruments such as prepaid variable forwards, equity swaps, collars, and exchange funds are prohibited by our insider trading policy. Since such hedging transactions allow a stockholder to continue to own our securities obtained through employee benefit plans or otherwise, but without the full risks and rewards of ownership, that stockholder may no longer have the same objectives as our other stockholders. Therefore, our insider trading policy prohibits our employees, including our executive officers and directors, from engaging in any such transactions.

## **Compensation Risk Assessment**

Our compensation committee has reviewed our compensation policies and practices to assess whether they encourage employees to take inappropriate risks. After conducting this review of compensation-related risk, our compensation committee has concluded that our compensation policies and practices are not reasonably likely to have a material adverse effect on our company.

**2023 Pay Actions**

In April 2023, after considering each named executive officer’s individual performance, market context, and criticality to Instacart, our compensation committee delivered each executive’s incentive compensation through a combination of short-term and long-term pay components, comprising a short-term discretionary bonus and long-term restricted cash and RSU awards.

Our compensation committee approved refresh RSU awards to our named executive officers who were providing services to us on the date of grant. The aggregate grant value of each refresh RSU award was based on each executive’s total variable compensation, and was reduced by each executive’s 2022 discretionary cash bonus as described further under “—2022 Executive Compensation Program—Short-Term Incentive Compensation.” In addition, a portion of these RSU awards was delivered as restricted cash awards for 2023 to reduce our equity dilution by reducing the number of shares of common stock that would have otherwise been granted, and to provide our executives with liquidity prior to the completion of this offering. Restricted cash awards reduced the value of the refresh RSU awards granted on a dollar-for-dollar basis for each applicable vesting date where a restricted cash award is applied.

The following table illustrates, for each named executive officer, the number of shares of common stock subject to the refresh RSU award, the amount of the restricted cash award, and the 2022 discretionary cash bonus amount, based on each executive’s total variable compensation target.

Executive	(A)	(B)	(C)	(A-B-C)	
	Total Variable Compensation Target (\$)	2022 Discretionary Cash Bonus (\$) <sup>(1)</sup>	Restricted Cash Award (\$)	Refresh RSU Award Value (\$) <sup>(2)</sup>	Refresh RSUs (#) <sup>(3)</sup>
Fidji Simo	15,000,000	750,000	3,562,500 <sup>(4)</sup>	10,687,500	300,379 <sup>(5)</sup>
Nick Giovanni	10,000,000	750,000	2,312,500 <sup>(6)</sup>	6,937,500	194,983 <sup>(7)</sup>
Asha Sharma	13,650,000	750,000	3,225,000 <sup>(6)</sup>	9,675,000	271,922 <sup>(7)</sup>
Morgan Fong	5,900,000	900,000	1,250,000 <sup>(6)</sup>	3,750,000	105,396 <sup>(7)</sup>

(1) Reflects the amount of each named executive officer’s discretionary cash bonus for fiscal year 2022, as approved by our compensation committee in October 2022 (and in the case of Ms. Simo, in December 2022) and further described under “—2022 Executive Compensation Program—Short-Term Incentive Compensation.” While these bonuses are part of each named executive officer’s compensation for 2022, they were considered a part of each executive’s total variable compensation target approved in April 2023.

(2) Each named executive officer’s refresh RSU award value is equal to the total variable compensation target, less the 2022 discretionary cash bonus, less the restricted cash award.

(3) Calculated based on the fair value of our common stock of \$35.58 per share as of February 28, 2023, as determined by our board of directors, which is the most recent date on or prior to the grant date of such refresh RSU awards on which our board of directors determined a fair value of our common stock.

(4) 50% of this restricted cash award was vested and paid on August 15, 2023, and the remaining 50% will vest and be paid on November 15, 2023, subject to Ms. Simo’s continued service with us through each such date.

(5) Pursuant to Ms. Simo’s offer letter agreement, the refresh RSU award vests over a period of one year, with 25% of the award vesting on each of August 15, 2023, November 15, 2023, February 15, 2024, and May 15, 2024, subject to Ms. Simo’s continued service with us through each such date.

(6) The restricted cash award will vest and be paid in four equal quarterly installments beginning on August 15, 2023, subject to the executive officer’s continued service with us through each such date.

(7) The refresh RSU award vests in equal installments over a period of two years with 1/8 of the shares subject to the award vesting quarterly beginning on August 15, 2023, subject to the executive officer’s continued service with us through each such date.

**Summary Compensation Table**

The following table presents all of the compensation awarded to or earned by our named executive officers during the fiscal year ended December 31, 2022.

<b>Name and Principal Position</b>	<b>Year</b>	<b>Salary (\$)</b>	<b>Bonus (\$)</b>	<b>Stock Awards (\$)<sup>(1)</sup></b>	<b>All Other Compensation (\$)</b>	<b>Total (\$)</b>
<b>Fidji Simo</b>						
<i>Chief Executive Officer</i>	2022	500,000	1,000,000 <sup>(2)</sup>	—	12,565 <sup>(3)</sup>	1,512,565
<b>Nick Giovanni</b>						
<i>Chief Financial Officer</i>	2022	500,000	300,000 <sup>(4)</sup>	—	12,565 <sup>(3)</sup>	812,565
<b>Asha Sharma</b>						
<i>Chief Operating Officer</i>	2022	500,000	300,000 <sup>(4)</sup>	—	12,565 <sup>(3)</sup>	812,565
<b>Morgan Fong</b>						
<i>General Counsel</i>	2022	500,000	360,000 <sup>(4)</sup>	—	12,565 <sup>(3)</sup>	872,565
<b>Mark Schaaf</b>						
<i>Former Chief Technology Officer<sup>(5)</sup></i>	2022	361,538	—	—	512,416 <sup>(6)</sup>	873,954

- (1) During 2022, (a) each named executive officer was granted an RSU award subject to a liquidity event-based vesting condition (which constitutes the performance condition) and service-based vesting conditions, and (b) each of Ms. Simo, Mr. Giovanni, and Ms. Sharma was granted a PSU award subject to a liquidity event-based vesting condition (which constitutes the performance condition) as well as service-based and market-based vesting conditions. As of the applicable grant date and December 31, 2022, we had not recognized stock-based compensation expense for these awards because achievement of the liquidity event-based vesting condition, as the performance condition, was not deemed probable as of any such date. As a result, no value is included in the table for these awards. Assuming achievement of the liquidity event-based vesting condition, the aggregate grant-date fair values of the RSU awards for each of Ms. Simo, Mr. Giovanni, Ms. Sharma, Mr. Fong, and Mr. Schaaf were \$11,808,041, \$7,183,233, \$8,856,046, \$4,250,871, and \$4,723,217, respectively, computed in accordance with ASC Topic 718 and representing the highest level of performance condition achievement for these awards. Assuming achievement of the liquidity event based vesting condition, the aggregate grant-date fair values for the PSU awards for each of Ms. Simo, Mr. Giovanni, and Ms. Sharma were \$25,633,200, \$12,816,600, and \$15,379,920, respectively, computed in accordance with ASC Topic 718 and representing the highest level of performance condition achievement for these awards. See Notes 2 and 12 to our consolidated financial statements included elsewhere in this prospectus for the assumptions used in calculating these values. The amounts disclosed reflect the accounting cost for these equity awards and do not reflect the actual economic value that may be realized by any of our named executive officers. See the section titled “—Outstanding Equity Awards at Fiscal Year-End” for additional information.
- (2) The amount disclosed consists of (a) a cash award of \$700,000 representing the second of three equal installments of Ms. Simo’s cash retention award granted to her pursuant to her offer letter and (b) an amount equal to \$300,000 representing the initial portion of a discretionary cash bonus, as further described under “—2022 Executive Compensation Program—Short-Term Incentive Compensation.”
- (3) Our named executive officers receive additional compensation in the form of 401(k) matching and term life insurance premiums, which are benefits generally available to all of our employees.
- (4) The amounts disclosed represent the initial portion of a discretionary cash bonus, as further described under “—2022 Executive Compensation Program—Short-Term Incentive Compensation.”
- (5) Mr. Schaaf ceased serving as our Chief Technology Officer, effective September 21, 2022.
- (6) The amount disclosed includes (a) our contribution on Mr. Schaaf’s behalf to the 401(k) plan in the amount of \$12,200 and (b) \$500,000 in severance payments and benefits provided to Mr. Schaaf pursuant to the terms of his separation agreement.

**Grants of Plan-Based Awards**

The following table shows certain information regarding grants of plan-based awards to our named executive officers during the fiscal year ended December 31, 2022:

Name	Grant Date	Estimated Future Payouts Under Equity Incentive Plan Awards <sup>(1)</sup>			All Other Stock Awards: Number of Shares of Stock or Units (#) <sup>(2)</sup>	All Other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards (\$/Sh)	Grant Date Fair Value of Stock and Option Awards (\$) <sup>(3)</sup>
		Threshold (#)	Target (#)	Maximum (#)				
Fidji Simo	4/16/2022	—	—	—	195,465	—	—	
	12/7/2022	300,000	1,200,000	1,200,000	—	—	—	
Nick Giovanni	4/16/2022	—	—	—	118,908	—	—	
	12/7/2022	150,000	600,000	600,000	—	—	—	
Asha Sharma	4/16/2022	—	—	—	146,599	—	—	
	12/7/2022	180,000	720,000	720,000	—	—	—	
Morgan Fong	4/16/2022	—	—	—	70,367	—	—	
Mark Schaaf <sup>(4)</sup>	4/16/2022	—	—	—	78,186	—	—	

- (1) Amounts represent PSU awards that are subject to service-based, market-based, and liquidity event-based vesting conditions. The liquidity event-based vesting condition constitutes a performance condition and will be satisfied upon the earlier of (a) a change of control and (b) the effective date of the registration statement of which this prospectus forms a part. The number of shares in the “Threshold” column represents the number of shares subject to PSU awards that would vest upon achievement of the first tranche. The number of shares in the “Target” and “Maximum” columns represents the number of shares subject to PSU awards that would vest upon achievement of all tranches.
- (2) Amounts represent RSU awards that are subject to service-based and liquidity event-based vesting conditions. The liquidity event-based vesting condition will be satisfied upon the earlier of (a) a change of control and (b) the effective date of the registration statement of which this prospectus forms a part.
- (3) As of the applicable grant date and December 31, 2022, we had not recognized stock-based compensation expense for the RSU awards and PSU awards because achievement of the liquidity event-based vesting condition, as the performance condition, was not deemed probable as of any such date. Assuming achievement of the liquidity event-based vesting condition, the aggregate grant-date fair values of the RSU awards for each of Ms. Simo, Mr. Giovanni, Ms. Sharma, Mr. Fong, and Mr. Schaaf were \$11,808,041, \$7,183,233, \$8,856,046, \$4,250,871, and \$4,723,217, respectively, computed in accordance with ASC Topic 718 and representing the highest level of performance condition achievement for these awards. Assuming achievement of the liquidity event-based vesting condition (the performance condition), the aggregate grant-date fair values for the PSU awards for each of Ms. Simo, Mr. Giovanni, and Ms. Sharma were \$25,633,200, \$12,816,600, and \$15,379,920, respectively, computed in accordance with ASC Topic 718 and representing the highest level of performance condition achievement for these awards. See Notes 2 and 12 to our consolidated financial statements included elsewhere in this prospectus for the assumptions used in calculating these values. The amounts disclosed reflect the accounting cost for these equity awards and do not reflect the actual economic value that may be realized by any of our named executive officers. See the section titled “—Outstanding Equity Awards at Fiscal Year-End” for additional information.
- (4) The amount disclosed represents the total shares subject to the RSU award originally granted to Mr. Schaaf on April 16, 2022. In connection with Mr. Schaaf’s cessation of services with us on September 21, 2022, a portion of his RSU award was accelerated as described in the section titled “—Potential Payments upon Termination or Change of Control—Severance and Change in Control Plan,” such that only 6,852 shares subject to this RSU award were deemed to have satisfied the service-based vesting condition as of his cessation date, and the remaining portion of the award was forfeited.

**Outstanding Equity Awards at Fiscal Year-End**

The following table sets forth the outstanding stock option and stock awards held by our named executive officers as of December 31, 2022.

Name	Grant Date	Option Awards <sup>(1)</sup>				Stock Awards <sup>(1)</sup>			
		Number of Securities Underlying Unexercised Options (#) Exercisable	Number of Securities Underlying Unexercised Options (#) Unexercisable	Option Exercise Price (\$)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)	Market Value of Shares or Units of Stock That Have Not Vested (\$) <sup>(2)</sup>	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested (\$) <sup>(2)</sup>
Fidji Simo	1/27/2021 <sup>(3)(4)</sup>	—	—	—	—	12,500	377,250	—	—
	8/2/2021 <sup>(5)</sup>	—	—	—	—	752,000	22,695,360	—	—
	4/16/2022 <sup>(6)</sup>	—	—	—	—	195,465	5,899,134	—	—
	12/7/2022 <sup>(7)</sup>	—	—	—	—	—	—	1,200,000	36,216,000
Nick Giovanni	1/27/2021 <sup>(8)</sup>	—	—	—	—	450,000	13,581,000	—	—
	1/27/2021 <sup>(9)</sup>	215,625	234,375	47.69	1/26/2031	—	—	—	—
	4/16/2022 <sup>(10)</sup>	—	—	—	—	118,908	3,588,644	—	—
	12/7/2022 <sup>(7)</sup>	—	—	—	—	—	—	600,000	18,108,000
Asha Sharma	4/28/2021 <sup>(11)</sup>	—	—	—	—	1,000,000	30,180,000	—	—
	4/16/2022 <sup>(10)</sup>	—	—	—	—	146,599	4,424,358	—	—
	12/7/2022 <sup>(7)</sup>	—	—	—	—	—	—	720,000	21,729,600
Morgan Fong	6/19/2015	8,270	—	3.79	6/19/2025	—	—	—	—
	5/16/2017	262,765	—	7.32	5/16/2027	—	—	—	—
	9/15/2020 <sup>(12)</sup>	—	—	—	—	145,560	4,393,001	—	—
	7/1/2021 <sup>(13)</sup>	—	—	—	—	43,200	1,303,776	—	—
	4/16/2022 <sup>(10)</sup>	—	—	—	—	70,367	2,123,677	—	—
Mark Schaaf	8/30/2018	1,600,000	—	9.55	8/30/2028	—	—	—	—
	4/16/2022 <sup>(14)</sup>	—	—	—	—	6,852	206,793	—	—

- (1) All of the stock option and stock awards were granted under the 2013 Plan or 2018 Plan.
- (2) Amounts reflect the fair value of our common stock of \$30.18 per share as of December 31, 2022, as determined by our board of directors, multiplied by the amount shown in the column for the number of shares that have not vested.
- (3) This RSU award was granted in connection with Ms. Simo's appointment to our board of directors, effective January 2021.
- (4) The shares subject to this RSU award vest upon meeting both a service-based vesting condition and a liquidity event-based vesting condition. The liquidity event-based vesting condition is satisfied on the earlier of (a) a change of control or (b) the effective date of the registration statement of which this prospectus forms a part. The service-based vesting condition is satisfied in eight equal quarterly installments measured from the grant date, subject to continued employment or service through each such date.
- (5) The shares subject to this RSU award vest upon meeting both a service-based vesting condition and the liquidity event-based vesting condition described in footnote 4 above. The service-based vesting condition is satisfied as follows: (a) 192,000 shares vest on August 2, 2022, (b) 320,000 shares vest in eight equal quarterly installments on the last day of each calendar quarter to occur after August 2, 2022, and (c) the remaining 240,000 shares vest in eight equal quarterly installments on the last day of each calendar quarter to occur after August 2, 2024, subject to Ms. Simo's continued employment through each such date. In the event of Ms. Simo's involuntary termination of employment outside of the period beginning six months prior to, and ending 12 months following, a change of control, the total number of shares that were scheduled to vest during the 18-month period (or, if the termination occurs following the date of a qualifying change of control agreement, 24-month period) following such involuntary termination of employment will vest. In the event of Ms. Simo's involuntary termination of employment during the period beginning six months prior to, and ending 12 months following, a change of control, all remaining unvested shares subject to this RSU award will vest in full. In the event of Ms. Simo's death or disability, the total number of shares that were scheduled to vest during the 18-month period following such death or disability will vest.
- (6) The shares subject to this RSU award vest upon meeting both a service-based vesting condition and the liquidity event-based vesting condition described in footnote 4 above. The service-based vesting condition is satisfied over the period of one year, as follows: 25% of the award satisfying the service-based vesting condition on each of October 5, 2022, December 8, 2022, February 10, 2023, and April 15, 2023, subject to Ms. Simo's continued service with us through each such date.

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- (7) The shares subject to this PSU award vest upon the effectiveness of the registration statement of which this prospectus forms a part and the satisfaction of certain market capitalization goals ranging from \$15 billion to \$30 billion, during the performance period commencing on the grant date and ending on the earlier of the five-year anniversary of the grant date, a change of control, and a termination of service, subject to the named executive officer's continued employment with us. As of December 31, 2022, none of the shares subject to this PSU award have vested. The PSUs are subject to a post-vest holding requirement, pursuant to which each named executive officer is required to hold shares received in settlement of vested PSUs for one year after vesting. This requirement is subject to limited carveouts for tax withholding obligations and transfers of shares to family members for estate or tax planning purposes and will lapse upon the named executive officer's death or disability.
- (8) These shares of restricted stock vest upon meeting both a service-based vesting condition and the liquidity event-based vesting condition described in footnote 3 above. The service-based vesting condition is satisfied as follows: 25% of the shares subject to the restricted stock vest on the one-year anniversary of the grant date, and the remainder of the shares vest in 12 equal quarterly installments thereafter, subject to continued employment or service through each such date and subject to acceleration as described in the section titled "—Potential Payments upon Termination or Change of Control—Severance and Change in Control Plan."
- (9) Twenty-five percent (25%) of the shares subject to the stock option vest on the one-year anniversary of the grant date, and the remainder of the shares vest in 36 equal monthly installments thereafter, subject to continued employment or service through each such date, and subject to acceleration as described in the section titled "—Potential Payments upon Termination or Change of Control—Severance and Change in Control Plan."
- (10) The shares subject to this RSU award vest upon meeting both a service-based vesting condition and the liquidity event-based vesting condition described in footnote 4 above. The service-based vesting condition is satisfied over a period four years as follows: 1/16 of the award satisfying the service-based vesting condition on equal quarterly installments beginning on August 15, 2022, subject to the name executive officer's continued service with us through each such date and subject to acceleration as described in the section titled "—Potential Payments upon Termination or Change of Control—Severance and Change in Control Plan."
- (11) The shares subject to this RSU award vest upon meeting both a service-based vesting condition and the liquidity event-based vesting condition described in footnote 4 above. The service-based vesting condition is satisfied as follows: 25% of the shares subject to this RSU award vested on February 15, 2022, and the remainder of the shares vest in 12 equal quarterly installments thereafter, subject to continued employment or service through each such date and subject to acceleration as described in the section titled "—Potential Payments upon Termination or Change of Control—Severance and Change in Control Plan."
- (12) The shares subject to this RSU award vest upon meeting both a service-based vesting condition and the liquidity event-based vesting condition described in footnote 4 above. The service-based vesting condition is satisfied as follows: the shares subject to this RSU award vest in 48 equal monthly installments beginning on January 1, 2021, subject to continued employment or service through each such date and subject to acceleration as described in the section titled "—Potential Payments upon Termination or Change of Control—Severance and Change in Control Plan."
- (13) The shares subject to this RSU award vest upon meeting both a service-based vesting condition and the liquidity event-based vesting condition described in footnote 4 above. The service-based vesting condition is satisfied as follows: 25% of the shares subject to this RSU award vest on August 15, 2022, and the remainder of the shares vest in 12 equal quarterly installments thereafter, subject to continued employment or service through each such date and subject to acceleration as described in the section titled "—Potential Payments upon Termination or Change of Control—Severance and Change in Control Plan."
- (14) The shares subject to this RSU award vest upon meeting both a service-based vesting condition and the liquidity event-based vesting condition described in footnote 4 above. The service-based vesting condition is satisfied over a period of four years as follows: 1/16 of the award satisfying the service-based vesting condition on equal quarterly installments beginning on August 15, 2022, subject to the name executive officer's continued service with us through each such date. Mr. Schaaf was originally granted this RSU award in the amount of 78,186 shares. However, due to Mr. Schaaf's cessation of services with us on September 21, 2022, and in accordance with the acceleration provisions applicable to this RSU award, as described in the section titled "—Potential Payments upon Termination or Change of Control—Severance and Change in Control Plan," 6,852 shares subject to this RSU award were deemed to have satisfied the service-based vesting condition as of his cessation date, and the remaining portion of the award was forfeited.

### Option Exercises and Stock Vested

The following table shows certain information regarding stock option exercises and stock vested during the last fiscal year with respect to our named executive officers for the fiscal year ended December 31, 2022:

<u>Name</u>	<u>Stock Awards</u>	
	<u>Number of Shares Acquired on Vesting (#)(1)</u>	<u>Value Realized on Vesting (\$)(2)</u>
Fidji Simo	—	—
Nick Giovanni	—	—
Asha Sharma	—	—
Morgan Fong	—	—
Mark Schaaf	45,782	1,381,701

- (1) Represents shares of common stock subject to an RSU award held by Mr. Schaaf, which vested in October 2022 in connection with his cessation of services with us in accordance with the acceleration provisions applicable to such RSU award. We issued the shares of common stock upon settlement of this RSU award in February 2023.
- (2) As there was no public market for our common stock on the date the RSU award vested, the value realized on vesting reflected in the table above is based on the fair market value of our common stock of \$30.18 per share on the vesting date as determined by our board of directors in good faith.

### Employment and Severance Agreements

*Ms. Simo.* We entered into an offer letter agreement with Ms. Simo in July 2021 in connection with her commencement of employment with us, which was most recently amended and restated in December 2022. Pursuant to Ms. Simo’s offer letter agreement, Ms. Simo is entitled to an annual base salary of \$500,000 and a cash retention award in the amount of \$2,100,000. The retention award was, or will be, earned and paid in three equal installments on the first, second, and third anniversaries of Ms. Simo’s employment start date, subject to certain repayment and forfeiture provisions. Ms. Simo is eligible for annual equity awards beginning in 2022 and continuing through (and including) 2025, subject to approval by our board of directors and to Ms. Simo’s continued employment at the time of grant. In addition, we have agreed to prepare and pay filing fees and reasonable attorney’s fees incurred in the preparation of any filings under the Hart-Scott-Rodino Act that are required as a result of the vesting and settlement of the equity awards granted to Ms. Simo pursuant to her offer letter. The offer letter agreement also provides for certain severance and change in control benefits, as described in the section titled “—Potential Payments upon Termination or Change of Control.”

*Mr. Giovanni.* We entered into a confirmatory offer letter agreement with Mr. Giovanni in July 2021, which was amended and restated in December 2022. Mr. Giovanni’s offer letter agreement provides for a base salary of \$500,000 per year, eligibility for an annual equity incentive RSU award for fiscal year 2023 and certain severance and change in control benefits pursuant to our Severance Plan, as described in the section titled “—Potential Payments upon Termination or Change of Control.”

*Ms. Sharma.* We entered into a confirmatory offer letter agreement with Ms. Sharma in July 2021, which was amended and restated in December 2022. Ms. Sharma’s offer letter agreement provides for a base salary of \$500,000 per year, eligibility for an annual equity incentive RSU award for fiscal year 2023 and certain severance and change in control benefits pursuant to our Severance Plan, as described in the section titled “—Potential Payments upon Termination or Change of Control.”

*Mr. Fong.* We entered into a confirmatory offer letter agreement with Mr. Fong in July 2021. Mr. Fong’s offer letter agreement provides for a base salary of \$500,000 per year and certain severance and change in control



benefits pursuant to our Severance Plan, as described in the section titled “—Potential Payments upon Termination or Change of Control.”

*Mr. Schaaf.* We entered into a confirmatory offer letter agreement with Mr. Schaaf in July 2021. Mr. Schaaf’s offer letter agreement provided for a base salary of \$500,000 per year and certain severance and change in control benefits pursuant to our Severance Plan, as described in the section titled “—Potential Payments upon Termination or Change of Control.”

On May 22, 2022, we entered into a Separation Agreement with Mr. Schaaf, pursuant to which Mr. Schaaf’s employment with us ceased on September 21, 2022, and Mr. Schaaf became entitled to receive the base salary continuation payments, COBRA premiums, and accelerated vesting of certain outstanding equity awards as described in the section titled “—Potential Payments upon Termination or Change of Control.”

#### **Impact of Severance Plan on Equity Awards**

In July 2021, we adopted the Severance Plan, in which each of Mr. Giovanni, Ms. Sharma, and Mr. Fong is, and prior to his cessation of services with us, Mr. Schaaf was, eligible to participate. As described in the section titled “—Potential Payments upon Termination or Change of Control,” the Severance Plan provides for accelerated vesting of equity awards held by the applicable named executive officers in connection with certain terminations of employment.

#### **Potential Payments upon Termination or Change of Control**

Each of our named executive officers is eligible for severance benefits pursuant to their offer letters or based upon participation in our Severance Plan, as further described in the section titled “—Severance and Change in Control Plan.” In addition, each of our named executive officers hold equity awards that are subject to the terms of the equity incentive plan and award agreement thereunder under which such awards were granted.

#### **Offer Letter Terms**

*Ms. Simo.* Pursuant to her offer letter agreement, in the event of Ms. Simo’s involuntary termination, she will be eligible to receive a lump sum cash payment equal to 24 months of base salary plus any remaining unpaid portion of the cash retention award provided in her offer letter agreement and reimbursement of the cost of premiums for continuation of group health insurance under COBRA for up to 24 months. If (i) such involuntary termination occurs outside of the period beginning six months prior to, and ending 12 months following, a change of control or (ii) Ms. Simo’s employment is terminated as a result of death or disability, then (x) the total number of shares of common stock subject to Ms. Simo’s new hire RSU award that were scheduled to vest during the 18-month period (or, if the termination occurs following the date of a qualifying change of control agreement, 24-month period) following such involuntary termination or death or disability, as applicable, will accelerate vesting and (y) the total number of shares of common stock subject to any then-unvested and outstanding annual award will accelerate vesting in full. If Ms. Simo’s involuntary termination occurs during the period beginning six months prior to, and ending 12 months following, a change of control, then Ms. Simo’s new hire RSU award and any annual award shall vest in full.

To the extent Ms. Simo’s new hire RSU award or any annual award that Ms. Simo holds as of immediately prior to a change of control is not assumed, continued, or substituted for in such change of control, then, irrespective of whether Ms. Simo has incurred an involuntary termination, such unvested RSU award or annual award (as applicable) shall fully vest.

*Mr. Giovanni.* If Mr. Giovanni incurs an involuntary termination by us without cause (and not due to death or disability) or resigns for good reason during the period beginning three months before, and ending 12 months

following, a change of control, 100% of the shares subject to his January 2021 stock option will become vested and 100% of the shares of restricted stock that he received in January 2021 will be deemed to have met the service-based vesting condition.

*Ms. Sharma.* If Ms. Sharma incurs an involuntary termination by us without cause (and not due to death or disability) or resigns for good reason, in either case, outside the period beginning three months before, and ending 12 months following, a change of control, the total number of shares of common stock subject to Ms. Sharma's April 2021 RSU award that were scheduled to vest during the 12-month period following such termination will accelerate vesting.

#### ***Severance and Change in Control Plan***

Each of Mr. Giovanni, Ms. Sharma, and Mr. Fong is, and prior to his cessation of services with us, Mr. Schaaf was, eligible to receive benefits under the terms of our Severance Plan. The Severance Plan provides for severance and/or change in control benefits to the participants upon (i) an "involuntary termination" or (ii) a "death/disability termination" (each as described below). Upon an involuntary termination, each participant is entitled to a lump sum payment equal to 12 months of his or her base salary, payment of COBRA premiums for up to 12 months and accelerated vesting of the outstanding time-vesting equity awards, including awards subject to the Liquidity Condition, that were granted to the participant on or after the effective date of the Severance Plan in an amount equal to a prorated portion of such equity award that was next scheduled to vest following the date of the participant's involuntary termination. In addition, if a participant's involuntary termination occurs during the three months prior to or the 12 months following the closing of a change in control transaction, such participant will be entitled to accelerated vesting of 100% of his or her outstanding time-vesting equity awards, including awards subject to the Liquidity Condition. To the extent an equity award is not assumed, continued or substituted for in the event of certain change in control transactions and either (i) the participant's employment is not terminated as of immediately prior to such change in control or (ii) the participant incurred an involuntary termination within three months prior to such change in control transaction and the participant has satisfied the requirements for severance under the Severance Plan, the vesting of such equity award will also accelerate in full (and for equity awards subject to performance vesting, performance will be deemed to be achieved at the greater of target or actual performance, unless otherwise provided in individual award documents). To the extent an equity award is assumed, continued, or substituted for in the event of certain change in control transactions, (i) the vesting of time-vesting equity awards shall continue according to their terms and (ii) with respect to equity awards subject to performance vesting, performance will be deemed to be achieved at the greater of target or actual performance, unless otherwise provided in individual award documents, and the award shall continue to vest subject to the participant's continued service. In addition, if a participant incurs a death/disability termination, such participant will be entitled to (i) accelerated vesting of 100% of his or her outstanding time-vesting equity awards that were granted on or after the effective date of the Severance Plan and (ii) accelerated vesting of equity awards subject to performance vesting at the greater of target or actual performance, unless otherwise provided in individual award documents. All benefits under the Severance Plan are subject to the executive's execution of and compliance with the terms and conditions of the Severance Plan, an effective release of claims against the company and the company's standard proprietary information and inventions agreement.

For purposes of the Severance Plan, a "involuntary termination" is a termination by the company without cause (and other than as a result of death or disability) or a resignation for good reason (as defined in the Severance Plan or, for Mr. Giovanni and Ms. Sharma, as defined in their respective participation agreements). A "death/disability termination" is a termination that occurs due to a participant's death or disability (as defined in the Severance Plan).

#### ***PSU Awards***

Pursuant to the award agreements evidencing their respective PSU awards, each of Ms. Simo, Mr. Giovanni, and Ms. Sharma is entitled to potential vesting acceleration in the event that a change in control transaction

occurs during the performance period. If a change in control transaction occurs during the performance period, (i) if not already achieved, the first performance goal will be deemed achieved upon the closing of the change in control transaction and the corresponding number of shares subject to the PSU awards will vest, and (ii) our market capitalization will be measured as of immediately prior to closing of the change in control transaction, based on the fair market value of the securities, cash, or other property received in such change in control transaction, and to the extent the market capitalization goals are achieved, the corresponding number of shares subject to the PSU awards will vest. In addition, if Ms. Simo, Mr. Giovanni, or Ms. Sharma experiences an involuntary termination by us without cause or a resignation for good reason, in either case, within three months prior to a change in control transaction, the PSU awards will remain outstanding following such involuntary termination as necessary to give effect to the potential vesting acceleration upon a change in control transaction.

### Separation Agreement with Mr. Schaaf

We entered into a separation agreement with Mr. Schaaf whereby we agreed to a mutual separation of Mr. Schaaf’s employment with us in September 2022. Pursuant to the separation agreement, Mr. Schaaf was entitled to receive the benefits under the Severance Plan for an involuntary termination, as described above. In addition to providing for the foregoing payments and benefits, the separation agreement also provides for a customary release of claims.

### Potential Payments Table

The following table presents information concerning estimated payments and benefits that would be provided in the circumstances described above for each of the named executive officers serving as of the end of the fiscal year ended December 31, 2022. The payments and benefits set forth below are estimated assuming that the termination or change in control event occurred on the last business day of our fiscal year ended December 31, 2022 and that the price per share of common stock was equal to \$30.18 as of that date. Actual payments and benefits could be different if such events were to occur on any other date or at any other price or if any other assumptions are used to estimate potential payments and benefits.

Name	Involuntary Termination Outside a Change in Control				Involuntary Termination in Connection with a Change in Control				Death or Disability of NEO		
	COBRA				COBRA				Cash Severance (\$)	Equity Acceleration (\$)	Total (\$)
	Cash Severance (\$)	Premium Reimbursement (\$)	Equity Acceleration (\$)	Total (\$)	Cash Severance (\$)	Premium Reimbursement (\$)	Equity Acceleration (\$)	Total (\$)			
Fidji Simo	1,700,000 <sup>(1)</sup>	48,883	10,192,782	11,941,665	1,700,000 <sup>(1)</sup>	48,883	26,489,982	28,238,865	700,000 <sup>(1)</sup>	10,192,782	10,892,782
Nick Giovanni	500,000	24,442	112,134	636,576	500,000	24,442	14,457,548	14,981,990	—	3,140,048	3,140,048
Asha Sharma	500,000	14,903	7,683,255	8,198,158	500,000	14,903	26,279,960	26,794,863	—	3,871,310	3,871,310
Morgan Fong	500,000	14,903	107,109	622,012	500,000	14,903	5,042,596	5,557,499	—	2,754,559	2,754,559

(1) The amounts disclosed include or represent, as applicable, the \$700,000 portion of Ms. Simo’s cash retention award that remained unpaid as of December 31, 2022.

## Equity Plans

### 2023 Equity Incentive Plan

In August 2023, our board of directors adopted, and in September 2023 our stockholders approved, our 2023 Plan. We expect our 2023 Plan will become effective upon the effectiveness of the registration statement of which this prospectus forms a part. Our 2023 Plan came into existence upon its adoption by our board of directors, but no grants will be made under our 2023 Plan prior to its effectiveness. Once our 2023 Plan becomes effective, no further grants will be made under the 2018 Plan.

**Awards.** Our 2023 Plan will provide for the grant of incentive stock options, or ISOs, within the meaning of Section 422 of the Code to employees, including employees of any parent or subsidiary, and for the grant of nonstatutory stock options, or NSOs, stock appreciation rights, restricted stock awards, RSU awards, performance awards and other forms of awards to employees, directors, and consultants, including employees and consultants of our affiliates.

*Authorized Shares.* Initially, the maximum number of shares of our common stock that may be issued under our 2023 Plan after it becomes effective will not exceed 114,875,120 shares of our common stock, which is the sum of 14,300,000 new shares, plus the number of shares (not to exceed 100,575,120 shares) (1) that remain available for grant of future awards under our 2018 Plan, at the time the 2023 Plan becomes effective, which shares will cease to be available for issuance under the 2018 Plan at such time, and (2) any shares underlying outstanding stock awards granted under our 2013 Plan or 2018 Plan that, on or after our 2023 Plan becomes effective, terminate or expire prior to exercise or settlement; are not issued because the award is settled in cash; are forfeited because of the failure to vest; or are reacquired or withheld (or not issued) to satisfy a tax withholding obligation or the purchase or exercise price, if any, as such shares become available from time to time. In addition, the number of shares of our common stock reserved for issuance under our 2023 Plan will automatically increase on January 1 of each calendar year, starting on January 1, 2024 through January 1, 2033, in an amount equal to (1) 5% of the total number of shares of our common stock outstanding on December 31 of the year before the date of each automatic increase or (2) a lesser number of shares determined by our board of directors prior to the applicable January 1. The maximum number of shares of our common stock that may be issued on the exercise of ISOs under our 2023 Plan will be 344,625,360 shares.

Shares subject to stock awards granted under our 2023 Plan that expire or terminate without being exercised in full or that are paid out in cash rather than in shares will not reduce the number of shares available for issuance under our 2023 Plan. Shares withheld under a stock award to satisfy the exercise, strike, or purchase price of a stock award or to satisfy a tax withholding obligation will not reduce the number of shares available for issuance under our 2023 Plan. If any shares of our common stock issued pursuant to a stock award are forfeited back to or repurchased or reacquired by us (1) because of a failure to meet a contingency or condition required for the vesting of such shares, (2) to satisfy the exercise, strike, or purchase price of an award or (3) to satisfy a tax withholding obligation in connection with an award, the shares that are forfeited or repurchased or reacquired will revert to and again become available for issuance under our 2023 Plan. Any shares previously issued which are reacquired in satisfaction of tax withholding obligations or as consideration for the exercise or purchase price of a stock award will again become available for issuance under our 2023 Plan.

*Plan Administration.* Our board of directors, or a duly authorized committee of our board of directors, will administer our 2023 Plan and is referred to as the “plan administrator” herein. Our board of directors may also delegate to one or more of our officers the authority to (1) designate employees (other than officers) to receive specified stock awards and (2) determine the number of shares subject to such stock awards. Under our 2023 Plan, our board of directors will have the authority to determine award recipients, grant dates, the numbers and types of stock awards to be granted, the applicable fair market value and the provisions of each stock award, including the period of exercisability and the vesting schedule applicable to a stock award.

The plan administrator will have the power to modify outstanding awards under our 2023 Plan. Subject to the terms of our 2023 Plan, the plan administrator will have the authority to reprice any outstanding stock award, cancel and re-grant any outstanding stock award in exchange for new stock awards, cash, or other consideration or take any other action that is treated as a repricing under generally accepted accounting principles, or GAAP, with the consent of any materially impaired participant.

*Stock Options.* Our 2023 Plan allows for the grant of ISOs and NSOs pursuant to stock option agreements adopted by the plan administrator. The plan administrator will determine the exercise price for stock options, within the terms and conditions of our 2023 Plan, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of our common stock on the date of grant for NSOs and 110% of the fair market value of the stock subject to the stock option on the date of grant for ISOs. Stock options granted under our 2023 Plan will vest at the rate specified in the stock option agreement as determined by the plan administrator.

The plan administrator will determine the term of stock options granted under our 2023 Plan, up to a maximum of 10 years. Unless the terms of an optionholder’s stock option agreement, or other written agreement between us and the recipient approved by the plan administrator, provide otherwise, if an optionholder’s service

relationship with us or any of our affiliates ceases for any reason other than disability, death, or cause, the optionholder may generally exercise any vested stock options for a period of three months following the cessation of service. This period may be extended in the event that either an exercise of the stock option or an immediate sale of shares acquired upon exercise of the stock option following such a termination of service is prohibited by applicable securities laws or our insider trading policy. If an optionholder's service relationship with us or any of our affiliates ceases due to death, or an optionholder dies within a certain period following cessation of service, the optionholder or a beneficiary may generally exercise any vested stock options for a period of 18 months following the date of death. If an optionholder's service relationship with us or any of our affiliates ceases due to disability, the optionholder may generally exercise any vested stock options for a period of 12 months following the cessation of service. In the event of a termination for cause, stock options generally terminate upon the termination date. In no event may a stock option be exercised beyond the expiration of its term.

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

Unless the plan administrator provides otherwise, stock options or stock appreciation rights generally are not transferable except by will or the laws of descent and distribution. Subject to approval of the plan administrator or a duly authorized officer, a stock option may be transferred pursuant to a domestic relations order, official marital settlement agreement or other divorce or separation instrument.

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

*Restricted Stock Unit Awards.* Our 2023 Plan allows for the grant of RSU awards pursuant to restricted stock unit award agreements adopted by the plan administrator. RSU awards may be granted in consideration for any form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. An RSU award may be settled by cash, delivery of stock, a combination of cash and stock as deemed appropriate by the plan administrator or in any other form of consideration set forth in the RSU award agreement. Additionally, dividend equivalents may be credited in respect of shares covered by an RSU award. Except as otherwise provided in the applicable award agreement or other written agreement between us and the recipient approved by the plan administrator, RSU awards that have not vested will be forfeited once the participant's continuous service ends for any reason.

*Restricted Stock Awards.* Our 2023 Plan allows for the grant of restricted stock awards pursuant to restricted stock award agreements adopted by the plan administrator. A restricted stock award may be awarded in consideration for cash, check, bank draft, or money order, past or future services to us or any other form of legal consideration that may be acceptable to our board of directors and permissible under applicable law. The plan administrator will determine the terms and conditions of restricted stock awards, including vesting and forfeiture terms. If a participant's service relationship with us ends for any reason, we may receive any or all of the shares of common stock held by the participant that have not vested as of the date the participant terminates service with us through a forfeiture condition or a repurchase right.

*Stock Appreciation Rights.* Our 2023 Plan allows for the grant of stock appreciation rights pursuant to stock appreciation right agreements adopted by the plan administrator. The plan administrator will determine the purchase price or strike price for a stock appreciation right, which generally will not be less than 100% of the fair market value of our common stock on the date of grant. A stock appreciation right granted under our 2023 Plan will vest at the rate specified in the stock appreciation right agreement as determined by the plan administrator. Stock appreciation rights may be settled in cash or shares of common stock or in any other form of payment as determined by our board of directors and specified in the stock appreciation right agreement.

The plan administrator will determine the term of stock appreciation rights granted under our 2023 Plan, up to a maximum of 10 years. If a participant's service relationship with us or any of our affiliates ceases for any reason other than cause, disability, or death, the participant may generally exercise any vested stock appreciation right for a period of three months following the cessation of service. This period may be further extended in the event that exercise of the stock appreciation right following such a termination of service is prohibited by applicable securities laws. If a participant's service relationship with us, or any of our affiliates, ceases due to disability or death, or a participant dies within a certain period following cessation of service, the participant or a beneficiary may generally exercise any vested stock appreciation right for a period of 12 months in the event of disability and 18 months in the event of death. In the event of a termination for cause, stock appreciation rights generally terminate immediately upon the occurrence of the event giving rise to the termination of the individual for cause. In no event may a stock appreciation right be exercised beyond the expiration of its term.

*Performance Awards.* Our 2023 Plan will permit the grant of performance awards that may be settled in stock, cash, or other property. Performance awards may be structured so that the stock or cash will be issued or paid only following the achievement of certain pre-established performance goals during a designated performance period. Performance awards that are settled in cash or other property are not required to be valued in whole or in part by reference to, or otherwise based on, the common stock.

Unless specified otherwise by our board of directors at the time the performance award is granted, our board of directors will appropriately make adjustments in the method of calculating the attainment of performance goals as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to GAAP; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of items that are "unusual" in nature or occur "infrequently" as determined under GAAP; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any portion of our business which is divested achieved performance objectives at targeted levels during the balance of a performance period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of our common stock by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares, or other similar corporate change or any distributions to common stockholders other than regular cash dividends; (9) to exclude the effects of stock-based compensation and the award of bonuses under our bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under GAAP; and (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under GAAP.

*Other Stock Awards.* The plan administrator will be permitted to grant other awards based in whole or in part by reference to our common stock. The plan administrator will set the number of shares under the stock award (or cash equivalent) and all other terms and conditions of such awards.

*Non-Employee Director Compensation Limit.* The aggregate value of all compensation granted or paid to any non-employee director with respect to any period commencing on the date of our annual meeting of stockholders for a particular year and ending on the day immediately prior to the date of the meeting for the next subsequent year, including stock awards granted and cash fees paid by us to such non-employee director, will not exceed \$1,000,000 in total value (in each case, calculating the value of any such stock awards based on their grant date fair value for financial reporting purposes).

*Changes to Capital Structure.* In the event there is a specified type of change in our capital structure, such as a stock split, reverse stock split, or recapitalization, appropriate adjustments will be made to (1) the class and maximum number of shares reserved for issuance under our 2023 Plan, (2) the class and maximum number of shares by which the share reserve may increase automatically each year, (3) the class and maximum number of shares that may be issued on the exercise of ISOs and (4) the class and number of shares and exercise price, strike price, or purchase price, if applicable, of all outstanding stock awards.

*Corporate Transactions.* In the event of a corporate transaction, unless otherwise provided in a participant's stock award agreement or other written agreement with us or one of our affiliates or unless otherwise expressly provided by the plan administrator at the time of grant, any stock awards outstanding under our 2023 Plan may be assumed, continued, or substituted for by any surviving or acquiring corporation (or its parent company), and any reacquisition or repurchase rights held by us with respect to the stock award may be assigned to the successor (or its parent company). If the surviving or acquiring corporation (or its parent company) does not assume, continue, or substitute for such stock awards, then (1) with respect to any such stock awards that are held by participants whose continuous service has not terminated prior to the effective time of the corporate transaction, or current participants, the vesting (and exercisability, if applicable) of such stock awards will be accelerated in full to a date prior to the effective time of the corporate transaction (contingent upon the effectiveness of the corporate transaction), and such stock awards will terminate if not exercised (if applicable) at or prior to the effective time of the corporate transaction, and any reacquisition or repurchase rights held by us with respect to such stock awards will lapse (contingent upon the effectiveness of the corporate transaction) and (2) any such stock awards that are held by persons other than current participants will terminate if not exercised (if applicable) prior to the effective time of the corporate transaction, except that any reacquisition or repurchase rights held by us with respect to such stock awards will not terminate and may continue to be exercised notwithstanding the corporate transaction.

In the event a stock award will terminate if not exercised prior to the effective time of a corporate transaction, the plan administrator may provide, in its sole discretion, that the holder of such stock award may not exercise such stock award but instead will receive a payment equal in value to the excess (if any) of (1) the per share amount payable to holders of common stock in connection with the corporate transaction, over (2) any per share exercise price payable by such holder, if applicable. In addition, any escrow, holdback, earn out, or similar provisions in the definitive agreement for the corporate transaction may apply to such payment to the same extent and in the same manner as such provisions apply to the holders of common stock.

Under our 2023 Plan, a corporate transaction is generally defined as the consummation of: (1) a sale of all or substantially all of our assets, (2) the sale or disposition of at least 50% of our outstanding securities, (3) a merger or consolidation where we do not survive the transaction or (4) a merger or consolidation where we do survive the transaction but the shares of our common stock outstanding immediately before such transaction are converted or exchanged into other property by virtue of the transaction.

*Change in Control.* Awards granted under our 2023 Plan may be subject to acceleration of vesting and exercisability upon or after a change in control as may be provided in the applicable stock award agreement or in any other written agreement between us or any affiliate and the participant.

Under our 2023 Plan, a change in control is generally defined as: (1) the acquisition by any person or company of more than 50% of the combined voting power of our then outstanding stock; (2) a consummated merger, consolidation, or similar transaction in which our stockholders immediately before the transaction do not own, directly or indirectly, more than 50% of the combined voting power of the surviving entity (or the parent of the surviving entity) in substantially the same proportions as their ownership immediately prior to such transaction; (3) a consummated sale, lease, exclusive license, or other disposition of all or substantially all of our assets other than to an entity more than 50% of the combined voting power of which is owned by our stockholders in substantially the same proportions as their ownership of our outstanding voting securities immediately prior to such transaction; or (4) when a majority of our board of directors becomes comprised of

individuals who were not serving on our board of directors on the date our 2023 Plan was adopted by our board of directors, or the incumbent board, or whose nomination, appointment, or election was not approved by a majority of the incumbent board still in office.

*Plan Amendment or Termination.* Our board of directors has the authority to amend, suspend, or terminate our 2023 Plan, provided that such action does not materially impair the existing rights of any participant without such participant's written consent. Certain material amendments also require the approval of our stockholders. No ISOs may be granted after the tenth anniversary of the date our board of directors adopts our 2023 Plan. No stock awards may be granted under our 2023 Plan while it is suspended or after it is terminated.

#### **2013 Equity Incentive Plan and 2018 Equity Incentive Plan**

Our board of directors adopted, and our stockholders approved, our 2013 Plan in January 2013, which was amended from time to time and was terminated in August 2018, except with respect to any outstanding awards previously granted thereunder. As of December 31, 2022, stock options covering 21,508,439 shares of our common stock were outstanding under our 2013 Plan.

Our board of directors adopted, and our stockholders approved, our 2018 Plan in February 2018. As of December 31, 2022, there were 3,627,728 shares of common stock remaining available for the future grant of awards under our 2018 Plan. As of December 31, 2022, stock options covering 8,524,539 shares of our common stock and RSU awards covering 57,015,125 shares of our common stock were outstanding under our 2018 Plan. We expect that any shares of common stock remaining available for issuance under our 2018 Plan immediately prior to the effectiveness of the registration statement of which this prospectus forms a part will become shares of common stock available for issuance under our 2023 Plan.

*Awards.* Our 2013 Plan provided and our 2018 Plan provides for the grant of ISOs to our employees, and for the grant of NSOs, stock appreciation rights, restricted or unrestricted stock awards, RSU awards, and cash-based awards or other incentives payable in cash, shares of our common stock to such employees, officers, directors, consultants, agents, advisors, or independent contractors engaged by us or by any companies directly or indirectly in control of, controlled by, or under common control with us.

*Plan Administration.* Our compensation committee administers and interprets the provisions of our 2013 Plan and our 2018 Plan. The administrator may delegate ministerial authority under our 2013 Plan and our 2018 Plan to specified employees. Under our 2013 Plan and our 2018 Plan, the administrator has the authority to, among other things, (i) determine award recipients, (ii) determine the numbers and types of awards to be granted, (iii) determine the terms and conditions of awards, (iv) approve the forms of award notices and agreements, (v) determine whether (and to what extent and under what circumstances) awards may be settled in cash, shares of our common stock, or other property, (vi) establish rules and regulations, and (vii) make any other determination and take any other action it deems appropriate for the administration of the applicable plan.

*Changes to Capital Structure.* In the event of any stock dividend, stock split, spin-off, combination or exchange of shares, recapitalization, merger, consolidation, distribution to stockholders other than a normal cash dividend, or other change in our corporate or capital structure that results in (i) our common stock or any securities exchanged therefor or received in their place being exchanged for a different number or kind of securities or (ii) new, different, or additional securities being received by the holders of shares of our common stock, the administrator will adjust the number and kind of securities available for issuance, the maximum number and kind of securities issuable upon exercise of ISOs, the number and kind of securities subject to outstanding awards, and the purchase price of such securities.

*Eligibility.* Employees, officers, directors, consultants, agents, advisors, or independent contractors engaged by us or by any companies directly or indirectly in control of, controlled by, or under common control with us, are eligible to participate in our 2013 Plan or our 2018 Plan, although, a grant of ISOs may only be made to a person who, on the effective date of the grant, is an employee.



*Change of Control.* Upon the occurrence of a change of control (as defined in our 2013 Plan or our 2018 Plan, as applicable), unless the administrator determines otherwise with respect to a particular award in an agreement between us (or a related company) and the participant, awards that are not converted, assumed, substituted for, or replaced will become fully vested and exercisable or payable, and then terminate, upon effectiveness of the change of control. Notwithstanding the foregoing, the administrator may provide that awards may be terminated upon or immediately prior to the change of control in exchange for a cash payment equal to amount by which the acquisition price (as defined in our 2013 Plan or our 2018 Plan, as applicable) exceeds, if applicable, the award's exercise or purchase price, multiplied by the number of shares subject to the award that are subject to such treatment.

*Plan Amendment or Termination.* The administrator may at any time amend, suspend, or terminate our 2018 Plan, provided that such action does not materially adversely affect any rights under any award without the participant's consent. Certain amendments, or the suspension or termination of our 2018 Plan may require the consent of holders of outstanding awards. Certain amendments also require the approval of our stockholders. No new awards were granted under our 2013 Plan following adoption of our 2018 Plan, and our board of directors terminated our 2013 Plan in August 2018. No new awards will be granted under our 2018 Plan once our 2023 Plan becomes effective.

### **2023 Employee Stock Purchase Plan**

In August 2023, our board of directors adopted, and in September 2023 our stockholders approved, our ESPP. Our ESPP will become effective immediately prior to and contingent upon the effectiveness of the registration statement of which this prospectus forms a part. The purpose of our ESPP will be to secure the services of new employees, to retain the services of existing employees and to provide incentives for such individuals to exert maximum efforts toward our success and that of our affiliates. Our ESPP will include two components. One component will be designed to allow eligible U.S. employees to purchase our common stock in a manner that may qualify for favorable tax treatment under Section 423 of the Code. The other component will permit the grant of purchase rights that do not qualify for such favorable tax treatment in order to allow deviations necessary to permit participation by eligible employees who are foreign nationals or employed outside of the United States while complying with applicable foreign laws. We have not authorized any offerings under the ESPP as of the date of this prospectus.

*Share Reserve.* Following this offering, the ESPP will authorize the issuance of 7,000,000 shares of our common stock under purchase rights granted to our employees or to employees of any of our designated affiliates. The number of shares of our common stock reserved for issuance will automatically increase on January 1 of each calendar year, beginning on January 1, 2024 through January 1, 2033, by the lesser of (1) 1% of the total number of shares of our common stock outstanding on the last day of the year before the date of the automatic increase and (2) 7,000,000 shares; provided that before the date of any such increase, our board of directors may determine that such increase will be less than the amount set forth in clauses (1) and (2).

*Administration.* Our board of directors will administer the ESPP and may delegate its authority to administer the ESPP to our compensation committee. The ESPP will be implemented through a series of offerings under which eligible employees are granted purchase rights to purchase shares of our common stock on specified dates during such offerings. Under the ESPP, our board of directors will be permitted to specify offerings with durations of not more than 27 months and may specify shorter purchase periods within each offering. Each offering will have one or more purchase dates on which shares of our common stock will be purchased for employees participating in the offering. An offering under the ESPP may be terminated under certain circumstances.

*Payroll Deductions.* Generally, all regular employees, including executive officers, employed by us or by any of our designated affiliates, will be eligible to participate in the ESPP and may contribute, normally through payroll deductions, up to 15% of their earnings (as defined in the ESPP) for the purchase of our common stock under the ESPP. Unless otherwise determined by our board of directors, common stock will be purchased

for the accounts of employees participating in the ESPP at a price per share that is at least the lesser of (1) 85% of the fair market value of a share of our common stock on the first date of an offering or (2) 85% of the fair market value of a share of our common stock on the date of purchase.

*Limitations.* Employees may have to satisfy one or more of the following service requirements before participating in the ESPP, as determined by our board of directors, including: (1) being customarily employed for more than 20 hours per week, (2) being customarily employed for more than five months per calendar year or (3) continuous employment with us or one of our affiliates for a period of time (not to exceed two years). No employee will be permitted to purchase shares under the ESPP at a rate in excess of \$25,000 worth of our common stock based on the fair market value per share of our common stock at the beginning of an offering for each calendar year such a purchase right is outstanding. Finally, no employee will be eligible for the grant of any purchase rights under the ESPP if immediately after such rights are granted, such employee has voting power over 5% or more of our outstanding capital stock measured by vote or value under Section 424(d) of the Code.

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

*Corporate Transactions.* In the event of certain significant corporate transactions, any then-outstanding rights to purchase our stock under the ESPP may be assumed, continued, or substituted for by any surviving or acquiring entity (or its parent company). If the surviving or acquiring entity (or its parent company) elects not to assume, continue, or substitute for such purchase rights, then the participants' accumulated payroll contributions will be used to purchase shares of our common stock within 10 business days before such corporate transaction, and such purchase rights will terminate immediately after such purchase.

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

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

## CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than compensation arrangements for our directors and executive officers, which are described elsewhere in this prospectus, we describe below transactions since January 1, 2020 and each currently proposed transaction in which:

- we have been or are to be a participant;
- the amounts involved exceeded or will exceed \$120,000; and
- any of our directors, executive officers, or holders of more than 5% of our outstanding capital stock, or any immediate family member of, or person sharing the household with, any of these individuals or entities, had or will have a direct or indirect material interest.

We believe the terms obtained or consideration that we paid or received, as applicable, in connection with the transactions described below were comparable to terms available or the amounts that would be paid or received, as applicable in arm's length transactions.

### Series G Preferred Stock Financing

In June 2020 and July 2020, we sold an aggregate of 6,757,893 shares of our Series G redeemable convertible preferred stock at a purchase price of \$48.0919 per share, for an aggregate purchase price of approximately \$325 million. The following table summarizes purchases of our Series G redeemable convertible preferred stock by the related party:

<u>Stockholder</u>	<u>Shares of Series G Redeemable Convertible Preferred Stock</u>	<u>Total Series G Redeemable Convertible Preferred Stock Purchase Price</u>
Entities affiliated with D1 Capital Partners <sup>(1)</sup>	1,039,675	\$ 49,999,946

(1) Entities affiliated with D1 Capital Partners holding our securities whose shares are aggregated for purposes of reporting share ownership information are D1 Iconoclast Holdings LP, D1 Master Holdco I LLC, GCM Grosvenor IC SPV, LLC, and GCM Grosvenor IC SPV 2, LLC. These entities beneficially own more than 5% of our outstanding capital stock, and Daniel Sundheim, a member of our board of directors, is the Founder and Chief Investment Officer of D1 Capital Partners.

### 2020 Tender Offer

In July 2020, we entered into a letter agreement with entities affiliated with D1 Capital Partners, a holder of greater than 5% of our capital stock and affiliate of our director, Daniel Sundheim, and several other purchasers, pursuant to which we agreed to waive certain transfer restrictions in connection with, and assist in the administration of, a tender offer that such entities proposed to commence. In July 2020, these entities commenced a tender offer to purchase shares of our voting common stock and non-voting common stock from certain of our stockholders at a price of \$46.30 per share, pursuant to an offer to purchase to which we were not a party. An aggregate of 2,944,239 shares of our voting common stock and 153,813 shares of our non-voting common stock were tendered for an aggregate purchase price of approximately \$143 million. Apoorva Mehta, our Chief Executive Officer at the time of such transaction, Sagar Sanghvi, our Chief Financial Officer at the time of such transaction, Nilam Ganenthiran, our President at the time of such transaction, Morgan Fong, our General Counsel, and certain other of our employees sold shares of our voting common stock and non-voting common stock in the tender offer.

### Series H Preferred Stock Financing

In October 2020 and November 2020, we sold an aggregate of 4,999,999 shares of our Series H redeemable convertible preferred stock at a purchase price of \$60.00 per share, for an aggregate purchase price of approximately \$300 million. The following table summarizes purchases of our Series H redeemable convertible preferred stock by related parties:

<u>Stockholder</u>	<u>Shares of Series H Redeemable Convertible Preferred Stock</u>	<u>Total Series H Redeemable Convertible Preferred Stock Purchase Price</u>
Entities affiliated with D1 Capital Partners <sup>(1)</sup>	500,000	\$ 30,000,000

(1) Entities affiliated with D1 Capital Partners holding our securities whose shares are aggregated for purposes of reporting share ownership information are D1 Iconoclast Holdings LP, D1 Master Holdco I LLC, GCM Grosvenor IC SPV, LLC, and GCM Grosvenor IC SPV 2, LLC. These entities beneficially own more than 5% of our outstanding capital stock, and Daniel Sundheim, a member of our board of directors, is the Founder and Chief Investment Officer of D1 Capital Partners.

### 2021 Director Equity Investments

In January 2021, we issued and sold an aggregate of 83,332 shares of our non-voting common stock to entities affiliated with certain members of our board of directors, at a purchase price of \$60.00 per share, for an aggregate purchase price of approximately \$5 million. The following table summarizes the purchases of our non-voting common stock in this transaction by related parties:

<u>Stockholder</u>	<u>Shares of Non-Voting Common Stock</u>	<u>Total Non-Voting Common Stock Purchase Price</u>
Invisible Hand Ventures, LLC <sup>(1)</sup>	16,666	\$ 999,960
Rivers Cross Trust <sup>(2)</sup>	33,333	\$ 1,999,980
Simo Miralles Family Trust <sup>(3)</sup>	33,333	\$ 1,999,980

(1) Frank Sloatman, a member of our board of directors, is the manager of, and has sole voting and dispositive power over, Invisible Hand Ventures, LLC.

(2) Barry McCarthy, a member of our board of directors, is trustee of, and has sole voting and dispositive power over, Rivers Cross Trust.

(3) Fidji Simo, our Chief Executive Officer and a member of our board of directors, is co-trustee of the Simo Miralles Family Trust and shares voting and dispositive power over the Simo Miralles Family Trust with her spouse.

### Series I Preferred Stock Financing

In February 2021, we sold an aggregate of 2,120,000 shares of our Series I redeemable convertible preferred stock at a purchase price of \$125.00 per share, for an aggregate purchase price of \$265 million. The following table summarizes purchases of our Series I redeemable convertible preferred stock by related parties:

<u>Stockholder</u>	<u>Shares of Series I Redeemable Convertible Preferred Stock</u>	<u>Total Series I Redeemable Convertible Preferred Stock Purchase Price</u>
Entities affiliated with Andreessen Horowitz <sup>(1)</sup>	400,000	\$ 50,000,000
Entities affiliated with Sequoia Capital <sup>(2)</sup>	400,000	\$ 50,000,000
Entities affiliated with D1 Capital Partners <sup>(3)</sup>	120,000	\$ 15,000,000

(1) Jeffrey Jordan, a member of our board of directors, is a Managing Partner of Andreessen Horowitz.

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- (2) Entities affiliated with Sequoia Capital holding our securities whose shares are aggregated for purposes of reporting share ownership information are Sequoia Capital USV XIV Holdco, Ltd., Sequoia Capital U.S. Growth Fund VI, L.P., Sequoia Capital U.S. Growth VI Principals Fund, L.P., Sequoia Capital U.S. Growth Fund VII, L.P., Sequoia Capital U.S. Growth VII Principals Fund, L.P., Sequoia Capital Global Growth Fund II, L.P., Sequoia Capital Global Growth II Principals Fund, L.P., SCGGF III - U.S./India Management, L.P., and Sequoia Capital Global Growth Fund III—Endurance Partners, L.P. These entities beneficially own more than 5% of our outstanding capital stock, Michael Moritz, a member of our board of directors, was formerly a Managing Member of Sequoia Capital, and Ravi Gupta, our director nominee, is currently a Managing Member of Sequoia Capital. Entities affiliated with Sequoia Capital also include certain entities holding our securities whose shares are not aggregated for purposes of reporting share ownership information.
- (3) Entities affiliated with D1 Capital Partners holding our securities whose shares are aggregated for purposes of reporting share ownership information are D1 Iconoclast Holdings LP, D1 Master Holdco I LLC, GCM Grosvenor IC SPV, LLC, and GCM Grosvenor IC SPV 2, LLC. These entities beneficially own more than 5% of our outstanding capital stock, and Daniel Sundheim, a member of our board of directors, is the Founder and Chief Investment Officer of D1 Capital Partners.

### **Relationship with Snowflake Inc.**

Mr. Slooman, a member of our board of directors, is currently the Chief Executive Officer and Chairman of Snowflake Inc., or Snowflake. Pursuant to our customer agreement with Snowflake, we made payments to Snowflake of approximately \$13 million, approximately \$28 million, and approximately \$51 million during the years ended December 31, 2020, 2021, and 2022, respectively, for cloud-based data warehousing services. In addition, we anticipate we will pay Snowflake approximately \$15 million for cloud-based data warehousing services during the year ending December 31, 2023.

The magnitude and timing of our cash payments to Snowflake are determined based on our contracts and payment terms. These cash payments, including the payments we made in 2022, generally represent prepayments for future services which, in many cases, span multiple fiscal periods. As such, these payments are not indicative of actual cloud-based data warehousing services provided to and used by us in the period in which any such payment is made, as the expenses related to usage are recognized over time as services are provided to us. For example, we incurred operating expenses relating to the actual usage of cloud-based data warehousing services provided by Snowflake of \$28 million in each of the years ended December 31, 2021 and 2022. See Note 15 to our consolidated financial statements included elsewhere in this prospectus for additional details on related amounts recognized in our consolidated statements of operations.

### **Directed Share Program**

At our request, the underwriters have reserved up to 5% of the shares of common stock offered by this prospectus for sale at the initial public offering price through a directed share program to certain persons identified by management, which may include certain members of our board of directors. See the section titled “Underwriting—Directed Share Program.”

### **Participation in Our Initial Public Offering**

Entities affiliated with Sequoia Capital and D1 Capital Partners, which are holders of greater than 5% of our outstanding capital stock and affiliates of Ravi Gupta, our director nominee, and Daniel Sundheim, a member of our board of directors, respectively, along with certain other entities, have indicated an interest, severally and not jointly, in purchasing shares of common stock in an aggregate amount of up to approximately \$400 million in this offering at the initial public offering price per share and on the same terms as the other purchasers in this offering. Because indications of interest are not binding agreements or commitments to purchase, the underwriters could determine to sell more, fewer, or no shares to any of these cornerstone investors, and any of the cornerstone investors could determine to purchase more, fewer, or no shares in this offering. The underwriters will receive the same underwriting discounts and commissions on these shares as they will on any other shares sold to the public in this offering.

### **Investors' Rights Agreement**

We are party to an amended and restated investors' rights agreement, or investors' rights agreement, with certain holders of our capital stock, including the Chairperson of our board of directors, Apoorva Mehta; entities affiliated with D1 Capital Partners, which hold greater than 5% of our outstanding capital stock and are affiliated with our director, Mr. Sundheim; entities affiliated with Sequoia Capital, which hold greater than 5% of our outstanding capital stock and were at such time affiliated with our director, Mr. Moritz; and entities affiliated with our director, Mr. Jordan. The investors' rights agreement provides certain holders of our capital stock with certain registration rights, including the right to demand that we file a registration statement or request that their shares be covered by a registration statement that we are otherwise filing. The investors' rights agreement also provides certain of these stockholders with information rights, which will terminate immediately prior to the closing of this offering, and a right of first refusal with regard to certain issuances of our capital stock, which will not apply to, and will terminate immediately prior to the closing of, this offering. For a description of these registration rights, see the section titled "Description of Capital Stock—Registration Rights."

### **Voting Agreement**

We are party to an amended and restated voting agreement under which certain holders of our capital stock, including the Chairperson of our board of directors, Apoorva Mehta; entities affiliated with D1 Capital Partners, which hold greater than 5% of our outstanding capital stock and are affiliated with our director, Mr. Sundheim; entities affiliated with Sequoia Capital, which hold greater than 5% of our outstanding capital stock and were at such time affiliated with our director, Mr. Moritz; and entities affiliated with our director, Mr. Jordan, have agreed as to the manner in which they will vote their shares of our capital stock on certain matters, including with respect to the election of directors. This agreement will terminate upon the closing of this offering, and thereafter none of our stockholders will have any special rights regarding the election or designation of members of our board of directors.

### **Right of First Refusal**

Pursuant to our equity compensation plan and certain agreements with our stockholders, including a right of first refusal and co-sale agreement with certain holders of our capital stock, including the Chairperson of our board of directors, Apoorva Mehta; entities affiliated with D1 Capital Partners, which hold greater than 5% of our outstanding capital stock and are affiliated with our director, Mr. Sundheim; entities affiliated with Sequoia Capital, which hold greater than 5% of our outstanding capital stock and were at such time affiliated with our director, Mr. Moritz; and entities affiliated with our director, Mr. Jordan, we or our assignees and certain holders of our capital stock have a right to purchase shares of our capital stock that stockholders propose to sell in certain circumstances to other parties. These rights and the right of first refusal and co-sale agreement will terminate immediately prior to the closing of this offering. We have waived our right of first refusal in connection with the sale of certain shares of our capital stock, including sales by certain of our executive officers, resulting in the purchase of such shares by certain of our stockholders, including related persons.

### **Indemnification Agreements**

Our amended and restated certificate of incorporation that will be in effect immediately prior to the closing of this offering will contain provisions limiting the liability of directors and officers, and our amended and restated bylaws that will be in effect immediately prior to the closing of this offering will provide that we will indemnify each of our directors and executive officers to the fullest extent permitted under Delaware law. Our amended and restated certificate of incorporation and amended and restated bylaws that will each be in effect immediately prior to the closing of this offering will also provide our board of directors with discretion to

indemnify our other officers, employees, and agents when determined appropriate by the board. In addition, we have entered or will enter into an indemnification agreement with each of our directors and executive officers, which requires us to indemnify them in certain circumstances. For more information regarding these agreements, see the section titled “Management—Limitations of Liability and Indemnification Matters.”

#### **Policies and Procedures for Related Person Transactions**

In August 2023, our board of directors adopted a Related Person Transactions Policy to be effective in connection with this offering setting forth policies and procedures for the identification, review, and approval or, if appropriate, ratification of related person transactions. Pursuant to this policy, our executive officers, directors, director nominees, beneficial owners of more than 5% of any class of our common stock, and any members of the immediate family of any of the foregoing persons are not permitted to enter into any transaction with us in which the amount involved exceeds \$120,000 and such person would have a direct or indirect interest without the approval or ratification of our audit committee or other independent committee as may be designated by our board of directors. In approving or rejecting any such transaction, such committee is to consider all relevant facts and circumstances as appropriate, including, without limitation, the risks, costs, and benefits to the Company, the impact on a director’s independence in the event the related person is a director or director affiliate, the terms and purpose of the transaction, the availability of other sources for comparable services or products, whether the transaction is on terms that are comparable to the terms available to or from, as the case may be, an unrelated third party, and the extent of the related person’s interest in the transaction.

## PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth certain information with respect to the beneficial ownership of our capital stock as of July 31, 2023 for:

- each of our named executive officers;
- each of our directors and our director nominee;
- all of our executive officers, our directors, and our director nominee as a group;
- each of the selling stockholders; and
- each person or group of affiliated persons known by us to beneficially own more than 5% of any class of our voting securities.

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

Applicable percentage ownership is based on 264,939,326 shares of common stock outstanding as of July 31, 2023, assuming (i) the Exchangeable Share Conversion, resulting in the issuance of 688,787 shares of our nonvoting common stock in exchange for all outstanding exchangeable shares; (ii) the net issuance of 14,633,956 shares and 3,004,671 shares of our non-voting common stock in connection with the RSU Net Settlement and the Additional RSU Net Settlement, respectively (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate); (iii) the repurchase and cancellation of 132,188 shares and 13,219 shares of our outstanding non-voting restricted stock in connection with the RSA Cancellation and the Additional RSA Cancellation, respectively (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate); (iv) the net issuance of 4,080,971 shares of our common stock in connection with the Option Net Exercise (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 43% tax withholding rate); (v) the issuance of 254,000 shares of our voting common stock in connection with the Option Cash Exercise; (vi) the net issuance of 2,334,023 shares of our non-voting common stock in connection with the Warrant Net Exercise (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus); (vii) the conversion of all outstanding shares of our non-voting common stock and shares of our non-voting common stock underlying outstanding equity securities into an equivalent number of shares of our voting common stock immediately prior to the closing of this offering; (viii) the Preferred Stock Conversion, resulting in the issuance of 167,691,828 shares of our voting common stock; and (ix) the reclassification of all outstanding shares of our voting common stock and shares of our voting common stock underlying outstanding equity securities into an equivalent number of shares of common stock immediately prior to the closing of this offering.

In computing the number of shares beneficially owned by a person, we deemed to be outstanding all shares subject to options held by the person that are currently exercisable, or exercisable within 60 days of July 31, 2023, or issuable pursuant to RSUs that are subject to vesting and settlement conditions expected to occur within 60 days of July 31, 2023, including the liquidity event-based vesting condition, which will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part, and after giving effect to the RSU Net Settlement, the Additional RSU Net Settlement, the RSA Cancellation, the Additional RSA Cancellation, the Option Net Exercise, and the Option Cash Exercise, as applicable, and assuming the applicable estimated tax withholding rate set forth above. However, except as described above, we did not deem such shares



outstanding for the purpose of computing the percentage ownership of any other person. In addition, the actual share withholding or repurchase and cancellation amounts, as applicable, and related tax withholding rates, will fluctuate based on, among other things, the actual initial public offering price per share in this offering. As a result, the number of shares beneficially owned by any holder included in the table below, as well as the shares of common stock to be sold by certain of our selling stockholders who are offering shares underlying stock options and/or RSUs, may fluctuate based on the actual initial public offering price per share in this offering.

Norges Bank Investment Management, a division of Norges Bank, and entities affiliated with TCV, Sequoia Capital, D1 Capital Partners, L.P., and Valiant Capital Management, which we refer to collectively as the cornerstone investors, have indicated an interest, severally and not jointly, in purchasing shares of common stock in an aggregate amount of up to approximately \$400 million in this offering at the initial public offering price per share and on the same terms as the other purchasers in this offering. Sequoia Capital and D1 Capital Partners are significant stockholders and affiliates of members of our board of directors. Because indications of interest are not binding agreements or commitments to purchase, the underwriters could determine to sell more, fewer, or no shares to any of the cornerstone investors, and any of the cornerstone investors could determine to purchase more, fewer, or no shares in this offering. In addition, at our request, the underwriters have reserved up to 5% of the shares of common stock offered by this prospectus for sale at the initial public offering price through a directed share program to certain persons identified by management, which may include certain members of our board of directors. The table below does not reflect any purchases by these potential purchasers. If any shares are purchased by our existing principal stockholders, directors, or their affiliated entities, the number and percentage of shares of our common stock beneficially owned by such persons after this offering will be higher than those set forth in the table below.

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Unless otherwise indicated, the address of each beneficial owner listed below is c/o Maplebear Inc., 50 Beale Street, Suite 600, San Francisco, California 94105.

Name of Beneficial Owner	Shares Beneficially Owned Prior to this Offering		Shares of Common Stock Being Offered	Shares Beneficially Owned Following this Offering	
	Shares	%		Shares	%
<b>5% Stockholders</b>					
Entities affiliated with Sequoia Capital <sup>(1)</sup>	38,760,537	15	—	38,760,537	14
Entities affiliated with D1 Capital Partners <sup>(2)</sup>	36,841,935	14	—	36,841,935	13
<b>Named Executive Officers, Directors, and Director Nominee</b>					
Fidji Simo <sup>(3)</sup>	515,647	*	—	515,647	*
Nick Giovanni <sup>(4)</sup>	712,398	*	—	712,398	*
Asha Sharma <sup>(5)</sup>	462,940	*	—	462,940	*
Morgan Fong <sup>(6)</sup>	406,288	*	—	406,288	*
Mark Schaaf <sup>(7)</sup>	615,821	*	299,502	316,319	*
Jeffrey Jordan <sup>(8)</sup>	16,641	*	—	16,641	*
Meredith Kopit Levien <sup>(9)</sup>	7,891	*	—	7,891	*
Barry McCarthy <sup>(10)</sup>	49,974	*	—	49,974	*
Apoorva Mehta <sup>(11)</sup>	28,980,677	11	700,000	28,280,677	10
Michael Moritz <sup>(12)</sup>	16,641	*	—	16,641	*
Lily Sarafan <sup>(13)</sup>	7,891	*	—	7,891	*
Frank Sloodman <sup>(14)</sup>	33,307	*	—	33,307	*
Daniel Sundheim <sup>(15)</sup>	36,852,076	14	—	36,852,076	13
Ravi Gupta <sup>(16)</sup>	40,583,404	15	740,000	39,843,404	14
All executive officers, directors, and director nominees as a group (13 persons) <sup>(17)</sup>	108,645,775	40	1,440,000	107,205,775	38
<b>Other Selling Stockholders</b>					
Brandon Leonardo <sup>(18)</sup>	7,783,202	3	1,501,376	6,281,826	2
Maxwell Mullen <sup>(19)</sup>	7,765,473	3	1,501,376	6,264,097	2
Former Executive Officers <sup>(20)</sup>	1,558,430	*	1,195,676	362,754	*
Former Senior Product Employees <sup>(20)</sup>	1,057,349	*	225,000	832,349	*
Former Senior Engineering Employees <sup>(20)</sup>	2,021,795	*	1,011,302	1,010,493	*
Other Former Employees <sup>(20)</sup>	1,530,415	*	725,768	804,647	*

\* Represents beneficial ownership of less than 1%.

(1) Consists of (i) 25,726,519 shares of our common stock held by Sequoia Capital USV XIV Holdco, Ltd., or XIV Holdco; (ii) 4,744,206 shares of our common stock held by Sequoia Capital U.S. Growth Fund VI, L.P., or GF VI; (iii) 4,405,162 shares of our common stock held by Sequoia Capital Global Growth Fund II, L.P., or GGF II; (iv) 1,774,756 shares of our common stock held by Sequoia Capital U.S. Growth Fund VII, L.P., or GF VII; (v) 1,217,532 shares of our common stock held by SCGGF III – U.S./INDIA MANAGEMENT, L.P., or GGF III US IND MGMT; (vi) 351,374 shares of our common stock held by Sequoia Capital Global Growth Fund III–Endurance Partners, L.P., or GGF III; (vii) 308,013 shares of our common stock held by Sequoia Capital U.S. Growth VI Principals Fund, L.P., or GF VI PF; (viii) 164,955 shares of our common stock held by Sequoia Capital U.S. Growth VII Principals Fund, L.P., or GF VII PF; and (ix) 68,020 shares of our common stock held by Sequoia Capital Global Growth II Principals Fund, L.P., or GGF II PF. SC US (TTGP), Ltd. is (i) the general partner of SC U.S. Venture XIV Management, L.P., which is the general partner of each of Sequoia Capital U.S. Venture Fund XIV, L.P., Sequoia Capital U.S. Venture Partners Fund XIV, L.P., and Sequoia Capital U.S. Venture Partners Fund XIV (Q), L.P., or collectively, the XIV Funds, which together own 100% of the outstanding ordinary shares of XIV Holdco; (ii) the general partner of SC U.S. Growth VI Management, L.P., which is the general partner of each of GF VI and GF VI PF, or collectively, the GF VI Funds; (iii) the general partner of SC U.S. Growth VII Management, L.P., which is the general partner of each of GF VII and GF VII PF, or collectively, the GF VII Funds; (iv) the general partner of SC Global Growth II Management, L.P., which is the general partner of each of GGF II and GGF II PF, or collectively, the GGF II Funds; (v) the general partner of SCGGF III–Endurance Partners Management, L.P., which is the general partner of GGF III; and (vi) the general partner of GGF III US IND MGMT. As a result, SC US (TTGP), Ltd. may be deemed to share voting and dispositive power with respect to the shares held by XIV Holdco, the GF VI Funds, the GF VII Funds, the GGF II Funds, GGF III, and GGF III US IND MGMT. The directors and stockholders of SC US (TTGP), Ltd. who exercise voting and investment discretion with respect to the GGF II Funds, GGF III, and GGF III US IND MGMT are Douglas M. Leone and Roelof Botha. As a result, and by virtue of the relationships described in this paragraph, each such person may be deemed to share voting and dispositive power with respect to the shares held by the GGF II Funds, GGF III, and GGF III US IND MGMT. Ravi

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- Gupta, our director nominee, expressly disclaims beneficial ownership of the shares held by these entities, except to the extent of his pecuniary interest in such shares. The address for each of these entities is 2800 Sand Hill Road, Suite 101, Menlo Park, CA.
- (2) Consists of (i) 19,014,250 shares of our common stock held by D1 Master Holdco I LLC, or D1 Master Holdco; (ii) 8,882,489 shares of our common stock held by D1 Iconoclast Holdings LP, or D1 Iconoclast; (iii) 7,892,493 shares of our common stock held by GCM Grosvenor IC SPV, LLC, or GCM IC; and (iv) 1,052,703 shares of our common stock held by GCM Grosvenor IC SPV 2, LLC, or GCM IC 2. D1 Capital Partners L.P., or the D1 Management Company, is a registered investment adviser and serves as the investment manager of private investment vehicles and accounts, including D1 Iconoclast and D1 Master Holdco, and as an investment consultant to certain private investment vehicles and accounts, including GCM IC and GCM IC 2, and may be deemed to beneficially own the shares of common stock held by D1 Iconoclast, D1 Master Holdco, GCM IC, and GCM IC 2. Daniel Sundheim indirectly controls the D1 Management Company and may be deemed to have the power to vote, or to direct the voting of, or to dispose of, or to direct the disposition of, the shares held by D1 Iconoclast, D1 Master Holdco, GCM IC, and GCM IC2 by virtue of his control over the D1 Management Company. The address for D1 Iconoclast and D1 Master Holdco is c/o D1 Capital Partners L.P., 9 West 57th Street, 36th Floor, New York, New York 10019. The address for GCM IC and GCM IC 2 is c/o Grosvenor Capital Management, L.P., 900 North Michigan Avenue, Suite 1100, Chicago, Illinois 60611.
  - (3) Consists of (i) 33,333 shares of our common stock held by the Simo Miralles Family Trust, of which Ms. Simo is co-trustee and shares voting and dispositive power with her spouse and (ii) 482,314 shares of our common stock issuable pursuant to RSUs for which the service-based vesting condition will be satisfied within 60 days of July 31, 2023.
  - (4) Consists of (i) 300,000 shares of our common stock subject to stock options that are exercisable within 60 days of July 31, 2023, (ii) 304,593 shares of our common stock underlying restricted stock, 140,625 of which shares are subject to our right of repurchase, and (iii) 107,805 shares of our common stock issuable pursuant to RSUs for which the service-based vesting condition will be satisfied within 60 days of July 31, 2023.
  - (5) Represents shares of our common stock issuable pursuant to RSUs for which the service-based vesting condition will be satisfied within 60 days of July 31, 2023.
  - (6) Consists of (i) 56,065 shares of our common stock held by Mr. Fong, (ii) 271,035 shares of our common stock subject to stock options that are exercisable within 60 days of July 31, 2023, and (iii) 79,188 shares of our common stock issuable pursuant to RSUs for which the service-based vesting condition will be satisfied within 60 days of July 31, 2023.
  - (7) Consists of (i) 22,768 shares of our common stock held by Mr. Schaaf, (ii) 589,422 shares of our common stock subject to stock options that are exercisable within 60 days of July 31, 2023, and (iii) 3,631 shares of our common stock issuable pursuant to RSUs for which the service-based vesting condition was satisfied as of September 21, 2022. Mr. Schaaf ceased serving as our Chief Technology Officer, effective September 21, 2022.
  - (8) Represents shares of our common stock issuable pursuant to RSUs for which the service-based vesting condition will be satisfied within 60 days of July 31, 2023.
  - (9) Represents shares of our common stock issuable pursuant to RSUs for which the service-based vesting condition will be satisfied within 60 days of July 31, 2023.
  - (10) Consists of (i) 33,333 shares of our common stock held by Rivers Cross Trust, of which Mr. McCarthy is trustee and has sole voting and dispositive power and (ii) 16,641 shares of our common stock issuable pursuant to RSUs for which the service-based vesting condition will be satisfied within 60 days of July 31, 2023.
  - (11) Consists of (i) 24,109,751 shares of our common stock held by The Apoorva Mehta Revocable Trust, dated June 20, 2018, of which Mr. Mehta is trustee and has sole voting and dispositive power, (ii) 4,866,785 shares of our common stock subject to stock options that are exercisable within 60 days of July 31, 2023, and (iii) 4,141 shares of our common stock issuable pursuant to RSUs for which the service-based vesting condition will be satisfied within 60 days of July 31, 2023. Mr. Mehta will resign from our board of directors, including as Chairperson, immediately prior to the effectiveness of the registration statement of which this prospectus forms a part.
  - (12) Represents shares of our common stock issuable pursuant to RSUs for which the service-based vesting condition will be satisfied within 60 days of July 31, 2023.
  - (13) Represents shares of our common stock issuable pursuant to RSUs for which the service-based vesting condition will be satisfied within 60 days of July 31, 2023.
  - (14) Consists of (i) 16,666 shares of our common stock held by Invisible Hand Ventures, LLC, of which Mr. Slooman is the manager and has sole voting and dispositive power and (ii) 16,641 shares of our common stock issuable pursuant to RSUs for which the service-based vesting condition will be satisfied within 60 days of July 31, 2023.
  - (15) Consists of (i) the shares described in footnote (2) above and (ii) 10,141 shares of our common stock issuable pursuant to RSUs for which the service-based vesting condition will be satisfied within 60 days of July 31, 2023.
  - (16) Consists of (i) the shares described in footnote (1) above, (ii) 13,464 shares of our common stock held by an estate planning vehicle for the benefit of Mr. Gupta, and (iii) 1,809,403 shares of our common stock subject to stock options that are exercisable within 60 days of July 31, 2023. Mr. Gupta disclaims beneficial ownership of all such shares held by entities affiliated with Sequoia Capital.
  - (17) For more information on our current directors and executive officers, see the sections titled “Management—Executive Officers” and “Management—Non-Executive Officer Directors.”
  - (18) Consists of (i) 6,894,638 shares of our common stock held by Mr. Leonardo’s revocable trust, or the Leonardo Revocable Trust, (ii) 380,118 shares of our common stock held by Mr. Leonardo’s annuity trust, or the Brandon Leonardo Annuity Trust, (iii) 380,117 shares of our common stock held by Mr. Leonardo’s spouse’s annuity trust, or the Leonardo Annuity Trust, (iv) 10,350 shares of our common stock subject to stock options within 60 days of July 31, 2023, and (v) 117,979 shares of our common stock issuable pursuant to RSUs for which the service-based vesting condition will be satisfied within 60 days of July 31, 2023. Mr. Leonardo is (a) co-trustee of, and shares voting and dispositive power over, the Leonardo Revocable Trust, (b) sole trustee of, and has sole voting and dispositive power

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over, the Brandon Leonardo Annuity Trust, and (c) his spouse is sole trustee of, and has sole voting and dispositive power over, the Leonardo Annuity Trust, such that Mr. Leonardo may be deemed to have beneficial ownership over the shares held by the Leonardo Annuity Trust.

- (19) Consists of (i) 6,407,124 shares of our common stock held by The Mullen Revocable Trust U/A/D 10/02/2020, or the Mullen Revocable Trust, (ii) 760,059 shares of our common stock held by The Maxwell Mullen 2020 Annuity Trust u/a/d 5/20/2020, or the Maxwell Mullen Trust, (iii) 488,000 shares of our common stock held by The Mullen 2020 Irrevocable Family Trust u/a/d 12/14/2020, or the Mullen Family Trust, and (iv) 110,290 shares of our common stock issuable pursuant to RSUs for which the service-based vesting condition will be satisfied within 60 days of July 31, 2023. Mr. Mullen is (a) sole trustee of, and has sole voting and dispositive power over, the Maxwell Mullen Trust and (b) co-trustee of, and shares voting and dispositive power over, the Mullen Revocable Trust and the Mullen Family Trust.
- (20) Consists of selling stockholders not otherwise listed in this table who within the groups indicated collectively own less than 1% of our common stock.

## DESCRIPTION OF CAPITAL STOCK

### General

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

Immediately prior to the closing of this offering, our authorized capital stock will consist of 2,030,000,000 shares, all with a par value of \$0.0001 per share, of which:

- 2,000,000,000 shares are designated as common stock; and
- 30,000,000 shares are designated as preferred stock.

As of June 30, 2023, we had outstanding 15,832,777 shares of non-voting common stock, which includes 450,000 shares of non-voting restricted stock; 56,543,190 shares of voting common stock; and 167,302,220 shares of redeemable convertible preferred stock. After giving effect to (i) the Exchangeable Share Conversion, resulting in the issuance of 688,787 shares of our non-voting common stock in exchange for all outstanding exchangeable shares; (ii) the net issuance of 14,633,956 shares of our non-voting common stock in connection with the RSU Net Settlement (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate); (iii) the repurchase and cancellation of 132,188 shares of our outstanding non-voting restricted stock in connection with the RSA Cancellation (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate); (iv) the net issuance of 4,080,971 shares of our common stock in connection with the Option Net Exercise (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 43% tax withholding rate); (v) the issuance of 254,000 shares of our voting common stock in connection with the Option Cash Exercise; (vi) the net issuance of 2,334,023 shares of our non-voting common stock in connection with the Warrant Net Exercise (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus); (vii) the conversion of all outstanding shares of our non-voting common stock and shares of our non-voting common stock underlying outstanding equity securities into an equivalent number of shares of our voting common stock immediately prior to the closing of this offering; (viii) the Preferred Stock Conversion, resulting in the issuance of 167,691,828 shares of our voting common stock; and (ix) the reclassification of all outstanding shares of our voting common stock and shares of our voting common stock underlying outstanding equity securities into an equivalent number of shares of common stock immediately prior to the closing of this offering, there would have been 261,927,344 shares of common stock outstanding on June 30, 2023 held by 4,602 stockholders of record.

### Common Stock

All issued and outstanding shares of our common stock will be duly authorized, validly issued, fully paid, and non-assessable. All authorized but unissued shares of our common stock will be available for issuance by our board of directors without any further stockholder action, except as required by the listing standards of Nasdaq.

The rights, preferences, and privileges of holders of common stock are subject to and may be adversely affected by the rights of the holders of shares of our Series A Preferred Stock, as described in the section titled "—Series A Preferred Stock"), as well as any series of preferred stock that we may designate and issue in the future.

Prior to the closing of this offering, we had two series of common stock: voting common stock and non-voting common stock. The rights of the holders of our voting common stock and non-voting common stock were identical except with respect to voting. The holders of our voting common stock were entitled to one vote per share, and the holders of our non-voting common stock had no voting rights.

In connection with the effectiveness of the registration statement of which this prospectus forms a part, all outstanding exchangeable shares of our subsidiary, Aspen, will be exchanged into shares of our non-voting common stock, and immediately prior to the closing of this offering, all outstanding shares of redeemable convertible preferred stock will be converted into shares of our voting common stock.

Immediately prior to the closing of this offering, all outstanding shares of our non-voting common stock will be converted into shares of our voting common stock, and all of our outstanding shares of voting common stock will subsequently be reclassified into common stock. In addition, all outstanding restricted stock units, restricted stock awards, and options to purchase shares of our capital stock issued under our 2013 Plan and 2018 Plan, as the case may be, will become eligible to be settled in or exercisable for shares of our common stock.

#### ***Voting Rights***

Holders of our common stock are entitled to one vote for each share held on all matters submitted to a vote of stockholders.

Our amended and restated certificate of incorporation will provide that the number of authorized shares of preferred stock or common stock may be increased or decreased (but not below the number of shares of preferred stock or common stock then outstanding) by the affirmative vote of the holders of a majority of the outstanding voting power of all of our outstanding common stock, voting together as a single class.

Our amended and restated certificate of incorporation that will be in effect immediately prior to the closing of this offering will not provide for cumulative voting for the election of directors.

#### ***Other Matters***

Our common stock will have no preemptive rights pursuant to the terms of our amended and restated certificate of incorporation and our amended and restated bylaws that will each be in effect immediately prior to the closing of this offering. There will be no redemption or sinking fund provisions applicable to our common stock.

### **Series A Preferred Stock**

Our Series A redeemable convertible preferred stock, or the Series A Preferred Stock, will be issued pursuant to and have the rights, designations, and preferences, and the qualifications, limitations, and restrictions, set forth in the Certificate of Designation for the Series A Preferred Stock. Upon the issuance and sale of the Series A Preferred Stock as described in the section titled “Concurrent Private Placement,” PepsiCo, Inc., referred to as the Preferred Stock Investor, will hold all shares of outstanding Series A Preferred Stock.

#### ***Seniority; Liquidation Preference***

The Series A Preferred Stock, with respect to distribution rights upon the liquidation, winding-up or dissolution of our company (but excluding a change of control, as described in the section titled “—Redemption”) ranks (i) senior and in priority of payment to our common stock, (ii) on parity with any class or series of our capital stock expressly designated as ranking on parity with the Series A Preferred Stock, and (iii) junior to any class or series of our capital stock expressly designated as ranking senior to the Series A Preferred Stock. The Series A Preferred

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Stock has a liquidation preference equal to the greater of (i) the Stated Value (as defined below) plus the Minimum Return Amount (as defined below) as of the date of the liquidating payment, and (ii) the amount of cash or other securities or assets that the Preferred Stock Investor would be entitled to receive on an as-converted to common stock basis based on the then-applicable Conversion Ratio (as defined in the section titled “—Conversion” below) on the date of such liquidation, winding-up or dissolution. Such liquidation, winding-up or dissolution amounts would be paid out of our assets legally available for distribution to our stockholders, after satisfaction of debt and other liabilities owed to our creditors and holders of shares of any senior securities and before any payment or distribution is made to holders of any junior securities, including, without limitation, our common stock.

The “Stated Value” for the Series A Preferred Stock means the original issue price of the Series A Preferred Stock, and the “Minimum Return Amount” for the Series A Preferred Stock on a given date means a dollar value equal to 5.0% applied to the Stated Value, automatically accruing daily and compounding on each anniversary of the issue date, through such date.

### **Conversion**

From and after the seventh anniversary of the issue date of the Series A Preferred Stock, at any time when the 10-Day VWAP (as defined below) exceeds the conversion price of the Series A Preferred Stock, all outstanding shares of Series A Preferred Stock will automatically convert into a number of shares of our common stock equal to the Conversion Ratio on such date plus, if there is a Conversion Shortfall (as defined below), such additional number of shares of Common Stock that, when multiplied by the 10-Day VWAP immediately prior to such date, equals the Conversion Shortfall.

In addition, on the third anniversary of the issue date of the Series A Preferred Stock, if the 10-Day VWAP immediately prior to such date exceeds the conversion price of the Series A Preferred Stock, the Preferred Stock Investor will have the option to convert all outstanding shares of Series A Preferred Stock at the Conversion Ratio on such date plus, if there is a Conversion Shortfall, such additional number of shares of Common Stock that, when multiplied by the 10-Day VWAP immediately prior to the third anniversary date, equals the Conversion Shortfall.

The “10-Day VWAP” means the average of the volume-weighted average price per share of common stock for each of the 10 consecutive trading days ending on, and including, the trading day immediately before the date of determination.

The “Conversion Ratio” for the Series A Preferred Stock means a number of shares of common stock equal to the quotient of the Stated Value divided by the conversion price. The Conversion Ratio is not subject to adjustment, except for any cash dividends on our common stock (subject to certain exceptions) as well as stock splits, stock dividends, recapitalizations, reorganizations, and similar corporate actions.

The “Conversion Shortfall” for the Series A Preferred Stock on any conversion date means the absolute dollar value by which the product of the Conversion Ratio and the 10-Day VWAP for an applicable conversion is less than the Stated Value plus the Minimum Return Amount on such date.

### **Redemption**

At any time from and after the seventh anniversary of the issue date of the Series A Preferred Stock, if the 10-Day VWAP does not exceed the conversion price, we have the right to redeem all, but not less than all, outstanding shares of Series A Preferred Stock at the Stated Value plus the Minimum Return Amount on such redemption date.

On each of the third anniversary (only if the 10-Day VWAP immediately prior to such date does not exceed the conversion price), the seventh anniversary, the tenth anniversary and the thirteenth anniversary of the issue

date, the Preferred Stock Investor has the right to require us to redeem all, but not less than all, outstanding shares of Series A Preferred Stock at the Stated Value plus the Minimum Return Amount on such redemption date.

Upon a change of control of our company, we will redeem all, but not less than all, outstanding shares of Series A Preferred Stock for an amount equal to the greater of (i) the Stated Value plus the Minimum Return Amount on the date of the change of control and (ii) the amount of cash or other transaction consideration that the Preferred Stock Investor would be entitled to receive on an as-converted to common stock basis based on the then-applicable Conversion Ratio (for which the 10-Day VWAP equals the purchase price or transaction consideration per share of common stock in the change of control transaction).

In addition, upon the occurrence of certain regulatory events or strategic actions by us or the Preferred Stock Investor, we or the Preferred Stock Investor, as applicable, have the right to elect to redeem all, but not less than all, outstanding shares of Series A Preferred Stock at the Stated Value plus the applicable Minimum Return Amount (in case the 10-Day VWAP immediately prior to the date of notice of the election of such right does not exceed the conversion price) or convert all, but not less than all, outstanding shares of Series A Preferred Stock into a number of shares of our common stock equal to the Conversion Ratio on such date of notice plus, if there is a Conversion Shortfall, such additional number of shares of Common Stock that, when multiplied by the 10-Day VWAP immediately prior to such date of notice, equals the Conversion Shortfall (in case the 10-Day VWAP immediately prior to such date of notice exceeds the conversion price).

#### ***Voting Rights; Transfers***

The Preferred Stock Investor may not transfer, directly or indirectly, any shares of Series A Preferred Stock, other than (i) any transfer to us pursuant to the Certificate of Designation, (ii) any transfer to a domestic, majority-controlled affiliate of the Preferred Stock Investor, (iii) a transfer following our failure to redeem shares of Series A Preferred Stock in accordance with the Certificate of Designation, or (iv) any transfer following the prior approval by our board of directors or an authorized officer. The Series A Preferred Stock confers no voting rights on the Preferred Stock Investor, except (i) as required by applicable law and (ii) approval as a separate class with respect to (A) matters that adversely change the powers, preferences, privileges, rights or restrictions provided for the benefit of the Series A Preferred Stock, including the authorization or issuance of equity securities that would rank senior to or *pari passu* with the Series A Preferred Stock (other than, in certain cases, shares of a new series of preferred stock with substantially similar terms as the Series A Preferred Stock) and (B) any cash dividends payable on other classes or series of our capital stock in excess of a 5.0% annual dividend yield.

#### **Redeemable Convertible Preferred Stock**

As of June 30, 2023, there were 167,302,220 shares of redeemable convertible preferred stock outstanding. Immediately prior to the closing of this offering, these outstanding shares of redeemable convertible preferred stock will automatically convert into 167,691,828 shares of our voting common stock, which will be reclassified into common stock immediately prior to the closing of this offering. Upon the closing of this offering, our board of directors may, without further action by our stockholders, fix the rights, preferences, privileges, and restrictions of up to an aggregate of 30,000,000 shares of preferred stock in one or more series and authorize their issuance. These rights, preferences, and privileges could include dividend rights, conversion rights, voting rights, terms of redemption, liquidation preferences, sinking fund terms, and the number of shares constituting any series or the designation of such series, any or all of which may be greater than the rights of our common stock. The issuance of our preferred stock could adversely affect the voting power of holders of our common stock, and the likelihood that such holders will receive dividend payments and payments upon liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring, or preventing a change of control or other corporate action.



### **Options**

As of June 30, 2023, we had outstanding options under our equity compensation plans to purchase an aggregate of 8,509,812 shares of our non-voting common stock, with a weighted-average exercise price of \$12.71 per share, and an aggregate of 21,400,321 shares of our voting common stock, with a weighted-average exercise price of \$5.65 per share. Options to purchase 9,201,168 shares of our common stock will be net exercised in connection with this offering, with a weighted-average exercise price of \$5.99 per share, which will result in the net issuance of 4,080,971 shares of common stock (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 43% tax withholding rate). In addition, a selling stockholder will cash exercise 254,000 shares underlying an option to purchase our voting common stock in connection with the sale of all or a portion of such shares by such selling stockholder in this offering. All remaining options will become options to purchase an equivalent number of shares of common stock immediately prior to the closing of this offering.

### **Restricted Stock Units**

As of June 30, 2023, we had 63,467,028 shares of our non-voting common stock subject to outstanding RSUs under our 2018 Plan. In connection with this offering, we will issue a number of new shares of our non-voting common stock in connection with the vesting and settlement of certain outstanding RSUs subject to service-based, market-based, and/or liquidity event-based vesting conditions for which the service-based vesting condition and the market-based vesting condition, as applicable, were or will be fully or partially satisfied prior to this offering and the liquidity event-based vesting condition will be satisfied upon the effectiveness of the registration statement of which this prospectus forms a part, after giving effect to the withholding of shares of common stock to satisfy the associated estimated tax withholding and remittance obligations, including 17,638,627 shares of our non-voting common stock that we expect to issue in the RSU Net Settlement and the Additional RSU Net Settlement (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate). All remaining RSUs will become an equivalent number of shares of common stock subject to outstanding RSUs under our 2013 Plan or 2018 Plan, as applicable, immediately prior to the closing of this offering.

### **Warrants**

As of June 30, 2023, we had outstanding a warrant to purchase an aggregate of up to 7,431,530 shares of our non-voting common stock, which was fully vested and exercisable, with an exercise price of \$18.52 per share, which will become warrants to purchase an equivalent number of shares of common stock immediately prior to the closing of this offering. This warrant, which would otherwise expire in November 2023, will be net exercised in connection with this offering, which will result in the net issuance of 2,334,023 shares of common stock (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus).

### **Exchangeable Shares**

As of June 30, 2023, we had outstanding exchangeable shares of our subsidiary, Aspen, which shares will be automatically exchanged for 688,787 shares of our non-voting common stock in connection with the effectiveness of the registration statement of which this prospectus forms a part, and subsequently converted into an equivalent number of shares of voting common stock and reclassified into common stock immediately prior to the closing of this offering.

### **Registration Rights**

The investors' rights agreement to which we are party provides that certain holders of our capital stock have certain registration rights as set forth below. The registration of shares of our capital stock by the exercise of

registration rights described below would enable the holders to sell these shares without restriction under the Securities Act when the applicable registration statement is declared effective. We will pay the registration expenses, other than underwriting discounts and commissions, of the shares registered by the demand, piggyback, and Form S-3 registrations described below.

The demand, piggyback, and Form S-3 registration rights described below will expire five years after the closing of this offering, or with respect to any particular stockholder, such time after the closing of this offering that such stockholder can sell all of its shares entitled to registration rights under Rule 144 of the Securities Act during any 90-day period.

#### ***Demand Registration Rights***

Subject to certain exceptions, upon election by the requisite holders, the holders of an aggregate of approximately 178.6 million shares of our common stock, based on our shares outstanding as of June 30, 2023, will be entitled to certain demand registration rights. At any time beginning 180 days after the closing of this offering, certain holders of these shares may request that we register all or a portion of the registrable shares. We are obligated to effect only two such registrations. Such request for registration must cover at least 40% of such shares or such lesser amount as would have an anticipated aggregate offering price, net of selling expenses, in excess of \$10 million.

#### ***Piggyback Registration Rights***

After the closing of this offering, in the event that we propose to register any of our securities under the Securities Act, either for our own account or for the account of other security holders, the holders of an aggregate of approximately 218.1 million shares of our common stock, based on our shares outstanding as of June 30, 2023, will be entitled to certain piggyback registration rights allowing the holder to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, other than with respect to a registration relating to (i) the issuance of securities by us or by a subsidiary pursuant to a stock option, stock purchase, or similar plan, (ii) an SEC Rule 145 transaction, or (iii) a registration in which the only stock being registered is stock issuable upon conversion of debt securities that are also being registered, the holders of these shares are entitled to notice of the registration and have the right to include their shares in the registration, subject to limitations that the underwriters may impose on the number of shares included in the offering.

#### ***Form S-3 Registration Rights***

Based on our shares outstanding as of June 30, 2023, the holders of an aggregate of approximately 178.6 million shares of our common stock will be entitled to certain Form S-3 registration rights. At any time beginning 90 days after the closing of this offering, the holders of these shares can make a request that we register their shares on Form S-3 if we are qualified to file a registration statement on Form S-3 and if the anticipated aggregate price of the shares offered would equal or exceed \$3.0 million. We will not be required to effect more than two registrations on Form S-3 within any 12-month period.

#### ***Anti-Takeover Effects of Delaware Law and Our Certificate of Incorporation and Bylaws***

Some provisions of Delaware law and our amended and restated certificate of incorporation and our amended and restated bylaws that will each be in effect immediately prior to the closing of this offering contain or will contain provisions that could make the following transactions more difficult: an acquisition of us by means of a tender offer; an acquisition of us by means of a proxy contest or otherwise; or the removal of our incumbent officers and directors. It is possible that these provisions could make it more difficult to accomplish or could deter transactions that stockholders may otherwise consider to be in their best interest or in our best interests, including transactions which provide for payment of a premium over the market price for our shares.

These provisions, summarized below, are intended to discourage coercive takeover practices and inadequate takeover bids. These provisions are also designed to encourage persons seeking to acquire control of us to first negotiate with our board of directors. We believe that the benefits of the increased protection of our potential ability to negotiate with the proponent of an unfriendly or unsolicited proposal to acquire or restructure us outweigh the disadvantages of discouraging these proposals because negotiation of these proposals could result in an improvement of their terms.

***Preferred Stock***

In addition to the shares of Series A Preferred Stock, our board of directors will have the authority, without further action by our stockholders, to issue up to 23,518,519 shares of undesignated preferred stock with rights and preferences, including voting rights, designated from time to time by our board of directors (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus). 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.

***Stockholder Meetings***

Our amended and restated certificate of incorporation will provide that a special meeting of stockholders may be called only by our chairperson of the board, chief executive officer, or president or by a resolution adopted by a majority of our board of directors.

***Requirements for Advance Notification of Stockholder Nominations and Proposals***

Our amended and restated bylaws will establish advance notice procedures with respect to stockholder proposals to be brought before a stockholder meeting and the nomination of candidates for election as directors, other than nominations made by or at the direction of the board of directors or a committee of the board of directors.

***Elimination of Stockholder Action by Written Consent***

Subject to the rights of the holders of any series of preferred stock then outstanding, our amended and restated certificate of incorporation and amended and restated bylaws will eliminate the right of stockholders to act by written consent without a meeting.

***Staggered Board***

Our board of directors will be divided into three classes. The directors in each class will serve for a three-year term, one class being elected each year by our stockholders. For more information on the classified board, see the section titled “Management—Composition of Our Board of Directors.” This system of electing and removing directors may tend to discourage a third party from making a tender offer or otherwise attempting to obtain control of us, because it generally makes it more difficult for stockholders to replace a majority of the directors.

***Removal of Directors***

Our amended and restated certificate of incorporation will provide that, subject to the rights of any series of preferred stock to remove directors elected by such series of preferred stock, no member of our board of directors may be removed from office by our stockholders except for cause and, in addition to any other vote required by law, upon the approval of not less than 66 2/3% of the total voting power of all of our outstanding voting stock then entitled to vote in the election of directors.

***Stockholders Not Entitled to Cumulative Voting***

Our amended and restated certificate of incorporation will not permit stockholders to cumulate their votes in the election of directors. Accordingly, the holders of a majority of the outstanding voting power of our outstanding shares of common stock entitled to vote in any election of directors can elect all of the directors standing for election, if they choose, other than any directors that holders of our preferred stock may be entitled to elect.

***Delaware Anti-Takeover Statute***

We are subject to Section 203 of the Delaware General Corporation Law, which prohibits persons deemed to be “interested stockholders” from engaging in a “business combination” with a publicly held Delaware corporation for three years following the date these persons become interested stockholders unless the business combination is, or the transaction in which the person became an interested stockholder was, approved in a prescribed manner or another prescribed exception applies. Generally, an “interested stockholder” is a person who, together with affiliates and associates, owns, or within three years prior to the determination of interested stockholder status did own, 15% or more of a corporation’s voting stock. Generally, a “business combination” includes a merger, asset, or stock sale or other transaction resulting in a financial benefit to the interested stockholder. The existence of this provision may have an anti-takeover effect with respect to transactions not approved in advance by the board of directors.

***Choice of Forum***

Our amended and restated certificate of incorporation to be effective immediately prior to the closing of this offering will provide that the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) and any appellate court therefrom shall be the sole and exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (i) any derivative action or proceeding brought on our behalf; (ii) any action or proceeding asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers, or other employees to us or our stockholders; (iii) any action or proceeding asserting a claim against us or any of our current or former directors, officers, or other employees arising out of or pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation, or our amended and restated bylaws; (iv) any action or proceeding to interpret, apply, enforce, or determine the validity of our amended and restated certificate of incorporation or our amended and restated bylaws (including any right, obligation, or remedy thereunder); (v) any action or proceeding as to which the Delaware General Corporation Law confers jurisdiction to the Court of Chancery of the State of Delaware; and (vi) any action or proceeding asserting a claim against us or any of our current or former directors, officers, or other employees that is governed by the internal-affairs doctrine or otherwise related to our internal affairs, in all cases to the fullest extent permitted by law and subject to the court’s having personal jurisdiction over the indispensable parties named as defendants. This choice of forum provision would not apply to suits brought to enforce a duty or liability created by the Securities Act or Exchange Act or any other claim for which the federal courts have exclusive jurisdiction.

Our amended and restated certificate of incorporation to be effective immediately prior to the closing of this offering will further provide that, unless we consent in writing to the selection of an alternative forum, to the fullest extent permitted by law, the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause or causes of action arising under the Securities Act, including all causes of action asserted against any defendant to such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by us, our officers and directors, the underwriters to any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering.

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

### ***Amendment of Charter Provisions***

The amendment of any of the above provisions, except for the provision making it possible for our board of directors to issue preferred stock, would require approval by holders of at least two-thirds of the total voting power of all of our outstanding voting stock.

The provisions of Delaware law and our amended and restated certificate of incorporation and amended and restated bylaws that will each be in effect immediately prior to the closing of this offering could have the effect of discouraging others from attempting hostile takeovers and, as a consequence, they may also inhibit temporary fluctuations in the market price of our common stock that often result from actual or rumored hostile takeover attempts. These provisions may also have the effect of preventing changes in the composition of our board and management. It is possible that these provisions could make it more difficult to accomplish transactions that stockholders may otherwise deem to be in their best interests.

### **Transfer Agent and Registrar**

The transfer agent and registrar for our common stock will be Computershare Trust Company, N.A. The transfer agent and registrar's address is 250 Royall Street, Canton, Massachusetts 02021.

### **Exchange Listing**

Our common stock is currently not listed on any securities exchange. We have applied to list our common stock on Nasdaq under the symbol "CART."

## SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there had been no public market for our common stock. Future sales of substantial amounts of our common stock in the public market, or the perception that such sales may occur, could adversely affect the market price of our common stock. Although we have applied to list our common stock listed on Nasdaq, we cannot assure you that there will be an active public market for our common stock.

Immediately following the closing of this offering, based on the number of shares of our voting common stock and non-voting common stock outstanding as of June 30, 2023, and assuming (i) the Exchangeable Share Conversion, resulting in the issuance of 688,787 shares of our non-voting common stock in exchange for all outstanding exchangeable shares; (ii) the net issuance of 14,633,956 shares of our non-voting common stock in connection with the RSU Net Settlement (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate); (iii) the repurchase and cancellation of 132,188 shares of our outstanding non-voting restricted stock in connection with the RSA Cancellation (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 47% tax withholding rate); (iv) the net issuance of 4,080,971 shares of our common stock in connection with the Option Net Exercise (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus, and an assumed 43% tax withholding rate); (v) the issuance of 254,000 shares of our voting common stock in connection with the Option Cash Exercise; (vi) the net issuance of 2,334,023 shares of our non-voting common stock in connection with the Warrant Net Exercise (based on the assumed initial public offering price of \$27.00 per share, the midpoint of the price range set forth on the cover page of this prospectus); (vii) the conversion of all outstanding shares of our non-voting common stock and shares of our non-voting common stock underlying outstanding equity securities into an equivalent number of shares of our voting common stock immediately prior to the closing of this offering; (viii) the Preferred Stock Conversion, resulting in the issuance of 167,691,828 shares of our voting common stock; and (ix) the reclassification of all outstanding shares of our voting common stock and shares of our voting common stock underlying outstanding equity securities into an equivalent number of shares of common stock immediately prior to the closing of this offering, we will have outstanding an aggregate of 276,027,344 shares of common stock.

Of these shares, all shares of common stock sold in this offering including any shares sold upon exercise, if any, of the underwriters' option to purchase additional shares of common stock, will be freely tradable without restriction or further registration under the Securities Act, except for any shares purchased by our "affiliates," as that term is defined in Rule 144 under the Securities Act. Shares purchased by our affiliates would be subject to the Rule 144 resale restrictions described below, other than the holding period requirement.

The remaining outstanding shares of common stock will be, and the Series A Preferred Stock and shares subject to stock options and RSUs will be upon issuance, deemed "restricted securities" as 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 Rule 144 or Rule 701 under the Securities Act, each of which is summarized below. Substantially all of these shares will be subject to a lock-up period under the lock-up agreements and market stand-off provisions described below.

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As a result of the lock-up agreements and market stand-off provisions described below, and subject to the provisions of Rule 144 or Rule 701 under the Securities Act and of our insider trading policy, the earliest these restricted securities may be available for sale in the public market is as follows:

<u>Earliest Date Available for Sale in the Public Market</u>	<u>Number of Shares of Common Stock</u>
The opening of trading on the first trading day after any 10-consecutive trading day period during which the closing price of our common stock on Nasdaq has exceeded 120% of the initial public offering price per share set forth on the cover page of this prospectus for at least five (5) trading days (one of which must be a trading day occurring after the date of our public announcement of earnings for the first completed quarterly period following the most recent period for which financial statements are included in this prospectus, or the Initial Earnings Release) out of such 10-consecutive trading day period; provided that such release date occurs in a broadly applicable “open trading window” period.	Up to 11.3 million shares held by Employee Stockholders (as defined below).
The earlier of (i) the opening of trading on the date on which a broadly applicable “open trading window” period commences following our public release of earnings for the second completed quarterly period following the most recent period for which financial statements are included in this prospectus, or the Second Earnings Release and (ii) the end of the 180 <sup>th</sup> day after the date set forth in his prospectus.	All remaining shares held by our stockholders not previously eligible for sale, subject to applicable limitations under Rule 144, including for “affiliates” and compliance with other applicable law, as described below.

### **Lock-up Agreements and Market Stand-off Provisions**

We, our directors and executive officers, and holders of substantially all of our common stock and securities exercisable for or convertible into our common stock have agreed, or will agree, with the underwriters that, subject to certain exceptions, without the prior written consent of Goldman Sachs & Co. LLC 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:

- offer, sell, contract to sell, pledge, grant any option to purchase, lend, or otherwise dispose of any shares of our common stock, or any options or warrants to purchase any shares of our common stock, or any securities convertible into, exchangeable for, or that represent the right to receive, shares of our common stock, whether now owned or hereinafter acquired;
- engage in any hedging or other transaction or arrangement that is designed to or that reasonably could be expected to lead to or result in a sale, loan, pledge, or other disposition, or transfer of any of the economic consequences of ownership, in whole or in part, directly or indirectly, of any shares of our common stock, or any securities convertible into, exchangeable for, or that represent the right to receive, shares of our common stock, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of common stock or other securities, in cash or otherwise; or
- make any demand for or exercise any right with respect to the registration of any shares of our common stock, or any securities convertible into, exchangeable for, or that represent the right to receive, shares of our common stock.

Notwithstanding the foregoing:

- (A) if (i) a holder is an employee and is not one of our directors, our Chief Executive Officer, Chief Financial Officer or Chief Operating Officer, or one of our co-founders as of the fifth calendar day prior to the date of the Initial Earnings Release, any such person, an Employee Stockholder, and (ii) the closing price of our common stock on Nasdaq has exceeded 120% of the initial public offering price per share set forth on the cover page of this prospectus for at least five (5) trading days (one of which must be a trading day occurring after the date of the Initial Earnings Release) out of any 10-consecutive trading day period, provided that such release date occurs in a broadly applicable “open trading window” period, such Employee Stockholder may sell in the public market, beginning at the opening of trading on the first trading day after the applicable 10-consecutive trading day period, up to 35% of the aggregate of the outstanding shares of common stock that are held by such Employee Stockholder as of August 15, 2023, and the fully vested securities convertible into, exchangeable, or exercisable for common stock that are held by such Employee Stockholder as of August 15, 2023; and
- (B) the lock-up period will fully terminate on the earlier of (1) the opening of trading on the date on which a broadly applicable “open trading window” period commences following the Second Earnings Release and (2) the end of the 180th day after the date of this prospectus.

The number of shares eligible for early release in the first release period equals approximately 11.3 million shares, including approximately 10.8 million shares issuable upon exercise of vested options and settlement of RSUs.

In addition to the restrictions contained in the lock-up agreements described above, the holders of outstanding equity awards and holders of outstanding common stock issued pursuant to the vesting, settlement, or exercise of equity awards, are subject to market stand-off provisions in agreements with us that impose similar restrictions on the ability of such security holders to offer, sell or transfer our equity securities for a period of 180 days following the date of this prospectus.

#### **Rule 144**

##### ***Affiliate Resales of Restricted Securities***

In general, 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 an affiliate of ours, or who was an affiliate at any time during the 90 days before a sale, who has beneficially owned shares of our capital stock for at least six months would be entitled to sell in “broker’s transactions” or certain “riskless principal transactions” or to market makers, a number of shares within any three-month period that does not exceed the greater of:

- 1% of the number of shares of our common stock then outstanding, which will equal approximately 2,760,273 shares immediately after this offering; or
- the average weekly trading volume in our common stock on Nasdaq during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Affiliate resales under Rule 144 are also subject to the availability of current public information about us. In addition, if the number of shares being sold under Rule 144 by an affiliate during any three-month period exceeds 5,000 shares or has an aggregate sale price in excess of \$50,000, the seller must file a notice on Form 144 with the SEC concurrently with either the placing of a sale order with the broker or the execution of a sale directly with a market maker.

##### ***Non-Affiliate Resales of Restricted Securities***

In general, 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 an affiliate of ours at the time of sale,



has not been an affiliate at any time during the three months preceding a sale, and has beneficially owned shares of our capital stock for at least six months but less than a year, is entitled to sell such shares subject only to the availability of current public information about us. If such person has held our shares for at least one year, such person can resell under Rule 144(b)(1) without regard to any Rule 144 restrictions, including the 90-day public company requirement and the current public information requirement.

Non-affiliate resales are not subject to the manner of sale, volume limitation, or notice filing provisions of Rule 144.

#### **Rule 701**

In general, under Rule 701, any of our employees, directors, officers, consultants, or advisors who purchases shares from us in connection with a compensatory stock or option plan or other written agreement before the effectiveness of a registration statement under the Securities Act is entitled to sell such shares 90 days after such effectiveness in reliance on Rule 144. Securities issued in reliance on Rule 701 are restricted securities and, subject to the contractual restrictions described above, beginning 90 days after the date of this prospectus, may be sold by persons other than “affiliates,” as defined in Rule 144, without regard to any Rule 144 restrictions, and by “affiliates” under Rule 144, subject to the current public information, manner of sale, volume limitation, or notice filing requirements.

#### **Form S-8 Registration Statement**

We intend to file one or more registration statements on Form S-8 under the Securities Act to register all shares of our common stock subject to outstanding stock options under our 2013 Plan and 2018 Plan and all shares of our common stock issued or issuable under our 2023 Plan and our ESPP, as applicable. We expect to file the registration statement covering shares offered pursuant to these stock plans on or shortly after the date of this prospectus, permitting the resale of such shares by non-affiliates in the public market without restriction under the Securities Act and the sale by affiliates in the public market subject to compliance with the resale provisions of Rule 144.

#### **Registration Rights**

As of June 30, 2023, holders of up to approximately 218.1 million shares of our common stock, which includes all of the shares of common stock issuable upon the conversion of our redeemable convertible preferred stock immediately prior to the closing of this offering, or their transferees, will be entitled to various rights with respect to the registration of these shares under the Securities Act upon the closing of this offering. 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 statement, except for shares purchased by affiliates. See the section titled “Description of Capital Stock—Registration Rights” for additional information.

## MATERIAL U.S. FEDERAL INCOME TAX CONSEQUENCES TO NON-U.S. HOLDERS OF OUR COMMON STOCK

The following is a summary of certain material U.S. federal income tax consequences to non-U.S. holders (as defined below) of the ownership and disposition of our common stock offered pursuant to this prospectus. This discussion is not a complete analysis of all potential U.S. federal income tax consequences relating thereto, does not address the potential application of the Medicare contribution tax on net investment income or the alternative minimum tax, and does not address any estate or gift tax consequences or any tax consequences arising under any state, local, or non-U.S. tax laws, or any other U.S. federal tax laws. This discussion is based on the Code and applicable Treasury Regulations promulgated thereunder, published rulings, and administrative pronouncements of the Internal Revenue Service, or IRS, and judicial decisions, all as in effect as of the date hereof. These authorities are subject to differing interpretations and may change, possibly retroactively, resulting in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with such statements and conclusions.

This discussion is limited to non-U.S. holders who purchase our common stock offered by this prospectus and who hold our common stock as a “capital asset” within the meaning of Section 1221 of the Code (generally, property held for investment). This discussion does not address all of the U.S. federal income tax consequences that may be relevant to a particular holder in light of such holder’s particular circumstances. This discussion also does not consider any specific facts or circumstances that may be relevant to holders subject to special rules under the U.S. federal income tax laws, including:

- certain former citizens or long-term residents of the United States;
- partnerships or other entities or arrangements treated as partnerships, pass-throughs, or disregarded entities for U.S. federal income tax purposes (and investors therein);
- “controlled foreign corporations;”
- “passive foreign investment companies;”
- corporations that accumulate earnings to avoid U.S. federal income tax;
- banks, financial institutions, investment funds, insurance companies, brokers, dealers, or traders in securities;
- tax-exempt organizations and governmental organizations;
- tax-qualified retirement plans;
- persons that own, or have owned, actually or constructively, more than 5% of our common stock;
- “qualified foreign pension funds” as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds;
- persons who have elected to mark securities to market; and
- persons holding our common stock as part of a hedging or conversion transaction or straddle, or a constructive sale, or other risk reduction strategy or integrated investment.

If an entity or arrangement that is classified as a partnership for U.S. federal income tax purposes holds our common stock, the U.S. federal income tax treatment of a partner in the partnership generally will depend on the status of the partner and the activities of the partnership. Partnerships holding our common stock and the partners in such partnerships are urged to consult their tax advisors about the particular U.S. federal income tax consequences to them of holding and disposing of our common stock.

**THIS DISCUSSION IS FOR INFORMATIONAL PURPOSES ONLY AND IS NOT TAX ADVICE. PROSPECTIVE INVESTORS SHOULD CONSULT THEIR TAX ADVISORS REGARDING THE PARTICULAR U.S. FEDERAL INCOME TAX CONSEQUENCES TO THEM OF ACQUIRING, OWNING, AND DISPOSING OF OUR COMMON STOCK, AS WELL AS ANY TAX CONSEQUENCES ARISING UNDER ANY STATE, LOCAL, OR NON-U.S. TAX LAWS AND ANY OTHER U.S. FEDERAL TAX LAWS.**

#### **Definition of Non-U.S. Holder**

For purposes of this discussion, a non-U.S. holder is any beneficial owner of our common stock that is not a “U.S. person” or a partnership (including any entity or arrangement treated as a partnership) for U.S. federal income tax purposes. A U.S. person is any person that, for U.S. federal income tax purposes, is or is treated as any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation (or entity treated as a corporation for U.S. federal income tax purposes) created or organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income tax regardless of its source; or
- a trust (1) whose administration is subject to the primary supervision of a U.S. court and which has one or more U.S. persons who have the authority to control all substantial decisions of the trust or (2) that has a valid election in effect under applicable Treasury Regulations to be treated as a U.S. person.

#### **Distributions on Our Common Stock**

As described in the section titled “Dividend Policy,” we have not paid and do not anticipate paying dividends in the foreseeable future. However, if we make cash or other property distributions on our common stock, such distributions will constitute dividends for U.S. federal income tax purposes to the extent paid from our current or accumulated earnings and profits, as determined under U.S. federal income tax principles. Amounts that exceed such current and accumulated earnings and profits and, therefore, are not treated as dividends for U.S. federal income tax purposes will constitute a return of capital, and will first be applied against and reduce a holder’s tax basis in our common stock, but not below zero. Any amount distributed in excess of basis will be treated as gain realized on the sale or other disposition of our common stock and will be treated as described under the section titled “—Gain on Disposition of Our Common Stock” below.

Subject to the discussions below regarding effectively connected income, backup withholding, and Sections 1471 through 1474 of the Code, or FATCA, dividends paid to a non-U.S. holder of our common stock generally will be subject to U.S. federal withholding tax at a rate of 30% of the gross amount of the dividends, or such lower rate specified by an applicable income tax treaty. To receive the benefit of a reduced treaty rate, a non-U.S. holder must furnish us or our paying agent with a valid IRS Form W-8BEN or IRS Form W-8BEN-E (or applicable successor form) certifying such holder’s qualification for the reduced rate. This certification must be provided to us or our paying agent before the payment of dividends and must be updated periodically. If the non-U.S. holder holds the stock through a financial institution or other agent acting on the non-U.S. holder’s behalf, the non-U.S. holder will be required to provide appropriate documentation to the agent, which then will be required to provide certification to us or our paying agent, either directly or through other intermediaries.

Non-U.S. holders that do not provide the required certification on a timely basis, but that qualify for a reduced treaty rate, may obtain a refund of any excess amounts withheld by timely filing an appropriate claim for refund with the IRS.

If a non-U.S. holder holds our common stock in connection with the conduct of a trade or business in the United States, and dividends paid on our common stock are effectively connected with such holder’s U.S. trade

or business (and if required by an applicable tax treaty, are attributable to such holder's permanent establishment in the United States), the non-U.S. holder generally will be exempt from U.S. federal withholding tax. To claim the exemption, the non-U.S. holder generally must furnish a valid IRS Form W-8ECI (or applicable successor form) to the applicable withholding agent.

However, any such effectively connected dividends paid on our common stock generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

#### **Gain on Disposition of Our Common Stock**

Subject to the discussions below regarding backup withholding and FATCA, a non-U.S. holder generally will not be subject to U.S. federal income tax on any gain realized on the sale or other disposition of our common stock, unless:

- the gain is effectively connected with the non-U.S. holder's conduct of a trade or business in the United States, and if required by an applicable income tax treaty, is attributable to a permanent establishment maintained by the non-U.S. holder in the United States;
- the non-U.S. holder is a nonresident alien individual present in the United States for 183 days or more during the taxable year of the disposition, and certain other requirements are met; or
- our common stock constitutes a "United States real property interest" by reason of our status as a United States real property holding corporation, or USRPHC, for U.S. federal income tax purposes at any time within the shorter of the five-year period preceding the disposition or the non-U.S. holder's holding period for our common stock, and our common stock is not regularly traded on an established securities market as defined by applicable Treasury Regulations.

Determining whether we are a USRPHC depends on the fair market value of our U.S. real property interests relative to the fair market value of our other trade or business assets and our foreign real property interests. We believe that we are not currently and do not anticipate becoming a USRPHC for U.S. federal income tax purposes, although there can be no assurance we will not in the future become a USRPHC. Even if we are or were to become a USRPHC, gain arising from the sale or other taxable disposition by a non-U.S. holder of our common stock generally will not be subject to U.S. federal income tax if our common stock is "regularly traded," as defined by applicable Treasury Regulations, on an established securities market.

Gain described in the first bullet point above generally will be subject to U.S. federal income tax on a net income basis at the regular U.S. federal income tax rates in the same manner as if such holder were a resident of the United States. A non-U.S. holder that is a foreign corporation also may be subject to an additional branch profits tax equal to 30% (or such lower rate specified by an applicable income tax treaty) of its effectively connected earnings and profits for the taxable year, as adjusted for certain items. Gain described in the second bullet point above will be subject to U.S. federal income tax at a flat 30% rate (or such lower rate specified by an applicable income tax treaty), but may be offset by certain U.S.-source capital losses (even though the individual is not considered a resident of the United States), provided that the non-U.S. holder has timely filed U.S. federal income tax returns with respect to such losses. Non-U.S. holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

### **Information Reporting and Backup Withholding**

Annual reports are required to be filed with the IRS and provided to each non-U.S. holder indicating the amount of distributions on our common stock paid to such holder and the amount of any tax withheld with respect to those distributions. These information reporting requirements apply even if no withholding was required (because the distributions were effectively connected with the holder's conduct of a U.S. trade or business, or withholding was reduced or eliminated by an applicable income tax treaty). This information also may be made available under a specific treaty or agreement with the tax authorities in the country in which the non-U.S. holder resides or is established. Backup withholding, currently at a 24% rate, generally will not apply to payments to a non-U.S. holder of dividends on or the gross proceeds of a disposition of our common stock provided the non-U.S. holder furnishes the required certification for its non-U.S. status, such as by providing a valid IRS Form W-8BEN, IRS Form W-8BEN-E, or IRS Form W-8ECI, or certain other requirements are met. Backup withholding may apply if the payor has actual knowledge, or reason to know, that the holder is a U.S. person who is not an exempt recipient.

Backup withholding is not an additional tax. If any amount is withheld under the backup withholding rules, the non-U.S. holder should consult with a U.S. tax advisor regarding the possibility of and procedure for obtaining a refund or a credit against the non-U.S. holder's U.S. federal income tax liability, if any.

### **Withholding on Foreign Entities**

FATCA imposes a U.S. federal withholding tax of 30% on certain payments made to a "foreign financial institution" (as specially defined under these rules) unless such institution enters into an agreement with the U.S. government to withhold on certain payments and to collect and provide to the U.S. tax authorities substantial information regarding certain U.S. account holders of such institution (which includes certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners) or an exemption applies. FATCA also generally will impose a U.S. federal withholding tax of 30% on certain payments made to a non-financial foreign entity unless such entity provides the withholding agent a certification identifying certain direct and indirect U.S. owners of the entity or an exemption applies. An intergovernmental agreement between the United States and an applicable foreign country may modify these requirements. Under certain circumstances, a non-U.S. holder might be eligible for refunds or credits of such taxes. FATCA applies to dividends paid on our common stock and, subject to the proposed Treasury Regulations described below, also applies to gross proceeds from sales or other dispositions of our common stock. The U.S. Treasury Department released proposed Treasury Regulations which, if finalized in their present form, would eliminate the federal withholding tax of 30% applicable to the gross proceeds of a disposition of our common stock. In its preamble to such proposed Treasury Regulations, the U.S. Treasury Department stated that taxpayers generally may rely on the proposed Treasury Regulations until final regulations are issued.

Prospective investors are encouraged to consult with their own tax advisors regarding the possible implications of this legislation on their investment in our common stock.

**UNDERWRITING**

We, the selling stockholders, and the underwriters named below have entered into an underwriting agreement with respect to the shares being offered. Subject to certain conditions, each underwriter has severally agreed to purchase the number of shares indicated in the following table. Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC are the representatives of the underwriters.

<u>Underwriters</u>	<u>Number of Shares</u>
Goldman Sachs & Co. LLC	
J.P. Morgan Securities LLC	
BofA Securities, Inc.	
Barclays Capital Inc.	
Citigroup Global Markets Inc.	
Robert W. Baird & Co. Incorporated	
Citizens JMP Securities, LLC	
LionTree Advisors LLC	
Oppenheimer & Co. Inc.	
Piper Sandler & Co.	
SoFi Securities LLC	
Stifel, Nicolaus & Company, Incorporated	
Wedbush Securities Inc.	
Blaylock Van, LLC	
Drexel Hamilton, LLC	
Loop Capital Markets LLC	
R. Seelaus & Co., LLC	
Samuel A. Ramirez & Company, Inc.	
Stern Brothers & Co.	
Tigress Financial Partners LLC	
Total	<u>22,000,000</u>

The underwriters are committed to take and pay for all of the shares being offered, if any are taken, other than the shares covered by the option described below unless and until this option is exercised.

The underwriters have an option to buy up to an additional 3,300,000 shares from us to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following tables show the per share and total underwriting discounts and commissions to be paid to the underwriters by us and the selling stockholders. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase 3,300,000 additional shares from us.

**Paid by Us**

	<u>No Exercise</u>	<u>Full Exercise</u>
Per Share	\$	\$
Total	\$	\$

**Paid by the Selling Stockholders**

	<u>No Exercise</u>	<u>Full Exercise</u>
Per Share	\$	\$
Total	\$	\$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers may be sold at a discount of up to \$ \_\_\_\_\_ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

Norges Bank Investment Management, a division of Norges Bank, and entities affiliated with TCV, Sequoia Capital, D1 Capital Partners, L.P., and Valiant Capital Management, which we refer to collectively as the cornerstone investors, have indicated an interest, severally and not jointly, in purchasing shares of common stock in an aggregate amount of up to approximately \$400 million in this offering at the initial public offering price per share and on the same terms as the other purchasers in this offering. Sequoia Capital and D1 Capital Partners are significant stockholders and affiliates of members of our board of directors. Because indications of interest are not binding agreements or commitments to purchase, the underwriters could determine to sell more, fewer, or no shares to any of the cornerstone investors, and any of the cornerstone investors could determine to purchase more, fewer, or no shares in this offering. The underwriters will receive the same underwriting discounts and commissions on these shares as they will on any other shares sold to the public in this offering.

We, our directors and executive officers, and holders of substantially all of our common stock, including the selling stockholders, have agreed or will agree, subject to certain exceptions and provisions that may allow for the earlier release of shares, not to dispose of or hedge any of their common stock or securities convertible into or exchangeable for shares of common stock during the period from the date of this prospectus continuing through the date that is 180 days after the date of this prospectus, subject to earlier termination on the date on which an open trading window period commences following our release of earnings for the quarter ending December 31, 2023, except with the prior written consent of Goldman Sachs & Co. LLC. See the section titled "Shares Eligible for Future Sale" for a discussion of certain early release provisions and transfer restrictions.

The foregoing restrictions on our directors, executive officers, and other holders of our common stock do not apply to, among other things, and subject in certain cases to various conditions:

- (i) transfers as bona fide gifts, charitable contributions, or for bona fide estate planning purposes;
- (ii) transfers upon death by will, testamentary document, or the laws of intestate succession;
- (iii) transfers to immediate family members or to any trust for the direct or indirect benefit of the holder or the immediate family of the holder or, if the holder is a trust, to a trustor or beneficiary of the trust or the estate of a beneficiary of such trust;
- (iv) transfers to a partnership, limited liability company, or other entity of which the holder and the immediate family of the holder are the legal and beneficial owner of all of the outstanding equity securities or similar interests;
- (v) transfers to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (i) through (iv) above;
- (vi) transfers by a business entity (A) to an affiliated or controlled entity or (B) as part of a distribution to the holder's stockholders, partners, members, or other equityholders or to the estate of any such stockholders, partners, members, or other equityholders;

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- (vii) transfers by operation of law, such as pursuant to a qualified domestic order, divorce settlement, divorce decree, or separation agreement;
- (viii) transfers to us from one of our employees upon their death, disability, or termination of employment;
- (ix) if the holder is not an officer or director, transfers of shares acquired (A) from the underwriters in this offering or (B) in open market transactions after the closing of this offering;
- (x) transfers to us in connection with the vesting, settlement, or exercise of RSUs, restricted stock, options, warrants, or other rights to purchase shares of our common stock (including, in each case, by way of “net” or “cashless” exercise and/or to cover withholding tax obligations or remittance payments), in each case granted under a stock incentive plan or other equity award plan or arrangement described in the prospectus;
- (xi) transfers to satisfy tax obligations or payments due as a result of (A) if the holder’s employment with us has terminated, the exercise of stock options that will expire during the lock-up period, or (B) the settlement of RSUs pursuant to awards granted under a stock incentive plan or other equity award plan or arrangement described in this prospectus;
- (xii) transfers to us in connection with the conversion, exchange, or reclassification of our outstanding equity securities into shares of our common stock, or any reclassification, exchange, or conversion of our common stock, in each case as described in this prospectus;
- (xiii) transfers to us in connection with a tender offer or other repurchase transaction that is approved by our board of directors and consummated prior to the date of the first amendment to the registration statement of which this prospectus forms a part that contains a bona fide price range per share to the public;
- (xiv) transfers to the underwriters pursuant to the underwriting agreement;
- (xv) transfers in connection with the termination of employment of an employee, including following voluntary resignation of such employee, if such transfers or dispositions are determined by us to be required under applicable law;
- (xvi) entry into a written plan meeting the requirements of Rule 10b5-1 under the Exchange Act relating to the transfer of shares of common stock, provided that shares of common stock subject to such plan may not be sold during the lock-up period; and
- (xvii) transfers pursuant to a bona fide third-party tender offer, merger, consolidation, or other similar transaction that is approved by our board of directors and made to all holders of our common stock, and which involves a change in control.

Goldman Sachs & Co. LLC, in its 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.

Prior to the offering, there has been no public market for the shares of common stock. The initial public offering price has been negotiated among us and the representatives. Among the factors to be considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be the company’s historical performance, estimates of the business potential and earnings prospects of the company, an assessment of the company’s management, and the consideration of the above factors in relation to market valuation of companies in related businesses.

We currently anticipate that up to an aggregate of 1% of the shares of common stock offered hereby will, at our request, be offered to retail investors through SoFi, as an underwriter, or Robinhood, as a selling group member, via their online brokerage platforms. Such platforms are not affiliated with us. Purchases through such platforms will be subject to the terms, conditions, and requirements set by such platforms. Any purchase of shares of our common stock in this offering through such platforms will be at the same initial public offering



price, and at the same time, as any other purchases in this offering, including purchases by institutions and other large investors. The SoFi and Robinhood platforms and information on their respective applications do not form a part of this prospectus.

We have applied to list our common stock on Nasdaq under the symbol “CART.”

In connection with the offering, the underwriters may purchase and sell shares of common stock in the open market. These transactions may include short sales, stabilizing transactions, and purchases to cover positions created by short sales. Short sales involve the sale by the underwriters of a greater number of shares than they are required to purchase in the offering, and a short position represents the amount of such sales that have not been covered by subsequent purchases. A “covered short position” is a short position that is not greater than the amount of additional shares for which the underwriters’ option described above may be exercised. The underwriters may cover any covered short position by either exercising their option to purchase additional shares or purchasing shares in the open market. In determining the source of shares to cover the covered short position, the underwriters will consider, among other things, the price of shares available for purchase in the open market as compared to the price at which they may purchase additional shares pursuant to the option described above. “Naked” short sales are any short sales that create a short position greater than the amount of additional shares for which the option described above may be exercised. The underwriters must cover any such naked short position by purchasing shares in the open market. A naked short position is more likely to be created if the underwriters are concerned that there may be downward pressure on the price of the common stock in the open market after pricing that could adversely affect investors who purchase in the offering. Stabilizing transactions consist of various bids for or purchases of common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter year-over-year or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the market price of the company’s stock, and together with the imposition of the penalty bid, may stabilize, maintain, or otherwise affect the market price of the common stock. As a result, the price of the common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on Nasdaq, in the over-the-counter market, or otherwise.

We and the selling stockholders estimate that the total expenses of the offering, excluding underwriting discounts and commissions, will be approximately \$8,000,000. We have agreed to reimburse the underwriters for certain of their expenses relating to the clearance of this offering with the Financial Industry Regulatory Authority in an amount up to \$45,000 and for certain expenses in connection with the directed share program in an amount up to \$20,000. The underwriters have also agreed to reimburse us for certain expenses in connection with the offering.

We and the selling stockholders have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act of 1933, as amended, or the Securities Act.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage, and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to us and to persons and entities with relationships with us, for which they received or will receive customary fees and expenses. Goldman Sachs & Co. LLC is acting as placement agent in connection with the concurrent private placement and will receive a placement agent fee equal to 1.5% of the total purchase price of the shares of Series A Preferred Stock sold in the private placement.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors, and employees may purchase, sell, or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps, and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to our assets, securities, and/or instruments (directly, as collateral securing other obligations, or otherwise) and/or persons and entities with relationships with us. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas, and/or publish or express independent research views in respect of such assets, securities, or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities, and instruments.

#### **Directed Share Program**

At our request, the underwriters have reserved up to 5% of the shares of common stock offered by this prospectus for sale at the initial public offering price through a directed share program to certain persons identified by management, which may include certain members of our board of directors. If purchased by these persons, these shares will not be subject to a lock-up restriction, except in the case of shares purchased by any director, which shares will be subject to the lock-up restrictions described above. The number of shares of common stock available for sale to the general public will be reduced by the number of reserved shares sold to these individuals. Any reserved shares not purchased by these individuals will be offered by the underwriters to the general public on the same basis as the other shares of common stock offered by this prospectus. Other than the underwriting discount described on the front cover of this prospectus, the underwriters will not be entitled to any commission with respect to shares of common stock sold pursuant to the directed share program. We will agree to indemnify the underwriters against certain liabilities and expenses, including liabilities under the Securities Act, in connection with sales of the shares reserved for the directed share program. Goldman Sachs & Co. LLC will administer our directed share program.

#### **European Economic Area**

In relation to each European Economic Area Member State, or each a Relevant Member State, no shares of common stock have been offered or will be offered pursuant to the offering to the public in that Relevant Member State prior to the publication of a prospectus in relation to the shares of common stock which has been approved by the competent authority in that Relevant Member State or, where appropriate, approved in another Relevant Member State and notified to the competent authority in that Relevant Member State, all in accordance with the Prospectus Regulation, except that the shares of common stock may be offered to the public in that Relevant Member State at any time:

- to any legal entity which is a qualified investor as defined under Article 2 of the Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under Article 2 of the Prospectus Regulation) subject to obtaining the prior consent of the joint book-running managers for any such offer; or
- in any other circumstances falling within Article 1(4) of the Prospectus Regulation;

provided that no such offer of the shares of common stock shall require the Company 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 the shares of common stock in any Relevant Member State means the communication in any form and by any means of sufficient information on the terms of the offer and any shares of common stock to be offered so as to enable an investor to decide to purchase any shares of common stock, and the expression “Prospectus Regulation” means Regulation (EU) 2017/1129.

Each person in a Relevant Member State who receives any communication in respect of, or who acquires any shares of common stock under, the offering contemplated hereby will be deemed to have represented, warranted, and agreed to and with each of the underwriters and their affiliates and us that:

- it is a qualified investor within the meaning of the Prospectus Regulation; and
- in the case of any shares of common stock acquired by it as a financial intermediary, as that term is used in Article 5 of the Prospectus Regulation, (i) the shares of common stock acquired by it in the offering have not been acquired on a non-discretionary basis on behalf of, nor have they been acquired with a view to their offer or resale to, persons in any Relevant Member State other than qualified investors, as that term is defined in the Prospectus Regulation, or have been acquired in other circumstances falling within the points (a) to (d) of Article 1(4) of the Prospectus Regulation and the prior consent of the joint book-running managers has been given to the offer or resale; or (ii) where the shares of common stock have been acquired by it on behalf of persons in any Relevant Member State other than qualified investors, the offer of those shares of common stock to it is not treated under the Prospectus Regulation as having been made to such persons.

We, the underwriters and their affiliates, and others will rely upon the truth and accuracy of the foregoing representation, acknowledgement, and agreement. Notwithstanding the above, a person who is not a qualified investor and who has notified the joint book-running managers of such fact in writing may, with the prior consent of the joint book-running managers, be permitted to acquire shares of common stock in the offering.

This European Economic Area selling restriction is in addition to any other selling restrictions set out below.

### **United Kingdom**

In relation to the United Kingdom, no shares have been offered or will be offered pursuant to the offering to the public in the United Kingdom prior to the publication of a prospectus in relation to the shares which has been approved by the Financial Conduct Authority in accordance with the transition provisions in Regulation 74 of the Prospectus (Amendment etc.) (EU Exit) Regulations 2019, except that it may make an offer to the public in the United Kingdom of any shares at any time under the following exemptions under the UK Prospectus Regulation:

- to any legal entity which is a qualified investor as defined under Article 2 of the UK Prospectus Regulation;
- to fewer than 150 natural or legal persons (other than qualified investors as defined under the UK Prospectus Regulation), subject to obtaining the prior consent of the representatives for any such offer; or
- in any other circumstances falling within section 86 of the Financial Services and Markets Act 2000, as amended, or the FSMA;

provided that no such offer of the shares shall require the issuer or any underwriter to publish a prospectus pursuant to section 85 of the FSMA or supplement a prospectus pursuant to Article 23 of the UK Prospectus Regulation.

In the United Kingdom, the offering is only addressed to, and is directed only at, “qualified investors” within the meaning of Article 2(e) of the UK Prospectus Regulation, who are also (i) persons having professional experience in matters relating to investments who fall within the definition of “investment professionals” in Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005, as amended, or the Order; (ii) high net worth entities or other persons falling within Article 49(2)(a) to (d) of the Order; or (iii) persons to whom it may otherwise lawfully be communicated, or all such persons being referred to as relevant persons. This document must not be acted on or relied on by persons who are not relevant persons. Any investment or investment activity to which this document relates is available only to relevant persons and will be engaged in only with relevant persons.

For the purposes of this provision, the expression an “offer to the public” in relation to the shares in the United Kingdom means the communication in any form and by any means of sufficient information on the terms of the offering and any shares to be offered so as to enable an investor to decide to purchase or subscribe for any shares, and the expression “UK Prospectus Regulation” means the Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018.

Each person in the UK who acquires any shares of common stock in the offer or to whom any offer is made will be deemed to have represented, acknowledged, and agreed to and with us, the underwriters, and their affiliates that it meets the criteria outlined in this section.

### **Canada**

The shares may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions, and Ongoing Registrant Obligations. Any resale of the shares 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 of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

### **Hong Kong**

The shares may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong), or the Companies (Winding Up and Miscellaneous Provisions) Ordinance, or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong), or the Securities and Futures Ordinance, or (ii) to “professional investors” as defined in the Securities and Futures Ordinance and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” as defined in the Companies (Winding Up and Miscellaneous Provisions) Ordinance, and no advertisement, invitation or document relating to the shares may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the securities laws of Hong Kong) other than with respect to shares which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” in Hong Kong as defined in the Securities and Futures Ordinance and any rules made thereunder.

### **Singapore**

This prospectus has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, this prospectus and any other document or material in connection with the offer or sale, or

invitation for subscription or purchase, of the shares may not be circulated or distributed, nor may the shares be offered or sold, or be made the subject of an invitation for subscription or purchase, whether directly or indirectly, to persons in Singapore other than (i) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore, or the SFA) under Section 274 of the SFA, (ii) to a relevant person (as defined in Section 275(2) of the SFA) pursuant to Section 275(1) of the SFA, or any person pursuant to Section 275(1A) of the SFA, and in accordance with the conditions specified in Section 275 of the SFA or (iii) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for six months after that corporation has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore, or Regulation 32.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for six months after that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is made on terms that such rights or interest are acquired at a consideration of not less than S\$200,000 (or its equivalent in a foreign currency) for each transaction (whether such amount is to be paid for in cash or by exchange of securities or other assets), (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32.

Singapore SFA Product Classification — In connection with Section 309B of the SFA and the Securities and Futures (Capital Markets Products) Regulations 2018, or the CMP Regulations 2018, we have determined, and hereby notify all relevant persons (as defined in the CMP Regulations 2018), 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).

### **Japan**

The shares have not been and will not be registered under the Financial Instruments and Exchange Act of Japan (Act No. 25 of 1948, as amended), or the FIEA. The shares may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

### **Switzerland**

The shares may not be publicly offered in Switzerland and will not be listed on the SIX Swiss Exchange, or SIX, or on any other stock exchange or regulated trading facility in Switzerland. This document does not constitute a prospectus within the meaning of, and has been prepared without regard to the disclosure standards for issuance prospectuses under art. 652a or art. 1156 of the Swiss Code of Obligations or the disclosure standards for listing prospectuses under art. 27 ff. of the SIX Listing Rules or the listing rules of any other stock exchange or regulated trading facility in Switzerland. Neither this document nor any other offering or marketing material relating to the shares or the offering may be publicly distributed or otherwise made publicly available in Switzerland.

Neither this document nor any other offering or marketing material relating to the offering, us, the shares have been or will be filed with or approved by any Swiss regulatory authority. In particular, this document will not be filed with, and the offer of shares will not be supervised by, the Swiss Financial Market Supervisory Authority, and the offer of shares has not been and will not be authorized under the Swiss Federal Act on Collective Investment Schemes, or CISA. The investor protection afforded to acquirers of interests in collective investment schemes under the CISA does not extend to acquirers of shares.

### **Australia**

No placement document, prospectus, product disclosure statement, or other disclosure document has been lodged with the Australian Securities and Investments Commission in relation to this offering. This prospectus does not constitute a prospectus, product disclosure statement, or other disclosure document under the Corporations Act 2001, or the Corporations Act, and does not purport to include the information required for a prospectus, product disclosure statement, or other disclosure document under the Corporations Act.

Any offer in Australia of the shares may only be made to persons, or the Exempt Investors, who are “sophisticated investors” (within the meaning of section 708(8) of the Corporations Act), “professional investors” (within the meaning of section 708(11) of the Corporations Act), or otherwise pursuant to one or more exemptions contained in section 708 of the Corporations Act so that it is lawful to offer the shares without disclosure to investors under Chapter 6D of the Corporations Act.

The shares applied for by Exempt Investors in Australia must not be offered for sale in Australia in the period of 12 months after the date of allotment under the offering, except in circumstances where disclosure to investors under Chapter 6D of the Corporations Act would not be required pursuant to an exemption under section 708 of the Corporations Act or otherwise or where the offer is pursuant to a disclosure document which complies with Chapter 6D of the Corporations Act. Any person acquiring shares must observe such Australian on-sale restrictions.

This prospectus contains general information only and does not take account of the investment objectives, financial situation, or particular needs of any particular person. It does not contain any securities recommendations or financial product advice. Before making an investment decision, investors need to consider whether the information in this prospectus is appropriate to their needs, objectives, and circumstances, and, if necessary, seek expert advice on those matters.

**Dubai International Financial Centre**

This prospectus relates to an Exempt Offer in accordance with the Offered Securities Rules of the Dubai Financial Services Authority, or DFSA. This prospectus is intended for distribution only to persons of a type specified in the Offered Securities Rules of the DFSA. It must not be delivered to, or relied on by, any other person. The DFSA has no responsibility for reviewing or verifying any documents in connection with Exempt Offers. The DFSA has not approved this prospectus nor taken steps to verify the information set forth herein and has no responsibility for the prospectus. The shares of common stock to which this prospectus relates may be illiquid and/or subject to restrictions on their resale. Prospective purchasers of our common stock should conduct their own due diligence on such shares. If you do not understand the contents of this prospectus, you should consult an authorized financial advisor.

## CONCURRENT PRIVATE PLACEMENT

PepsiCo, Inc., or the Preferred Stock Investor, has entered into an agreement with us pursuant to which it has agreed to purchase \$175 million of our Series A redeemable convertible preferred stock, or the Series A Preferred Stock, in a private placement. The Series A Preferred Stock will have a conversion price equal to the initial public offering price per share set forth on the cover page of this prospectus and will be redeemable or convertible under certain circumstances. The Series A Preferred Stock will not confer any voting rights to the Preferred Stock Investor. The private placement is contingent upon, and scheduled to close immediately subsequent to, the closing of this offering, subject to the satisfaction of certain additional conditions to closing. The sale of these shares will not be registered in this offering and will be subject to certain restrictions on transfer. See the section titled "Description of Capital Stock—Series A Preferred Stock" for additional information regarding the terms of the Series A Preferred Stock. Goldman Sachs & Co. LLC, one of the underwriters, is acting as placement agent in connection with the private placement and will receive a placement agent fee equal to 1.5% of the total purchase price of the shares of Series A Preferred Stock sold in the private placement.

## LEGAL MATTERS

The validity of the shares of common stock being offered by this prospectus will be passed upon for us by Cooley LLP, Palo Alto, California. Legal matters in connection with this offering will be passed upon for the underwriters by Latham & Watkins LLP, New York, New York.

## EXPERTS

The financial statements as of December 31, 2022 and 2021 and for each of the three years in the period ended December 31, 2022 included in this prospectus have been so included in reliance on the report of PricewaterhouseCoopers LLP, an independent registered public accounting firm, given on the authority of said firm as experts in auditing and accounting.

## WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1, including exhibits and schedules, under the Securities Act, with respect to the shares of common stock being offered by this prospectus. This prospectus, which constitutes part of the registration statement, does not contain all of the information in the registration statement and its exhibits. For further information with respect to us and the common stock offered by this prospectus, we refer you to the registration statement and its exhibits. Statements contained in this prospectus as to the contents of any contract or any other document referred to are not necessarily complete, and in each instance, we refer you to the copy of the contract or other document filed as an exhibit to the registration statement. Each of these statements is qualified in all respects by this reference.

You can read our SEC filings, including the registration statement, over the internet at the SEC's website at [www.sec.gov](http://www.sec.gov).

Upon the closing of this offering, we will be subject to the information reporting requirements of the Exchange Act and we will file reports, proxy statements, and other information with the SEC. These reports, proxy statements, and other information will be available for inspection and copying at the website of the SEC referred to above. We also maintain a website at [www.instacart.com/company](http://www.instacart.com/company), at which, following the closing of this offering, you may access these materials free of charge as soon as reasonably practicable after they are electronically filed with, or furnished to, the SEC. Information contained on, or that can be accessed through, our website is not incorporated by reference into this prospectus, and you should not consider information on our website to be part of this prospectus.



MAPLEBEAR INC. DBA INSTACART  
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**Report of Independent Registered Public Accounting Firm**

To the Board of Directors and Stockholders of Mapbear Inc.

***Opinion on the Financial Statements***

We have audited the accompanying consolidated balance sheets of Mapbear Inc. DBA Instacart and its subsidiaries (the “Company”) as of December 31, 2022 and 2021, and the related consolidated statements of operations, of comprehensive income (loss), of redeemable convertible preferred stock and stockholders’ equity (deficit) and of cash flows for each of the three years in the period ended December 31, 2022, 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, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2022 in conformity with accounting principles generally accepted in the United States of America.

***Basis for Opinion***

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits of these consolidated financial statements in accordance with the standards of the PCAOB and in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

***Critical Audit Matters***

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

***States’ Sales and Indirect Tax Reserves***

As discussed in Note 10 to the consolidated financial statements, the states’ sales and indirect tax reserves balance was \$69 million as of December 31, 2022. The Company pays applicable state, franchise, and other taxes in states in which the Company conducts business. There is a high degree of complexity involved in the interpretation and application of states’ sales and indirect tax rules to the Company’s activities. Significant

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judgments are made by management in estimating these reserves, which include assessing the taxability of goods or services transacted using the Company's technology solution. Management maintains such reserves until the statute of limitations has passed or upon conclusion with the relevant tax authorities, at which point the tax exposure and related interest and penalties are released.

The principal considerations for our determination that performing procedures relating to states' sales and indirect tax reserves is a critical audit matter are the significant judgment by management when determining the states' sales and indirect tax reserves, including the taxability of goods or services transacted using the Company's technology solution. This in turn led to a high degree of auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence relating to the states' sales and indirect tax reserves. In addition, the audit effort involved the use of professionals with specialized skill and knowledge.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included, among others, (i) evaluating management's assessment of the states' sales and indirect tax rules enacted by the taxing authorities, (ii) obtaining and evaluating tax and legal analyses from third parties, (iii) evaluating the status and results of sales and indirect tax audits by the relevant tax authorities, (iv) testing the information used in the states' sales and indirect reserve calculations related to the underlying sales activity and tax rates, and (v) evaluating the reasonableness of management's state sales and indirect tax reserves. Professionals with specialized skill and knowledge were used to assist in the evaluation of management's assessment of the taxability of the sales of the Company's or third-party goods or services transacted using the Company's technology solution.

/s/ PricewaterhouseCoopers LLP  
San Francisco, California  
March 17, 2023

We have served as the Company's auditor since 2017.

MAPLEBEAR INC. DBA INSTACART

CONSOLIDATED BALANCE SHEETS

(in millions, except share amounts, which are reflected in thousands, and per share amounts)

	As of December 31,		As of June 30,
	2021	2022	2023
			(unaudited)
<b>ASSETS</b>			
Current assets:			
Cash and cash equivalents	\$ 1,146	\$ 1,505	\$ 1,838
Short-term marketable securities	348	209	125
Accounts receivable, net of allowance of \$2, \$2, and \$3 (unaudited), respectively	832	842	765
Restricted cash and cash equivalents, current	1	75	75
Prepaid expenses and other current assets	68	109	93
Total current assets	2,395	2,740	2,896
Long-term marketable securities	128	28	4
Restricted cash and cash equivalents, noncurrent	18	19	19
Property and equipment, net	28	38	59
Operating lease right-of-use assets	45	41	33
Intangible assets, net	68	103	88
Goodwill	263	317	318
Deferred tax assets, net	—	371	352
Other assets	16	12	18
Total assets	\$ 2,961	\$ 3,669	\$ 3,787
<b>LIABILITIES, REDEEMABLE CONVERTIBLE PREFERRED STOCK, AND STOCKHOLDERS' EQUITY (DEFICIT)</b>			
Current liabilities:			
Accounts payable	\$ 60	\$ 88	\$ 47
Accrued and other current liabilities	373	515	424
Operating lease liabilities, current	11	13	13
Deferred revenue	148	179	198
Total current liabilities	592	795	682
Operating lease liabilities, noncurrent	43	36	30
Other long-term liabilities	77	80	62
Total liabilities	712	911	774
Commitments and contingencies (Note 10)			
Redeemable convertible preferred stock, \$0.0001 par value per share; 178,319 shares authorized as of December 31, 2021 and 2022 and June 30, 2023 (unaudited); 167,302 shares issued and outstanding as of December 31, 2021 and 2022 and June 30, 2023 (unaudited); liquidation preference of \$2,828 as of December 31, 2021 and 2022 and June 30, 2023 (unaudited)	2,822	2,822	2,822
Stockholders' equity (deficit):			
Common stock, \$0.0001 par value per share; 820,509 shares authorized as of December 31, 2021 and 2022 and June 30, 2023 (unaudited); 69,535, 72,230, and 72,376 shares issued and outstanding as of December 31, 2021 and 2022 and June 30, 2023 (unaudited), respectively	—	—	—
Exchangeable shares, no par value; 702 shares authorized as of December 31, 2021 and 2022 and June 30, 2023 (unaudited); 689 shares issued and outstanding as of December 31, 2021 and 2022 and June 30, 2023 (unaudited)	—	—	—
Additional paid-in capital	833	918	928
Accumulated other comprehensive loss	(1)	(5)	(2)
Accumulated deficit	(1,405)	(977)	(735)
Total stockholders' equity (deficit)	(573)	(64)	191
Total liabilities, redeemable convertible preferred stock, and stockholders' equity (deficit)	\$ 2,961	\$ 3,669	\$ 3,787

The accompanying notes are an integral part of these consolidated financial statements.

**MAPLEBEAR INC. DBA INSTACART**  
**CONSOLIDATED STATEMENTS OF OPERATIONS**  
*(in millions, except share amounts, which are reflected in thousands, and per share amounts)*

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
	(unaudited)				
Revenue	\$ 1,477	\$ 1,834	\$ 2,551	\$ 1,126	\$ 1,475
Cost of revenue	598	608	720	357	366
Gross profit	879	1,226	1,831	769	1,109
Operating expenses:					
Operations and support	324	262	252	130	128
Research and development	194	368	518	243	257
Sales and marketing	158	394	660	316	327
General and administrative	278	288	339	153	128
Total operating expenses	954	1,312	1,769	842	840
Income (loss) from operations	(75)	(86)	62	(73)	269
Other income (expense), net	—	12	(8)	(2)	3
Interest income	5	2	17	2	34
Income (loss) before provision for (benefit from) income taxes	(70)	(72)	71	(73)	306
Provision for (benefit from) income taxes	—	1	(357)	1	64
Net income (loss)	\$ (70)	\$ (73)	\$ 428	\$ (74)	\$ 242
Undistributed earnings attributable to preferred stockholders	—	—	(351)	—	(220)
Net income (loss) attributable to common stockholders, basic	\$ (70)	\$ (73)	\$ 77	\$ (74)	\$ 22
Undistributed earnings reallocated to common stockholders	—	—	20	—	5
Net income (loss) attributable to common stockholders, diluted	\$ (70)	\$ (73)	\$ 97	\$ (74)	\$ 27
Net income (loss) per share attributable to common stockholders (Note 14):					
Basic	\$ (1.21)	\$ (1.12)	\$ 1.08	\$ (1.03)	\$ 0.30
Diluted	\$ (1.21)	\$ (1.12)	\$ 0.96	\$ (1.03)	\$ 0.27
Weighted-average shares used in computing net income (loss) per share attributable to common stockholders:					
Basic	57,929	65,874	71,853	71,668	72,222
Diluted	57,929	65,874	101,480	71,668	99,334

*The accompanying notes are an integral part of these consolidated financial statements.*

**MAPLEBEAR INC. DBA INSTACART**  
**CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)**  
*(in millions)*

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022 (unaudited)	2023
Net income (loss)	\$ (70)	\$ (73)	\$ 428	\$ (74)	\$ 242
Other comprehensive income (loss):					
Net unrealized gain (loss) on available-for-sale marketable securities, net of tax	—	(1)	(2)	(3)	2
Change in foreign currency translation adjustments	1	—	(2)	(1)	1
Total other comprehensive income (loss)	1	(1)	(4)	(4)	3
Comprehensive income (loss)	<u>\$ (69)</u>	<u>\$ (74)</u>	<u>\$ 424</u>	<u>\$ (78)</u>	<u>\$ 245</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

MAPLEBEAR INC. DBA INSTACART

CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY  
(DEFICIT)

(in millions, except share amounts, which are reflected in thousands)

	Redeemable Convertible Preferred Stock		Common Stock		Exchangeable Shares		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount				
Balances at January 1, 2020	153,424	\$ 1,932	54,423	\$ —	694	\$ —	\$ 215	\$ (1)	\$ (1,262)	\$(1,048)
Exercise of common stock options	—	—	2,758	—	—	—	12	—	—	12
Exercise of non-voting common stock warrants	—	—	1,858	—	—	—	34	—	—	34
Amortization of non-voting common stock warrants	—	—	—	—	—	—	21	—	—	21
Amortization of non-voting common stock issuable pursuant to subscription agreement	—	—	—	—	—	—	5	—	—	5
Issuance of Series G redeemable convertible preferred stock, net of issuance costs	6,758	325	—	—	—	—	—	—	—	—
Issuance of Series H redeemable convertible preferred stock, net of issuance costs	5,000	300	—	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	64	—	—	64
Issuance of non-voting common stock in connection with subscription agreement	—	—	1,393	—	—	—	—	—	—	—
Forfeiture of exchangeable shares	—	—	—	—	—	—	—	—	—	—
Issuance of non-voting common stock for exchangeable shares	—	—	5	—	(5)	—	—	—	—	—
Foreign currency translation adjustments	—	—	—	—	—	—	—	1	—	1
Net loss	—	—	—	—	—	—	—	—	(70)	(70)
Balances at December 31, 2020	<u>165,182</u>	<u>\$ 2,557</u>	<u>60,437</u>	<u>\$ —</u>	<u>689</u>	<u>\$ —</u>	<u>\$ 351</u>	<u>\$ —</u>	<u>\$ (1,332)</u>	<u>\$(981)</u>

The accompanying notes are an integral part of these consolidated financial statements.

MAPLEBEAR INC. DBA INSTACART

CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY  
(DEFICIT), CONTINUED

(in millions, except share amounts, which are reflected in thousands)

	Redeemable Convertible Preferred Stock		Common Stock		Exchangeable Shares		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount				
Balances at December 31, 2020	165,182	\$ 2,557	60,437	\$ —	689	\$ —	\$ 351	\$ —	\$ (1,332)	\$ (981)
Exercise of common stock options	—	—	1,051	—	—	—	6	—	—	6
Exercise of non-voting common stock warrants	—	—	3,716	—	—	—	68	—	—	68
Amortization of non-voting common stock warrants	—	—	—	—	—	—	3	—	—	3
Amortization of non-voting common stock issuable pursuant to subscription agreement	—	—	—	—	—	—	2	—	—	2
Issuance of Series I redeemable convertible preferred stock, net of issuance costs	2,120	265	—	—	—	—	—	—	—	—
Stock-based compensation	—	—	—	—	—	—	23	—	—	23
Issuance of non-voting common stock in connection with subscription agreement	—	—	464	—	—	—	—	—	—	—
Issuance of non-voting common stock	—	—	1,043	—	—	—	125	—	—	125
Issuance of non-voting common stock in connection with business acquisitions	—	—	2,105	—	—	—	255	—	—	255
Issuance of restricted non-voting common stock in connection with business acquisitions	—	—	269	—	—	—	—	—	—	—
Issuance of restricted non-voting common stock	—	—	450	—	—	—	—	—	—	—
Net unrealized loss on available-for-sale marketable securities	—	—	—	—	—	—	—	(1)	—	(1)
Net loss	—	—	—	—	—	—	—	—	(73)	(73)
Balances at December 31, 2021	<u>167,302</u>	<u>\$ 2,822</u>	<u>69,535</u>	<u>\$ —</u>	<u>689</u>	<u>\$ —</u>	<u>\$ 833</u>	<u>\$ (1)</u>	<u>\$ (1,405)</u>	<u>\$ (573)</u>

The accompanying notes are an integral part of these consolidated financial statements.



MAPLEBEAR INC. DBA INSTACART

CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY  
(DEFICIT), CONTINUED

(in millions, except share amounts, which are reflected in thousands)

	Redeemable Convertible Preferred Stock		Common Stock		Exchangeable Shares		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount				
Balances at December 31, 2021	167,302	\$ 2,822	69,535	\$ —	689	\$ —	\$ 833	\$ (1)	\$ (1,405)	\$(573)
Exercise of common stock options	—	—	149	—	—	—	1	—	—	1
Exercise of non-voting common stock warrants	—	—	1,858	—	—	—	34	—	—	34
Modification of non-voting common stock warrants	—	—	—	—	—	—	17	—	—	17
Stock-based compensation	—	—	—	—	—	—	33	—	—	33
Issuance of non-voting common stock in connection with subscription agreement	—	—	465	—	—	—	—	—	—	—
Issuance of non-voting restricted stock in connection with business acquisitions	—	—	223	—	—	—	—	—	—	—
Foreign currency translation adjustments	—	—	—	—	—	—	—	(2)	—	(2)
Net unrealized loss on available-for-sale marketable securities	—	—	—	—	—	—	—	(2)	—	(2)
Net income	—	—	—	—	—	—	—	—	428	428
Balances at December 31, 2022	<u>167,302</u>	<u>\$ 2,822</u>	<u>72,230</u>	<u>\$ —</u>	<u>689</u>	<u>\$ —</u>	<u>\$ 918</u>	<u>\$ (5)</u>	<u>\$ (977)</u>	<u>\$(64)</u>

The accompanying notes are an integral part of these consolidated financial statements.

## MAPLEBEAR INC. DBA INSTACART

 CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY  
 (DEFICIT), CONTINUED

(in millions, except share amounts, which are reflected in thousands)

	Redeemable Convertible Preferred Stock		Common Stock		Exchangeable Shares		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount				
Balances at December 31, 2021	167,302	\$ 2,822	69,535	\$ —	689	\$ —	\$ 833	\$ (1)	\$ (1,405)	\$(573)
Exercise of common stock options (unaudited)	—	—	85	—	—	—	1	—	—	1
Exercise of non-voting common stock warrants (unaudited)	—	—	1,858	—	—	—	34	—	—	34
Stock-based compensation (unaudited)	—	—	—	—	—	—	13	—	—	13
Issuance of non-voting common stock in connection with subscription agreement (unaudited)	—	—	465	—	—	—	—	—	—	—
Foreign currency translation adjustments (unaudited)	—	—	—	—	—	—	—	(1)	—	(1)
Net unrealized loss on available-for-sale marketable securities (unaudited)	—	—	—	—	—	—	—	(3)	—	(3)
Net loss (unaudited)	—	—	—	—	—	—	—	—	(74)	(74)
Balances at June 30, 2022 (unaudited)	<u>167,302</u>	<u>\$ 2,822</u>	<u>71,943</u>	<u>\$ —</u>	<u>689</u>	<u>\$ —</u>	<u>\$ 881</u>	<u>\$ (5)</u>	<u>\$ (1,479)</u>	<u>\$(603)</u>

The accompanying notes are an integral part of these consolidated financial statements.

MAPLEBEAR INC. DBA INSTACART

CONSOLIDATED STATEMENTS OF REDEEMABLE CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' EQUITY  
(DEFICIT), CONTINUED

(in millions, except share amounts, which are reflected in thousands)

	Redeemable Convertible Preferred Stock		Common Stock		Exchangeable Shares		Additional Paid-In Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Total
	Shares	Amount	Shares	Amount	Shares	Amount				
Balances at December 31, 2022	167,302	\$2,822	72,230	\$ —	689	\$ —	\$ 918	\$ (5)	\$ (977)	\$ (64)
Exercise of common stock options (unaudited)	—	—	123	—	—	—	—	—	—	—
Issuance of non-voting common stock upon settlement of restricted stock units (unaudited)	—	—	46	—	—	—	—	—	—	—
Non-voting common stock withheld related to net share settlement (unaudited)	—	—	(23)	—	—	—	—	—	—	—
Stock-based compensation (unaudited)	—	—	—	—	—	—	10	—	—	10
Foreign currency translation adjustments (unaudited)	—	—	—	—	—	—	—	1	—	1
Net unrealized gain on available-for-sale marketable securities (unaudited)	—	—	—	—	—	—	—	2	—	2
Net income (unaudited)	—	—	—	—	—	—	—	—	242	242
Balances at June 30, 2023 (unaudited)	<u>167,302</u>	<u>\$2,822</u>	<u>72,376</u>	<u>\$ —</u>	<u>689</u>	<u>\$ —</u>	<u>\$ 928</u>	<u>\$ (2)</u>	<u>\$ (735)</u>	<u>\$ 191</u>

The accompanying notes are an integral part of these consolidated financial statements.

**MAPLEBEAR INC. DBA INSTACART**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS**  
*(in millions)*

	<u>Year Ended December 31,</u>			<u>Six Months Ended</u>	
	<u>2020</u>	<u>2021</u>	<u>2022</u>	<u>2022</u>	<u>2023</u>
				<u>(unaudited)</u>	
<b>OPERATING ACTIVITIES</b>					
Net income (loss)	\$ (70)	\$ (73)	\$ 428	\$ (74)	\$ 242
Adjustments to reconcile net income (loss) to net cash provided by (used in) operating activities:					
Depreciation and amortization expense	10	16	34	15	22
Stock-based compensation expense	64	22	33	13	9
Amortization of non-voting common stock warrants	21	3	—	—	—
Amortization and remeasurement of non-voting common stock issuable pursuant to subscription agreement	5	2	—	—	—
Provision for bad debts	9	7	10	4	9
Amortization of operating lease right-of-use assets	10	11	13	6	7
Deferred income taxes	—	(2)	(373)	—	18
Other	1	2	8	—	(7)
Changes in operating assets and liabilities, net of effects of business acquisitions:					
Accounts receivable	(405)	(318)	(21)	122	69
Prepaid expenses and other assets	13	(60)	(31)	(20)	11
Accounts payable	8	36	25	(9)	(41)
Accrued and other current liabilities	148	102	141	10	(97)
Deferred revenue	57	47	24	39	20
Operating lease liabilities	(7)	(13)	(13)	(6)	(7)
Other long-term liabilities	45	14	(1)	(1)	(13)
Net cash provided by (used in) operating activities	<u>(91)</u>	<u>(204)</u>	<u>277</u>	<u>99</u>	<u>242</u>
<b>INVESTING ACTIVITIES</b>					
Purchases of marketable securities	(310)	(623)	(158)	(152)	(80)
Maturities of marketable securities	618	369	394	235	191
Purchases of property and equipment, including capitalized internal-use software	(7)	(13)	(24)	(13)	(22)
Purchases of patents	—	(9)	(2)	(2)	—
Acquisitions of businesses, net of cash acquired	—	(54)	(93)	—	—
Net cash provided by (used in) investing activities	<u>301</u>	<u>(330)</u>	<u>117</u>	<u>68</u>	<u>89</u>
<b>FINANCING ACTIVITIES</b>					
Proceeds from exercise of stock options	12	6	1	1	—
Proceeds from the issuance of redeemable convertible preferred stock, net of issuance cost	625	265	—	—	—
Proceeds from exercise of non-voting common stock warrants	34	68	34	34	—
Proceeds from modification of non-voting common stock warrants	—	—	14	—	—
Proceeds from the issuance of non-voting common stock	—	125	—	—	—
Changes in advances from payment card issuer	—	—	—	58	—
Other financing activities	—	—	(3)	—	(1)
Net cash provided by (used in) financing activities	<u>671</u>	<u>464</u>	<u>46</u>	<u>93</u>	<u>(1)</u>
Effect of foreign exchange on cash, cash equivalents, and restricted cash and cash equivalents	1	(1)	(6)	—	3
Net increase (decrease) in cash, cash equivalents, and restricted cash and cash equivalents	<u>882</u>	<u>(71)</u>	<u>434</u>	<u>260</u>	<u>333</u>
Cash, cash equivalents, and restricted cash and cash equivalents—beginning of period	354	1,236	1,165	1,165	1,599
Cash, cash equivalents, and restricted cash and cash equivalents—end of period	<u>\$1,236</u>	<u>\$1,165</u>	<u>\$1,599</u>	<u>\$1,425</u>	<u>\$1,932</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

**MAPLEBEAR INC. DBA INSTACART**  
**CONSOLIDATED STATEMENTS OF CASH FLOWS, CONTINUED**  
*(in millions)*

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
	(unaudited)				
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION</b>					
Cash paid for income taxes, net of tax refunds	\$ 1	\$ 4	\$ 3	\$ 2	\$ 34
<b>SUPPLEMENTAL DISCLOSURE OF NON-CASH INVESTING AND FINANCING ACTIVITIES</b>					
Stock-based compensation capitalized as internal-use software	\$ —	\$ 1	\$ —	\$ —	\$ 1
Issuance of non-voting common stock in connection with business acquisitions	\$ —	\$ 255	\$ —	\$ —	\$ —
Fair value of contingent consideration in connection with a business acquisition	\$ —	\$ —	\$ 7	\$ —	\$ —
Changes in accrued purchases of property and equipment, including capitalized internal-use software	\$ —	\$ —	\$ —	\$ 2	\$ 6
Deferred offering costs not yet paid	\$ —	\$ —	\$ 1	\$ —	\$ 1
<b>SUPPLEMENTAL DISCLOSURE OF CASH FLOW INFORMATION RELATED TO LEASES</b>					
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 9	\$ 15	\$ 15	\$ 7	\$ 8
Lease liabilities arising from obtaining right-of-use assets	\$ —	\$ 6	\$ 9	\$ 6	\$ —
Reduction in right-of-use assets and corresponding operating lease liabilities due to lease modifications	\$ —	\$ 2	\$ —	\$ —	\$ —
<b>RECONCILIATION OF CASH, CASH EQUIVALENTS, AND RESTRICTED CASH AND CASH EQUIVALENTS TO THE CONSOLIDATED BALANCE SHEETS</b>					
Cash and cash equivalents	\$1,217	\$1,146	\$1,505	\$1,406	\$1,838
Restricted cash and cash equivalents, current	1	1	75	1	75
Restricted cash and cash equivalents, noncurrent	18	18	19	18	19
Total cash, cash equivalents, and restricted cash and cash equivalents	<u>\$1,236</u>	<u>\$1,165</u>	<u>\$1,599</u>	<u>\$1,425</u>	<u>\$1,932</u>

*The accompanying notes are an integral part of these consolidated financial statements.*

**MAPLEBEAR INC. DBA INSTACART**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. Business**

***Description of Business***

Maplebear Inc., doing business as (“DBA”) Instacart (the “Company”), was incorporated in Delaware on August 3, 2012 and is headquartered in San Francisco, California. The Company is a diversified technology business that operates a technology solution that enables connections and transactions among end users, retailers, advertisers, and shoppers mainly throughout the United States and Canada. End users are provided the ability to transact with retailers for grocery and non-grocery items and with shoppers to pick and deliver the items on the end user’s behalf. Retailers contract with the Company to have their goods available for search, selection, and purchase, generally on a fee per transaction basis or for a percentage of the total purchase value from the sale of goods, or some combination thereof. Advertisers have the opportunity to purchase sponsored product ads, display ads, coupons, and a variety of other online advertising services. Shoppers use the Company’s technology solution for fulfillment or delivery service opportunities primarily on a fee per batch basis. The vast majority of shoppers are full-service shoppers, who are independent contractors that pick and deliver orders. The remaining shoppers are primarily in-store shoppers, who are the Company’s employees and only engage in various in-store duties, including picking orders, and do not engage in any delivery services. The Company also sells software-as-a-service offerings targeted at retailers and charges fees for such offerings.

**2. Significant Accounting Policies**

***Basis of Presentation***

The accompanying consolidated financial statements include those of the Company and its wholly-owned subsidiaries, after elimination of all intercompany accounts and transactions. The Company has prepared the accompanying consolidated financial statements in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP”).

***Unaudited Interim Consolidated Financial Information***

The accompanying interim consolidated balance sheet as of June 30, 2023 and the interim consolidated statements of operations, comprehensive income (loss), redeemable convertible preferred stock and stockholders’ equity (deficit), and cash flows for the six months ended June 30, 2022 and 2023 and the related notes to such interim consolidated financial statements are unaudited. These unaudited interim consolidated financial statements are presented in accordance with the rules and regulations of the U.S. Securities and Exchange Commission and do not include all disclosures normally required in annual consolidated financial statements prepared in accordance with U.S. GAAP. In management’s opinion, the unaudited interim consolidated financial statements have been prepared on the same basis as the annual financial statements and reflect all adjustments, which include only normal recurring adjustments necessary for the fair statement of the Company’s financial position as of June 30, 2023 and the Company’s consolidated results of operations and cash flows for the six months ended June 30, 2022 and 2023. The results of operations for the six months ended June 30, 2023 are not necessarily indicative of the results to be expected for the full year or any other future interim or annual period.

***Segment Information***

Operating segments are defined as components of an entity for which discrete financial information is available that is regularly reviewed by the Chief Operating Decision Maker (“CODM”) in deciding how to allocate resources and in assessing performance. The Company’s chief executive officer is the Company’s CODM. The CODM reviews financial information on a consolidated basis for purposes of making operating decisions,

**MAPLEBEAR INC. DBA INSTACART**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

allocating resources, and evaluating financial performance. As such, the Company has one operating and reportable segment. Geographic information is included in Note 3—Revenue and Note 6—Property and Equipment, Net.

***Use of Estimates***

The preparation of financial statements in conformity with U.S. GAAP requires management to make judgments, estimates, and assumptions that affect the reported amounts of assets and liabilities and disclosure of contingent assets and liabilities at the date of the financial statements and reported amounts of revenue and expenses during the reporting periods covered by the financial statements and accompanying notes. These judgments, estimates, and assumptions are used for, but not limited to, (i) revenue recognition, including revenue-related reserves, (ii) stock-based compensation, (iii) valuation of the Company's common stock and equity awards, (iv) fair value of assets acquired and liabilities assumed for business combinations, (v) sales and indirect tax reserves, (vi) legal and other loss contingencies, and (vii) income taxes. The Company determines its estimates and judgments on historical experience and on various other assumptions that it believes are reasonable under the circumstances. However, actual results could differ from these estimates, and these differences may be material.

The Company has considered the impacts of the COVID-19 pandemic, macroeconomic trends such as higher inflation, rising interest rates, and associated decreases in consumer discretionary income, the effects of supply chain challenges, cessation of government stimulus, and uncertainty regarding an economic recession on the assumptions and inputs supporting certain of the Company's estimates, assumptions, and judgments. The level of uncertainties and volatility in the global financial markets and economies, as well as the uncertainties related to the impact of the pandemic, macroeconomic factors, and their effects on the Company's operations and financial performance, means that these estimates may change in future periods as new events occur and additional information is obtained.

***Fair Value of Financial Instruments***

Fair value is defined as the exchange price that would be received for an asset or paid to transfer a liability (an exit price) in the principal or most advantageous market for the asset or liability in an orderly transaction between market participants on the measurement date. Valuation techniques used to measure fair value must maximize the use of observable inputs and minimize the use of unobservable inputs. The accounting guidance describes a fair value hierarchy based on three levels of inputs, of which the first two are considered observable and the last unobservable, that may be used to measure fair value.

The three-level hierarchy for fair value measurements is defined as follows:

- Level 1      Inputs to the valuation methodology are quoted prices (unadjusted) for identical assets or liabilities in active markets;
- Level 2      Inputs to the valuation methodology include quoted prices for similar assets and liabilities in active markets, and inputs that are observable for the asset or liability other than quoted prices, either directly or indirectly, including inputs in markets that are not considered to be active; and
- Level 3      Inputs to the valuation methodology are unobservable and significant to the fair value measurement.

The Company's financial instruments consist primarily of cash equivalents, marketable securities, accounts receivable, accounts payable, and accrued and other current liabilities. The carrying amounts of the Company's cash equivalents, accounts receivable, accounts payable, and accrued and other current liabilities approximate fair value due to their short maturities. Refer to Note 4—Fair Value Measurements for further information related to cash equivalents and marketable securities.

**MAPLEBEAR INC. DBA INSTACART**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

***Foreign Currency***

The Company's reporting currency is the U.S. dollar. The Company determines the functional currency for each of its foreign subsidiaries by reviewing their operations and currencies used in their primary economic environments. Most of the Company's foreign subsidiaries' functional currency is the local currency of their respective country. Transactions denominated in currencies other than the functional currency are remeasured to the functional currency at the exchange rate on the transaction date. Monetary assets and liabilities denominated in currencies other than the functional currency are remeasured at period-end using the period-end exchange rate. Gains and losses resulting from remeasurement are recorded in the consolidated statements of operations. Subsidiaries' assets and liabilities with non-U.S. dollar functional currencies are translated at the period-end rate. Accumulated deficit and other equity items are translated at historical rates, and revenue and expenses are translated at average exchange rates during the period. Gains and losses resulting from the translation of the consolidated balance sheets are recorded as a component of accumulated other comprehensive income (loss).

Net foreign exchange transaction and remeasurement gains and losses were not material for the years ended December 31, 2020, 2021, or 2022 or the six months ended June 30, 2022 or 2023 (unaudited).

***Business Combinations***

Business combinations are accounted for under the acquisition method of accounting. This method requires, among other things, allocation of the fair value of purchase consideration to the tangible and intangible assets acquired and liabilities assumed at their estimated fair values on the acquisition date. The excess of the fair value of purchase consideration over the values of these identifiable assets and liabilities is recorded as goodwill. When determining the fair value of assets acquired and liabilities assumed, management makes significant estimates and assumptions, especially with respect to intangible assets. Management's estimates of fair value are based upon assumptions believed to be reasonable but which are inherently uncertain and unpredictable, and as a result, actual results may differ from estimates. During the measurement period, not to exceed one year from the date of acquisition, the Company may record adjustments to the assets acquired and liabilities assumed, with a corresponding offset to goodwill if new information is obtained related to facts and circumstances that existed as of the acquisition date. After the measurement period, any subsequent adjustments are reflected in the consolidated statements of operations. Acquisition costs, consisting primarily of third-party legal and consulting costs, are expensed as incurred.

***Cash and Cash Equivalents***

Cash includes demand deposits with banks or financial institutions as well as cash in transit from payment processors. Cash in transit from payment processors was \$16 million, \$86 million, and \$89 million as of December 31, 2021 and 2022 and June 30, 2023 (unaudited), respectively. The Company considers all highly-liquid investments purchased with an original or remaining maturity of 90 days or less at the date of purchase to be cash equivalents. Cash equivalents consist of investments in commercial paper, money market funds, and U.S. government and government agency debt securities.

***Restricted Cash and Cash Equivalents***

The Company has certificates of deposits that collateralize unconditional, irrevocable letters of credit. The letters of credit are held as security for several of the Company's operating leases and for corporate insurance policies, certain of which are re-negotiated on an annual basis. As of December 31, 2022 and June 30, 2023 (unaudited), these letters of credit vary in term and have expiration dates through October 2026. The Company has classified these certificates of deposit within restricted cash and cash equivalents, current or noncurrent, on the consolidated balance sheets based on the underlying maturity date of these letters of credit.



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Beginning in October 2022, the Company is required to maintain funds in a custodial bank account pursuant to an agreement with a payment card issuer. The withdrawal or general use of these funds is legally restricted. From time to time, these funds may be used to enter in reverse repurchase agreements with a third-party as an overnight lending arrangement. In these cases, the Company classified the reverse repurchase agreements as restricted cash equivalents due to the short-term nature. As of December 31, 2022 and June 30, 2023 (unaudited), \$75 million is maintained in the custodial bank account and included within restricted cash and cash equivalents, current, on the consolidated balance sheets.

**Accounts Receivable and Allowance**

The Company's accounts receivable primarily consists of retailer and advertiser obligations due under normal trade terms and is reported net of allowance. The Company generally collects the gross transaction amount for each order and remits the purchase value of the related goods to the retailer at the retailers' point-of-sale. In certain cases, the gross transaction amount is partially or completely collected by the retailer from the end user which the Company later recoups from the retailer. Such amounts are included within accounts receivable, net on the consolidated balance sheets and totaled \$427 million, \$380 million, and \$309 million as of December 31, 2021 and 2022 and June 30, 2023 (unaudited), respectively.

The Company maintains an allowance for credit losses for accounts receivable, which is recorded as an offset to accounts receivable, and changes in this allowance are recorded within general and administrative expense in the consolidated statements of operations. The Company assesses collectability by reviewing accounts receivable on a collective basis when similar characteristics exist and on an individual basis when the Company identifies specific customers with known disputes or collectability issues. In determining the amount of the allowance for credit losses, the Company considers historical collectability based on past due status and makes judgments about the creditworthiness of customers based on ongoing credit evaluations. The Company also considers customer-specific information, current market conditions, and reasonable and supportable forecasts of future economic conditions to inform adjustments to historical loss data. No material write-offs of accounts receivable have been recorded during the years ended December 31, 2020, 2021, or 2022 or the six months ended June 30, 2022 or 2023 (unaudited).

**Concentrations of Credit Risk**

Financial instruments that potentially subject the Company to concentration risk consist principally of cash and cash equivalents, restricted cash and cash equivalents, marketable securities, and accounts receivable. The Company's cash is held with multiple financial institutions in the United States, for which the balances are regularly in excess of federally insured limits, and in Canada, Australia, and China. The Company's investments consist primarily of U.S. government and government agency debt securities, commercial paper, and corporate debt securities that management believes are of high credit quality.

The following customers accounted for 10% or more of the Company's revenue:

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
				(unaudited)	
Customer A	13%	18%	12%	13%	13%
Customer B	34%	23%	16%	18%	14%
Customer C	13%	15%	12%	15%	*
Customer D	15%	15%	13%	14%	11%

\* Customer did not represent 10% or more of revenue.

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One customer, who is a retailer, accounted for 15% of the Company's accounts receivable as of December 31, 2021. No customers accounted for 10% or more of the Company's accounts receivable as of December 31, 2022 or June 30, 2023 (unaudited).

***Marketable Securities***

Marketable securities consist primarily of commercial paper, money market funds, corporate debt securities, and U.S. government and government agency debt securities. The Company invests in a diversified portfolio of marketable securities and limits the concentration of its investments in any particular security. Marketable securities with original maturities at the date of purchase of 90 days or less are included within cash and cash equivalents, and marketable securities with original maturities greater than 90 days, but less than or equal to one year, are included within short-term marketable securities on the consolidated balance sheets. Marketable securities with original maturities as of the balance sheet date greater than one year are included within long-term marketable securities on the consolidated balance sheets. The Company determines the appropriate classification of marketable securities at the time of purchase. Marketable securities are classified as available-for-sale securities and are carried at fair value on the consolidated balance sheets, with all unrealized gains and losses, net of tax except for credit-related impairment losses, recorded as a component of accumulated other comprehensive income (loss).

The Company evaluates its marketable securities with unrealized loss positions for impairment by assessing if they are related to deterioration in credit risk and whether the entire amortized cost basis of the security will be recovered, the intent to sell, and whether it is more likely than not that the Company will be required to sell the securities before the recovery of their cost basis. Credit-related impairment losses, not to exceed the amount that fair value is less than the amortized cost basis, are recognized through an allowance for credit losses with changes in the allowance for credit losses recorded in the consolidated statements of operations.

No impairment losses related to marketable securities have been recognized during the years ended December 31, 2020, 2021, or 2022 or the six months ended June 30, 2022 or 2023 (unaudited). Any unrealized losses on available-for-sale debt securities that are attributed to credit risk are recorded to earnings through an allowance for credit losses. Unrealized losses on available-for-sale debt securities were not material as of December 31, 2021 or 2022 or June 30, 2023 (unaudited), and no allowance for credit losses was recorded. For the purposes of computing realized and unrealized gains and losses, the cost of investments sold is based on the specific-identification method. Interest on marketable securities is included within interest income in the consolidated statements of operations.

***Property and Equipment, Net***

Property and equipment is stated at cost and depreciated using the straight-line method over the estimated useful lives of the assets. Leasehold improvements are amortized using the straight-line method over the shorter of the remaining lease term or the estimated useful life. Costs of maintenance and repairs that do not improve or extend the lives of the respective assets are expensed as incurred. Upon retirement or sale, the cost and related accumulated depreciation are removed from the consolidated balance sheets and the resulting gain or loss is reflected within operating expenses in the consolidated statements of operations.

***Capitalized Internal-Use Software***

Certain costs of platform and other software applications developed for internal use are capitalized and presented as a component of property and equipment, net on the consolidated balance sheets. The Company capitalizes

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qualifying internal-use software development costs that are incurred during the application development stage. Capitalization of costs begins when two criteria are met: (i) the preliminary project stage is completed and (ii) it is probable that the software will be completed and used for its intended function. Capitalization ceases when the software is substantially complete and ready for its intended use, including the completion of all significant testing. The Company also capitalizes costs related to specific upgrades and enhancements when it is probable the expenditures will result in additional functionality and will expense costs incurred for maintenance and minor upgrades and enhancements. Capitalized costs are amortized using the straight-line method over the estimated useful life of the software once it is ready for its intended use. Costs related to preliminary project activities and post-implementation operating activities are expensed as incurred.

***Goodwill and Intangible Assets, Net***

Goodwill represents the excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired in a business combination. Intangible assets primarily consist of developed technology and customer relationships acquired in business combinations and patents purchased from third parties. Intangible assets resulting from the acquisition of entities are accounted for using the acquisition method of accounting based on management's estimate of the fair value of assets received. Intangible assets are amortized over the estimated useful lives in a pattern that most closely matches the timing of their economic benefits. The Company reviews intangible assets for impairment under the long-lived asset model described below.

Goodwill is not subject to amortization but is tested for impairment on an annual basis, performed in the fourth quarter of each year, or whenever events or changes in circumstances indicate the carrying value of the reporting unit may be in excess of the reporting unit's fair value. Goodwill is tested for impairment at the reporting unit level by first assessing the qualitative factors to determine whether it is more likely than not that the fair value of the Company's single reporting unit is less than its carrying amount. Qualitative indicators assessed include consideration of macroeconomic, industry, and market conditions, the Company's overall financial performance, and personnel or strategy changes. Based on the qualitative assessment, if the Company determines that it is more likely than not that the Company's single reporting unit's fair value is less than its carrying amount, a quantitative analysis is performed by comparing the fair value of the Company's single reporting unit to its carrying value. Any excess of the carrying amount of goodwill over the fair value is recognized as an impairment loss, and the carrying value of goodwill is written down to fair value. The Company may also elect to perform a quantitative analysis instead of starting with a qualitative approach.

No impairment losses related to goodwill and intangible assets have been recognized during the years ended December 31, 2020, 2021, or 2022 or the six months ended June 30, 2022 or 2023 (unaudited).

***Impairment of Long-Lived Assets***

The Company evaluates intangible assets and long-lived assets for possible impairment whenever events or changes in circumstances indicate that the carrying amount of such assets or asset group (collectively "asset group") may not be recoverable. This includes but is not limited to significant adverse changes in business climate, market conditions, or other events that indicate an asset group's carrying amount may not be recoverable. The Company measures the recoverability of the asset group by comparing the carrying amount of such asset groups to the future undiscounted cash flows it expects the asset group to generate. If the Company considers the asset group to be impaired, the impairment to be recognized equals the amount by which the carrying value of the asset group exceeds its fair value. The Company reviews the impairment of its operating lease right-of-use assets consistent with the approach applied for other long-lived assets. No material impairment losses related to long-lived assets have been recognized during the years ended December 31, 2020, 2021, or 2022 or the six months ended June 30, 2022 or 2023 (unaudited).

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***Advances from Payment Card Issuer***

A payment card issuer may advance funds required to settle transactions for a short period, generally one business day, on an interest-free basis. Such advances from the payment card issuer are included within accrued and other current liabilities on the consolidated balance sheets.

***Deferred Offering Costs***

Deferred offering costs, which consist of direct incremental legal, consulting, accounting, and other fees related to the anticipated sale of the Company's common stock in the initial public offering, are capitalized and will be recorded as a reduction of proceeds from the offering upon the consummation of the offering. As of December 31, 2021, the Company had not incurred such costs. As of December 31, 2022 and June 30, 2023 (unaudited), these costs were not material.

***Revenue Recognition***

The Company offers a technology solution that connects multiple parties to facilitate transactions. The Company's revenue consists of transaction revenue and advertising and other revenue. The Company identifies end users, retailers, and advertisers as the Company's customers.

***Transaction Revenue***

The Company generates its revenue primarily from fees received from end users and amounts paid by retailers for its transaction service and is net of any coupons, incentives, and refunds, as well as payments to shoppers. The Company enters into Terms of Service and Services Agreements with its end users and retailers, respectively. These agreements provide a framework for transactions between the Company's end users and shoppers for fulfillment services. The Company separately enters into agreements with shoppers for their use of the technology solution through which shoppers offer fulfillment services to end users.

The Company's sole performance obligation to the retailer is to connect retailers with end users for the provision of goods by the retailer to the end user. The Company's transaction service may also include lead generation, facilitation of payments, providing and hosting the retailer's site, and other activities to facilitate satisfaction of the performance obligation. The Company's sole performance obligation to the end user is to arrange for a shopper to provide fulfillment services to the end user. Each performance obligation is satisfied at a point in time, upon the transfer of control of the services.

As multiple parties are involved in a transaction between end users, retailers, and shoppers, judgment is required in determining whether the Company is the principal or agent for the goods and services provided to the end user or retailer in a transaction. The Company presents revenue on a gross or net basis based on whether it controls the goods or services provided to the end user or retailer and is the principal (gross), or the Company arranges for other parties to provide the goods or service to the end user or retailer and is an agent (net):

- *Goods:* The Company acts as an agent of the retailer in the sale of goods to the end user as the Company does not control the goods at any time before they are transferred to the end user. The Company does not pre-purchase or otherwise obtain control of the goods and only benefits from its fee for arranging for the sale of goods by the retailer to the end user. The Company also does not take inventory risk and does not generally have discretion over pricing of the goods.
- *Fulfillment services:* The Company acts as an agent of the end user in the procurement of fulfillment services from shoppers who are independent contractors. The Company does not control the fulfillment

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services provided as the Company does not pre-purchase services or otherwise direct shoppers to perform fulfillment services on the Company's behalf. The Company does not promise fulfillment services to end users at any time. In addition, the Company is not primarily responsible for and does not have inventory risk for the fulfillment services. Although the Company has discretion in establishing the fees paid for the services, this indicator does not alone provide persuasive evidence that the Company controls the fulfillment services.

As an agent, the Company recognizes as revenue the net amount it retains from both the retailer and the end user from a transaction after remitting the purchase value of the goods to the retailer and amounts owed to the shopper for their services.

In limited situations, the Company utilizes its own employees to provide certain fulfillment activities for end users with the related costs of employees recorded within cost of revenue in the consolidated statements of operations.

Taxes collected from end users on behalf of governmental authorities as part of the transaction are recorded on a net basis and excluded from revenue.

*End Users*

The Company generates revenue from its end users through service and delivery fees for arranging fulfillment services. For each transaction, the Company processes the entire amount of the transaction (i.e., total purchase value of the goods, delivery fees, service fees, applicable sales taxes, and tips) received from the end user and recognizes revenue on a net basis after settling the purchase value of the goods to the retailer and the amounts owed to the shoppers for fulfillment services. Any tips received from the end user for the benefit of shoppers are passed through to the shoppers and are not reflected as revenue or expenses of the Company.

End users can also purchase monthly or annual Instacart+ (previously referred to as Instacart Express) memberships, which entitle the end user to certain benefits including waived delivery fees and reduced service fees on transactions that exceed a minimum transaction value. Membership fees are paid at commencement of the subscription term. Revenue from membership fees is recognized ratably over the monthly or annual subscription period.

*Retailers*

The Company generates revenue from retailers through service fees in exchange for providing access to the Company's technology solution. The services can be provided to retailers either through the Company's mobile application or website or through dedicated websites created exclusively for the retailers. The Company recognizes revenue as either a per transaction fee, a percentage of the total purchase value from the sale of goods, the difference in price between amounts charged to end users for goods and the actual settlement price to the retailer for those goods, or a combination thereof. Payment for the Company's services is generally due immediately to 45 days upon receipt of invoice.

From time to time, the Company has issued equity-based instruments to retailers. Refer to Note 3—Revenue for further discussion.

*Revenue Share*

The Company generates revenue from a partnership with a payment card issuer whereby shoppers use cards issued by the payment card issuer to pay for goods at the retailers' point-of-sale. The Company earns a revenue

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share from the payment card issuer for transactions processed through these payment cards and records these amounts in the same period the underlying transaction takes place.

*Coupons, Refunds, and Incentives*

Coupons, refunds, and incentives offered to end users, shoppers, and retailers arise due to the Company's business practices. Coupons and incentives provided to end users and shoppers, respectively, are recorded as a reduction of revenue if the Company does not receive a distinct good or service or cannot reasonably estimate the fair value of the good or service received in exchange for the coupon or incentive. In certain cases, refunds are provided to retailers primarily in the form of price concessions. The Company accounts for refunds as variable consideration, which are recorded as a reduction to revenue.

The Company offers several types of coupons and incentives to encourage use of the Company's services. These are offered in various forms that include:

- *Appeasement coupons*: These coupons are offered to end-users to ensure the satisfaction of the Company's end user. The Company reduces the revenue recognized in each period by the expected value of the related refunds and appeasement coupons.
- *Promotional coupons*: These coupons are offered to end users to acquire, reengage, or generally increase an end user's use of the service and are recognized as a reduction of revenue at the time they are redeemed by the end user.
- *Referral bonus coupons*: These coupons are earned when an existing end user or shopper ("the referrer") refers a new end user or shopper ("the referred") to the Company, and the referred places their first transaction through the Company's technology solution. These referrals are typically paid in the form of a credit given to both the referrer and the referred. The Company records a liability for unused referrer coupons and the corresponding expense as sales and marketing expense at the time the referral is earned by the referrer because the coupon represents either consideration payable to a customer or a shopper in exchange for a distinct good or service (i.e., the referral). Coupons granted to the referred are recorded as incurred as a reduction in the transaction price when the referred places their first transaction.

Refunds are accounted for as variable consideration, and there is limited uncertainty in estimation given the short duration. In certain cases, end user fees received may be less than the amount of refunds, coupons, incentives, and shopper payments applicable to a particular transaction. This shortfall is recorded within revenue in the consolidated statements of operations.

**Advertising and Other Revenue**

The Company generates revenue from the sale of advertising to companies that are interested in reaching the Company's end users. The advertising services include sponsored product ads, display ads, coupons, and a variety of other online advertising services. The Company's performance obligation is to continually promote a brand over the duration of the contractual term. Contracts are typically less than one year in duration. The Company recognizes revenue in the amount that it has the right to invoice as advertising services are rendered, which occurs upon delivery of clicks for sponsored product ads, upon delivery of impressions or over the contract term on a fixed fee basis for display ads, or upon redemptions of coupons. The Company also offers software subscription services that enhance the online shopping experience to certain retailers and generate an amount of other revenue from software subscriptions that is not material. Revenue is recognized ratably over the subscription period. Payment for the Company's advertising services is generally due 30 to 90 days upon receipt of invoice.

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*Practical Expedients*

The Company has no significant financing components in its contracts with customers.

The Company applies a practical expedient to costs to obtain these contracts and expenses them as incurred as the amortization period would have been one year or less.

The Company does not disclose the value of unsatisfied performance obligations for (i) contracts with an original expected length of one year or less, (ii) contracts for which the Company recognizes revenue at the amount to which it has the right to invoice when that amount corresponds directly with the value of services performed, and (iii) variable consideration allocated entirely to a wholly unsatisfied performance obligation or to a wholly unsatisfied distinct service that forms part of a single performance obligation.

***Contract Assets and Liabilities***

The Company records deferred revenue, which is a contract liability, when the Company receives customer payments in advance of the performance obligations being satisfied on the Company's contracts. Deferred revenue is primarily comprised of balances related to Instacart+ memberships. Substantially all of deferred revenue as of December 31, 2022 is expected to be recognized within a year. During the year ended December 31, 2021, the Company recognized its entire deferred revenue balance as of December 31, 2020. During the year ended December 31, 2022, the Company recognized \$146 million of revenue from the deferred revenue balance as of December 31, 2021. During the six months ended June 30, 2022 and 2023 (unaudited), the Company recognized \$108 million and \$134 million of revenue from the deferred revenue balance as of December 31, 2021 and 2022, respectively.

There were no material contract assets as of December 31, 2021 or 2022 or June 30, 2023 (unaudited).

***Cost of Revenue***

Cost of revenue primarily consists of third-party payment processing fees, expenses related to payment chargebacks, hosting fees, insurance costs attributed to fulfillment, compensation costs of employees primarily involved in fulfillment, depreciation expense, and amortization expense of certain technology-related intangible assets and capitalized internal-use software.

Compensation costs for the Company include salaries, taxes, benefits, and bonuses.

***Operations and Support Expense***

Operations and support expense primarily consists of compensation costs for employees who support operations, costs of end user and shopper support, the cost of attracting and onboarding new shoppers, allocations of various overhead and occupancy costs, and depreciation and amortization expense.

Compensation costs for the Company include salaries, taxes, benefits, bonuses, and stock-based compensation expense.

***Research and Development Expense***

Research and development expense primarily consists of compensation costs for employees in engineering, third-party consulting fees, allocations of various overhead and occupancy costs, and depreciation and amortization expense.

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Compensation costs for the Company include salaries, taxes, benefits, bonuses, and stock-based compensation expense.

***Sales and Marketing Expense***

Sales and marketing expense primarily consists of advertising expenses, compensation costs for sales and marketing employees, third-party consulting fees, allocations of various overhead and occupancy costs, depreciation expense, and amortization expense of customer relationship intangible assets. Advertising expenses primarily include marketing activities such as online advertising, which are expensed as incurred. The Company incurred advertising expenses of \$110 million, \$270 million, and \$426 million for the years ended December 31, 2020, 2021, and 2022, respectively, and \$201 million and \$203 million for the six months ended June 30, 2022 and 2023 (unaudited), respectively, which is included within sales and marketing expense in the consolidated statements of operations.

Compensation costs for the Company include salaries, taxes, benefits, bonuses, and stock-based compensation expense.

***General and Administrative Expense***

General and administrative expense primarily consists of compensation costs for administrative employees, including finance and accounting, human resources, policy, legal; third-party consulting costs; allocations of various overhead and occupancy costs; depreciation expense; and amortization expense of patents and trademarks.

Compensation costs for the Company include salaries, taxes, benefits, bonuses, and stock-based compensation expense.

***Operating Leases***

The Company determines if a contract is or contains a lease at inception of the arrangement based on whether it has the right to obtain substantially all of the economic benefits from the use of an identified asset and whether it has the right to direct the use of an identified asset in exchange for consideration, which relates to an asset that the Company does not own. Right-of-use assets represent the Company's right to use an underlying asset for the lease term, and lease liabilities represent the Company's obligation to make lease payments arising from the lease. Lease liabilities are recognized at the present value of the future lease payments at the lease commencement date. Right-of-use assets are recognized based on the lease liability, adjusted for lease incentives received. The interest rate used to determine the present value of the future lease payments is the Company's incremental borrowing rate ("IBR") because the interest rate implicit in most of the Company's leases is not readily determinable. The IBR is a hypothetical rate based on information available at the lease commencement date, including the Company's understanding of what interest rate the Company would pay to borrow an amount equal to the lease payments in a similar economic environment over the lease term on a collateralized loan, based on the Company's credit rating and other factors.

Lease payments may be fixed or variable; however, only fixed payments or in-substance fixed payments are included in the Company's lease liability calculation. Variable lease payments may include costs such as common area maintenance, utilities, or other costs. Variable lease payments are recognized within operating expenses in the consolidated statements of operations in the period in which the obligation for those payments is incurred.

The Company's leases typically contain rent escalations over the lease term. The Company recognizes expense for these leases on a straight-line basis over the lease term.



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The Company does not recognize short-term leases (original expected term of one year or less) on the consolidated balance sheets, and related lease payments are recognized as an expense over the lease term on a straight-line basis. The Company's lease agreements generally do not contain any residual value guarantees or restrictive covenants. The Company did not have any material finance leases for the years ended December 31, 2020, 2021, or 2022 or the six months ended June 30, 2022 or 2023 (unaudited).

***Stock-Based Compensation***

The Company measures compensation expense for all stock-based awards based on the estimated fair value of the awards on the date of grant. Stock-based compensation expense is recognized ratably over the period during which an employee is required to provide service. The Company estimates the fair value of stock options granted to employees using the Black-Scholes option-pricing model, which requires the input of subjective assumptions, including (1) the fair value of common stock, (2) the expected stock price volatility, (3) the expected term of the award, (4) the risk-free interest rate, and (5) expected dividends. The Company accounts for forfeitures when they occur. The Black-Scholes assumptions are summarized as follows:

- *Fair value of common stock.* Because the Company's common stock is not yet publicly traded, the Company is required to estimate the fair value of its common stock, as discussed in "Common Stock Valuations" below.
- *Expected volatility.* As a result of the lack of historical and implied volatility data of the Company's common stock, the expected stock price volatility has been estimated based on the historical volatilities of a specified group of companies in its industry for a period equal to the expected life of the option. The Company selected companies with comparable characteristics to it, including enterprise value, risk profiles, and position within the industry and with historical share price information sufficient to meet the expected term of the stock options. The historical volatility data has been computed using the daily closing prices for the selected companies.
- *Expected term.* The expected term of stock options represents the weighted-average period the stock options are expected to remain outstanding and is based on the stock options' vesting terms and contractual terms, estimated employee termination behavior, and potential future stock price outcomes.
- *Risk-free rate.* The expected risk-free rate assumption is based on the U.S. Treasury instruments whose term is consistent with the expected term of the stock options.
- *Expected dividend yield.* The expected dividend assumption is based on the Company's history and expectation of dividend payouts. The Company has not paid dividends and does not expect to do so in the foreseeable future, and as such, the dividend yield has been estimated to be zero.

***Service-Based Awards***

The Company recognizes compensation expense for employee stock awards with service-based vesting conditions on a straight-line basis over the requisite service period, which is generally four years, based on the fair value at grant date using the Black-Scholes option pricing model. The Company, at times, grants unvested restricted stock to employees of certain acquired companies in lieu of cash consideration. These awards are generally subject to continued post-acquisition employment. Therefore, the Company accounts for these awards as post-acquisition stock-based compensation expense. The Company recognizes stock-based compensation expense equal to the grant date fair value of the restricted stock on a straight-line basis over the requisite service period of the awards, which is generally three years.

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*Performance-Based Awards*

The Company has granted restricted stock units (“RSUs”) and restricted stock that vest only upon satisfaction of both service-based and performance-based vesting conditions. The service-based vesting condition for the majority of RSUs and restricted stock is satisfied over a period of four years. The performance-based vesting condition will be satisfied upon a qualifying liquidity event defined as the earlier of (i) a combination or disposition transaction provided that such transaction (or series of transactions) qualifies as a change of control, and (ii) the effective date of a registration statement of the Company for an initial public offering. The unvested restricted stock is subject to the Company’s right of repurchase. The Company has also granted RSUs with an additional performance-based vesting condition. Refer to Note 12—Stockholders’ Equity (Deficit) for further discussion.

The Company records stock-based compensation expense for RSUs and restricted stock on an accelerated attribution method over the requisite service period, which is generally four years, and only if performance-based vesting conditions are considered probable to be satisfied.

As of December 31, 2021 and 2022 and June 30, 2023 (unaudited), the Company has not recognized stock-based compensation expense for awards with performance-based vesting conditions that include a qualifying liquidity event because the qualifying liquidity event is not probable. In the period in which the Company’s qualifying liquidity event becomes probable, the Company will record cumulative stock-based compensation expense determined using grant-date fair values for awards that have satisfied or partially satisfied the service-based vesting condition. Stock-based compensation expense related to any remaining service-based vesting conditions after the qualifying liquidity event will be recorded over the remaining requisite service period.

*Market-Based Awards*

The Company has granted stock options and RSUs to certain executives to purchase shares of the Company’s voting common stock and non-voting common stock, as applicable, under its 2013 Equity Incentive Plan (the “2013 Plan”) and its 2018 Equity Incentive Plan (the “2018 Plan” and, together with the 2013 Plan, the “Plans”), each of which vest only upon the satisfaction of market-based vesting conditions in addition to either service-based vesting conditions or both service-based and performance-based vesting conditions. The market-based vesting conditions are satisfied upon the Company’s achievement of specified future Company valuation amounts, as determined upon a change of control or following the effective date of a registration statement of the Company for an initial public offering. The performance-based vesting condition is satisfied upon a liquidity event, including a change of control or an initial public offering.

For market-based equity awards, the Company determines the grant-date fair value utilizing a Monte Carlo valuation model, which incorporates various assumptions including expected stock price volatility, expected term, risk-free interest rates, expected date of a qualifying event, and expected Company valuation amounts.

The Company records stock-based compensation expense for market-based equity awards on an accelerated attribution method over the requisite service period, and for awards containing performance-based vesting conditions, only if performance-based vesting conditions are considered probable of being satisfied. The Company determines the requisite service period by comparing the derived service period to achieve the market-based vesting condition and the explicit time-based service period, using the longer of the two service periods as the requisite service period.

*Common Stock Valuations*

The fair value of the shares of common stock underlying stock options and RSUs and common and restricted stock issued in connection with business acquisitions has historically been determined by the board of directors

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as there was no public market for the common stock. The board of directors determines the fair value of the Company's common stock by considering a number of objective and subjective factors including: the valuation of comparable companies, sales of the Company's redeemable convertible preferred stock or common stock by the Company, the Company's operating and financial performance, secondary transactions involving the Company's common stock, the lack of liquidity of common stock, and general and industry specific economic outlook, amongst other factors.

***Income Taxes***

The Company is subject to income taxes in the United States, Canada, Australia, and China. The Company records a provision for income taxes using the asset and liability method. Under this method, the Company recognizes deferred tax assets and liabilities for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities, as well as for operating loss and tax credit carryforwards. Deferred tax assets and liabilities are measured using the enacted tax rates that are expected to apply to taxable income for the years in which those tax assets and liabilities are expected to be realized or settled. The Company records a valuation allowance to reduce its deferred tax assets to the net amount that it believes is more likely than not to be realized.

The Company recognizes tax benefits from uncertain tax positions only if the Company believes that 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 Company continuously reviews issues raised in connection with ongoing examinations and open tax years to evaluate the adequacy of its tax liabilities. The Company's policy is to adjust these reserves when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. To the extent that the final tax outcome of these matters is different than the amounts recorded, such differences will affect the provision for income taxes in the period in which such determination is made and could have a material impact on its financial condition and results of operations. The provision for income taxes includes the effects of any reserves that management believes are appropriate, as well as the related interest and penalties.

***Net Income (Loss) Per Share***

The Company calculates basic and diluted net income (loss) per share attributable to common stockholders in conformity with the two-class method required for companies with participating securities. The Company considers all series of redeemable convertible preferred stock to be participating securities as the holders are entitled to receive non-cumulative dividends on a pari passu basis in the event that a dividend is paid on common stock. The two-class method requires earnings available to common stockholders for the period to be allocated between common stock and participating securities based upon their respective rights to receive dividends as if all earnings for the period had been distributed. Under the two-class method, net loss attributable to common stockholders is not allocated to the redeemable convertible preferred stock as the holders of redeemable convertible preferred stock do not have a contractual obligation to share in losses.

Basic net income (loss) per share attributable to common stockholders is calculated by dividing the net income (loss) attributable to common stockholders by the weighted-average number of shares of common stock outstanding during the period. Diluted net income (loss) per share attributable to common stockholders is computed by giving effect to all potentially dilutive securities outstanding for the period. For periods in which the Company reports net losses, diluted net loss per share attributable to common stockholders is the same as basic net loss per share attributable to common stockholders, because the effect of potentially dilutive securities is not dilutive.

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**Recently Adopted Accounting Pronouncements**

In August 2018, the FASB issued ASU No. 2018-15, *Intangibles—Goodwill and Other—Internal-Use Software (Subtopic 350-40): Customer’s Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract*, which aligns the requirements for capitalizing implementation costs incurred in a cloud computing arrangement that is a service contract with the requirements for capitalizing implementation costs incurred to develop or obtain internal-use software. The Company adopted the provisions of ASU No. 2018-15 on January 1, 2021, which did not have a material impact on the consolidated financial statements.

In December 2019, the FASB issued ASU No. 2019-12, *Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes*, which is intended to improve consistency and simplify several areas of existing guidance. ASU No. 2019-12 removes certain exceptions to the general principles related to the approach for intraperiod tax allocation, the methodology for calculating income taxes in an interim period and the recognition of deferred tax liabilities for outside basis differences. The new guidance also simplifies aspects of the accounting for franchise taxes and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill. The Company prospectively adopted the provisions of ASU No. 2019-12 on January 1, 2021, which did not have a material impact on the consolidated financial statements.

In May 2021, the FASB issued ASU No. 2021-04, *Earnings Per Share (Topic 260), Debt— Modifications and Extinguishments (Subtopic 470-50), Compensation—Stock Compensation (Topic 718), and Derivatives and Hedging— Contracts in Entity’s Own Equity (Subtopic 815-40)* to clarify and reduce diversity in an entity’s accounting for certain equity transactions affecting the presentation of earnings per share. This guidance requires an entity to treat a modification of an equity-classified warrant that remains equity-classified as an exchange of the original warrant for a new warrant. An entity should measure the effect of a modification as the excess, if any, of the fair value, of the modified warrant and the fair value of that warrant immediately before modification. The Company adopted the provisions of ASU No. 2021-04 on January 1, 2022, which did not have an impact on the consolidated financial statements.

In October 2021, the FASB issued ASU No. 2021-08, *Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers*, which requires contract assets and contract liabilities acquired in a business combination to be recognized and measured by the acquirer on the acquisition date in accordance with ASC 606, *Revenue from Contracts with Customers*, as if it had originated the contracts. Under the legacy business combination guidance, such assets and liabilities are recognized by the acquirer at fair value on the acquisition date. The Company adopted the provisions of ASU No. 2021-08 on January 1, 2022, which did not have a material impact on the consolidated financial statements.

**3. Revenue**

**Disaggregation of Revenue**

The following table depicts the disaggregation of revenue according to type of revenue and is consistent with how the Company evaluates financial performance. The Company believes this depicts how the nature, amount, timing and uncertainty of revenue and cash flows are affected by economic factors.

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
	(in millions)			(unaudited, in millions)	
Transaction	\$ 1,182	\$ 1,262	\$ 1,811	\$ 799	\$ 1,069
Advertising and other	295	572	740	327	406
Total revenue	<u>\$ 1,477</u>	<u>\$ 1,834</u>	<u>\$ 2,551</u>	<u>\$ 1,126</u>	<u>\$ 1,475</u>

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Revenue by geographic areas based on bill-to location was as follows:

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
	(in millions)			(unaudited, in millions)	
United States	\$ 1,442	\$ 1,789	\$ 2,470	\$ 1,093	\$ 1,426
International <sup>(1)</sup>	35	45	81	33	49
<b>Total revenue</b>	<b>\$ 1,477</b>	<b>\$ 1,834</b>	<b>\$ 2,551</b>	<b>\$ 1,126</b>	<b>\$ 1,475</b>

<sup>(1)</sup> No individual international country represented 10% or more of the Company's total revenue for the years ended December 31, 2020, 2021, or 2022 or the six months ended June 30, 2022 or 2023 (unaudited).

**Equity Agreements with Retailers**

From time to time, the Company has entered into equity agreements with retailers for the purchase or grant of redeemable convertible preferred stock, non-voting common stock warrants, and non-voting common stock (collectively, "the Equity Agreements"). These Equity Agreements are generally executed at or near the time of execution of commercial agreements for the Company's services. In accordance with ASC 606, the Company considers any excess of the fair value of the equity instruments issued over any cash payments received in exchange for the instrument to be consideration paid to the retailers and therefore, a reduction of revenue.

The fair value of non-voting common stock issuable pursuant to a subscription agreement is determined by management who considers the results of independent valuations of the Company's common stock. The amounts representing the excess of the fair value of the equity awards provided to retailers from the Equity Agreements over any cash payments received are recognized as a reduction of revenue in the consolidated statements of operations over the term of the related commercial agreement or based on the achievement of certain performance targets, as applicable. In total, the Company recognized net reductions to revenue of \$26 million, \$5 million, and \$3 million during the years ended December 31, 2020, 2021, and 2022, respectively. No adjustments to revenue were recorded during the six months ended June 30, 2022 or 2023 (unaudited).

The fair values of the warrants for the years ended December 31, 2020 and 2022 were determined using the following assumptions:

	Year Ended December 31,	
	2020	2022
Expected term (years)	0.25 - 3.88	0.05 - 1.05
Expected volatility	45.26% - 54.82%	65.90%
Risk-free interest rate	1.55% - 1.66%	3.76% - 4.49%
Expected dividend yield	—	—

**November 2017 Retailer Warrants**

In November 2017, the Company entered into a commercial agreement with a retailer, and in connection with the commercial agreement, the Company entered into a warrant agreement to issue warrants for the purchase of up to 9,289,410 shares of non-voting common stock with an exercise price of \$18.52. The warrants vest subject to the achievement of three time- or performance-based milestones. The first milestone is a time-based milestone in which 5,573,650 shares vest after 36 months have elapsed subsequent to the execution date of the commercial agreement. The second and third milestones are performance-based milestones in which 1,857,880 shares each vest based on achievement of certain performance metrics by the Company. These warrants are exercisable,

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solely with respect to the shares that have vested in connection with a particular milestone, in whole or in part, and in all cases only prior to the expiration of the warrant. These warrants were exercisable as of the earlier of a Deemed Liquidation Event (as defined in Note 11—Redeemable Convertible Preferred Stock) or the fifth-year anniversary of the date of the commercial agreement, prior to a modification of the warrants as described below. During the year ended December 31, 2020, the first and second milestones were achieved, and an aggregate of 7,431,530 shares vested. No shares vested during the years ended December 31, 2021 or 2022 or the six months ended June 30, 2022 (unaudited).

In October 2022, the Company modified these warrants with respect to the 7,431,530 shares that are vested to extend the expiration period through the earlier of a Deemed Liquidation Event and the sixth-year anniversary of the date of the commercial agreement. In exchange for the extension, the Company received cash consideration of \$14 million. The modification resulted in a net reduction to revenue of \$3 million recognized during the year ended December 31, 2022.

During the years ended December 31, 2020 and 2021 and the six months ended June 30, 2022 and 2023 (unaudited), no warrants were exercised, cancelled, or expired. During the year ended December 31, 2022, 1,857,880 unvested warrants expired. As of December 31, 2021 and 2022 and June 30, 2023 (unaudited), 9,289,410, 7,431,530, and 7,431,530 warrants were outstanding, respectively, and 7,431,530 were vested and exercisable. The remaining outstanding warrants as of December 31, 2021 were not expected to vest. The weighted-average remaining contractual term as of December 31, 2021 and 2022 and June 30, 2023 (unaudited) of the warrants outstanding and vested was 0.88 years, 0.88 years, and 0.38 years, respectively. The aggregate intrinsic value as of December 31, 2021 and 2022 and June 30, 2023 (unaudited) of the warrants outstanding and vested was \$651 million, \$87 million, and \$128 million, respectively.

*July 2018 Retailer Warrants*

In July 2018, the Company entered into a warrant agreement with another retailer to issue warrants for the purchase of up to 14,863,040 shares of non-voting common stock with an exercise price of \$18.52. The warrants vest subject to achievement of time-based milestones. Vesting commenced on January 1, 2018, the vesting start date, with 3,715,760 shares each vesting on the 12 and 24-month anniversaries of the vesting commencement date and four tranches of 1,857,880 shares each vesting every six months thereafter. The retailer can exercise any or all shares vested for a given milestone on or within 90 days following the date of the milestone being achieved. These warrants expire the earliest of 90 days subsequent to the 48-month anniversary of the warrant agreement, a Deemed Liquidation Event (as defined in Note 11—Redeemable Convertible Preferred Stock), or the date the warrant is no longer eligible to be exercised or vest with respect to any shares.

During the years ended December 31, 2020, 2021, and 2022, 5,573,640, 3,715,760, and 1,857,880 warrants vested, respectively, and during the six months ended June 30, 2022 (unaudited), 1,857,880 warrants vested. During the years ended December 31, 2020, 2021, and 2022, the retailer exercised warrants to purchase 1,857,880, 3,715,760, and 1,857,880 shares of non-voting common stock, respectively, at a price of \$18.52 per share with total proceeds of \$34 million, \$68 million, and \$34 million, respectively. During the six months ended June 30, 2022 (unaudited), the retailer exercised warrants to purchase 1,857,880 shares of non-voting common stock, at a price of \$18.52 per share with total proceeds of \$34 million. During the years ended December 31, 2020, 2021, and 2022, 3,715,760, zero, and zero fully vested warrants expired unexercised, respectively. As of December 31, 2021, 1,857,880 warrants were outstanding and unvested. The weighted-average remaining contractual term as of December 31, 2021 of the warrants outstanding was 0.25 years. The aggregate intrinsic value as of December 31, 2021 of the warrants outstanding was \$163 million. There were no warrants outstanding as of December 31, 2022.

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*July 2018 Retailer Subscription Agreement*

In July 2018, in conjunction with the warrant agreement with the same retailer, the Company also entered into a subscription agreement that provided for the issuance of 3,715,760 shares of non-voting common stock for no cash consideration. The shares issuable pursuant to the subscription agreement vest upon four time-based milestones, subject to continued compliance with the commercial agreement. Vesting commenced on January 1, 2018, the vesting start date, with 1,393,410 shares vesting on the 12 and 24-month anniversary, and 464,470 shares vesting on the 36 and 48-month anniversary of the vesting start date.

During the years ended December 31, 2020, 2021, and 2022, 1,393,410, 464,470, and 464,470 shares vested and were issued, respectively. During the six months ended June 30, 2022 (unaudited), 464,470 shares vested and were issued. None of the shares issuable pursuant to the subscription agreement were cancelled during the years ended December 31, 2020, 2021, or 2022 or the six months ended June 30, 2022 (unaudited). As of December 31, 2021, 464,470 shares issuable pursuant to the subscription agreement were outstanding and unvested. The fair value per share as of December 31, 2021 was \$106.08. The weighted-average remaining contractual term of shares outstanding as of December 31, 2021 was 0.00 years. The aggregate intrinsic value of shares outstanding as of December 31, 2021 was \$49 million. There were no outstanding shares as of December 31, 2022.

During the year ended December 31, 2021, the Company issued non-voting common stock to certain retailers. Refer to Note 12 – Stockholders’ Equity (Deficit) for further discussion.

**4. Fair Value Measurements**

The following tables summarize assets and liabilities that are measured at fair value on a recurring basis, by level, within the fair value hierarchy:

	As of December 31, 2021			Total
	Level 1	Level 2	Level 3	
	(in millions)			
<b>Cash equivalents</b>				
Money market funds	\$ 34	\$ —	\$ —	\$ 34
Commercial paper	—	26	—	26
Total cash equivalents	34	26	—	60
<b>Short-term marketable securities</b>				
Commercial paper	—	223	—	223
U.S. government and government agency debt securities	—	89	—	89
Corporate debt securities	—	36	—	36
Total short-term marketable securities	—	348	—	348
<b>Long-term marketable securities</b>				
U.S. government and government agency debt securities	—	119	—	119
Corporate debt securities	—	9	—	9
Total long-term marketable securities	—	128	—	128
Total	\$ 34	\$ 502	\$ —	\$ 536

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	As of December 31, 2022			Total
	Level 1	Level 2	Level 3	
	(in millions)			
<b>Cash equivalents</b>				
Money market funds	\$ 480	\$ —	\$ —	\$ 480
Commercial paper	—	24	—	24
Total cash equivalents	<u>480</u>	<u>24</u>	<u>—</u>	<u>504</u>
<b>Short-term marketable securities</b>				
Commercial paper	—	60	—	60
U.S. government and government agency debt securities	—	140	—	140
Corporate debt securities	—	9	—	9
Total short-term marketable securities	<u>—</u>	<u>209</u>	<u>—</u>	<u>209</u>
<b>Long-term marketable securities</b>				
U.S. government and government agency debt securities	—	26	—	26
Corporate debt securities	—	2	—	2
Total long-term marketable securities	<u>—</u>	<u>28</u>	<u>—</u>	<u>28</u>
Total	<u>\$ 480</u>	<u>\$ 261</u>	<u>\$ —</u>	<u>\$ 741</u>
	As of June 30, 2023			
	Level 1	Level 2	Level 3	Total
	(unaudited, in millions)			
<b>Cash equivalents</b>				
Money market funds	\$ 799	\$ —	\$ —	\$ 799
Commercial paper	—	120	—	120
U.S. government and government agency debt securities	—	226	—	226
Total cash equivalents	<u>799</u>	<u>346</u>	<u>—</u>	<u>1,145</u>
<b>Short-term marketable securities</b>				
U.S. government and government agency debt securities	—	123	—	123
Corporate debt securities	—	2	—	2
Total short-term marketable securities	<u>—</u>	<u>125</u>	<u>—</u>	<u>125</u>
<b>Long-term marketable securities</b>				
U.S. government and government agency debt securities	—	4	—	4
Total long-term marketable securities	<u>—</u>	<u>4</u>	<u>—</u>	<u>4</u>
Total	<u>\$ 799</u>	<u>\$ 475</u>	<u>\$ —</u>	<u>\$ 1,274</u>

The Company's investments in commercial paper, U.S. government and government agency debt securities, and corporate debt securities are classified as Level 2 within the fair value hierarchy because they are valued using inputs other than quoted prices in active markets that are observable directly or indirectly, such as prices obtained



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from an independent pricing service which may use quoted prices for identical or comparable instruments or model driven valuations using observable market data or inputs corroborated by observable market data.

There were no transfers of financial instruments between Level 1, Level 2, and Level 3 during the years ended December 31, 2020, 2021, or 2022 or the six months ended June 30, 2022 and 2023 (unaudited).

**5. Investments**

The following tables summarize the amortized cost, gross unrealized gains and losses, and aggregate fair value of the Company's investments in debt securities classified as available-for-sale:

	As of December 31, 2021			Aggregate Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
(in millions)				
<b>Cash equivalents</b>				
Money market funds	\$ 34	\$ —	\$ —	\$ 34
Commercial paper	26	—	—	26
Total cash equivalents	<u>60</u>	<u>—</u>	<u>—</u>	<u>60</u>
<b>Short-term marketable securities</b>				
Commercial paper	223	—	—	223
U.S. government and government agency debt securities	89	—	—	89
Corporate debt securities	36	—	—	36
Total short-term marketable securities	<u>348</u>	<u>—</u>	<u>—</u>	<u>348</u>
<b>Long-term marketable securities</b>				
U.S. government and government agency debt securities	120	—	(1)	119
Corporate debt securities	9	—	—	9
Total long-term marketable securities	<u>129</u>	<u>—</u>	<u>(1)</u>	<u>128</u>
Total	<u>\$ 537</u>	<u>\$ —</u>	<u>\$ (1)</u>	<u>\$ 536</u>

	As of December 31, 2022			Aggregate Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
(in millions)				
<b>Cash equivalents</b>				
Money market funds	\$ 480	\$ —	\$ —	\$ 480
Commercial paper	24	—	—	24
Total cash equivalents	<u>504</u>	<u>—</u>	<u>—</u>	<u>504</u>
<b>Short-term marketable securities</b>				
Commercial paper	60	—	—	60
U.S. government and government agency debt securities	142	—	(2)	140
Corporate debt securities	9	—	—	9
Total short-term marketable securities	<u>211</u>	<u>—</u>	<u>(2)</u>	<u>209</u>

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	As of December 31, 2022			Aggregate Fair Value
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	
(in millions)				
<b>Long-term marketable securities</b>				
U.S. government and government agency debt securities	27	—	(1)	26
Corporate debt securities	2	—	—	2
Total long-term marketable securities	29	—	(1)	28
Total	<u>\$ 744</u>	<u>\$ —</u>	<u>\$ (3)</u>	<u>\$ 741</u>
As of June 30, 2023				
	Amortized Cost	Gross Unrealized Gains	Gross Unrealized Losses	Aggregate Fair Value
(unaudited, in millions)				
<b>Cash equivalents</b>				
Money market funds	\$ 799	\$ —	\$ —	\$ 799
Commercial paper	120	—	—	120
U.S. government and government agency debt securities	226	—	—	226
Total cash equivalents	1,145	—	—	1,145
<b>Short-term marketable securities</b>				
U.S. government and government agency debt securities	124	—	(1)	123
Corporate debt securities	2	—	—	2
Total short-term marketable securities	126	—	(1)	125
<b>Long-term marketable securities</b>				
U.S. government and government agency debt securities	4	—	—	4
Total long-term marketable securities	4	—	—	4
Total	<u>\$ 1,275</u>	<u>\$ —</u>	<u>\$ (1)</u>	<u>\$ 1,274</u>

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The following tables summarize the fair value and gross unrealized losses aggregated by category and the length of time that individual available-for-sale debt securities have been in a continuous unrealized loss position as of December 31, 2021 and 2022 and June 30, 2023 (unaudited):

	As of December 31, 2021					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(in millions)					
Commercial paper	\$ 197	\$ —	\$ —	\$ —	\$ 197	\$ —
U.S. government and government agency debt securities	194	(1)	—	—	194	(1)
Corporate debt securities	45	—	—	—	45	—
Total	<u>\$ 436</u>	<u>\$ (1)</u>	<u>\$ —</u>	<u>\$ —</u>	<u>\$ 436</u>	<u>\$ (1)</u>

	As of December 31, 2022					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(in millions)					
Commercial paper	\$ 84	\$ —	\$ —	\$ —	\$ 84	\$ —
U.S. government and government agency debt securities	48	(1)	118	(2)	166	(3)
Corporate debt securities	2	—	9	—	11	—
Total	<u>\$ 134</u>	<u>\$ (1)</u>	<u>\$ 127</u>	<u>\$ (2)</u>	<u>\$ 261</u>	<u>\$ (3)</u>

	As of June 30, 2023					
	Less than 12 Months		12 Months or More		Total	
	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses	Fair Value	Gross Unrealized Losses
	(unaudited, in millions)					
Commercial paper	\$ 104	\$ —	\$ —	\$ —	\$ 104	\$ —
U.S. government and government agency debt securities	15	—	31	(1)	46	(1)
Corporate debt securities	2	—	—	—	2	—
Total	<u>\$ 121</u>	<u>\$ —</u>	<u>\$ 31</u>	<u>\$ (1)</u>	<u>\$ 152</u>	<u>\$ (1)</u>

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The following table summarizes the amortized cost and fair value of the Company's available-for-sale debt securities with a stated maturity date:

	As of December 31,				As of June 30,	
	2021		2022		2023	
	Amortized Cost	Fair Value	Amortized Cost	Fair Value	Amortized Cost	Fair Value
	(in millions)				(unaudited, in millions)	
Within one year	\$ 408	\$ 408	\$ 715	\$ 713	\$ 1,271	\$ 1,270
One year through five years	129	128	29	28	4	4
<b>Total</b>	<b>\$ 537</b>	<b>\$ 536</b>	<b>\$ 744</b>	<b>\$ 741</b>	<b>\$ 1,275</b>	<b>\$ 1,274</b>

**6. Property and Equipment, Net**

Property and equipment, net of accumulated depreciation and amortization, consisted of the following:

	Estimated Useful Life	As of December 31,		As of June 30,
		2021	2022	2023
	(in years)	(in millions)		(unaudited, in millions)
Computer equipment	3	\$ 8	\$ 15	\$ 16
Furniture and fixtures	5	10	13	13
Leasehold improvements	2-8	18	22	23
Capitalized internal-use software	2-5	17	25	51
<b>Total property and equipment</b>		<b>53</b>	<b>75</b>	<b>103</b>
Less: accumulated depreciation and amortization		(25)	(37)	(44)
<b>Total property and equipment, net</b>		<b>\$ 28</b>	<b>\$ 38</b>	<b>\$ 59</b>

Depreciation and amortization expense related to the Company's property and equipment was \$8 million, \$9 million, and \$13 million for the years ended December 31, 2020, 2021, and 2022, respectively, and \$6 million and \$8 million for the six months ended June 30, 2022 and 2023 (unaudited), respectively.

The Company capitalized \$2 million, \$7 million, and \$8 million of internal-use software costs during the years ended December 31, 2020, 2021, and 2022, respectively, and \$3 million and \$27 million during the six months ended June 30, 2022 and 2023 (unaudited), respectively. Included in depreciation and amortization expense above is amortization expense related to internal-use software within cost of revenue in the consolidated statements of operations of \$3 million, \$3 million, and \$4 million for the years ended December 31, 2020, 2021, and 2022, respectively, and \$2 million and \$2 million for the six months ended June 30, 2022 and 2023 (unaudited), respectively.

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**Geographic Information**

The Company's long-lived assets, net of accumulated depreciation and amortization, by geographic area were as follows:

	<u>As of December 31,</u>		<u>As of June 30,</u>
	<u>2021</u>	<u>2022</u>	<u>2023</u>
	(in millions)		
United States	\$ 61	\$ 65	\$ 74
Canada	10	13	17
Other	2	1	1
Total long-lived assets, net	<u>\$ 73</u>	<u>\$ 79</u>	<u>\$ 92</u>

Long-lived assets consist of property and equipment, net and operating lease right-of-use assets. Long-lived assets attributed to the United States, Canada, and other international geographies are based on the country in which the asset is located.

**7. Business Combinations**

**Acquisition of CaterXpress Pty. Ltd. DBA FoodStorm**

On August 24, 2021, pursuant to a share purchase agreement, the Company acquired a 100% ownership interest in CaterXpress Pty. Ltd. DBA FoodStorm, a software company based in Australia. The purpose of the acquisition is to enhance the Company's software-as-a-service offerings to retailers.

The fair value of the purchase consideration was \$24 million, consisting of \$17 million in cash and 60,128 shares of the Company's non-voting common stock with an aggregate fair value of \$7 million. In addition, the Company issued 11,967 shares of its non-voting common stock with an aggregate fair value of \$1 million, which are subject to continuous employment and were recognized as post-combination compensation expense over the requisite service period.

The Company has accounted for this acquisition as a business combination. The fair value of the identified assets acquired and liabilities assumed as of the date of acquisition primarily consisted of \$17 million of intangible assets and \$7 million of goodwill. Other identified assets acquired and liabilities assumed were not material. Acquisition related costs were expensed as incurred and were not material.

The fair value of identified intangible assets and their respective useful lives as at the time of acquisition were as follows:

	<u>Amount</u>	<u>Weighted-</u>
	<u>(in millions)</u>	<u>Average Useful</u>
		<u>Life</u>
		<u>(in years)</u>
Developed technology	\$ 12	3.0
Customer relationships	5	4.0
Total intangible assets	<u>\$ 17</u>	

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In addition, the Company acquired trademarks with an estimated useful life of five years that were not material. The overall weighted-average useful life of the identified amortizable intangible assets at the time of acquisition was three years.

Intangible assets are amortized over the estimated useful lives in a pattern that most closely matches the timing of their economic benefits. The excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired was recorded as goodwill, which is primarily attributed to the value of synergies and monetization opportunities from the Company's current and future offerings and the value of the assembled workforce. Goodwill recognized from the acquisition is not deductible for tax purposes.

The Company determined the estimated fair value of the developed technology and customer relationships acquired by using the replacement cost approach, which is based on the cost of a market participant to reconstruct a substitute asset of comparable utility. Management applied judgment in determining the fair value of intangible assets, which involved the use of estimates and assumptions including costs anticipated to recreate similar assets.

The results of operations of the business combination have been included in the Company's consolidated financial statements from the date of acquisition.

***Acquisition of SBOT Technologies Inc. DBA Caper***

On October 15, 2021, pursuant to a merger agreement, the Company acquired a 100% ownership interest in SBOT Technologies Inc. DBA Caper ("Caper"), a technology-enabled shopping cart and checkout platform based in the United States. The purpose of the acquisition is to enable the Company to provide a unified online and in-store commerce solution for retailers.

The fair value of the purchase consideration was \$287 million, consisting of \$39 million in cash and 2,044,937 shares of the Company's non-voting common stock with an aggregate fair value of \$248 million. The Company issued 256,563 shares of its non-voting common stock with an aggregate fair value of \$31 million, which are subject to continuous employment and will be recognized as post-combination compensation expense over the requisite service period.

In addition, the Company issued RSUs with respect to 181,444 shares of the Company's non-voting common stock as a replacement for Caper stock options to certain continuing employees. The fair value of the replacement RSUs was \$22 million and will vest upon satisfaction of both service-based and performance-based vesting conditions. The service-based vesting condition is satisfied over a period of four years. The performance-based vesting condition will be satisfied upon a qualifying liquidity event defined as the earlier of a change of control or the effective date of a registration statement filed under the Securities Act for an initial public offering of the Company's common stock. The replacement RSUs attributable to post-combination service are included in the RSU activity presented within Note 12—Stockholders' Equity (Deficit) and will be recognized as stock-based compensation expense on the accelerated attribution method only if performance-based vesting conditions are considered probable to be satisfied.

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The Company has accounted for this acquisition as a business combination. The following table summarizes the fair value of assets acquired and liabilities assumed as of the date of acquisition:

	<u>Fair value</u> <u>(in millions)</u>
Current assets	\$ 3
Goodwill	245
Intangible assets	42
Other non-current assets	1
Total assets acquired	<u>291</u>
Total liabilities assumed	<u>(4)</u>
Net assets acquired	<u>\$ 287</u>

Acquisition related costs were expensed as incurred and were not material. The fair value of identified intangible assets and their respective useful lives as at the time of acquisition were as follows:

	<u>Amount</u> <u>(in millions)</u>	<u>Weighted-</u> <u>Average Useful</u> <u>Life</u> <u>(in years)</u>
Developed technology	\$ 41	5.0
Customer relationships	1	3.0
Total intangible assets	<u>\$ 42</u>	

The overall weighted-average useful life of the identified amortizable intangible assets at the time of acquisition was five years.

Intangible assets are amortized over the estimated useful lives in a pattern that most closely matches the timing of their economic benefits. The excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired was recorded as goodwill, which is primarily attributed to the monetization opportunities from the Company's current and future offerings and the value of the assembled workforce. Goodwill recognized from the acquisition is not deductible for tax purposes.

The Company determined the estimated fair value of the developed technology and customer relationships acquired by using the replacement cost approach, which is based on the cost of a market participant to reconstruct a substitute asset of comparable utility. Management applied significant judgment in determining the fair value of intangible assets, which involved the use of estimates and assumptions including costs anticipated to recreate similar assets.

The results of operations of the business combination have been included in the Company's consolidated financial statements from the date of acquisition.

Pro forma and historical results of operations for acquisitions completed during the year ended December 31, 2021 have not been presented as those were not material to the Company's consolidated statements of operations.

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***Acquisition of Eversight, Inc.***

On August 31, 2022, pursuant to a merger agreement, the Company acquired a 100% ownership interest in Eversight, Inc. (“Eversight”), a pricing and promotions platform for the grocery industry, based in the United States. The purpose of the acquisition is to enable the Company to provide a pricing-as-a-service solution for retailers and consumer packaged goods companies.

The purchase consideration was \$59 million in cash. The Company has accounted for this acquisition as a business combination. The following table summarizes the preliminary fair value of assets acquired and liabilities assumed as of the date of acquisition:

	<u>Fair value</u> <u>(in millions)</u>
Current assets	\$ 7
Goodwill	27
Intangible assets	<u>35</u>
Total assets acquired	69
Total liabilities assumed	<u>(10)</u>
Net assets acquired	<u>\$ 59</u>

Acquisition related costs were expensed as incurred and were not material. The preliminary fair value of identified intangible assets and their respective useful lives as at the time of acquisition were as follows:

	<u>Amount</u> <u>(in millions)</u>	<u>Weighted- Average Useful Life</u> <u>(in years)</u>
Developed technology	\$ 21	6.0
Customer relationships	9	4.0
Trademarks	2	10.0
Non-compete	3	3.0
Total intangible assets	<u>\$ 35</u>	

The overall weighted-average useful life of the identified amortizable intangible assets at the time of acquisition was five years.

Intangible assets are amortized over the estimated useful lives in a pattern that most closely matches the timing of their economic benefits. The excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired was recorded as goodwill, which is primarily attributed to the monetization opportunities from the Company’s current and future offerings and the value of the assembled workforce. Goodwill recognized from the acquisition is not deductible for tax purposes.

The estimated fair values of the developed technology, customer relationships, trademarks, and non-compete agreements were determined based on the present value of cash flows to be generated by those existing intangible assets. Management applied significant judgment in determining the fair value of intangible assets, which involved the use of estimates and assumptions including revenue and cash flow forecasts, technology life, customer base and growth rates, royalty rate, obsolescence, and discount rate.



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Preliminary measurements of fair value are subject to change during the measurement period based on the Company’s continuing review of matters related to the acquisition. The Company expects to complete the purchase price allocation as soon as practicable, but no later than one year from the acquisition date.

The results of operations of the business combination have been included in the Company’s consolidated financial statements from the date of acquisition.

**Acquisition of Rosie Applications Inc.**

On September 2, 2022, pursuant to a merger agreement, the Company acquired a 100% ownership interest in Rosie Applications Inc. (“Rosie”), a white-label online grocery shopping platform targeted toward local and independent grocers based in the United States. The purpose of the acquisition is to enable the Company to provide an e-commerce and mobile solution for small and midsize business retailers.

The fair value of the purchase consideration was \$50 million, consisting of \$43 million in cash and \$10 million of contingent consideration with a fair value of \$7 million. In addition, the Company issued 223,313 shares of its non-voting common stock with an aggregate fair value of \$9 million, which are subject to continuous employment and will be recognized as post-combination compensation expense over the requisite service period.

The contingent consideration is based on the achievement of certain performance goals for the year ending December 31, 2023 and is payable only upon the achievement of those goals. As of the acquisition date, the contingent consideration was valued using the income approach with assumptions including revenue projections and probability of achievement through the performance period. The contingent consideration will be remeasured at each reporting period with changes in fair value recorded within sales and marketing expense in the consolidated statements of operations, given that the contingent consideration is dependent on selling-related activities. For the year ended December 31, 2022 and the six months ended June 30, 2023 (unaudited), the change in fair value of the contingent consideration liability was not material.

The Company has accounted for this acquisition as a business combination. The following table summarizes the preliminary fair value of assets acquired and liabilities assumed as of the date of acquisition:

	Fair value (in millions)
Current assets	\$ 4
Goodwill	28
Intangible assets	21
Total assets acquired	53
Total liabilities assumed	(3)
Net assets acquired	\$ 50

Acquisition related costs were expensed as incurred and were not material. The preliminary fair value of identified intangible assets and their respective useful lives as at the time of acquisition were as follows:

	Amount (in millions)	Weighted- Average Useful Life (in years)
Developed technology	\$ 10	5.0
Customer relationships	7	4.0
Trademark	3	10.0
Non-compete	1	3.0
Total intangible assets	\$ 21	

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The overall weighted-average useful life of the identified amortizable intangible assets at the time of acquisition was five years.

Intangible assets are amortized over the estimated useful lives in a pattern that most closely matches the timing of their economic benefits. The excess of the purchase price over the fair value of the net tangible and identifiable intangible assets acquired was recorded as goodwill, which is primarily attributed to the monetization opportunities from the Company's current and future offerings and the value of the assembled workforce. Goodwill recognized from the acquisition is not deductible for tax purposes.

The estimated fair values of the developed technology, customer relationships, trademark, and non-compete agreements were determined based on the present value of cash flows to be generated by those existing intangible assets. Management applied significant judgment in determining the fair value of intangible assets, which involved the use of estimates and assumptions including revenue and cash flow forecasts, technology life, customer base and growth rates, royalty rate, obsolescence, and discount rate.

Preliminary measurements of fair value are subject to change during the measurement period based on the Company's continuing review of matters related to the acquisition. The Company expects to complete the purchase price allocation as soon as practicable, but no later than one year from the acquisition date.

The results of operations of the business combination have been included in the Company's consolidated financial statements from the date of acquisition.

Pro forma and historical results of operations for acquisitions completed during the year ended December 31, 2022 have not been presented as those were not material to the Company's consolidated statements of operations.

## **8. Goodwill and Intangible Assets, Net**

### ***Goodwill***

The changes in the carrying amount of goodwill for the years ended December 31, 2021 and 2022 and the six months ended June 30, 2023 (unaudited) were as follows:

	<u>Amount</u> <u>(in millions)</u>
Balance as of January 1, 2021	\$ 11
Additions related to business acquisitions	252
Effect of foreign currency translation	—
Balance as of December 31, 2021	\$ 263
Additions related to business acquisitions	55
Effect of foreign currency translation	(1)
Balance as of December 31, 2022	\$ 317
Additions related to business acquisitions (unaudited)	—
Effect of foreign currency translation (unaudited)	—
Measurement period adjustments (unaudited)	1
Balance as of June 30, 2023 (unaudited)	\$ 318

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***Intangible Assets, Net***

Intangible assets, net, resulting from business combinations and asset purchases consisted of the following:

	As of December 31, 2021			Weighted-Average Remaining Useful Life (in years)
	Gross Carrying Value	Accumulated Amortization (in millions)	Net Carrying Value	
Developed technology	\$ 62	\$ (10)	\$ 52	4.1
Customer relationships	11	(3)	8	3.3
Patents	9	(1)	8	6.6
Total intangible assets, net	<u>\$ 82</u>	<u>\$ (14)</u>	<u>\$ 68</u>	

	As of December 31, 2022			Weighted-Average Remaining Useful Life (in years)
	Gross Carrying Value	Accumulated Amortization (in millions)	Net Carrying Value	
Developed technology	\$ 92	\$ (25)	\$ 67	4.1
Customer relationships	27	(7)	20	3.2
Patents	11	(2)	9	5.8
Other	8	(1)	7	6.3
Total intangible assets, net	<u>\$ 138</u>	<u>\$ (35)</u>	<u>\$ 103</u>	

	As of June 30, 2023			Weighted-Average Remaining Useful Life (in years)
	Gross Carrying Value	Accumulated Amortization (unaudited, in millions)	Net Carrying Value	
Developed technology	\$ 91	\$ (34)	\$ 57	3.8
Customer relationships	27	(10)	17	2.8
Patents	11	(3)	8	5.3
Other	8	(2)	6	6.1
Total intangible assets, net	<u>\$ 137</u>	<u>\$ (49)</u>	<u>\$ 88</u>	

Amortization expense totaled \$2 million, \$7 million, and \$21 million for the years ended December 31, 2020, 2021, and 2022, respectively, and \$9 million and \$14 million for the six months ended June 30, 2022 and 2023 (unaudited).

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As of December 31, 2022, the remaining intangible asset amortization was as follows:

Year ending December 31,	Amount (in millions)
2023	\$ 28
2024	26
2025	21
2026	16
2027	7
Thereafter	5
Total	<u>\$ 103</u>

**9. Accrued and Other Current Liabilities**

Accrued and other current liabilities were as follows:

	As of December 31,		As of June 30,
	2021	2022	2023
	(in millions)		
Accrued losses related to legal matters	\$ 123	\$ 164	\$ 69
Accrued shopper and merchant liability <sup>(1)</sup>	114	103	105
Accrued advertising	41	58	41
Accrued compensation and benefits	20	35	47
Income and other taxes	2	17	28
Accrued professional, legal, and contractor services	34	44	34
Sales and indirect tax payable	15	25	22
Other	24	69	78
Total	<u>\$ 373</u>	<u>\$ 515</u>	<u>\$ 424</u>

<sup>(1)</sup> Accrued merchant liability primarily includes liabilities to certain retailers for payment of goods.

**10. Commitments and Contingencies**

**Leases**

The Company's leases primarily include corporate offices. The lease terms of operating leases vary from one year to 11 years. The Company has leases that include one or more options to extend the lease term for up to five years as well as options to terminate the lease within one year. The Company's lease terms may include options to extend or terminate the lease when it is reasonably certain that the Company will exercise such options. Most of these options to extend or terminate the lease do not create a significant economic incentive to extend the lease term and hence are not recognized as part of the Company's operating lease liabilities and operating lease right-of-use assets. The Company leases office space under noncancelable operating lease agreements with expirations through June 2027. The Company did not modify, enter into, or acquire any material leasing arrangements during the years ended December 31, 2020, 2021, or 2022 or during the six months ended June 30, 2022 or 2023 (unaudited).

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The components of lease expense were as follows:

	Year Ended December 31,		
	2020	2021	2022
	(in millions)		
Operating lease costs	\$ 12	\$ 13	\$ 14
Short-term lease costs	2	—	—
Variable lease costs	1	1	1
Total lease costs	<u>\$ 15</u>	<u>\$ 14</u>	<u>\$ 15</u>

The weighted-average lease term and discount rate were as follows:

	Year Ended December 31,		
	2020	2021	2022
Weighted-average remaining lease term (in years)	5.4	4.5	3.6
Weighted-average discount rate	4.03%	3.87%	3.83%

As of December 31, 2022, the future maturities of lease liabilities were as follows:

Year ending December 31,	Amount (in millions)
2023	\$ 15
2024	14
2025	13
2026	11
2027	—
Thereafter	—
Total undiscounted lease payments	<u>53</u>
Less: imputed interest	(4)
Present value of operating lease liabilities	<u>\$ 49</u>

**Sales and Indirect Taxes**

The Company pays applicable state, franchise, and other taxes in states in which the Company conducts business. In the United States, the Company is under audit by various state tax authorities with regard to sales and indirect tax matters. The subject matter of these audits primarily relates to the reporting of sales on behalf of the Company's third-party sellers or tax treatment applied to the sale of the Company's services in these jurisdictions. While the Company believes it properly accrues and pays taxes according to its understanding of tax requirements in each state, it is possible that tax authorities may question the Company's interpretation of taxability. As such, there is a high degree of complexity involved in the interpretation and application of states' sales and indirect tax rules to the Company's activities. As a result, the Company maintains a reserve related to potential tax, interest, or penalties that may become due. Significant judgments are made by the Company in estimating these reserves which includes assessing the taxability of goods or services transacted using the Company's technology solution. The Company maintains such reserves until the statute of limitations has passed or upon conclusion with the relevant tax authorities, at which point the tax exposure and related interest and penalties are released. The reserve balance was \$71 million, \$69 million, and \$57 million as of December 31, 2021 and 2022 and June 30, 2023 (unaudited), respectively, and is included within other long-term liabilities on

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the consolidated balance sheets. The Company recognized expense of \$44 million and \$13 million related to these reserves for the years ended December 31, 2020 and 2021, respectively, and a reserve release of \$1 million for the year ended December 31, 2022. The expense of \$13 million recognized during the year ended December 31, 2021 is net of a reserve release of \$11 million, including interest and penalties, related to a waiver granted to the Company from requirements of the marketplace facilitator law in the State of Texas. The waiver provides that the Company will not be held liable for the collection and remittance of sales tax as a marketplace facilitator retroactive to the effective date of the Texas marketplace facilitator law. The Company recognized expense of less than \$1 million related to these reserves for the six months ended June 30, 2022 (unaudited) and a reserve release of \$11 million for the six months ended June 30, 2023 (unaudited). These amounts were recorded within general and administrative expense in the consolidated statements of operations.

***Legal Matters***

The Company records a liability for legal contingencies when the Company believes that it is both probable that a loss has been incurred and the amount can be estimated. If the Company determines that a loss is reasonably possible and the loss or range of loss can be estimated, the Company discloses the possible loss in the consolidated financial statements. If the Company determines that a loss is either probable or reasonably possible, but the loss or range of loss cannot be estimated, the Company discloses that fact in the consolidated financial statements. Legal fees are expensed as incurred.

The Company operates in several jurisdictions where there have been regulations enacted with respect to methods companies should use to classify workers as either independent contractors or employees, such as California, which enacted California Assembly Bill 5 in 2019. The Company believes that it has properly classified its workers in all jurisdictions in which it operates. Further, on December 16, 2020, the California state ballot initiative, Proposition 22, which provides a framework that offers legal certainty regarding the status of independent work and protects worker flexibility and the quality of on-demand work, among other things, became effective. The Company provides appropriate worker benefits and other protections in accordance with Proposition 22, including guaranteed minimum earnings, healthcare subsidies, insurance, and safety trainings. On August 20, 2021, a judge in Alameda County Superior Court granted a writ that orders the State of California to not enforce Proposition 22 on the ground that it is unconstitutional. The California Attorney General filed an appeal, and on March 13, 2023, the appellate court largely reversed the superior court and effectively upheld Proposition 22. As of December 31, 2022, the Company expected the plaintiffs to appeal the decision to the California Supreme Court. During the six months ended June 30, 2023 (unaudited), plaintiffs have appealed the decision to the California Supreme Court. If the appellate court ruling is reversed by the California Supreme Court, the Company will face continued legal uncertainty over whether it can properly classify a shopper as an independent contractor in California. If shoppers are determined to be employees under U.S. federal or state law, or under the laws of other jurisdictions in which the Company operates, including as a result of litigation, this would likely require the Company to significantly alter its existing business model and could result in increases to its costs related to shoppers and decreases in the breadth of its offerings and geographic coverage. Further, if the Company changes its offerings or increases customer fees as a result of the increased costs, such changes may result in lower order volumes, which in turn would have an adverse effect on the Company's business, financial condition, and results of operations.

The Company has active legal matters in California and several other jurisdictions, including litigation, audits, administrative claims, and inquiries, related to its classification of individuals who provide delivery and other fulfillment services as non-employee contractors. These matters involve allegations that certain individuals are misclassified and, as a result, may be due unpaid minimum statutory wages, overtime, expense reimbursement, and certain other payments and protections, among other issues. Courts handling these matters may rule that the

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Company cannot engage workers to perform certain tasks, including delivery and other fulfillment services, as independent contractors. In some of these cases, the Company has entered into settlement agreements to resolve the claims without any admission of liability; in others, there is active litigation or proceedings, and several cases are stayed pending the outcome of earlier filed complaints. In October 2022, the Company signed and filed a stipulated judgment with the city attorney for San Diego, California, which was entered by the court in January 2023 and settled the case for \$46.5 million. This amount was previously accrued for and was included in the reserve balances noted below as of December 31, 2022 and subsequently paid during the six months ended June 30, 2023 (unaudited). In March 2023 (unaudited), the Company entered into a settlement agreement with the California Employment Development Department to resolve disputes concerning alleged unemployment insurance contributions for \$32 million. In April 2023 (unaudited), the settlement became effective after the approval by the California Attorney General and an Administrative Law Judge of the California Unemployment Insurance Appeal Board. This amount was previously accrued for and was included in the reserve balances noted below as of December 31, 2022 and subsequently paid during the six months ended June 30, 2023 (unaudited).

In the ordinary course of business, the Company and its subsidiaries are also routinely defendants in, parties to, or otherwise subject to many pending and threatened legal actions, claims, disputes, and proceedings. These matters are often based on alleged violations of contract, regulatory, environmental, health and safety, employment, intellectual property, data protection and privacy, consumer protection, unfair competition, tax, and other laws. In some of these proceedings, claims for substantial monetary damages are asserted against the Company and could result in fines, penalties, compensatory damages, or non-monetary relief. The Company does not believe that these matters will have a material adverse effect upon its results of operations, cash flows, or financial condition.

To the extent the Company has agreed to settle outstanding claims or where the Company has concluded it is probable that a resolution may be reached at an amount of loss that is estimable, the loss has been recognized within general and administrative expense in the consolidated statements of operations. The total loss recognized related to these claims was \$51 million, \$52 million, and \$44 million for the years ended December 31, 2020, 2021, and 2022, respectively, and \$13 million for the six months ended June 30, 2022 (unaudited). During the six months ended June 30, 2023 (unaudited), the Company recognized a reserve release related to these claims of \$6 million. In addition, during the year ended December 31, 2021, the Company recorded an \$11 million gain related to legal settlements that is included within other income (expense), net in the consolidated statements of operations. The reserve balance was \$123 million, \$164 million, and \$69 million as of December 31, 2021 and 2022 and June 30, 2023 (unaudited), respectively, and is included within accrued and other current liabilities on the consolidated balance sheets. The actual losses incurred on claims that have not been resolved may differ from the initial estimates of loss, and such differences could be material.

The Company is subject from time to time to audits by government agencies in the various jurisdictions in which it operates. To the extent the Company is obligated to make payments in these jurisdictions (other than income taxes), the Company has recorded the related expense within general and administrative expense in the consolidated statements of operations. The results of these audits may result in additional payments, penalties, and interest, and such additional amounts could be material.

***Indemnifications***

The Company has entered into indemnification agreements with certain of the Company's officers, directors, and current and former employees, and the Company's certificate of incorporation and bylaws contain certain indemnification obligations. It is not possible to determine the maximum potential loss under these indemnification provisions due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular provision. To date, no significant costs have been incurred, either individually or collectively, in connection with the Company's indemnification provisions.

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**11. Redeemable Convertible Preferred Stock**

In February 2021, the Company authorized and issued 2,120,000 shares of Series I redeemable convertible preferred stock at price of \$125.00 per share, with total proceeds of \$265 million, net of issuance costs. The Company also authorized 2,000,000 shares of Series I-1 redeemable convertible preferred stock, none of which were issued during the years ended December 31, 2021 or 2022 or the six months ended June 30, 2023 (unaudited).

The following tables summarize the Company's redeemable convertible preferred stock:

	As of December 31, 2021 and 2022 and June 30, 2023 (unaudited)					
	Shares Authorized	Shares Issued and Outstanding (in thousands)	Per Share Issuance Price	Conversion Price	Carrying Value, Net of Issuance Costs (in millions)	Liquidation Value
Series A	51,250	51,210	\$ 0.2374	\$ 0.2374	\$ 11	\$ 12
Series B	16,655	15,115	2.9793	2.9078	40	45
Series B-1	745	745	2.9793	2.9078	2	2
Series C	19,236	16,540	13.3104	13.3104	220	220
Series D	26,998	22,302	18.5201	18.5201	413	413
Series E	17,404	17,359	20.1108	20.1108	349	349
Series F	30,153	30,153	29.7381	29.7381	897	897
Series G	6,758	6,758	48.0919	48.0919	325	325
Series H	5,000	5,000	60.0000	60.0000	300	300
Series I	2,120	2,120	125.0000	125.0000	265	265
Series I-1	2,000	—	125.0000	125.0000	—	—
Total	<u>178,319</u>	<u>167,302</u>			<u>\$ 2,822</u>	<u>\$ 2,828</u>

The rights, preferences, and privileges of the redeemable convertible preferred stock are as follows:

*Voting*

The holders of redeemable convertible preferred stock, except the holders of Series I-1 redeemable convertible preferred stock who are not entitled to any votes, are entitled to the number of votes equal to the number of shares of common stock into which such shares may be converted, subject to certain limitations. Voting common stock, into which all series of redeemable convertible preferred stock may be converted, are entitled to one (1) vote for each share.

At any time when shares of redeemable convertible preferred stock are outstanding, the Company must obtain approval from the holders of at least 60% of the then outstanding shares of redeemable convertible preferred stock in order to liquidate, dissolve, or wind-up the business, or effect any merger or consolidation or any sale, lease, transfer, exclusive license, or other disposition of all or substantially all the assets of the Company ("Deemed Liquidation Event"), or consent to any foregoing; amend, alter, or repeal any provision of the Company's Certificate of Incorporation, as amended (the "Charter"), or the Company's bylaws; create or authorize the creation of any additional class or series of capital stock or any debt securities convertible into capital stock, or increase the number of authorized shares of redeemable convertible preferred stock, unless they are junior to any existing shares of redeemable convertible preferred stock with respect to the distribution of assets on the liquidation, dissolution, or winding up of the Company, payment of dividends and rights of redemption; purchase or redeem, or declare or pay any dividend or make any distribution on any shares of capital



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stock of the Company other than certain authorized redemption of or dividend or distribution on the redeemable convertible preferred stock, dividend, or other distributions payable on the common stock solely in the form of additional shares of the common stock, repurchases of stock from persons who performed work to the Company, repurchase of stock made in connection with the exercise of a right of first refusal in favor of the Company, or as approved by the board of directors; increase the authorized number of shares of redeemable convertible preferred stock or common stock; declare or pay any dividend to holders of the redeemable convertible preferred stock or common stock; authorize or effectuate any reclassification or recapitalization of the Company's outstanding capital stock; create, authorize, or issue debt securities that would result in the Company and its subsidiaries having an aggregate level of indebtedness greater than \$20 million, unless approved by the board of directors, including at least one director elected by stockholders of a series of redeemable convertible preferred stock; change the class or series or number of shares issued pursuant to an equity incentive plan; enter into any transaction, without the prior written consent of the board of directors, with a director or officer of the Company or any other corporation, partnership, association, or other organization in which one or more of the directors or officers of the Company is a director or officer of, or has a financial interest in; or issue or authorize the issuance of any shares of Series I-1 redeemable convertible preferred stock, unless approved by the board of directors.

*Dividends*

The holders of Series A, Series B, Series B-1, Series C, Series D, Series E, Series F, Series G, Series H, and Series I redeemable convertible preferred stock, on a pari passu basis, are entitled to receive dividends in an amount equal to 6% of the original issue price (as adjusted in the event of any stock dividend, stock split, combination, or other similar recapitalization) prior to any payment of any dividend on shares of Series I-1 redeemable convertible preferred stock. Such dividends are noncumulative and shall be paid only when, as, and if declared by the board of directors. The holders of Series I-1 redeemable convertible preferred stock are entitled to receive dividends in an amount equal to 6% of the original issue price (as adjusted in the event of any stock dividend, stock split, combination, or other similar recapitalization), after the payment of the other series of redeemable convertible preferred stock. Any additional dividends shall be distributed among the holders of redeemable convertible preferred stock and common stock pro rata on an as-converted basis. For the years ended December 31, 2020, 2021, and 2022 and the six months ended June 30, 2022 and 2023 (unaudited), no dividends were declared or paid.

*Liquidation Preference*

In the event of any voluntary or involuntary liquidation, dissolution, or winding up of the Company or Deemed Liquidation Event, the holders of the then outstanding series of redeemable convertible preferred stock are entitled to be paid out of the assets of the Company available for distribution to its stockholders before any payment to be made to the holders of the common stock, on a pari passu basis, an amount per share equal to the greater of the applicable original issue price, plus any dividends declared but unpaid, or such amount per share as would have been payable had all shares of such series of redeemable convertible preferred stock been converted into common stock prior to such event. The holders of Series I-1 redeemable convertible preferred stock are entitled to payment after the other holders of redeemable convertible preferred stock have been paid but before any payment to be made to the holders of the common stock, an amount per share equal to the greater of the applicable original issue price, plus any dividends declared but unpaid, or such amount per share as would have been payable had all shares of Series I-1 redeemable convertible preferred stock been converted into common stock prior to such event.

After the payment of all liquidation preference amounts are made to the holders of redeemable convertible preferred stock, all the remaining funds and assets of the corporation shall be distributed on a pro rata basis among the holders of common stock.

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The Company presents its redeemable convertible preferred stock outside of stockholders' equity (deficit) as mezzanine equity because the shares contain liquidation features that are not solely within the Company's control.

*Redemption*

The holders of redeemable convertible preferred stock do not have redemption rights; however, as noted above, the Company's Certificate of Incorporation provides that in the event of a Deemed Liquidation Event, the holders of such shares may be entitled to receive the applicable liquidation preference amount. In addition, the redeemable convertible preferred stock is not mandatorily redeemable.

*Conversion*

Each share of redeemable convertible preferred stock is convertible, at the option of the holder, into a number of shares of voting common stock (or non-voting common stock at the option of the holders of certain series of redeemable convertible preferred stock), except for shares of Series I-1 redeemable convertible preferred stock, which are convertible into non-voting common stock, as determined by dividing the applicable original issue price by the applicable conversion price in effect at the time. The conversion price of each series of redeemable convertible preferred stock is equal to its original issue price, except for Series B and Series B-1 redeemable convertible preferred stock as indicated in the tables above. The conversion price of each series of redeemable convertible preferred stock is subject to adjustment for certain dilutive share issuances and recapitalization events.

All shares of Series A, Series B, Series C, Series D, Series E, Series F, Series G, Series H, and Series I redeemable convertible preferred stock will convert to voting common stock (other than Series I-1 redeemable convertible preferred stock, which will convert to non-voting common stock) immediately prior to the filing of an amendment and restatement of the Company's certificate of incorporation in connection with (i) the closing of a firm commitment underwritten public offering resulting in at least \$50 million of gross proceeds to the Company (a "Qualified IPO") or (ii) the initial listing of any class or series of capital stock of the Company on a national securities exchange (a "Qualified Direct Listing").

In addition, all shares of a series of redeemable convertible preferred stock (other than Series B-1 redeemable convertible preferred stock) will convert into voting common stock upon the vote of holders of a majority of the then outstanding shares of such series, and additionally with respect to Series I-1 redeemable convertible preferred stock, which will convert to non-voting common stock upon the conversion of all outstanding shares of Series I redeemable convertible preferred stock.

Immediately prior to the filing of an amendment and restatement of the Company's certificate of incorporation in connection with the closing of a Qualified IPO or Qualified Direct Listing, all outstanding shares of Series B-1 redeemable convertible preferred stock are automatically converted into shares of voting common stock if such conversion would not result in a regulated holder (i.e., a bank holding company subject to the provisions of the Bank Holding Company Act of 1956) and its Bank Holding Company Act transferees owning or controlling, or being deemed to own or control, collectively, greater than (i) 4.99% of the voting power of any class of voting securities of the Company or (ii) 9.99% of the total equity of the Company.

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**12. Stockholders' Equity (Deficit)**

**Common Stock**

The Company's authorized and issued and outstanding common stock consisted of the following:

	<u>As of December 31, 2021</u>		<u>As of December 31, 2022</u>		<u>As of June 30, 2023</u>	
	<u>Authorized</u>	<u>Outstanding</u>	<u>Authorized</u>	<u>Outstanding</u>	<u>Authorized</u>	<u>Outstanding</u>
	(in thousands)					
	(unaudited, in thousands)					
Voting	345,120	56,348	345,120	56,435	345,120	56,543
Non-voting	475,389	13,187	475,389	15,795	475,389	15,833
Total	<u>820,509</u>	<u>69,535</u>	<u>820,509</u>	<u>72,230</u>	<u>820,509</u>	<u>72,376</u>

The Company had reserved shares of common stock for future issuance as follows:

	<u>As of December 31,</u>		<u>As of June 30,</u>
	<u>2021</u>	<u>2022</u>	<u>2023</u>
	(in thousands)		
	(unaudited, in thousands)		
Redeemable convertible preferred stock	167,692	167,692	167,692
Non-voting common stock warrants	11,147	7,431	7,431
Restricted stock units	39,450	57,015	63,467
Exchangeable shares outstanding	689	689	689
Stock options outstanding	30,264	30,033	29,910
Non-voting common stock issuable pursuant to a subscription agreement	465	—	—
Shares available for future grant	<u>4,511</u>	<u>3,628</u>	<u>7,653</u>
Total	<u>254,218</u>	<u>266,488</u>	<u>276,842</u>

The holders of common stock are also entitled to receive dividends out of funds that are legally available, when and if declared by the board of directors and subject to the prior rights of the holders of redeemable convertible preferred stock. For the years ended December 31, 2020, 2021, and 2022 and six months ended June 30, 2022 and 2023 (unaudited), no dividends were declared or paid.

In connection with the issuance of Series G redeemable convertible preferred stock, the Company facilitated a tender offer whereby certain existing investors purchased shares of the Company's common stock from certain employees or former employees of the Company at a price of \$46.30 per share for an aggregate of \$143 million. The tender offer was completed in August 2020, and an aggregate of 3,098,052 shares of the Company's common stock were tendered. The purchase price per share in the tender offer was in excess of the then fair value of outstanding common stock of \$35.32 per share. The Company recognized \$34 million of stock-based compensation expense related to the excess of the purchase price per share of common stock paid to its employees over the fair value of the shares tendered.

In March 2021, the Company issued an aggregate of 960,000 shares of non-voting common stock to certain retailers at a price of \$125.00 per share with total proceeds of \$120 million.

**Equity Incentive Plans**

The Plans provide for the issuance of incentive stock options, non-statutory stock options, stock awards, restricted stock, RSUs, and stock appreciation rights to eligible participants. Under the Plans, stock options are to be granted with an exercise price per share that is not less than 100% of the fair value of the common stock on

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the date of grant. The 2013 Plan, which was terminated in August 2018, allowed the Company to issue awards for its voting common stock only. The 2018 Plan allows the Company to issue awards for its non-voting common stock only.

*Stock Options*

Activity under the Plans is set forth below:

	Shares Available for Future Grant  (in thousands)	Number of Options	Weighted- Average Exercise Price	Weighted- Average Remaining Contractual Life  (in years)	Aggregate Intrinsic Value  (in millions)
As of January 1, 2020	6,066	35,508	\$ 6.99	7.27	
Additional shares reserved	8,922	—			
Options exercised	—	(2,758)	\$ 4.38		
Options forfeited and cancelled	1,674	(1,674)	\$ 9.96		
Restricted stock units granted	(14,384)	—			
Restricted stock units forfeited	1,318	—			
As of December 31, 2020	3,596	31,076	\$ 7.06	6.31	
Additional shares reserved	16,394	—			
Options granted	(450)	450	\$ 47.69		
Options exercised	—	(1,051)	\$ 6.16		
Options forfeited and cancelled	211	(211)	\$ 11.20		
Restricted stock granted	(450)	—			
Restricted stock units granted	(18,254)	—			
Restricted stock units forfeited	3,464	—			
As of December 31, 2021	4,511	30,264	\$ 7.66	5.38	
Additional shares reserved	16,600	—			
Options exercised	—	(149)	\$ 8.10		
Options forfeited and cancelled	82	(82)	\$ 12.35		
Restricted stock units granted	(25,175)	—			
Restricted stock units forfeited and cancelled	7,610	—			
As of December 31, 2022	3,628	30,033	\$ 7.65	4.16	
Additional shares reserved (unaudited)	10,500	—			
Options exercised (unaudited)	—	(123)	\$ 5.00		
Restricted stock units granted (unaudited)	(8,794)	—			
Shares withheld related to net share settlement (unaudited)	23	—			
Restricted stock units forfeited (unaudited)	2,296	—			
As of June 30, 2023 (unaudited)	7,653	29,910	\$ 7.66	3.68	
Options vested and expected to vest as of December 31, 2022		30,033	\$ 7.65	4.16	\$ 685
Options exercisable as of December 31, 2022		29,795	\$ 7.33	4.13	\$ 684
Options vested and expected to vest as of June 30, 2023 (unaudited)		29,910	\$ 7.66	3.68	\$ 841
Options exercisable as of June 30, 2023 (unaudited)		29,732	\$ 7.42	3.65	\$ 841

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The weighted-average grant-date fair value of stock options granted during the year ended December 31, 2021 was \$49.80 per share. The total intrinsic value of the stock options exercised during the years ended December 31, 2020, 2021, and 2022 was \$97 million, \$93 million, and \$8 million, respectively, and \$6 million and \$4 million for the six months ended June 30, 2022 and 2023 (unaudited), respectively. The total fair value of stock options vested was \$41 million, \$16 million, and \$17 million during the years ended December 31, 2020, 2021, and 2022, respectively, and \$13 million and \$3 million for the six months ended June 30, 2022 and 2023 (unaudited), respectively.

During the year ended December 31, 2021, the board of directors modified the terms of 1,060,459 stock options granted to certain executives related to the acceleration of the service-based vesting conditions upon involuntary termination of employment in conjunction with a change in control event. No incremental stock-based compensation expense was recorded as a result of the modification related to the stock options.

Stock-based compensation expense recognized associated with stock options was \$30 million, \$18 million, and \$15 million during the years ended December 31, 2020, 2021, and 2022, respectively, excluding the impact of the August 2020 tender offer discussed above, and \$7 million and \$2 million, respectively, for the six months ended June 30, 2022 and 2023 (unaudited). As of December 31, 2022 and June 30, 2023 (unaudited), unrecognized stock-based compensation expense totaled \$12 million and \$9 million, respectively, and is expected to be recognized over a weighted-average period of 2.04 and 1.58 years, respectively.

No stock options were granted during the years ended December 31, 2020 or 2022 or the six months ended June 30, 2023 (unaudited). The fair value of the stock options granted during the year ended December 31, 2021 was determined using the following assumptions:

	<u>Year Ended December 31, 2021</u>
Expected term (years)	6.92
Expected volatility	50.71%
Risk-free interest rate	0.71%
Expected dividend yield	—

*Restricted Stock*

The following table summarizes the activity related to the Company's restricted stock for the years ended December 31, 2021 and 2022 and the six months ended June 30, 2023 (unaudited):

	<u>Number of Shares (in thousands)</u>	<u>Weighted- Average Grant-Date Fair Value per Share</u>
Unvested and outstanding as of January 1, 2021	—	\$ —
Granted	719	\$ 120.33
Vested	(22)	\$ 121.94
Forfeited	—	\$ —
Unvested and outstanding as of December 31, 2021	697	\$ 120.28
Granted	223	\$ 38.37
Vested	(92)	\$ 121.95
Forfeited	—	\$ —

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	<u>Number of Shares</u> (in thousands)	<u>Weighted- Average Grant-Date Fair Value per Share</u>
Unvested and outstanding as of December 31, 2022	828	\$ 97.99
Granted (unaudited)	—	\$ —
Vested (unaudited)	(48)	\$ 121.95
Forfeited (unaudited)	—	\$ —
Unvested and outstanding as of June 30, 2023 (unaudited)	<u>780</u>	<u>\$ 96.54</u>

In January 2021, the Company granted restricted stock covering 450,000 shares of the Company's non-voting common stock to an executive. The restricted stock vests upon satisfaction of both service-based and performance-based vesting conditions. The unvested restricted stock is subject to the Company's right of repurchase. The service-based vesting condition is satisfied over a period of four years. The performance-based vesting condition will be satisfied upon a qualifying liquidity event defined as the earlier of (i) a combination or disposition transaction provided that such transaction (or series of transactions) qualifies as a change of control, and (ii) the effective date of a registration statement of the Company for an initial public offering. In July 2021, the board of directors modified the terms of the restricted stock related to the acceleration of the service-based vesting conditions upon involuntary termination of employment in conjunction with a change in control event. The modification resulted in the remeasurement of these awards as of the modification date that will result in an incremental stock-based compensation expense of \$18 million upon satisfaction of both service-based and performance-based vesting conditions. The grant-date fair value and modification-date fair value of these awards were \$79.02 and \$119.37 per share, respectively.

During the years ended December 31, 2021 and 2022, the Company issued restricted stock in connection with business acquisitions. Refer to Note 7—Business Combinations for further discussion.

The total unrecognized stock-based compensation expense relating to restricted stock with a performance-based vesting condition as of December 31, 2021 and 2022 and June 30, 2023 (unaudited) was \$54 million. Of that amount, \$30 million, \$45 million, and \$49 million relates to awards for which the service-based vesting condition had been satisfied or partially satisfied as of December 31, 2021 and 2022 and June 30, 2023 (unaudited), respectively, calculated using the accelerated attribution method.

Stock-based compensation expense recognized related to restricted stock with only the service-based vesting conditions was \$3 million and \$13 million during the years ended December 31, 2021 and 2022, respectively, and \$6 million and \$7 million during the six months ended June 30, 2022 and 2023 (unaudited), respectively. The total unrecognized stock-based compensation expense relating to restricted stock with only the service-based vesting conditions as of December 31, 2021 and 2022 and June 30, 2023 (unaudited) was \$30 million, \$26 million, and \$19 million, respectively, and is expected to be recognized over a weighted-average period of 2.56 years, 1.94 years, and 1.48 years, respectively.

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*RSUs*

The following table summarizes the activity related to the Company's RSUs for the years ended December 31, 2020, 2021, and 2022 and the six months ended June 30, 2023 (unaudited):

	<u>Number of Shares</u> (in thousands)	<u>Weighted- Average Grant-Date Fair Value per Share</u>
Unvested and outstanding as of January 1, 2020	11,594	\$ 14.59
Granted	14,384	\$ 32.15
Vested	—	\$ —
Forfeited	<u>(1,318)</u>	\$ 17.41
Unvested and outstanding as of December 31, 2020	24,660	\$ 24.68
Granted	18,254	\$ 120.02
Vested	—	\$ —
Forfeited	<u>(3,464)</u>	\$ 61.35
Unvested and outstanding as of December 31, 2021	39,450	\$ 67.60
Granted	25,175	\$ 46.08
Vested	—	\$ —
Vested but not settled	(46)	\$ 119.37
Forfeited and cancelled	<u>(7,610)</u>	\$ 90.99
Unvested and outstanding as of December 31, 2022	56,969	\$ 54.85
Granted (unaudited)	8,794	\$ 35.72
Vested (unaudited)	—	\$ —
Forfeited (unaudited)	<u>(2,296)</u>	\$ 69.69
Unvested and outstanding as of June 30, 2023 (unaudited)	<u>63,467</u>	\$ 51.67

In May 2020, the Company granted an aggregate of 802,622 RSUs to certain executives that included service-based, performance-based, and market-based vesting conditions under the 2018 Plan. These RSUs vest upon the occurrence of a liquidity event, defined as the effective date of a registration statement of the Company for an initial public offering or a change of control, and upon the Company satisfying certain valuation thresholds (provided no termination of service has occurred prior to satisfying the market-based vesting condition).

During the year ended December 31, 2021, the Company granted 752,000 RSUs to the Company's chief executive officer that vest upon satisfaction of both service-based and performance-based vesting conditions. The service-based vesting condition is satisfied over a period of four years. The performance-based vesting condition will be satisfied upon a qualifying liquidity event defined as the earlier of (i) a change of control and (ii) the effective date of a registration statement filed under the Securities Act for an initial public offering of the Company's common stock. In addition, to incentivize the chief executive officer to maximize stockholder value, the Company granted the executive 800,000 RSUs that vest upon satisfaction of both the performance-based vesting condition noted above and the achievement of certain market capitalization goals during a specified performance period following the effective date of a registration statement filed under the Securities Act for an

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initial public offering of the Company's common stock, subject in each case to the executive's continued employment. The executive is also eligible to be granted annual RSU awards through 2025, with the first annual RSU award granted in 2022. In light of the uncertainty that may arise in the event that the Company were to pursue a strategic transaction during the first year of the executive's employment while the executive is transitioning into the role of chief executive officer, in which case the RSUs noted above may not vest and the executive may not have the opportunity to be granted annual RSU awards, the Company also granted the executive 1,661,538 RSUs that vest upon satisfaction of both service-based vesting conditions and the performance-based vesting condition first noted above. The first service-based vesting condition is satisfied upon the executive's continued employment over a period of two years following the signing of a qualifying change in control ("CIC") agreement and is applicable to 50% of the award. The second service-based vesting condition is satisfied upon the executive's continued employment through the closing of a CIC relating to the qualifying CIC agreement and is applicable to the remaining 50% of the award. If the Company does not enter into a CIC transaction agreement during the first year of the executive's employment while the executive is transitioning into the role of chief executive officer, all 1,661,538 RSUs will be cancelled. Each of the RSU awards granted to the executive is subject to potential vesting acceleration under certain circumstances.

In May 2022, the chief executive officer elected to voluntarily forfeit 1,661,538 RSUs which would have been eligible to vest following the signing of a qualifying CIC agreement within a specified period as discussed above, pursuant to which the awards were cancelled. No payment or other consideration was provided to the executive for the cancelled RSUs. Given the RSUs were subject to performance-based vesting conditions that were not deemed probable, no stock-based compensation expense was recognized as a result of the cancellation.

During the year ended December 31, 2021, the board of directors modified the terms of an aggregate of 1,952,028 RSUs granted to certain executives and employees related to the acceleration of the service-based vesting conditions in the event of involuntary termination of employment and an aggregate of 10,169,878 RSUs granted to certain employees and other service providers to remove the requirement to continue service with the Company through the date of a liquidity event in order to vest in the RSUs. Additionally, the Company accelerated the service-based vesting of 215,000 RSUs in connection with the termination of employment of executives. The Company has not recorded stock-based compensation expense related to the RSU modifications since the awards are still subject to the performance-based vesting condition that is not deemed probable. However, the RSU modifications resulted in the remeasurement of these awards as of the modification date that will result in an incremental stock-based compensation expense of \$165 million upon satisfaction of both the service-based and performance-based vesting conditions. The weighted-average grant-date fair value and weighted-average modification-date fair value of these awards was \$106.06 and \$119.42 per share, respectively.

In December 2022, the Company granted an aggregate of 2,520,000 RSUs to certain executives that vest upon satisfaction of a performance-based vesting condition and the achievement of certain market capitalization goals during a specified performance period following the date of grant, subject to the respective executive's continued employment. The performance-based vesting condition will be satisfied upon a qualifying liquidity event defined as the earlier of (i) a change of control and (ii) the effective date of a registration statement filed under the Securities Act for an initial public offering of the Company's common stock. Once vested, the shares will be subject to a one-year holding period prior to any sale, transfer, or disposal, subject to certain exceptions. Each of the RSU awards granted to the executives is subject to potential vesting acceleration under certain circumstances.

The weighted-average grant-date fair value of RSUs with market capitalization goals described above in the years ended December 31, 2021 and 2022 were \$104.98 and \$21.36 per share, respectively. The weighted-average derived service period for these RSUs in the years ended December 31, 2021 and 2022 were 1.31 and



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1.43 years, respectively. The fair value of these RSUs granted during the years ended December 31, 2021 and 2022 were determined using a Monte Carlo valuation model with the following weighted-average assumptions:

	<b>Year Ended December 31,</b>	
	<b>2021</b>	<b>2022</b>
Expected term (years)	5.77	5.00
Expected volatility	53.81%	65.76%
Risk-free interest rate	0.78%	3.53%
Expected dividend yield	—	—
Discount for lack of marketability	—	14.52%

Of the 2,520,000 RSUs granted, 1,200,000 RSUs were granted to the Company's chief executive officer in replacement of the cancellation of the 800,000 RSUs subject to both performance-based vesting conditions and the achievement of certain market capitalization goals. Given the cancelled RSUs were subject to performance-based vesting conditions that were not deemed probable, no stock-based compensation expense was recognized as a result of the cancellation. The cancellation and concurrent replacement was treated as a modification which resulted in the remeasurement of these awards as of the modification date that will result in stock-based compensation expense of \$26 million upon satisfaction of both the service-based and performance-based vesting conditions. The weighted-average grant-date fair value and weighted-average modification-date fair value of these awards was \$104.98 and \$21.36 per share, respectively.

No stock-based compensation expense was recognized related to RSUs during the years ended December 31, 2020 or 2021 or the six months ended June 30, 2023 (unaudited). Stock-based compensation expense recognized associated with RSUs during the year ended December 31, 2022 was not material. The total unrecognized stock-based compensation expense relating to the RSUs as of December 31, 2021 and 2022 and June 30, 2023 (unaudited) was \$2,667 million, \$3,125 million, and \$3,280 million, respectively. Of that amount, \$1,066 million, \$2,007 million, and \$2,411 million relates to awards for which the service-based vesting condition, or as applicable, both the service-based and market-based vesting conditions, had been satisfied or partially satisfied as of December 31, 2021 and 2022 and June 30, 2023 (unaudited), respectively, calculated using the accelerated attribution method.

#### ***Exchangeable Shares***

In connection with the acquisition of Unata in 2018, through the Company's subsidiary, Aspen Merger Corp. ("Aspen"), Aspen issued exchangeable shares that are exchangeable by the holders for the shares of the Company's non-voting common stock on a one-for-one basis (subject to customary adjustments for stock splits or other reorganizations). The exchangeable shares are legally issued and outstanding. The exchangeable shares are held in escrow until such shares are released to the recipient upon the first, second, and third anniversaries of the issuance date, subject to the continued employment of the recipient. The release may be accelerated upon the non-voluntary termination of the recipient by the Company.

Holders of the exchangeable shares are entitled to receive dividends economically equivalent to noncumulative dividends declared by the Company with respect to its common stock. The released shares may be exchanged for shares of the Company's common stock, on a one-to-one basis as adjusted for any dividends or withholding tax obligation, at any time at the Company's option, or upon certain change of control events including a merger, sale of assets, certain changes in law, or the effective date of a registration statement filed under the Securities Act for an initial public offering of the Company's common stock, or automatically on the 10th anniversary of the issuance date.

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The fair value of the exchangeable shares at the acquisition date was recognized as stock-based compensation expense over the three-year vesting period. Stock-based compensation expense recognized associated with exchangeable shares was \$1 million and less than \$1 million during the years ended December 31, 2020 and 2021, respectively. There was no unrecognized stock-based compensation expense relating to the exchangeable shares as of December 31, 2021 as the exchangeable shares were fully vested as of December 31, 2021.

The following table summarizes the activity related to the Company's exchangeable shares for the years ended December 31, 2020, 2021, and 2022 and the six months ended June 30, 2023 (unaudited). For purposes of this table, vested exchangeable shares represent the shares for which the service-based vesting condition had been fulfilled as of December 31, 2020, 2021 and 2022 and June 30, 2023 (unaudited):

	Number of Shares (in thousands)	Weighted- Average Grant-Date Fair Value per Share
Outstanding as of January 1, 2020	694	\$ 18.52
Issued	—	\$ —
Shares exchanged	(5)	\$ 18.52
Forfeited	—	\$ 18.52
Outstanding as of December 31, 2020	<u>689</u>	<u>\$ 18.52</u>
Vested as of December 31, 2020	<u>648</u>	<u>\$ 18.52</u>
Outstanding as of January 1, 2021	689	\$ 18.52
Issued	—	\$ —
Shares exchanged	—	\$ —
Forfeited	—	\$ —
Outstanding and vested as of December 31, 2021 and 2022 and June 30, 2023 (unaudited)	<u>689</u>	<u>\$ 18.52</u>

Although legally issued and outstanding, the exchangeable shares are only deemed outstanding for basic net income (loss) per share computation purposes upon vesting.

**Stock-Based Compensation Expense Summary**

The classification of stock-based compensation expense by line item in the consolidated statements of operations is as follows:

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
	(in millions)			(unaudited, in millions)	
Operations and support	\$ 3	\$ 1	\$ —	\$ —	\$ —
Research and development	20	9	18	7	4
Sales and marketing	5	3	4	2	2
General and administrative	36	9	11	4	3
Total stock-based compensation expense	<u>\$ 64</u>	<u>\$ 22</u>	<u>\$ 33</u>	<u>\$ 13</u>	<u>\$ 9</u>

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**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The amount of stock-based compensation the Company capitalized as internal-use software costs was not material for the years ended December 31, 2020, 2021, or 2022 or six months ended June 30, 2022 or 2023 (unaudited).

The Company recognized an income tax benefit of zero, zero, and \$5 million in the consolidated statements of operations related to stock-based awards in the years ended December 31, 2020, 2021, and 2022, respectively. The income tax benefit was zero for the six months ended June 30, 2022 (unaudited) and less than \$1 million for the six months ended June 30, 2023 (unaudited).

**13. Income Taxes**

The components of income (loss) before provision for (benefit from) income taxes are as follows:

	Year Ended December 31,		
	2020	2021	2022
	(in millions)		
United States	\$ (69)	\$ (75)	\$ 71
Foreign	(1)	3	—
Income (loss) before provision for (benefit from) income taxes	<u>\$ (70)</u>	<u>\$ (72)</u>	<u>\$ 71</u>

The components of the provision for (benefit from) income taxes are as follows:

	Year Ended December 31,		
	2020	2021	2022
	(in millions)		
<b>Current:</b>			
Federal	\$ —	\$ —	\$ 4
State	1	1	11
Foreign	1	2	1
Total current tax expense	<u>2</u>	<u>3</u>	<u>16</u>
<b>Deferred:</b>			
Federal	—	(2)	(287)
State	—	—	(86)
Foreign	(2)	—	—
Total deferred tax expense (benefit)	<u>(2)</u>	<u>(2)</u>	<u>(373)</u>
Total provision for (benefit from) income taxes	<u>\$ —</u>	<u>\$ 1</u>	<u>\$ (357)</u>

A reconciliation of the Company's effective tax rate to the U.S. statutory rate is as follows:

	Year Ended December 31,		
	2020	2021	2022
U.S. federal statutory rate	21.0%	21.0%	21.0%
State, net of federal benefit	(0.5)	2.1	8.3
Foreign taxes	(0.6)	(1.5)	(0.6)
Penalties	(2.7)	(1.0)	0.1

**MAPLEBEAR INC. DBA INSTACART**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

	Year Ended December 31,		
	2020	2021	2022
Lobbying expenses	(9.6)	(1.4)	3.6
Stock-based compensation	2.9	3.5	1.3
Equity agreements with retailers	(7.6)	(1.3)	0.8
Transaction costs	—	(1.9)	2.6
Change in valuation allowance	(20.3)	(57.3)	(507.2)
Research and development credits	31.4	46.6	(47.6)
Uncertain tax positions	(13.4)	(8.7)	12.4
Other	(0.2)	(1.5)	1.5
Effective tax rate	<u>0.4%</u>	<u>(1.4)%</u>	<u>(503.8)%</u>

Deferred income taxes arise from temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and the amounts used for income tax reporting purposes, as well as operating losses and tax credit carryforwards. Significant components of the Company's deferred tax assets are as follows:

	As of December 31,	
	2021	2022
	(in millions)	
<b>Deferred tax assets</b>		
Net operating loss and tax credit carryforwards	\$ 292	\$ 176
Capitalized research and development	—	122
Legal reserve	33	42
Other accruals and reserves	21	21
Stock-based compensation	23	30
Operating lease liabilities	14	13
Other	—	3
<b>Total gross deferred tax assets</b>	<u>383</u>	<u>407</u>
Less: valuation allowance	(360)	(2)
<b>Total deferred tax assets, net of valuation allowance</b>	<u>23</u>	<u>405</u>
<b>Deferred tax liabilities</b>		
Property and equipment and intangible assets	(12)	(24)
Operating lease right-of-use assets	(11)	(10)
<b>Total deferred tax liabilities</b>	<u>(23)</u>	<u>(34)</u>
<b>Net deferred tax assets (liabilities)</b>	<u>\$ —</u>	<u>\$ 371</u>

The valuation allowance increased by \$47 million for the year ended December 31, 2021 primarily due to the changes in the Company's deferred tax assets related to net operating losses, tax credits, accruals and reserves, and was substantially charged to deferred tax expense. For the year ended December 31, 2021, the Company assessed the impact of the Company's business acquisitions on the realization of deferred tax assets subject to a valuation allowance. Consequently, a portion of the valuation allowance was released as a result of estimated future taxable income of acquired entities which allowed the Company to recognize certain deferred tax assets of \$2 million, which had previously been offset by a valuation allowance.

The Company regularly assesses the ability to realize deferred tax assets based on the weight of all available evidence, including such factors as the history of recent earnings and expected future taxable income on a

**MAPLEBEAR INC. DBA INSTACART**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

jurisdiction-by-jurisdiction basis. Judgment is required in determining whether a valuation allowance should be recorded against deferred tax assets. During the year ended December 31, 2022, after considering these factors, the Company determined that the positive evidence overcame any negative evidence, primarily due to cumulative income in recent years, including the effect of permanent adjustments, continuing and improved profitability, revenue growth, and the expectation of sustained profitability in future periods, and concluded that it was more likely than not that the U.S. federal and state deferred tax assets were realizable. As a result, the Company released the entire valuation allowance of \$358 million related to the U.S. federal and state net deferred tax assets during the year ended December 31, 2022. As of December 31, 2022, the Company continues to maintain a full valuation allowance against its net deferred tax assets in Australia.

As of December 31, 2021 and 2022, the Company had federal net operating loss carryforwards of \$958 million and \$410 million, respectively, which will not expire. In addition, the Company had state net operating loss carryforwards of \$829 million and \$520 million as of December 31, 2021 and 2022, respectively, which will begin to expire in 2023.

As of December 31, 2021 and 2022, the Company had federal research and development tax credit carryforwards of \$37 million and \$49 million, respectively. Furthermore, the Company had state research and development tax credit carryforwards of \$25 million and \$40 million, respectively. The federal research and development tax credits will begin to expire in 2040 if not utilized. The state research and development tax credits have no expiration date.

Under Section 382 of the Internal Revenue Code of 1986, as amended (the "Code"), the Company's ability to utilize net operating loss carryforwards or other tax attributes, such as research tax credits (under IRC Section 383), in any taxable year may be limited if it experiences an ownership change. The Company has assessed whether it had an ownership change, as defined by Section 382 of the Code from its formation. Based upon this assessment, no reductions were made to the Company's net operating losses and tax credit carryforwards under these rules. Additional ownership changes in the future could result in additional limitations on the Company's net operating losses and tax credit carryforwards.

On June 29, 2020, Assembly Bill 85 ("A.B. 85") was signed into California law. A.B. 85 provides for a three-year suspension of the use of net operating losses for medium and large businesses and a three-year cap on the use of business incentive tax credits to offset no more than \$5.0 million of tax per year. A.B. 85 suspends the use of net operating losses for taxable years 2020, 2021, and 2022 for certain taxpayers with taxable income of \$1.0 million or more. The carryover period for any net operating losses that are suspended under this provision will be extended. A.B. 85 also requires that business incentive tax credits including carryovers may not reduce the applicable tax by more than \$5.0 million for taxable years 2020, 2021, and 2022. There was no material impact of A.B. 85 on the consolidated financial statements for the years ended December 31, 2021 and 2022. On February 9, 2022, Senate Bill No. 113 was signed into California law. This bill would reinstate the net operating loss deduction, and would remove the above-described temporary limitation on allowable credits, for taxable years beginning on or after January 1, 2022.

Under the Tax Cuts and Jobs Act of 2017, research and development costs are required to be capitalized and amortized for U.S. tax purposes, effective January 1, 2022. The mandatory capitalization requirement did not materially impact the Company's net deferred tax assets and 2022 cash tax liabilities.

**MAPLEBEAR INC. DBA INSTACART**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The following table summarizes the activity related to the Company’s gross unrecognized tax benefits:

	Year Ended December 31,		
	2020	2021	2022
	(in millions)		
Unrecognized tax benefits at beginning of period	\$ —	\$ 10	\$ 18
Gross increases – current period tax positions	6	9	10
Gross increases – prior period tax positions	4	—	2
Gross decreases – current period tax positions	—	(1)	—
Gross decreases – prior period tax positions	—	—	—
Unrecognized tax benefits at end of period	<u>\$ 10</u>	<u>\$ 18</u>	<u>\$ 30</u>

The Company’s policy is to recognize interest and penalties associated with uncertain tax benefits as part of the income tax provision and include accrued interest and penalties within the related income tax liability on the Company’s consolidated balance sheets. To date, the Company has not recognized any interest and penalties in the consolidated statements of operations, nor has it accrued for or made payments for interest and penalties. As of December 31, 2022, \$30 million of unrecognized tax benefits, if recognized, would impact the effective tax rate.

The Company has not provided U.S. income or foreign withholding taxes on the undistributed earnings of its foreign subsidiaries as of December 31, 2021 or 2022 because it intends to permanently reinvest such earnings outside of the United States. If these foreign earnings were to be repatriated in the future, the related U.S. tax liability will be not material, due to the participation exemption put in place under the 2017 Tax Cuts and Jobs Act.

The Company files income tax returns primarily in the U.S. federal and state jurisdictions and in Canada, China, and Australia. The Company is subject to examination in U.S. federal, various state and local jurisdictions, for all prior years. The examination period for Canada remains open as of 2018. There are no jurisdictions currently under examination.

*For the Six Months Ended June 30, 2022 and 2023 (Unaudited)*

The Company’s provision for (benefit from) income taxes for interim periods is determined using an estimated annual effective tax rate, adjusted for discrete items arising in that quarter. The Company recorded a \$1 million and \$64 million provision for income taxes for the six months ended June 30, 2022 and 2023 (unaudited), respectively. The effective tax rate was (1.4)% and 21.0% for the six months ended June 30, 2022 and 2023 (unaudited), respectively. For the six months ended June 30, 2022 (unaudited), the effective tax rate differs from the U.S. statutory tax rate primarily due to the U.S. valuation allowance on the Company’s deferred tax assets as it was more likely than not that some or all of the Company’s deferred tax assets would not be realized. The increase in the effective tax rate for the six months ended June 30, 2023 (unaudited) compared to the six months ended June 30, 2022 (unaudited) was primarily due to the release of the valuation allowance related to the U.S. federal and state net deferred tax assets during the fourth quarter of 2022.

**14. Net Income (Loss) per Share Attributable to Common Stockholders**

The rights, including the liquidation and dividend rights, of the holders of voting and non-voting common stock are identical, except with respect to voting. As the liquidation and dividend rights are identical, the undistributed earnings are allocated on a proportionate basis and the resulting net income (loss) per share attributable to common stockholders will, therefore, be the same for both voting and non-voting common stock on an individual or combined basis.

**MAPLEBEAR INC. DBA INSTACART**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The following table sets forth the computation of basic and diluted net income (loss) per share attributable to common stockholders:

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
	(in millions, except share amounts, which are reflected in thousands, and per share amounts)			(unaudited and in millions, except share amounts, which are reflected in thousands, and per share amounts)	
<b>Numerator:</b>					
Net income (loss)	\$ (70)	\$ (73)	\$ 428	\$ (74)	\$ 242
Less: Undistributed earnings attributable to preferred stockholders	—	—	(351)	—	(220)
Net income (loss) attributable to common stockholders, basic	\$ (70)	\$ (73)	\$ 77	\$ (74)	\$ 22
Add: Undistributed earnings reallocated to common stockholders	—	—	20	—	5
Net income (loss) attributable to common stockholders, diluted	<u>\$ (70)</u>	<u>\$ (73)</u>	<u>\$ 97</u>	<u>\$ (74)</u>	<u>\$ 27</u>
<b>Denominator:</b>					
Weighted-average shares used in computing basic net income (loss) per share attributable to common stockholders	57,929	65,874	71,853	71,668	72,222
Weighted average effect of dilutive securities:					
Stock options	—	—	25,087	—	23,576
Non-voting common stock warrants	—	—	4,527	—	3,510
Unvested restricted non-voting common stock	—	—	2	—	26
Vested but not settled restricted stock units	—	—	11	—	—
Weighted-average shares used in computing diluted net income (loss) per share attributable to common stockholders	<u>57,929</u>	<u>65,874</u>	<u>101,480</u>	<u>71,668</u>	<u>99,334</u>
<b>Net income (loss) per share attributable to common stockholders:</b>					
Basic	\$ (1.21)	\$ (1.12)	\$ 1.08	\$ (1.03)	\$ 0.30
Diluted	<u>\$ (1.21)</u>	<u>\$ (1.12)</u>	<u>\$ 0.96</u>	<u>\$ (1.03)</u>	<u>\$ 0.27</u>

**MAPLEBEAR INC. DBA INSTACART**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

The following potentially dilutive outstanding securities were excluded from the computation of diluted income (loss) per share attributable to common stockholders because their effect was not dilutive:

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
	(in thousands)			(unaudited, in thousands)	
Redeemable convertible preferred stock	165,572	167,692	167,692	167,692	167,692
Stock options	31,076	30,264	—	30,159	450
Non-voting common stock issuable pursuant to a subscription agreement	929	465	—	—	—
Unvested exchangeable shares	41	—	—	—	—
Unvested restricted non-voting common stock	—	247	154	204	107
Non-voting common stock warrants	13,005	9,289	—	7,431	—
Total	<u>210,623</u>	<u>207,957</u>	<u>167,846</u>	<u>205,486</u>	<u>168,249</u>

The following potentially dilutive outstanding securities were excluded from the table above because they are subject to performance-based and/or market-based vesting conditions that were not achieved as of those dates:

	Year Ended December 31,			Six Months Ended June 30,	
	2020	2021	2022	2022	2023
	(in thousands)			(unaudited, in thousands)	
Restricted stock units	24,660	39,450	56,969	47,368	63,467
Restricted non-voting common stock	—	450	450	450	450
Non-voting common stock warrants	1,858	1,858	—	1,858	—
Total	<u>26,518</u>	<u>41,758</u>	<u>57,419</u>	<u>49,676</u>	<u>63,917</u>

**15. Related Party Transactions**

An executive officer of a software vendor joined the Company's board of directors during the year ended December 31, 2021. The Company is party to agreements with the vendor whereby the Company primarily pays the vendor usage-based subscription fees for the use of the software. During the years ended December 31, 2021 and 2022, the Company paid \$28 million and \$51 million, respectively, in connection with this software subscription, and \$28 million and \$28 million, respectively, was included within operating expenses in the consolidated statements of operations. During the six months ended June 30, 2022 and 2023 (unaudited), the Company paid \$37 million and less than \$1 million, respectively, in connection with this software subscription, and \$16 million and \$11 million, respectively, was included within operating expenses in the consolidated statements of operations. As of December 31, 2021 and 2022 and June 30, 2023 (unaudited), zero, \$23 million, and \$12 million was included within prepaid expenses and other current assets on the consolidated balance sheets, respectively, and no amounts were due to this vendor as of those dates.

In January 2021, the Company issued an aggregate of 83,332 shares of non-voting common stock to three members of the board of directors at a price of \$60.00 per share with total proceeds of \$5 million.



**MAPLEBEAR INC. DBA INSTACART**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**16. Employee Benefit Plan**

The Company has a 401(k) plan under which U.S. employees may make voluntary pre-tax and post-tax contributions at their discretion, up to maximum annual contribution limits established by the U.S. Department of Treasury. The Company did not make any contributions to the plan during the years ended December 31, 2020 or 2021. Beginning January 1, 2022, the Company began matching a portion of employee contributions totaling \$18 million, \$9 million, and \$7 million for the year ended December 31, 2022 and the six months ended June 30, 2022 and 2023 (unaudited), respectively. Both employee contributions and the Company's matching contributions are fully vested upon contribution.

**17. Subsequent Events**

The Company has evaluated subsequent events through March 17, 2023, the date the audited annual consolidated financial statements were available to be issued.

In February and March 2023, the Company granted an aggregate of 1,247,503 RSUs to certain directors and employees that vest only upon satisfaction of both service-based and performance-based vesting conditions. The service-based vesting condition is generally satisfied over a period of four years. The performance-based vesting condition will be satisfied upon a qualifying liquidity event defined as the earlier of (i) a change of control and (ii) the effective date of a registration statement filed under the Securities Act for an initial public offering of the Company's common stock.

**18. Subsequent Events (Unaudited)**

The Company has evaluated subsequent events through August 4, 2023, the date the unaudited interim consolidated financial statements were available to be issued.

In July 2023 (unaudited), the Company granted an aggregate of 662,875 RSUs to certain employees that vest only upon satisfaction of both service-based and performance-based vesting conditions. The service-based vesting condition is generally satisfied over a period of four years. The performance-based vesting condition will be satisfied upon a qualifying liquidity event defined as the earlier of (i) a change of control and (ii) the effective date of a registration statement filed under the Securities Act for an initial public offering of the Company's common stock.

***Events Subsequent to Original Issuance of Unaudited Interim Consolidated Financial Statements***

**Grant of RSUs**

In August 2023 (unaudited), the Company granted an aggregate of 661,800 RSUs to certain employees that vest only upon satisfaction of both service-based and performance-based vesting conditions. The service-based vesting condition is generally satisfied over a period of four years. The performance-based vesting condition will be satisfied upon a qualifying liquidity event defined as the earlier of (i) a change of control and (ii) the effective date of a registration statement filed under the Securities Act for an initial public offering of the Company's common stock.

**MAPLEBEAR INC. DBA INSTACART**  
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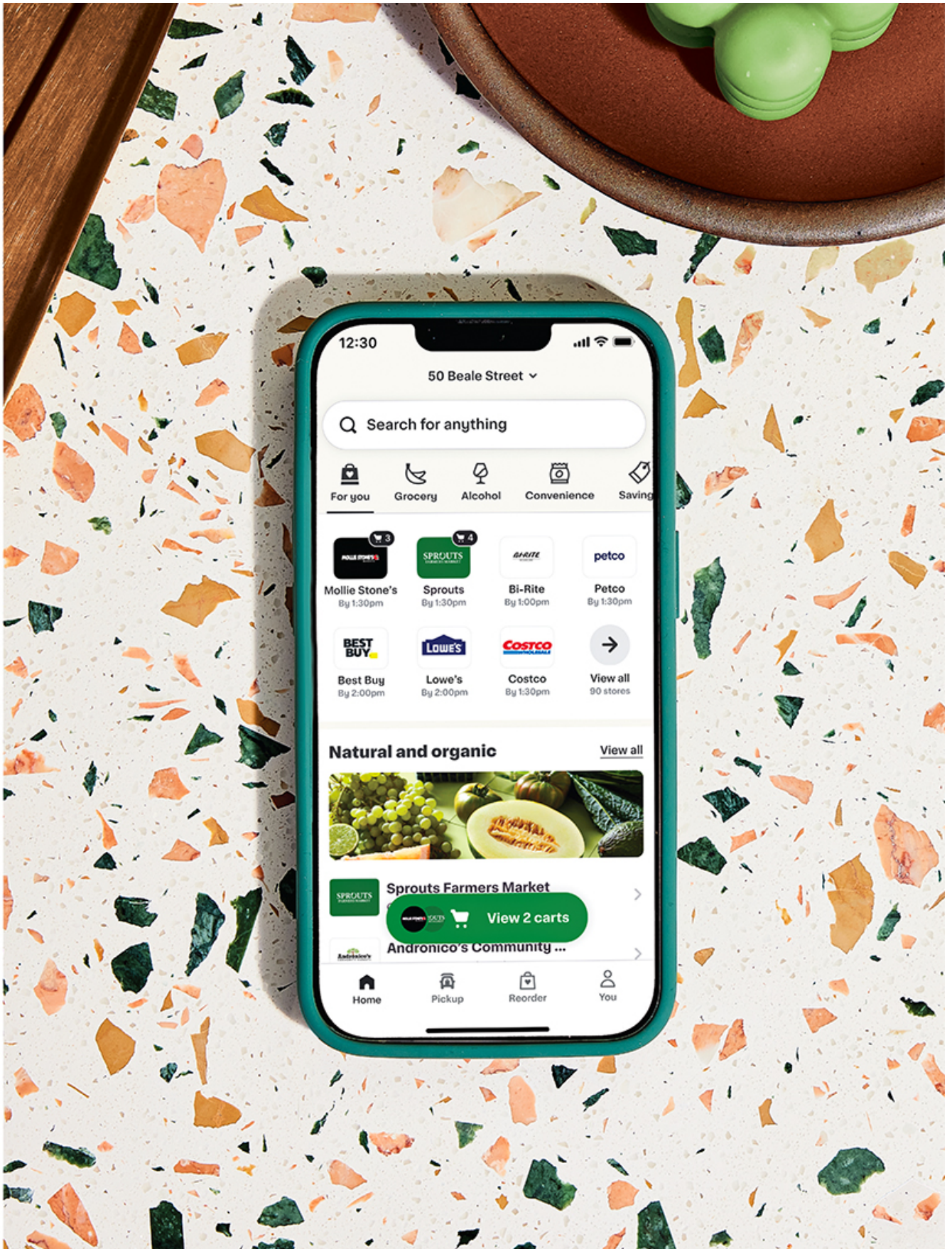
**Securities Purchase Agreement**

On August 23, 2023, the Company entered into a securities purchase agreement with PepsiCo, Inc. (the “Preferred Stock Investor”) to purchase \$175 million of a newly created series of the Company’s preferred stock with a par value \$0.0001 per share, designated as Series A redeemable convertible preferred stock (the “Series A Preferred Stock”) in a private placement at a price per share equal to the initial public offering price. The purchase of the Series A Preferred Stock is contingent upon, and will occur immediately subsequent to, the closing of the Company’s initial public offering, subject to the satisfaction of certain additional conditions to closing. The Series A Preferred Stock will have a conversion price equal to the initial public offering price per share and will be redeemable or convertible into shares of the Company’s common stock under certain circumstances. The Series A Preferred Stock will not confer any voting rights to the Preferred Stock Investor.

**Modification of Warrant**

On August 22, 2023, the Company entered into an amendment to the November 2017 Retailer Warrant (as described in Note 3—Revenue) to provide for the net exercise of the warrant solely in connection with an initial public offering whereby any shares issued upon exercise would equal the difference in value between the fair value of the shares and exercise price of the warrant on the exercise date. No reductions to revenue were recorded as there was no increase to the fair value of the warrant as a result of the modification.

Additionally, on August 22, 2023, the Company received a notice of exercise from the retailer to net exercise 7,431,530 shares underlying the November 2017 Retailer Warrant in connection with the Company’s initial public offering. Such notice will otherwise expire if the initial public offering is not consummated on or before the earlier of a Deemed Liquidation Event and the sixth-year anniversary of the date of the commercial agreement as described in Note 3—Revenue.





**PART II**  
**INFORMATION NOT REQUIRED IN PROSPECTUS**

**Item 13. Other Expenses of Issuance and Distribution.**

The following table indicates the expenses to be incurred in connection with the offering described in this registration statement, other than underwriting discounts and commissions, all of which will be paid by us. All amounts are estimated except the Securities and Exchange Commission, or SEC, registration fee, the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee, and the exchange listing fee.

	<u>Amount</u>
SEC registration fee	\$ 78,066
FINRA filing fee	106,760
Exchange listing fee	270,000
Printing fees and expenses	161,189
Legal fees and expenses	4,170,795
Accounting fees and expenses	1,740,488
Custodian, transfer agent, and registrar fees	18,000
Miscellaneous fees and expenses	1,454,702
Total	<u>\$ 8,000,000</u>

**Item 14. Indemnification of Directors and Officers.**

Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities, including reimbursement for expenses incurred, arising under the Securities Act of 1933, as amended, or the Securities Act. Our amended and restated certificate of incorporation that will be in effect immediately prior to the closing of this offering permits indemnification of our directors, officers, employees, and other agents to the maximum extent permitted by the Delaware General Corporation Law, and our amended and restated bylaws that will be in effect immediately prior to the closing of this offering provide that we will indemnify our directors and executive officers and permit us to indemnify our other officers, employees, and agents, in each case to the maximum extent permitted by the Delaware General Corporation Law.

We have entered into indemnification agreements with our directors and officers, whereby we have agreed to indemnify our directors and officers to the fullest extent permitted by law, including indemnification against expenses and liabilities incurred in legal proceedings to which the director or officer was, or is threatened to be made, a party by reason of the fact that such director or officer is or was a director, officer, employee or agent of ours, provided that such director or officer acted in good faith and in a manner that the director or officer reasonably believed to be in, or not opposed to, our best interest.

The indemnification provisions in our amended and restated certificate of incorporation and amended and restated bylaws that will each be in effect immediately prior to the closing of this offering and the indemnification agreements that we have entered into or will enter into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, there is no pending litigation or proceeding involving a director or officer of ours regarding which indemnification is sought, nor is the registrant aware of any threatened litigation that may result in claims for indemnification.

We maintain insurance policies that indemnify our directors and officers against various liabilities arising under the Securities Act and the Securities Exchange Act of 1934, as amended, that might be incurred by any director or officer in his or her capacity as such.

Certain of our non-employee directors may, through their relationships with their employers, be insured and/ or indemnified against certain liabilities incurred in their capacity as members of our board of directors.

The underwriting agreement filed as Exhibit 1.1 to this registration statement will provide for indemnification by the underwriters of us and our officers and directors for certain liabilities arising under the Securities Act or otherwise.

**Item 15. Recent Sales of Unregistered Securities.**

Since January 1, 2020, we have issued and sold the following unregistered securities:

***Preferred Stock Issuances***

Between June 2020 and July 2020, we issued an aggregate of 6,757,893 shares of our Series G redeemable convertible preferred stock to 32 accredited investors at a purchase price of \$48.0919 per share, for an aggregate purchase price of \$325 million.

Between October 2020 and November 2020, we issued an aggregate of 4,999,999 shares of our Series H redeemable convertible preferred stock to 22 accredited investors at a purchase price of \$60.00 per share, for an aggregate purchase price of \$300 million.

In February 2021, we issued an aggregate of 2,120,000 shares of our Series I redeemable convertible preferred stock to 54 accredited investors at a purchase price of \$125.00 per share, for an aggregate purchase price of \$265 million.

***Plan-Related Issuances***

From January 1, 2020 through the date of this registration statement, we granted to a certain service provider an option to purchase 450,000 shares of our non-voting common stock under our 2018 Plan at an exercise price of \$47.69 per share.

From January 1, 2020 through the date of this registration statement, we granted to certain directors, officers, employees, consultants, and other service providers restricted stock units covering an aggregate of 67,930,796 shares of our non-voting common stock under our 2018 Plan.

From January 1, 2020 through the date of this registration statement, we granted to a certain service provider restricted stock covering 450,000 shares of our non-voting common stock under our 2018 Plan.

***Warrant Issuances***

From January 1, 2020 through the date of this registration statement, we issued an aggregate of 7,431,520 shares of our non-voting common stock upon the exercise of warrants to purchase shares of our non-voting common stock to an accredited investor at an exercise price of \$18.52 per share.

***Issuances in Connection with Acquisitions***

In August 2021, we issued 72,095 shares of our non-voting common stock in connection with our acquisition of a company.

In October 2021, we issued 2,301,500 shares of our non-voting common stock in connection with our acquisition of a company.

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In September 2022, we issued 223,313 shares of our non-voting common stock in connection with our acquisition of a company.

### **Other Issuances**

From January 1, 2020 through the date of this registration statement, we issued an aggregate of 3,715,760 shares of our non-voting common stock pursuant to a performance-based subscription agreement.

In January 2021, we issued an aggregate of 83,332 shares of our non-voting common stock to three accredited investors affiliated with certain members of our board of directors at a purchase price of \$60.00 per share, for an aggregate purchase price of \$5 million.

In March 2021, we issued an aggregate of 960,000 shares of our non-voting common stock to two accredited investors at a purchase price of \$125.00 per share, for an aggregate purchase price of \$120 million.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. Unless otherwise stated, the sales of the above securities were deemed to be exempt from registration under the Securities Act in reliance on Section 4(a)(2) of the Securities Act (and Regulation D or Regulation S promulgated thereunder) or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or pursuant to benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed on the share certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us. The sales of these securities were made without any general solicitation or advertising.

### **Item 16. Exhibits and Financial Statement Schedules.**

(a) Exhibits.

<b>Exhibit Number</b>	<b>Description of Exhibit</b>
1.1	<a href="#">Form of Underwriting Agreement.</a>
3.1*	<a href="#">Twelfth Amended and Restated Certificate of Incorporation of the Registrant, as currently in effect.</a>
3.2*	<a href="#">Amended and Restated Bylaws of the Registrant, as currently in effect.</a>
3.3	<a href="#">Form of Amended and Restated Certificate of Incorporation of the Registrant, to be effective upon the closing of the offering.</a>
3.4	<a href="#">Form of Amended and Restated Bylaws of the Registrant, to be effective upon the closing of the offering.</a>
3.5*	<a href="#">Form of Certificate of Designation of Series A Convertible Preferred Stock.</a>
4.1*	<a href="#">Specimen Common Stock Certificate of the Registrant.</a>
4.2*	<a href="#">Ninth Amended and Restated Investors' Rights Agreement by and among the Registrant and certain of its stockholders, dated February 26, 2021.</a>
5.1	<a href="#">Opinion of Cooley LLP.</a>
10.1+*	<a href="#">Form of Indemnification Agreement between the Registrant and each of its directors and executive officers.</a>
10.2+	<a href="#">Maplebear Inc. 2013 Equity Incentive Plan and related form agreements.</a>
10.3+	<a href="#">Maplebear Inc. 2018 Equity Incentive Plan and related form agreements.</a>

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<u>Exhibit Number</u>	<u>Description of Exhibit</u>
10.4+	<a href="#">Maplebear Inc. 2023 Equity Incentive Plan and related form agreements.</a>
10.5+	<a href="#">Maplebear Inc. 2023 Employee Stock Purchase Plan.</a>
10.6+*	<a href="#">Maplebear Inc. Non-Employee Director Compensation Policy.</a>
10.7+*	<a href="#">Maplebear Inc. Severance and Change in Control Plan and related participation agreement.</a>
10.8+*	<a href="#">Maplebear Inc. Executive Performance Bonus Plan.</a>
10.9+*	<a href="#">Form of Confirmatory Offer Letter Agreement entered into between the Registrant and certain of its executive officers.</a>
10.10+*	<a href="#">Amended and Restated Offer Letter Agreement between the Registrant and Fidji Simo, dated December 7, 2022.</a>
10.11+*	<a href="#">Separation Agreement between the Registrant and Mark Schaaf, dated May 22, 2022.</a>
10.12*	<a href="#">Office Lease Agreement between the Registrant and 50 Beale Street LLC, dated May 12, 2015, as amended through May 15, 2019.</a>
21.1	<a href="#">List of subsidiaries of the Registrant.</a>
23.1	<a href="#">Consent of PricewaterhouseCoopers LLP, independent registered public accounting firm.</a>
23.2	<a href="#">Consent of Cooley LLP (included in Exhibit 5.1).</a>
24.1*	<a href="#">Power of Attorney (included on signature page of the initial filing of this registration statement).</a>
99.1*	<a href="#">Consent of Director Nominee.</a>
107	<a href="#">Filing Fee Table.</a>

\* Previously filed.

+ Indicates management contract or compensatory plan.

### (b) Financial Statement Schedules.

All financial statement schedules are omitted because the information required to be set forth therein is not applicable or is shown in the consolidated financial statements or the notes thereto.

### **Item 17. Undertakings.**

The undersigned Registrant hereby undertakes to provide to the underwriters at the closing specified in the underwriting agreement certificates in such denominations and registered in such names as required by the underwriters to permit prompt delivery to each purchaser.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers, and controlling persons of the Registrant pursuant to provisions described in Item 14 above, 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.



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The undersigned Registrant hereby undertakes that:

(1) for purposes of determining any liability under the Securities Act, the information omitted from the form of prospectus filed as part of this registration statement in reliance upon Rule 430A and contained in a form of prospectus filed by the Registrant 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 of 1933, the registrant has duly caused this registration statement to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of San Francisco, State of California, on September 11, 2023.

**MAPLEBEAR INC.**

By: /s/ Fidji Simo  
Fidji Simo  
Chief Executive Officer

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>/s/ Fidji Simo</u> Fidji Simo	Chief Executive Officer and Director <i>(Principal Executive Officer)</i>	<u>September 11, 2023</u>
<u>/s/ Nick Giovanni</u> Nick Giovanni	Chief Financial Officer <i>(Principal Financial Officer)</i>	<u>September 11, 2023</u>
<u>/s/ Alan Ramsay</u> Alan Ramsay	Chief Accounting Officer <i>(Principal Accounting Officer)</i>	<u>September 11, 2023</u>
<u>*</u> Apoorva Mehta	Chairperson	<u>September 11, 2023</u>
<u>*</u> Jeffrey Jordan	Director	<u>September 11, 2023</u>
<u>*</u> Meredith Kopit Levien	Director	<u>September 11, 2023</u>
<u>*</u> Barry McCarthy	Director	<u>September 11, 2023</u>
<u>*</u> Michael Moritz	Director	<u>September 11, 2023</u>
<u>*</u> Lily Sarafan	Director	<u>September 11, 2023</u>
<u>*</u> Frank Slooman	Director	<u>September 11, 2023</u>

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<u>Signature</u>	<u>Title</u>	<u>Date</u>
<u>*</u> Daniel Sundheim	Director	<u>September 11, 2023</u>

\*By: /s/ Fidji Simo  
\_\_\_\_\_  
Attorney-in-Fact

## Maplebear Inc.

## Common Stock

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Underwriting Agreement

[ • ], 2023

Goldman Sachs &amp; Co. LLC

J.P. Morgan Securities LLC

As representatives (the "Representatives") of the several Underwriters named in Schedule I hereto

c/o Goldman Sachs &amp; Co. LLC

200 West Street

New York, New York 10282

c/o J.P. Morgan Securities LLC

383 Madison Avenue

New York, New York 10179

Ladies and Gentlemen:

Maplebear Inc., a Delaware corporation (the "Company"), proposes, subject to the terms and conditions stated in this agreement (this "Agreement"), to issue and sell to the Underwriters named in Schedule I hereto (the "Underwriters") an aggregate of [ • ] shares and, at the election of the Underwriters, up to [ • ] additional shares of common stock, \$0.0001 par value per share ("Stock") of the Company, and the stockholders of the Company named in Schedule II hereto (the "Selling Stockholders") propose, subject to the terms and conditions stated in this Agreement, to sell to the Underwriters an aggregate of [ • ] shares of Stock. The aggregate of [ • ] shares to be sold by the Company and the Selling Stockholders is herein called the "Firm Shares" and the aggregate of [ • ] additional shares to be sold by the Company are herein called the "Optional Shares." The Firm Shares and the Optional Shares that the Underwriters elect to purchase pursuant to Section 2 hereof are herein collectively called the "Shares."

Goldman Sachs & Co. LLC (the "Directed Share Underwriter") has agreed to reserve up to [ • ] Shares of the Shares to be purchased by it under this Agreement for sale at the direction of the Company to certain parties related to the Company (collectively, "Participants"). The Shares to be sold by the Directed Share Underwriter pursuant to the Directed Share Program are hereinafter called the "Directed Shares." Any Directed Shares not confirmed for purchase by the deadline established therefor by the Directed Share Underwriter in consultation with the Company will be offered to the public by the Underwriters as set forth in the Prospectus.

1. (a) The Company represents and warrants to, and agrees with, each of the Underwriters that:

(i) A registration statement on Form S-1 (File No. 333-274213) (the "Initial Registration Statement") in respect of the Shares has been filed with the Securities and Exchange Commission (the "Commission"); the Initial Registration Statement and any post-effective amendment thereto, each in the form heretofore delivered to the Representatives, have been declared effective by the Commission in such form; other than a registration statement, if any, increasing the size of the offering (a "Rule 462(b) Registration Statement"), filed pursuant to Rule 462(b) under the Securities Act of 1933, as amended (the "Act"), which became effective upon filing, no other document with respect to the Initial Registration Statement has been filed with the Commission; and no stop order suspending the effectiveness of the Initial Registration Statement, any post-effective amendment thereto or the Rule 462(b) Registration Statement, if any, has been issued and no proceeding for that purpose or pursuant to Section 8A of the Act has been initiated or, to the Company's knowledge, threatened by the Commission (any preliminary prospectus included in the Initial Registration Statement or filed with the Commission pursuant to Rule 424(a) under the Act is hereinafter called a "Preliminary Prospectus;" the various parts of the Initial Registration Statement and the Rule 462(b) Registration Statement, if any, including all exhibits thereto and including the information contained in the form of final prospectus filed with the Commission pursuant to Rule 424(b) under the Act in accordance with Section 5(a) hereof and deemed by virtue of Rule 430A under the Act to be part of the Initial Registration Statement at the time it was declared effective, each as amended at the time such part of the Initial Registration Statement became effective or such part of the Rule 462(b) Registration Statement, if any, became or hereafter becomes effective, are hereinafter collectively called the "Registration Statement;" the Preliminary Prospectus relating to the Shares that was included in the Registration Statement immediately prior to the Applicable Time (as defined in Section 1(a)(iii) hereof) is hereinafter called the "Pricing Prospectus;" such final prospectus, in the form first filed pursuant to Rule 424(b) under the Act, is hereinafter called the "Prospectus;" any oral or written communication with potential investors undertaken in reliance on Rule 163B under the Act is hereinafter called a "Testing-the-Waters Communication;" and any Testing-the-Waters Communication that is a written communication within the meaning of Rule 405 under the Act is hereinafter called a "Written Testing-the-Waters Communication;" and any "issuer free writing prospectus" as defined in Rule 433 under the Act relating to the Shares is hereinafter called an "Issuer Free Writing Prospectus");

(ii) (A) No order preventing or suspending the use of any Preliminary Prospectus or any Issuer Free Writing Prospectus has been issued by the Commission, and (B) each Preliminary Prospectus, at the time of filing thereof, conformed in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder, and did not contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with the Underwriter Information (as defined in Section 9(c) of this Agreement) or any Selling Stockholder Information (as defined in Section 1(b)(vii) of this Agreement);

(iii) For the purposes of this Agreement, the "Applicable Time" is [ • ]:[ • ] [ • ]m (Eastern time) on the date of this Agreement; the Pricing Prospectus, as supplemented by the information listed on Schedule III(c) hereto, taken together (collectively, the "Pricing Disclosure Package"), as of the Applicable Time, did not, and as of each Time of Delivery (as defined in Section 4(a) of this Agreement) will not, include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; and each Issuer Free Writing Prospectus and each Written Testing-the-Waters Communication does not conflict with the

information contained in the Registration Statement, the Pricing Prospectus or the Prospectus, and each Issuer Free Writing Prospectus and each Written Testing-the-Waters Communication, as supplemented by and taken together with the Pricing Disclosure Package, as of the Applicable Time, did not, and as of each Time of Delivery, will not, include any untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made, not misleading; provided, however, that this representation and warranty shall not apply to statements or omissions made in reliance upon and in conformity with the Underwriter Information or any Selling Stockholder Information;

(iv) No documents were filed with the Commission since the Commission's close of business on the business day immediately prior to the date of this Agreement and prior to the execution of this Agreement, except as set forth on Schedule III(b) hereto;

(v) The Registration Statement conforms, and the Prospectus and any further amendments or supplements to the Registration Statement and the Prospectus will conform, in all material respects to the requirements of the Act and the rules and regulations of the Commission thereunder and do not and will not, as of the applicable effective date as to each part of the Registration Statement, as of the applicable filing date as to the Prospectus and any amendment or supplement thereto, and as of each Time of Delivery, contain an untrue statement of a material fact or omit to state a material fact required to be stated therein or necessary to make the statements therein (in the case of the Prospectus and any amendment or supplement thereto, in light of the circumstances under which they were made) not misleading; provided, however, that this representation and warranty shall not apply to any statements or omissions made in reliance upon and in conformity with the Underwriter Information or any Selling Stockholder Information;

(vi) Neither the Company nor any of its subsidiaries has, since the date of the latest audited financial statements included in the Pricing Prospectus, (A) sustained any material loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree or (B) entered into any transaction or agreement (whether or not in the ordinary course of business) that is material to the Company and its subsidiaries taken as a whole or incurred any liability or obligation, direct or contingent, that is material to the Company and its subsidiaries taken as a whole, in each case other than as set forth or contemplated in the Pricing Prospectus; and, since the respective dates as of which information is given in the Registration Statement and the Pricing Prospectus, there has not been (i) any change in the capital stock (other than as a result of (w) the exercise, vesting or settlement, if any, of stock options, or restricted stock units (including any "net" or "cashless" exercises or settlements) or restricted stock awards, or the award, if any, of stock options, restricted stock or restricted stock units in the ordinary course of business pursuant to the Company's equity plans that are described in the Pricing Prospectus and the Prospectus, (x) the repurchase of shares of capital stock upon vesting of restricted stock awards or termination of the holder's employment or service with the Company pursuant to agreements providing for an option to repurchase or a right of first refusal on behalf of the Company, (y) any escrow, holdback or similar provisions under agreements related to mergers or acquisitions by the Company entered into prior to the date hereof and described in the Pricing Prospectus and the Prospectus or (z) the issuance, if any, of stock upon exercise, conversion, exchange or reclassification of Company securities as described in the Pricing Prospectus and the Prospectus or long-term debt of the Company or any of its subsidiaries) or (ii) any Material

Adverse Effect (as defined below); as used in this Agreement, “Material Adverse Effect” shall mean any material adverse change or effect, or any development involving a prospective material adverse change or effect, in or affecting (x) the business, properties, general affairs, management, consolidated financial position, consolidated stockholders’ equity or consolidated results of operations of the Company and its subsidiaries, taken as a whole, except as set forth or contemplated in the Pricing Prospectus, or (y) the ability of the Company to perform its obligations under this Agreement, including the issuance and sale of the Shares, or to consummate the transactions contemplated in the Pricing Prospectus and the Prospectus;

(vii) The Company and its subsidiaries have good and marketable title in fee simple to all real property and good and marketable title to all personal property owned by them (other than with respect to intellectual property, which is addressed exclusively in subsection (xxvi) of this Section 1(a)), in each case free and clear of all liens, encumbrances and defects except such as do not materially affect the value of such property and do not materially interfere with the use made and proposed to be made of such property by the Company and its subsidiaries; and any real property and buildings held under lease by the Company and its subsidiaries are held by them under valid, subsisting and enforceable leases (subject to the effects of (A) bankruptcy, insolvency, fraudulent conveyance, fraudulent transfer, reorganization, moratorium or other similar laws relating to or affecting the rights or remedies of creditors generally, (B) the application of general principles of equity (including without limitation, concepts of materiality, reasonableness, good faith and fair dealing, regardless of whether enforcement is considered in proceedings at law or in equity) and (C) applicable law and public policy with respect to rights to indemnity and contribution) with such exceptions as are not material and do not materially interfere with the use made and proposed to be made of such property and buildings by the Company and its subsidiaries;

(viii) Each of the Company and each of its subsidiaries has been (A) duly organized and is validly existing and in good standing under the laws of its jurisdiction of organization (where such concept exists), with power and authority (corporate and other) to own its properties and conduct its business as described in the Pricing Prospectus, and (B) duly qualified as a foreign corporation for the transaction of business and is in good standing (where such concept exists) under the laws of each other jurisdiction in which it owns or leases properties or conducts any business so as to require such qualification, except, in the case of this clause (B), where the failure to be so qualified or in good standing would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and each significant subsidiary of the Company (as such term is defined in Rule 1-02 of Regulation S-X promulgated under the Act) has been listed in Exhibit 21.1 to the Registration Statement;

(ix) The Company has an authorized capitalization as set forth in the Pricing Prospectus and all of the issued shares of capital stock of the Company, including the Shares to be sold by the Selling Stockholders, have been duly and validly authorized and issued and are fully paid and non-assessable and conform in all material respects to the description of the Stock contained in the Pricing Disclosure Package and the Prospectus; and all of the issued shares of capital stock of each subsidiary of the Company have been duly and validly authorized and issued, are fully paid and non-assessable and (except, in the case of any foreign subsidiary, for directors’ qualifying shares) are owned directly or indirectly by the Company, free and clear of all liens, encumbrances, equities or claims;

(x) The Shares to be issued and sold by the Company have been duly and validly authorized and, when issued and delivered against payment therefor as provided herein, will be duly and validly issued and fully paid and non-assessable and will conform in all material respects to the description of the Stock contained in the Pricing Disclosure Package and the Prospectus; and the issuance of the Shares is not subject to any preemptive or similar rights, except rights that have been complied with or waived in writing as of the date of this Agreement;

(xi) The issue and sale of the Shares to be sold by the Company and the compliance by the Company with this Agreement and the consummation of the transactions contemplated in this Agreement and the Pricing Prospectus will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, (A) any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which the Company or any of its subsidiaries is a party or by which the Company or any of its subsidiaries is bound or to which any of the property or assets of the Company or any of its subsidiaries is subject, (B) the certificate of incorporation or by-laws (or other applicable organizational document) of the Company or any of its subsidiaries, or (C) any statute or any judgment, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties, except, in the case of clauses (A) and (C) for such defaults, breaches or violations that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and no consent, approval, authorization, order, registration or qualification of or with any such court or governmental agency or body is required for the issue of the Shares to be sold by the Company and the sale of the Shares or the consummation by the Company of the transactions contemplated by this Agreement, except such as have been obtained under the Act, the approval by the Financial Industry Regulatory Authority (“FINRA”) of the underwriting terms and arrangements, the approval for listing of the Shares on The Nasdaq Global Select Market (the “Exchange”) and such consents, approvals, authorizations, orders, registrations or qualifications as may be required under state securities or Blue Sky laws in connection with the purchase and distribution of the Shares by the Underwriters;

(xii) Neither the Company nor any of its subsidiaries is (A) in violation of its certificate of incorporation or by-laws (or other applicable organizational document), (B) in violation of any statute or any judgment, order, rule or regulation of any court or governmental agency or body having jurisdiction over the Company or any of its subsidiaries or any of their properties or (C) in default in the performance or observance of any obligation, agreement, covenant or condition contained in any indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which it is a party or by which it or any of its properties may be bound, except, (i) in the case of the foregoing clauses (B) and (C), for such violations or defaults as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect;

(xiii) The statements set forth in the Pricing Prospectus and the Prospectus under the caption “Description of Capital Stock,” insofar as they purport to constitute a summary of the terms of the Stock, under the caption “Material U.S. Federal Income Tax Consequences to Non-U.S. Holders of Our Common Stock” insofar as they purport to describe matters of U.S. federal income tax law and under the caption “Underwriting,” insofar as they purport to describe the provisions of the laws and documents referred to therein, are accurate, complete and fair in all material respects;

(xiv) Other than as set forth in the Pricing Prospectus, there are no legal, governmental or regulatory proceedings or investigations pending to which the Company or any of its subsidiaries or, to the Company’s knowledge, any officer or director of the Company is a party or of which any property or assets of the Company or any of its subsidiaries or, to the Company’s



knowledge, any officer or director of the Company is the subject which, if determined adversely to the Company or any of its subsidiaries (or such officer or director), would individually or in the aggregate reasonably be expected to have a Material Adverse Effect; and, to the Company's knowledge, no such proceedings are threatened or contemplated by governmental authorities or others; there are no current or pending Actions that are required under the Act to be described in the Registration Statement or the Pricing Prospectus that are not so described in all material respects therein; and there are no statutes, regulations or contracts or other documents that are required under the Act to be filed as exhibits to the Registration Statement or described in the Registration Statement or the Pricing Prospectus that are not so filed as exhibits to the Registration Statement or described in all material respects in the Registration Statement and the Pricing Prospectus;

(xv) The Company is not and, immediately after giving effect to the offering and sale of the Shares and the application of the proceeds thereof, will not be an "investment company," as such term is defined in the Investment Company Act of 1940, as amended (the "Investment Company Act");

(xvi) At the time of filing the Initial Registration Statement and any post-effective amendment thereto, at the earliest time thereafter that the Company or any offering participant made a bona fide offer (within the meaning of Rule 164(h)(2) under the Act) of the Shares, and at the date hereof, the Company was not and is not an "ineligible issuer," as defined in Rule 405 under the Act;

(xvii) PricewaterhouseCoopers LLP, who has certified certain financial statements of the Company and its subsidiaries, is an independent registered public accounting firm as required by the Act and the rules and regulations of the Commission thereunder;

(xviii) The Company maintains a system of internal control over financial reporting (as such term is defined in Rule 13a-15(f) under the Securities Exchange Act of 1934, as amended (the "Exchange Act")) that (A) complies with the requirements of the Exchange Act applicable to the Company, (B) has been designed by the Company's principal executive officer and principal financial officer, or under their supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with U.S. generally accepted accounting principles ("GAAP") and (C) is designed to provide reasonable assurance that (i) transactions are executed in accordance with management's general or specific authorization, (ii) transactions are recorded as necessary to permit preparation of financial statements in conformity with GAAP and to maintain accountability for assets, (iii) access to assets is permitted only in accordance with management's general or specific authorization and (iv) the recorded accountability for assets is compared with the existing assets at reasonable intervals and appropriate action is taken with respect to any differences; and the Company's internal control over financial reporting is effective and the Company is not aware of any material weaknesses in its internal control over financial reporting;

(xix) Since the date of the latest audited financial statements included in the Pricing Prospectus, there has been no change in the Company's internal control over financial reporting that has materially and adversely affected, or is reasonably likely to materially and adversely affect, the Company's internal control over financial reporting;

(xx) The Company maintains disclosure controls and procedures (as such term is defined in Rule 13a-15(e) under the Exchange Act) that comply with the requirements of the Exchange Act; such disclosure controls and procedures have been designed to ensure that material information relating to the Company and its subsidiaries is made known to the Company's principal executive officer and principal financial officer by others within those entities; and such disclosure controls and procedures are effective in all material respects;

(xxi) This Agreement has been duly authorized, executed and delivered by the Company;

(xxii) Neither the Company nor any of its subsidiaries, nor any director or officer of the Company or any of its subsidiaries nor, to the knowledge of the Company, any agent, employee, affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries has (A) made, offered, promised or authorized any unlawful contribution, gift, entertainment or other unlawful expense (or taken any act in furtherance thereof), (B) made, offered, promised or authorized any direct or indirect unlawful payment or (C) violated or is in violation of any provision of the Foreign Corrupt Practices Act of 1977, as amended, or the rules and regulations thereunder, the Bribery Act 2010 of the United Kingdom or any other applicable anti-corruption, anti-bribery or related law, statute or regulation (collectively, "Anti-Corruption Laws"); the Company and its subsidiaries have conducted their businesses in compliance with Anti-Corruption Laws and have instituted and maintained and will continue to maintain policies and procedures reasonably designed to promote and achieve compliance with such laws and with the representations and warranties contained herein; neither the Company nor any of its subsidiaries will use, directly or indirectly, the proceeds of the offering in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of Anti-Corruption Laws;

(xxiii) The operations of the Company and its subsidiaries are and have been conducted at all times in compliance with the requirements of applicable anti-money laundering laws, including, but not limited to, the Bank Secrecy Act of 1970, as amended by the USA PATRIOT ACT of 2001, and the rules and regulations promulgated thereunder, and the anti-money laundering laws of the various jurisdictions in which the Company and its subsidiaries conduct business, the rules and regulations thereunder and any related or similar rules, regulation or guidelines issued, administered or enforced by any governmental agency (collectively, the "Money Laundering Laws") and no action, suit or proceeding by or before any court or governmental agency, authority or body or any arbitrator involving the Company or any of its subsidiaries with respect to the Money Laundering Laws is pending or, to the knowledge of the Company, threatened;

(xxiv) Neither the Company nor any of its subsidiaries, nor any director or officer of the Company or any of its subsidiaries nor, to the knowledge of the Company, any agent, employee, affiliate or other person associated with or acting on behalf of the Company or any of its subsidiaries is (A) currently the subject or the target of any sanctions administered or enforced by the U.S. Government, including, without limitation, the Office of Foreign Assets Control of the U.S. Department of the Treasury ("OFAC"), or the U.S. Department of State and including, without limitation, the designation as a "specially designated national" or "blocked person," the European Union, His Majesty's Treasury, the United Nations Security Council, or other relevant sanctions authority (collectively, "Sanctions"), (B) located, organized, or resident in a country or territory that is the subject or target of comprehensive Sanctions (a "Sanctioned Jurisdiction"), and the Company will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity (i) to fund or facilitate any activities of or business with any person that, at the time of such funding, is the subject or the target of Sanctions or with

a Sanctioned Jurisdiction (ii) in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions; neither the Company nor any of its subsidiaries is engaged in, or has, at any time in the past five years, engaged in, any dealings or transactions with or involving any individual or entity that was or is, as applicable, at the time of such dealing or transaction, the subject or target of Sanctions or with any Sanctioned Jurisdiction; the Company and its subsidiaries have instituted, and maintain, policies and procedures designed to promote and achieve continued compliance with Sanctions;

(xxv) The financial statements included in the Registration Statement, the Pricing Prospectus and the Prospectus, together with the related schedules and notes, present fairly in all material respects the financial position of the Company and its subsidiaries at the dates indicated and the statement of operations, stockholders' equity and cash flows of the Company and its subsidiaries for the periods specified; said financial statements have been prepared in conformity with GAAP applied on a consistent basis throughout the periods involved. The supporting schedules, if any, present fairly in accordance with GAAP the information required to be stated therein. The selected financial data and the summary financial information included in the Registration Statement, the Pricing Prospectus and the Prospectus present fairly in all material respects the information shown therein and have been compiled on a basis consistent with that of the audited financial statements included therein. Except as included therein, no historical or pro forma financial statements or supporting schedules are required to be included in the Registration Statement, the Pricing Prospectus or the Prospectus under the Act or the rules and regulations promulgated thereunder. All disclosures contained in the Registration Statement, the Pricing Prospectus and the Prospectus regarding "non-GAAP financial measures" (as such term is defined by the rules and regulations of the Commission) comply in all material respects with Regulation G of the Exchange Act and Item 10 of Regulation S-K of the Act, to the extent applicable;

(xxvi) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Company and each of its subsidiaries: (A) own or otherwise possess adequate rights to all patents, trademarks, service marks, trade names, domain names, copyrights, know-how (including trade secrets and other unpatented and/or unpatentable proprietary or confidential information, systems or procedures) and other intellectual property rights (collectively, "Intellectual Property Rights") used in the conduct of their respective businesses as currently conducted, (B) do not, through the conduct of their respective businesses, infringe, misappropriate, dilute or otherwise violate the Intellectual Property Rights of others, and (C) have not received any written notice of any claim of infringement, misappropriation, dilution or other violation of any such Intellectual Property Rights of others;

(xxvii) The Company and its subsidiaries, taken as a whole, are insured by insurers of recognized financial responsibility against such losses and risks and in such amounts as are, in the Company's reasonable judgment, prudent and customary in the businesses in which they are engaged and as are required by applicable law; and neither the Company nor any of its subsidiaries (A) received notice from any insurer or agent of such insurer that capital improvements or other expenditures are required or necessary to be made in order to continue such insurance or (B) has any reason to believe that it will not be able to renew its existing insurance coverage as and when such coverage expires or to obtain similar coverage at reasonable cost from similar insurers as may be necessary to continue its business;

(xxviii) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (A) the Company and its subsidiaries' information technology assets and equipment, computers, systems, networks, electronic data processing, platforms, servers, interfaces, hardware, software, websites, applications, and databases (collectively, "IT Systems") are commercially reasonably adequate for, and operate and perform in all respects as required in connection with the operation of the business of the Company and its subsidiaries as currently conducted, and, to the Company's knowledge, are free and clear of all bugs, errors, defects, Trojan horses, time bombs, malware and other corruptants; (B) the Company and its subsidiaries have implemented and maintained commercially reasonable controls, policies, procedures, and safeguards designed to protect the integrity, continuous operation, redundancy and security of all the IT Systems and data under the Company's care, custody or control (including all information that constitutes "personal information," "personal data", or "personally identifiable information" or similar information about identifiable natural persons regulated by applicable privacy laws ("Personal Data")) used in connection with their businesses; and (C) the Company and its subsidiaries are, and have at all times during the past three years been, in compliance with all applicable (i) laws or statutes (including the European Union General Data Protection Regulation ("GDPR"), the United Kingdom ("UK") GDPR (and any applicable national implementing legislation of the GDPR and UK GDPR), and the e-Privacy Directive (2002/58/EC) (and any applicable national implementing legislation of the e-Privacy Directive)), if applicable, (ii) legally binding judgments, orders, rules and regulations of any court or arbitrator or governmental or regulatory authority, if applicable, (iii) policies and procedures, if applicable and (iv) contractual obligations relating to the privacy and security of IT Systems and Personal Data;

(xxix) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect: (A) there has been no security breach or incident, unauthorized or unlawful access, alteration, disclosure, loss or other compromise of or relating to the IT Systems and Personal Data of the Company or any of its subsidiaries (including, to the Company's knowledge, any Personal Data processed or stored by third parties on behalf of the Company and any of its subsidiaries), equipment or technology, nor any incidents under internal or external review or investigations relating to the same; and (B) none of the Company or any of its subsidiaries have been notified in writing of, and each of them have no knowledge of any event or condition that could result in, any security breach or incident, unauthorized or unlawful access, alteration, disclosure, loss or other compromise to their IT Systems and Personal Data. Further, the execution, delivery, and performance of this Agreement and the transactions contemplated therein do not and will not violate or breach any laws applicable to the privacy and security of IT Systems and Personal Data as of the date hereof, including any such laws requiring the consent of or provision of notice to any data subject concerning such data subject's Personal Data;

(xxx) No forward-looking statement (within the meaning of Section 27A of the Act and Section 21E of the Exchange Act) included or incorporated by reference in any of the Registration Statement, the Pricing Prospectus or the Prospectus has been made or reaffirmed without a reasonable basis or has been disclosed other than in good faith;

(xxxi) Nothing has come to the attention of the Company that has caused the Company to believe that the statistical and market-related data included in each of the Registration Statement, the Pricing Prospectus and the Prospectus is not based on or derived from sources that are reliable and accurate in all material respects;

(xxxii) There is and has been no failure on the part of the Company or any of the Company's directors or officers, in their capacities as such, to comply with any applicable provision of the Sarbanes-Oxley Act of 2002, as amended and the rules and regulations promulgated in connection therewith, including Section 402 related to loans;

(xxxiii) Neither the Company nor any of its affiliates has taken or will take, directly or indirectly, any action designed to or that could reasonably be expected to cause or result in the stabilization or manipulation of the price of any security of the Company or any of its subsidiaries in connection with the offering of the Shares;

(xxxiv) The Company and each of its subsidiaries have such permits, licenses, approvals, consents, franchises, certificates of need and other approvals or authorizations of governmental or regulatory authorities ("Permits") as are necessary under applicable law to own their respective properties and conduct their respective businesses in the manner described in the Registration Statement, the Pricing Prospectus and the Prospectus, except for any of the foregoing that would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect. Neither the Company nor any of its subsidiaries has received notice of any proceedings related to the revocation or modification of any such Permits that, individually or in the aggregate, if the subject of an unfavorable decision, ruling or finding, would reasonably be expected to have a Material Adverse Effect;

(xxxv) No labor disturbance by or dispute with employees of the Company or any of its subsidiaries exists or, to the knowledge of the Company, is contemplated or threatened, and the Company has not received written notice of any existing or imminent labor disturbance by, or dispute with, the employees of any of its or its subsidiaries' principal suppliers, contractors or customers, except as would not reasonably be expected to have a Material Adverse Effect. Neither the Company nor any of its subsidiaries has received any notice of cancellation or termination with respect to any collective bargaining agreement to which it is a party;

(xxxvi) The Company and its subsidiaries (x) are in compliance with all, and have not violated any, applicable federal, state, local and foreign laws (including common law), rules, regulations, requirements, decisions, judgments, decrees, orders and other legally enforceable requirements relating to pollution or the protection of human health or safety, the environment, natural resources, hazardous or toxic substances or wastes, pollutants or contaminants (collectively, "Environmental Laws"); (y) have received and are in compliance with all, and have not violated any applicable permits, licenses, certificates or other authorizations or approvals required of them under any Environmental Laws to conduct their respective businesses; and (z) have not received written notice of any actual or potential liability or obligation under or relating to, or any actual or potential violation of, any Environmental Laws, including for the investigation or remediation of any disposal or release of hazardous or toxic substances or wastes, pollutants or contaminants, except where any non-compliance with Environmental Laws, or where any claim, notice, proceeding, investigation, failure to receive required permits, licenses or other approvals or failure to comply with the terms and conditions of such permits, licenses or approvals would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect; and except as described in the Registration Statement, the Pricing Prospectus and the Prospectus, none of the Company or its subsidiaries anticipates material capital expenditures relating to any Environmental Laws;

(xxxvii) Except as would not, individually or in the aggregate, reasonably be expected to have a Material Adverse Effect, the Company and its subsidiaries have filed all United States federal and state income and other tax returns required by law to be filed and paid all United States federal and state income and other taxes required to be paid by them, after giving effect to any applicable extensions, except for such taxes which are being contested in good faith and for which adequate reserves required by GAAP have been provided. The charges, accruals and reserves on the books of the Company in respect of any tax liability for any years not finally determined are adequate, except to the extent of any inadequacy that would not, individually or in the aggregate, have a Material Adverse Effect;

(xxxviii) The Registration Statement, the Pricing Disclosure Package and the Prospectus, any Preliminary Prospectus, any Issuer Free Writing Prospectuses and any Written Testing-the-Waters Communication comply in all material respects, and any further amendments or supplements thereto will comply in all material respects, with any applicable laws or regulations of foreign jurisdictions in which the Pricing Disclosure Package, the Prospectus, any Preliminary Prospectus, any Issuer Free Writing Prospectus and any Written Testing-the-Waters Communication, as amended or supplemented, if applicable, are distributed in connection with the Directed Share Program;

(xxxix) No authorization, approval, consent, license, order, registration or qualification of or with any government, governmental instrumentality or court, other than such as have been obtained, is necessary under the securities laws and regulations of foreign jurisdictions in which the Directed Shares are offered outside the United States;

(xl) The Company has specifically directed in writing the allocation of Shares to each Participant in the Directed Share Program, and neither the Directed Share Underwriter nor any other Underwriter has had any involvement or influence, directly or indirectly, in such allocation decision;

(xli) The Company has not offered, or caused the Directed Share Underwriter or its affiliates to offer, Shares to any person pursuant to the Directed Share Program (i) for any consideration other than the cash payment of the initial public offering price per share set forth in Schedule III hereof or (ii) with the specific intent to unlawfully influence (x) a customer or supplier of the Company to alter the customer or supplier's terms, level or type of business with the Company or (y) a trade journalist or publication to write or publish favorable information about the Company or its products; and

(xlii) Other than as described in the Registration Statement, the Pricing Prospectus and the Prospectus, the holders of (i) shares of Stock or securities convertible into or exercisable or exchangeable for Stock (such shares of Stock and other such securities collectively, the "Securities") representing substantially all of the Securities that have not delivered executed Lock-Up Agreements (as defined below) and (ii) shares of Stock or securities convertible into or exercisable or exchangeable for Stock that are issuable pursuant to an award granted prior to the date of the effectiveness of the Registration Statement and issued pursuant to any employee benefit plan in effect on the date hereof and described in the Pricing Prospectus are, in each case, bound by enforceable market standoff provisions with the Company, pursuant to which such holders have agreed not to sell, make any short sale of, loan, hypothecate, pledge, grant any option for the purchase of, or otherwise dispose of or transfer such holder's Securities during the Company Lock-Up Period (as defined below) without the consent of the Company ("Market Standoff Provisions"). Each such Market Standoff Provision is in full force and effect as of the date hereof and shall remain in full force and effect during the Company Lock-Up Period, except that this provision shall not prevent the Company from effecting such a waiver or amendment to permit a transfer of Securities that would be permissible if such Securities were subject to the terms of the Lock-Up Agreements.

(b) Each of the Selling Stockholders severally represents and warrants to, and agrees with, each of the Underwriters and the Company that:

(i) All consents, approvals, authorizations and orders necessary for the execution and delivery by such Selling Stockholder of this Agreement and the Power of Attorney and the Custody Agreement referred to below, and for the sale and delivery of the Shares to be sold by such Selling Stockholder hereunder, have been obtained, except for the registration under the Act of the Shares and such consents, approvals, authorizations and orders as may be required under state or non-US securities or blue sky laws, the rules and regulations of FINRA or the approval for listing on the Exchange or such other approvals as have been or will be made or obtained on or prior to the First Time of Delivery; and such Selling Stockholder has full right, power and authority to enter into this Agreement, the Power of Attorney and the Custody Agreement and to sell, assign, transfer and deliver the Shares to be sold by such Selling Stockholder hereunder;

(ii) The sale of the Shares to be sold by such Selling Stockholder hereunder and the compliance by such Selling Stockholder with this Agreement, the Power of Attorney and the Custody Agreement and the consummation of the transactions herein and therein contemplated will not conflict with or result in a breach or violation of any of the terms or provisions of, or constitute a default under, any (A) indenture, mortgage, deed of trust, loan agreement, lease or other agreement or instrument to which such Selling Stockholder is a party or by which such Selling Stockholder is bound or to which any of the property or assets of such Selling Stockholder is subject, nor will such action result in any violation of (B)(i) the provisions of the Certificate of Incorporation or By-laws of such Selling Stockholder if such Selling Stockholder is a corporation, the Partnership Agreement of such Selling Stockholder if such Selling Stockholder is a partnership (or similar applicable organizational document) or (ii) any statute or any judgment, order, rule or regulation of any court or governmental agency or body having jurisdiction over such Selling Stockholder or any of its subsidiaries or any property or assets of such Selling Stockholder; except, in the case of each of (A) and (B)(ii), for such conflicts, breaches, violations or defaults that, individually or in the aggregate, would not reasonably be expected to materially impact the ability of such Selling Stockholder to perform its obligations under this Agreement;

(iii) Such Selling Stockholder has, and immediately prior to each Time of Delivery (as defined in Section 4 hereof) such Selling Stockholder will have, good and valid title to, or a valid "security entitlement" within the meaning of Section 8-501 of the New York Uniform Commercial Code in respect of, the Shares to be sold by such Selling Stockholder hereunder at such Time of Delivery, free and clear of all liens, encumbrances, equities or claims other than those set forth in the Custody Agreement; and, upon delivery of such Shares and payment therefor pursuant hereto, good and valid title to such Shares, free and clear of all liens, encumbrances, equities or claims, will pass to the several Underwriters;

(iv) If the Shares held by a Selling Stockholder are represented in book entry format, upon payment for the Shares to be sold by such Selling Stockholder, delivery of such Shares, as directed by the Underwriters, to Cede & Co. ("Cede") or such other nominee as may be designated by The Depository Trust Company ("DTC"), registration of such Shares in the name of Cede or such other nominee and the crediting of such Shares on the books of DTC to securities accounts of the Underwriters (A) DTC shall be a "protected purchaser" of such Stock within the meaning of Section 8-303 of the UCC, (B) under Section 8-501 of the UCC, the Underwriters will acquire a valid security entitlement in respect of such Shares, and (C) an action

based on an adverse claim to such securities entitlement, whether framed in conversion, replevin, constructive trust, equitable lien or other theory may not be successfully asserted against the Underwriters with respect to such security entitlement. For purposes of this representation, such Selling Stockholder may assume that when such payment, delivery and crediting occur, (x) such Shares will have been registered in the name of Cede or another nominee designated by DTC, in each case on the Company's share registry in accordance with its certificate of incorporation, bylaws and applicable law, (y) DTC will be registered as a "clearing corporation" within the meaning of Section 8-102 of the UCC, and (z) appropriate entries to the accounts of the several Underwriters on the records of DTC will have been made pursuant to the UCC;

(v) On or prior to the date of the Pricing Prospectus, such Selling Stockholder has executed and delivered to the Underwriters an agreement substantially in the form of Annex II hereto;

(vi) Such Selling Stockholder has not taken and will not take, directly or indirectly, any action that is designed to or that has constituted or might reasonably be expected to cause or result in stabilization or manipulation of the price of any security of the Company to facilitate the sale or resale of the Shares;

(vii) To the extent that any statements or omissions made in the Registration Statement, any Preliminary Prospectus, the Prospectus or any amendment or supplement thereto are made in reliance upon and in conformity with written information furnished to the Company by such Selling Stockholder pursuant to Items 7 and 11(m) of Form S-1 expressly for use therein, it being understood and agreed that the only such information consists of the legal name of such Selling Stockholder, the number of Shares beneficially owned by such Selling Stockholder before the offering, and the address and other information with respect to such Selling Stockholder (excluding percentages) that appears in the Registration Statement, the Preliminary Prospectus or any Prospectus in the table (and corresponding footnotes) under the caption "Principal and Selling Stockholders" (with respect to each Selling Stockholder, the "Selling Stockholder Information"), such Registration Statement and Preliminary Prospectus did, and the Prospectus and any further amendments or supplements to the Registration Statement and the Prospectus will, when they become effective or are filed with the Commission, as the case may be, not contain any untrue statement of a material fact or omit to state any material fact required to be stated therein or necessary to make the statements therein not misleading;

(viii) Such Selling Stockholder will deliver to the Representatives prior to or at the First Time of Delivery a properly completed and executed United States Internal Revenue Service Form W-9 (or appropriate Internal Revenue Service Form W-8);

(ix) Certificates in negotiable form or book-entry securities entitlements representing all of the Shares to be sold by such Selling Stockholder hereunder have been placed in custody under a Custody Agreement, in the form heretofore furnished to the Representatives (the "Custody Agreement"), duly executed and delivered by such Selling Stockholder to Computershare Trust Company, N.A., as custodian (the "Custodian"), and such Selling Stockholder has duly executed and delivered a Power of Attorney, in the form heretofore furnished to the Representatives (the "Power of Attorney"), appointing the persons indicated in Schedule II hereto, and each of them, as such Selling Stockholder's attorneys-in-fact (the "Attorneys-in-Fact") with authority to execute and deliver this Agreement on behalf of such Selling Stockholder, to determine the purchase price to be paid by the Underwriters to the Selling Stockholders as provided in Section 2 hereof, to authorize the delivery of the Shares to be sold by such Selling Stockholder hereunder and otherwise to act on behalf of such Selling Stockholder in connection with the transactions contemplated by this Agreement and the Custody Agreement;



(x) The Shares held in custody for such Selling Stockholder under the Custody Agreement are subject to the interests of the Underwriters hereunder; the arrangements made by such Selling Stockholder for such custody, and the appointment by such Selling Stockholder of the Attorneys-in-Fact by the Power of Attorney, are to that extent irrevocable; the obligations of the Selling Stockholders hereunder shall not be terminated by operation of law, whether by the death or incapacity of any individual Selling Stockholder or, in the case of an estate or trust, by the death or incapacity of any executor or trustee or the termination of such estate or trust, or in the case of a partnership or corporation, by the dissolution of such partnership, limited liability company or corporation, or by the occurrence of any other event; if any individual Selling Stockholder or any such executor or trustee should die or become incapacitated, or if any such estate or trust should be terminated, or if any such partnership, limited liability company or corporation should be dissolved, or if any other such event should occur, before the delivery of the Shares to be sold by such Selling Stockholder hereunder, certificates representing the Shares to be sold by such Selling Stockholder hereunder shall be delivered by or on behalf of the Selling Stockholders in accordance with the terms and conditions of this Agreement and of the Custody Agreements; and actions taken by the Attorneys-in-Fact pursuant to the Powers of Attorney shall be as valid as if such death, incapacity, termination, dissolution or other event had not occurred, regardless of whether or not the Custodian, the Attorneys-in-Fact, or any of them, shall have received notice of such death, incapacity, termination, dissolution or other event;

(xi) Such Selling Stockholder will not directly or indirectly use the proceeds of the offering of the Shares hereunder, or lend, contribute or otherwise make available such proceeds to any subsidiary, joint venture partner or other person or entity, (A) to fund or facilitate any activities of or business with any person that, at the time of such funding, is the subject or the target of Sanctions or with a Sanctioned Jurisdiction, or in any other manner that will result in a violation by any person (including any person participating in the transaction, whether as underwriter, advisor, investor or otherwise) of Sanctions, or (B) in furtherance of an offer, payment, promise to pay, or authorization of the payment or giving of money, or anything else of value, to any person in violation of any Money Laundering Laws or any Anti-Corruption Laws;

(xii) Such Selling Stockholder is not prompted by any material information concerning the Company or any of its subsidiaries that is not disclosed in the Pricing Prospectus to sell its Shares pursuant to this Agreement; and

(xiii) No filing with, or consent, approval, authorization, order, registration, qualification or decree of any arbitrator, court, governmental body, regulatory body, administrative agency or other authority, body or agency, domestic or foreign, is necessary or required for the performance by each Selling Stockholder of its obligations hereunder or in the Power of Attorney and Custody Agreement, or in connection with the sale and delivery of the Shares hereunder or the consummation of the transactions contemplated by this Agreement, except such as have been already obtained or as may be required under the 1933 Act, the 1933 Act Regulations, the rules of the New York Stock Exchange, state securities laws or the rules of FINRA.

2. Subject to the terms and conditions herein set forth, (a) the Company and each of the Selling Stockholders agree, severally and not jointly, to sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company and each of the Selling Stockholders, at a purchase price per share of \$[ • ], the number of Firm Shares (to be adjusted by the Representatives so as to eliminate fractional shares) determined by multiplying the aggregate number of Firm Shares to be sold by the Company and each of the Selling Stockholders as set forth opposite their respective names in Schedule II hereto by a fraction, the numerator of which is the aggregate number of Firm Shares to be purchased by such Underwriter as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the aggregate number of Firm Shares to be purchased by all of the Underwriters from the Company and all of the Selling Stockholders hereunder and (b) in the event and to the extent that the Underwriters shall exercise the election to purchase Optional Shares as provided below, the Company agrees to sell to each of the Underwriters, and each of the Underwriters agrees, severally and not jointly, to purchase from the Company, at the purchase price per share set forth in clause (a) of this Section 2 (provided that the purchase price per Optional Share shall be reduced by an amount per share equal to any dividends or distributions declared by the Company and payable on the Firm Shares but not payable on the Optional Shares), that portion of the number of Optional Shares as to which such election shall have been exercised (to be adjusted by the Representatives so as to eliminate fractional shares) determined by multiplying such number of Optional Shares by a fraction, the numerator of which is the maximum number of Optional Shares which such Underwriter is entitled to purchase as set forth opposite the name of such Underwriter in Schedule I hereto and the denominator of which is the maximum number of Optional Shares that all of the Underwriters are entitled to purchase hereunder.

The Company hereby grants to the Underwriters the right to purchase at their election up to [ • ] Optional Shares, at the purchase price per share set forth in the paragraph above, for the sole purpose of covering sales of shares in excess of the number of Firm Shares, provided that the purchase price per Optional Share shall be reduced by an amount per share equal to any dividends or distributions declared by the Company and payable on the Firm Shares but not payable on the Optional Shares. Any such election to purchase Optional Shares may be exercised only by written notice from the Representatives to the Company, given within a period of 30 calendar days after the date of this Agreement and setting forth the aggregate number of Optional Shares to be purchased and the date on which such Optional Shares are to be delivered, as determined by the Representatives but in no event earlier than the First Time of Delivery (as defined in Section 4 hereof) or, unless the Representatives and the Company otherwise agree in writing, earlier than two or later than ten business days after the date of such notice.

3. Upon the authorization by the Representatives of the release of the Firm Shares, the several Underwriters propose to offer the Firm Shares for sale upon the terms and conditions set forth in the Pricing Disclosure Package and the Prospectus.

4. (a) The Shares to be purchased by each Underwriter hereunder, in definitive or book-entry form, and in such authorized denominations and registered in such names as the Representatives may request upon at least forty-eight hours' prior notice to the Company and the Selling Stockholders shall be delivered by or on behalf of the Company and the Selling Stockholders to the Representatives, through the facilities of DTC, for the account of such Underwriter, against payment by or on behalf of such Underwriter of the purchase price therefor by wire transfer of Federal (same-day) funds to the accounts specified by the Company and the Custodian to the Representatives at least forty-eight hours in advance. To the extent the Shares are delivered in certificated form and not in book-entry form through the facilities of DTC, the Company and the Selling Stockholders will cause the certificates, if any, representing the Shares to be made available for checking and packaging at least twenty-four hours prior to the Time of Delivery (as defined below) with respect thereto at the office of DTC or its designated custodian (the "Designated Office"). The time and date of such delivery and payment shall

be, with respect to the Firm Shares, 9:30 a.m., New York time, on [ • ], 2023 or such other time and date as the Representatives, the Company and the Attorneys-in-Fact (or any one of them) may agree upon in writing, and, with respect to the Optional Shares, 9:30 a.m., New York time, on the date specified by the Representatives in each written notice given by the Representatives of the Underwriters' election to purchase such Optional Shares, or such other time and date as the Representatives and the Company may agree upon in writing. Such time and date for delivery of the Firm Shares is herein called the "First Time of Delivery," each such time and date for delivery of the Optional Shares, if not the First Time of Delivery, is herein called the "Second Time of Delivery," and each such time and date for delivery is herein called a "Time of Delivery."

(b) The documents to be delivered at each Time of Delivery by or on behalf of the parties hereto pursuant to Section 8 hereof, including the cross receipt for the Shares and any additional documents requested by the Underwriters pursuant to Section 8(l) hereof will be delivered at the offices of Latham & Watkins LLP, 1271 Avenue of the Americas, New York, New York 10020 (the "Closing Location"), and the Shares will be delivered at the Designated Office, all at such Time of Delivery. A meeting will be held at the Closing Location at [ • ] p.m., New York City time, on the New York Business Day next preceding such Time of Delivery, at which meeting the final drafts of the documents to be delivered pursuant to the preceding sentence will be available for review by the parties hereto. For the purposes of this Section 4, "New York Business Day" shall mean each Monday, Tuesday, Wednesday, Thursday and Friday which is not a day on which banking institutions in New York are generally authorized or obligated by law or executive order to close.

5. The Company agrees with each of the Underwriters:

(a) To prepare the Prospectus in a form approved by the Representatives and to file such Prospectus pursuant to Rule 424(b) under the Act not later than the Commission's close of business on the second business day following the execution and delivery of this Agreement, or, if applicable, such earlier time as may be required by Rule 430A(a)(3) under the Act; to make no further amendment or any supplement to the Registration Statement or the Prospectus prior to the last Time of Delivery which shall be disapproved by the Representatives promptly after reasonable notice thereof; to advise the Representatives, promptly after it receives notice thereof, of the time when any amendment to the Registration Statement has been filed or becomes effective or any amendment or supplement to the Prospectus has been filed and to furnish the Representatives with copies thereof; to file promptly all material required to be filed by the Company with the Commission pursuant to Rule 433(d) under the Act; to advise the Representatives, promptly after it receives notice thereof, of the issuance by the Commission of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus in respect of the Shares, of the suspension of the qualification of the Shares for offering or sale in any jurisdiction, of the initiation or threatening of any proceeding against the Company for any such purpose, or of any request by the Commission for the amending or supplementing of the Registration Statement or the Prospectus or for additional information; and, in the event of the issuance of any stop order or of any order preventing or suspending the use of any Preliminary Prospectus or other prospectus or suspending any such qualification, to promptly use its best efforts to obtain the withdrawal of such order;

(b) Promptly from time to time to take such action as the Representatives may reasonably request to qualify the Shares for offering and sale under the securities laws of such jurisdictions as the Representatives may request and to comply with such laws so as to permit the continuance of sales and dealings therein in such jurisdictions for as long as may be necessary to complete the distribution of the Shares, provided that in connection therewith the Company shall not be required to qualify as a foreign corporation (where not otherwise required), subject itself to taxation for doing business in any jurisdiction in which it is not otherwise subject to taxation or to file a general consent to service of process in any jurisdiction (where not otherwise required);

(c) Prior to 10:00 a.m., New York City time, on the New York Business Day next succeeding the date of this Agreement (or such later time as may be agreed by the Company and the Representatives) and from time to time, to furnish the Underwriters with written and electronic copies of the Prospectus in New York City in such quantities as the Representatives may reasonably request, and, if the delivery of a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is required at any time prior to the expiration of nine months after the time of issue of the Prospectus in connection with the offering or sale of the Shares and if at such time any event shall have occurred as a result of which the Prospectus as then amended or supplemented would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances under which they were made when such Prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) is delivered, not misleading, or, if for any other reason it shall be necessary during such same period to amend or supplement the Prospectus in order to comply with the Act, to notify the Representatives and upon the Representatives' request to prepare and furnish without charge to each Underwriter and to any dealer in securities as many written and electronic copies as the Representatives may from time to time reasonably request of an amended Prospectus or a supplement to the Prospectus which will correct such statement or omission or effect such compliance; and in case any Underwriter is required to deliver a prospectus (or in lieu thereof, the notice referred to in Rule 173(a) under the Act) in connection with sales of any of the Shares at any time nine months or more after the time of issue of the Prospectus, upon the Representatives' request but at the expense of such Underwriter, to prepare and deliver to such Underwriter as many written and electronic copies as the Representatives may request of an amended or supplemented Prospectus complying with Section 10(a)(3) of the Act;

(d) To make generally available to its securityholders as soon as practicable (which may be satisfied by filing with the Commission's Electronic Data Gathering Analysis and Retrieval System ("EDGAR")), but in any event not later than sixteen months after the effective date of the Registration Statement (as defined in Rule 158(c) under the Act), an earnings statement of the Company and its subsidiaries (which need not be audited) complying with Section 11(a) of the Act and the rules and regulations of the Commission thereunder (including, at the option of the Company, Rule 158);

(e) (i) During the period beginning from the date hereof and ending on the earlier of (1) the end of the 180<sup>th</sup> day after the date of the Prospectus and (2) the opening of trading on the date on which a broadly applicable "open trading window" period commences following the date of the Second Earnings Release (as defined in Annex II) (the "Company Lock-Up Period"), not to (i) offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise transfer or dispose of, directly or indirectly, or file with or confidentially submit to the Commission a registration statement under the Act relating to, any securities of the Company that are substantially similar to the Shares, including but not limited to any options or warrants to purchase shares of Stock or any securities that are convertible into or exchangeable for, or that represent the right to receive, Stock or any such substantially similar securities, (ii) enter into any swap or other agreement that transfers, in whole or in part, any of the economic consequences of ownership of the Stock or any such other securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Stock or such other securities, in cash or otherwise, or (iii) publicly disclose the intention to do any of the foregoing, in each case, without the prior written consent of Goldman Sachs & Co. LLC; provided, however, that the restrictions in the foregoing sentence shall not apply to (A) the Shares to be sold hereunder; (B) the issuance by the Company of shares of Stock upon the exercise of an option or warrant, the vesting or

settlement of restricted stock or restricted stock units or the conversion, exchange or reclassification of convertible preferred stock, common stock or exchangeable shares outstanding as of the date of this Agreement and described in the Pricing Prospectus and the Prospectus or pursuant to the Company's equity plans described in the Pricing Prospectus and the Prospectus (including net exercise, conversion or settlement and in respect of tax withholding payments due upon the exercise of options or the vesting of equity-based awards); (C) the issuance by the Company of any shares of Stock or any security convertible into or exercisable for shares of Stock subject to escrow, holdback or similar provisions under agreements related to mergers or acquisitions by the Company entered into prior to the date hereof and described in the Pricing Prospectus and the Prospectus; (D) the grant of stock options, restricted stock units or other equity awards pursuant to the Company's equity plans described in the Pricing Prospectus and the Prospectus; (E) the issuance, offer or entry into an agreement providing for the issuance of shares of Stock or any security convertible into or exercisable for shares of Stock in connection with (x) an acquisition by the Company of the securities, business, technology, property or other assets of another person or entity or pursuant to an employee benefit plan assumed by the Company in connection with such acquisition, and the issuance any such securities pursuant to such agreement; or (y) joint ventures, commercial relationships or other strategic transactions, and the issuance of any such securities pursuant to any such agreement; (F) the filing of any registration statement(s) on Form S-8 relating to securities granted or to be granted pursuant to the Company's equity plans in effect as of the First Time of Delivery and which are described in the Pricing Prospectus and the Prospectus or any assumed employee benefit plan contemplated by clause (E)(x) above; (G) the issuance by the Company of shares of Series A convertible preferred stock in a concurrent private placement to PepsiCo, Inc. as described in the Pricing Prospectus and the Prospectus, and shares of Stock issuable upon any conversion of such preferred stock described in the Pricing Prospectus and the Prospectus; and (H) as a bona fide gift to a charitable organization, provided that any such transfer shall not involve a disposition for value, and provided further that the aggregate number of shares of Stock that the Company may issue pursuant to this clause (H) may not exceed 1% of the total number of shares of Stock outstanding immediately following the completion of the offering contemplated by this Agreement; provided, further, that, (i) in the case of clause (E), the aggregate number of shares of Stock that the Company may sell or issue or agree to sell or issue shall not exceed 10% of the total number of shares of Stock outstanding immediately following the completion of the offering contemplated by this Agreement; (ii) in case of clauses (B), (C), (D), (E) and (H), the Company shall (x) cause each recipient of such securities to execute and deliver to the Representatives, on or prior to the issuance of such securities, a lock-up letter substantially in the form of Annex II hereto (the "Lock-Up Agreements"), unless such recipient is already bound by a Lock-Up Agreement or a market standoff provision that is enforceable by the Company pursuant to which such holders cannot or have agreed not to sell, contract to sell or otherwise transfer or dispose of such holder's securities during the Company Lock-Up Period without the consent of the Company, which market standoff provision the Company agrees it will not waive or amend without the prior written consent of Goldman Sachs & Co. LLC, and (y) enter stop transfer instructions with the Company's transfer agent and registrar on such securities, which the Company agrees it will not waive or amend without the prior written consent of Goldman Sachs & Co. LLC, except that this clause (ii) shall not prevent the Company from effecting such a waiver or amendment to permit a transfer of securities that would be permissible with respect to such holder under the terms of the Lock-Up Agreements.

(ii) If Goldman Sachs & Co. LLC, in its sole discretion, agrees to release or waive the restrictions in lock-up letters pursuant to Section 1(b)(v) or Section 8(j) hereof, in each case for an officer or director of the Company, and provides the Company with notice of the impending release or waiver at least three business days before the effective date of the release or waiver, the Company agrees to announce the impending release or waiver by a press release substantially in the form of Annex I hereto through a major news service at least two business days before the effective date of the release or waiver;

(f) During a period of three years from the effective date of the Registration Statement, so long as the Company is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act, to furnish to its stockholders as soon as practicable after the end of each fiscal year an annual report (including a balance sheet and statements of income, stockholders' equity and cash flows of the Company and its consolidated subsidiaries certified by an independent registered public accounting firm) and, as soon as practicable after the end of each of the first three quarters of each fiscal year (beginning with the fiscal quarter ending after the effective date of the Registration Statement), to make available to its stockholders consolidated summary financial information of the Company and its subsidiaries for such quarter in reasonable detail; provided, however, that no reports, documents or other information need to be furnished pursuant to this Section 5(f) to the extent they are available on EDGAR;

(g) During a period of three years from the effective date of the Registration Statement, so long as the Company is subject to the reporting requirements of either Section 13 or Section 15(d) of the Exchange Act, to furnish to the Representatives copies of all reports or other communications (financial or other) furnished to stockholders, and to deliver to the Representatives (i) as soon as they are available, copies of any reports and financial statements furnished to or filed with the Commission or any national securities exchange on which any class of securities of the Company is listed; and (ii) such additional information concerning the business and financial condition of the Company as the Representatives may from time to time reasonably request (such financial statements to be on a consolidated basis to the extent the accounts of the Company and its subsidiaries are consolidated in reports furnished to its stockholders generally or to the Commission); provided, however, that no reports, documents or other information need to be furnished pursuant to this Section 5(g) to the extent they are available on EDGAR or the provision of which would require disclosure by the Company under Regulation FD;

(h) To use the net proceeds received by it from the sale of the Shares pursuant to this Agreement in the manner specified in the Pricing Prospectus under the caption "Use of Proceeds;"

(i) To use its best efforts to list for trading, subject to official notice of issuance, the Shares on the Exchange;

(j) To file with the Commission such information on Form 10-Q or Form 10-K as may be required by Rule 463 under the Act;

(k) If the Company elects to rely upon Rule 462(b), the Company shall file a Rule 462(b) Registration Statement with the Commission in compliance with Rule 462(b) by 10:00 p.m., Washington, D.C. time, on the date of this Agreement, and the Company shall at the time of filing either pay to the Commission the filing fee for the Rule 462(b) Registration Statement or give irrevocable instructions for the payment of such fee pursuant to Rule 3a(c) of the Commission's Informal and Other Procedures (16 CFR 202.3a);

(l) Upon reasonable request of any Underwriter, to furnish, or cause to be furnished, to such Underwriter an electronic version of the Company's trademarks, servicemarks and corporate logo for use on the website, if any, operated by such Underwriter for the purpose of facilitating the on-line offering of the Shares (the "License"); provided, however, that the License shall be used solely for the purpose described above, is granted without any fee, may not be assigned or transferred and shall terminate at the later of (i) completion of the distribution of the Shares within the meaning of the Act and (ii) the last Time of Delivery; and

(m) To comply with all applicable securities and other laws, rules and regulations in each jurisdiction in which the Directed Shares are offered in connection with the Directed Share Program.

6. (a) The Company represents and agrees that, without the prior consent of the Representatives, it has not made and will not make any offer relating to the Shares that would constitute a "free writing prospectus" as defined in Rule 405 under the Act; each Selling Stockholder represents and agrees that, without the prior consent of the Company and the Representatives, it has not made and will not make any offer relating to the Shares that would constitute a free writing prospectus; and each Underwriter represents and agrees that, without the prior consent of the Company and the Representatives, it has not made and will not make any offer relating to the Shares that would constitute a free writing prospectus required to be filed with the Commission; any such free writing prospectus the use of which has been consented to by the Company and the Representatives is listed on Schedule III(a) hereto;

(b) The Company has complied and will comply with the requirements of Rule 433 under the Act applicable to any Issuer Free Writing Prospectus, including timely filing with the Commission or retention where required and legending; and the Company represents that it has satisfied and agrees that it will satisfy the conditions under Rule 433 under the Act to avoid a requirement to file with the Commission any electronic road show;

(c) The Company agrees that if at any time following issuance of an Issuer Free Writing Prospectus or Written Testing-the-Waters Communication any event occurred or occurs as a result of which such Issuer Free Writing Prospectus or Written Testing-the-Waters Communication would conflict with the information in the Registration Statement, the Pricing Prospectus or the Prospectus or would include an untrue statement of a material fact or omit to state any material fact necessary in order to make the statements therein, in the light of the circumstances then prevailing, not misleading, the Company will give prompt notice thereof to the Representatives and, if requested by the Representatives, will prepare and furnish without charge to each Underwriter an Issuer Free Writing Prospectus, Written Testing-the-Waters Communication or other document which will correct such conflict, statement or omission;

(d) The Company represents and agrees that (i) it has not engaged in, or authorized any other person to engage in, any Testing-the-Waters Communications, other than Testing-the-Waters Communications with the prior consent of the Representatives with entities that the Company reasonably believes are qualified institutional buyers as defined in Rule 144A under the Act or institutions that are accredited investors as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Act; and (ii) it has not distributed, or authorized any other person to distribute, any Written Testing-the-Waters Communication, other than those distributed with the prior consent of the Representatives that are listed on Schedule III(d) hereto; and the Company reconfirms that the Underwriters have been authorized to act on its behalf in engaging in Testing-the-Waters Communications; and

(e) Each Underwriter represents and agrees that any Testing-the-Waters Communications undertaken by it were with entities that such Underwriter reasonably believes are qualified institutional buyers as defined in Rule 144A under the Act or institutions that are accredited investors as defined in Rule 501(a)(1), (a)(2), (a)(3), (a)(7) or (a)(8) under the Act.

7. The Company and each of the Selling Stockholders covenant and agree with one another and with the several Underwriters that (a) the Company will pay or cause to be paid the following: (i) the fees, disbursements and expenses of the Company's counsel and accountants and one counsel for the Selling Stockholders in connection with the registration of the Shares under the Act and all other expenses in connection with the preparation, printing, reproduction and filing of the Registration

Statement, any Preliminary Prospectus, any Written Testing-the-Waters Communication, any Issuer Free Writing Prospectus and the Prospectus and amendments and supplements thereto and the mailing and delivering of copies thereof to the Underwriters and dealers; (ii) the cost of printing or producing any Agreement among Underwriters, this Agreement, the Blue Sky survey, closing documents (including any compilations thereof) and any other documents in connection with the offering, purchase, sale and delivery of the Shares; (iii) all expenses in connection with the qualification of the Shares for offering and sale under state securities laws as provided in Section 5(b) hereof, including the reasonable and documented fees and disbursements of counsel for the Underwriters in connection with such qualification and in connection with the Blue Sky survey; (iv) all fees and expenses in connection with listing the Shares on the Exchange; and (v) the filing fees incident to, and the reasonable and documented fees and disbursements of counsel for the Underwriters in connection with, any required review by FINRA of the terms of the sale of the Shares; provided, however, that the fees and disbursements of counsel for the Underwriters pursuant to clauses (iii) and (v) above shall not exceed \$45,000 in the aggregate; (vi) the cost of preparing stock certificates, if applicable; (vii) the cost and charges of any transfer agent or registrar, and (viii) all other costs and expenses incident to the performance of its obligations hereunder which are not otherwise specifically provided for in this Section; and (b) such Selling Stockholder will pay or cause to be paid all costs and expenses incident to the performance of such Selling Stockholder's obligations with respect to: (i) any fees and expenses of counsel for the Selling Stockholders other than those being paid for by the Company, and (ii) all transfer or other similar taxes incident to the initial sale and delivery of the Shares to be sold by such Selling Stockholder to the Underwriters hereunder. In connection with clause (b)(ii) of the preceding sentence, the Representatives agree to pay New York State stock transfer tax, and the Selling Stockholder agrees to reimburse the Representatives for associated carrying costs if such tax payment is not rebated on the day of payment and for any portion of such tax payment not rebated. In addition, the Company shall pay or cause to be paid all reasonable fees and disbursements of counsel for the Underwriters in connection with the Directed Share Program not to exceed \$20,000 and stamp duties, similar taxes or duties or other taxes, if any, incurred by the Underwriters in connection with the Directed Share Program (other than on a resale of the Shares). It is understood, however, that the Company shall bear, and the Selling Stockholders shall not be required to pay or to reimburse the Company for, the cost of any other matters not directly relating to the sale and purchase of the Shares pursuant to this Agreement, and that, except as provided in this Section, and Sections 9 and 12 hereof, the Underwriters will pay all of their own costs and expenses, including the fees of their counsel, lodging, travel and meal expenses in connection with any "roadshow" as defined in Rule 433(h) under the Act (a "roadshow"), stock transfer taxes on resale of any of the Shares by them, and any advertising expenses connected with any offers they may make, and the Underwriters will be responsible for 50% of the cost of any chartered plane, jet, private aircraft or other transportation chartered in connection with any roadshow presentation to investors undertaken in connection with the offering of the Shares hereunder (it being understood that the use of any chartered plane, jet or private aircraft shall expressly be approved by the Company and Goldman Sachs & Co. LLC). The provisions of this Section 7 shall not supersede or otherwise affect any agreement that the Company and the Selling Stockholders may otherwise have with each other for the allocation of costs, fees and expenses amongst the Company and the Selling Stockholders.

8. The obligations of the Underwriters hereunder, as to the Shares to be delivered at each Time of Delivery, shall be subject, in their discretion, to the condition that all representations and warranties and other statements of the Company and the Selling Stockholders, but only with respect to the Shares to be sold by such Selling Stockholders herein are, at and as of the Applicable Time and such Time of Delivery, true and correct, the condition that the Company and the Selling Stockholders shall have performed all of its and their obligations hereunder theretofore to be performed, and the following additional conditions:



(a) The Prospectus shall have been filed with the Commission pursuant to Rule 424(b) under the Act within the applicable time period prescribed for such filing by the rules and regulations under the Act and in accordance with Section 5(a) hereof; all material required to be filed by the Company pursuant to Rule 433(d) under the Act shall have been filed with the Commission within the applicable time period prescribed for such filing by Rule 433; if the Company has elected to rely upon Rule 462(b) under the Act, the Rule 462(b) Registration Statement shall have become effective by 10:00 p.m., Washington, D.C. time, on the date of this Agreement; no stop order suspending the effectiveness of the Registration Statement or any part thereof shall have been issued and no proceeding for that purpose or pursuant to Section 8A of the Act shall have been initiated or, to the Company's knowledge, threatened by the Commission no stop order suspending or preventing the use of the Pricing Prospectus, Prospectus or any Issuer Free Writing Prospectus shall have been initiated or threatened by the Commission; and all requests for additional information on the part of the Commission shall have been complied with to the Representatives' reasonable satisfaction;

(b) Latham & Watkins LLP, counsel for the Underwriters, shall have furnished to the Representatives such written opinion or opinions, dated such Time of Delivery, in form and substance satisfactory to the Representatives, and such counsel shall have received such papers and information as they may reasonably request to enable them to pass upon such matters;

(c) Cooley LLP, counsel for the Company, shall have furnished to the Representatives their written opinion, dated such Time of Delivery, in form and substance satisfactory to the Representatives;

(d) Whalen LLP, counsel for each of the Selling Stockholders, shall have furnished to the Representatives their written opinion with respect to each of the Selling Stockholders for whom they are acting as counsel, dated such Time of Delivery, in form and substance satisfactory to the Representatives;

(e) On the date of the Prospectus and substantially concurrent with the execution of this Agreement, on the effective date of any post-effective amendment to the Registration Statement filed subsequent to the date of this Agreement and also at each Time of Delivery, PricewaterhouseCoopers LLP shall have furnished to the Representatives a letter or letters, dated the respective dates of delivery thereof and addressed to the Representatives, in form and substance satisfactory to the Representatives, containing statements and information of the type customarily included in accountants' "comfort letters" to underwriters with respect to the financial statements and certain financial information contained in the Registration Statement, the Pricing Disclosure Package and the Prospectus; provided, that the letter delivered on each respective date of delivery, as the case may be, shall use a "cut-off" date no more than three business days prior to such date of delivery;

(f) (i) Neither the Company nor any of its subsidiaries shall have sustained since the date of the latest audited financial statements included in the Pricing Prospectus any loss or interference with its business from fire, explosion, flood or other calamity, whether or not covered by insurance, or from any labor dispute or court or governmental action, order or decree, otherwise than as set forth or contemplated in the Pricing Prospectus, and (ii) since the respective dates as of which information is given in the Pricing Prospectus there shall not have been any change in the capital stock (other than as a result of (A) the exercise or settlement, if any, of stock options or restricted stock units (including any "net" or "cashless" exercises or settlements), or the award, if any, of stock options, restricted stock units, restricted stock or other awards, in each case pursuant to the Company's equity plans that are described in the Pricing Prospectus and the Prospectus, (B) the repurchase of shares of capital stock

upon termination of a holders' employment or service with the Company pursuant to agreements providing for an option to repurchase or a right of first refusal on behalf of the Company; (C) the issuance by the Company of securities convertible into, exchangeable for or that represent that right to receive shares of Stock on the date of the Pricing Prospectus, in each case as described in the Pricing Prospectus and Prospectus or (D) the issuance, if any, of Stock upon conversion or exercise of Company securities as described in the Pricing Prospectus and the Prospectus) or long-term debt of the Company or any of its subsidiaries or any change or effect, or any development involving a prospective change or effect, in or affecting (x) the business, properties, general affairs, management, financial position, stockholders' equity or results of operations of the Company and its subsidiaries, taken as a whole, except as set forth or contemplated in the Pricing Prospectus, or (y) the ability of the Company to perform its obligations under this Agreement, including the issuance and sale of the Shares, or to consummate the transactions contemplated in the Pricing Prospectus and the Prospectus, the effect of which, in any such case described in clause (i) or (ii), is in the Representatives' judgment so material and adverse as to make it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Pricing Prospectus and the Prospectus;

(g) There are no debt securities or preferred stock issued, or guaranteed, by the Company that are rated by any "nationally recognized statistical rating organization," as such term is defined in Section 3(a)(62) of the Exchange Act;

(h) On or after the Applicable Time there shall not have occurred any of the following: (i) a suspension or material limitation in trading in securities generally on the Exchange; (ii) a suspension or material limitation in trading in the Company's securities on the Exchange; (iii) a general moratorium on commercial banking activities declared by either Federal or New York State authorities or a material disruption in commercial banking or securities settlement or clearance services in the United States; (iv) the outbreak or escalation of hostilities involving the United States or the declaration by the United States of a national emergency or war or (v) the occurrence of any other calamity or crisis or any change in financial, political or economic conditions in the United States or elsewhere, if the effect of any such event specified in clause (iv) or (v) in the Representatives' judgment makes it impracticable or inadvisable to proceed with the public offering or the delivery of the Shares being delivered at such Time of Delivery on the terms and in the manner contemplated in the Pricing Prospectus and the Prospectus;

(i) The Shares to be sold at such Time of Delivery shall have been duly listed, subject to official notice of issuance, on the Exchange;

(j) The Company shall have obtained and delivered to the Underwriters executed copies of an agreement from each officer, director, and stockholder of the Company listed on Schedule IV hereto, substantially to the effect set forth in Annex II hereto;

(k) The Company shall have complied with the provisions of Section 5(c) hereof with respect to the furnishing of prospectuses on the New York Business Day next succeeding the date of this Agreement;

(l) The Company and the Selling Stockholders shall have furnished or caused to be furnished to the Representatives at such Time of Delivery certificates of officers of the Company and or the Attorneys-in-Fact on behalf of the Selling Stockholders, respectively, satisfactory to the Representatives as to the accuracy of the representations and warranties of the Company and the Selling Stockholders, respectively, herein at and as of such Time of Delivery, as to the performance by the Company and the Selling Stockholders of all of their respective obligations hereunder to be performed at or prior to such Time of Delivery, as to such other matters as the Representatives may reasonably request, and the Company shall have furnished or caused to be furnished certificates as to the matters set forth in subsections (a) and (f) of this Section 8; and

(m) On the date of the Prospectus following to the execution of this Agreement, on the effective date of any post-effective amendment to the Registration Statement filed subsequent to the date of this Agreement and also at each Time of Delivery, the Company shall have furnished or caused to be furnished to the Representatives a certificate of the Chief Financial Officer of the Company, dated the respective dates of delivery thereof, as to the accuracy of certain financial and other information included in the Registration Statement, the Pricing Prospectus and the Prospectus, in form and substance satisfactory to the Representatives.

9. (a) The Company will indemnify and hold harmless each Underwriter and each Selling Stockholder against any losses, claims, damages or liabilities, joint or several, to which such Underwriter or Selling Stockholder may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus, any roadshow, any "issuer information" filed or required to be filed pursuant to Rule 433(d) under the Act or any Testing-the-Waters Communication prepared or authorized by the Company, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, and will reimburse each Underwriter and Selling Stockholder for any legal or other expenses reasonably incurred by such Underwriter or Selling Stockholder in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus or any Testing-the-Waters Communication, in reliance upon and in conformity with the Underwriter Information.

(b) Each of the Selling Stockholders, severally and not jointly, will indemnify and hold harmless each Underwriter and the Company against any losses, claims, damages or liabilities, joint or several, to which such Underwriter or the Company may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, any Issuer Free Writing Prospectus, any roadshow or any Testing-the-Waters Communication, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto or any Issuer Free Writing Prospectus, or any roadshow or any Testing-the-Waters Communication, in reliance upon and in conformity with written information furnished to the Company by such Selling Stockholder expressly for use therein which constitutes Selling Stockholder Information; and will reimburse each Underwriter and the Company for any legal or other expenses reasonably incurred by such Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred;

provided, however, that such Selling Stockholder shall not be liable in any such case to the extent that any such loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement or omission or alleged omission made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus or any amendment or supplement thereto or any Issuer Free Writing Prospectus in reliance upon and in conformity with the Underwriter Information; provided further, that the liability of such Selling Stockholder pursuant to this Section 9(b) shall not exceed the net proceeds (net of any underwriting discounts and commissions, but before deducting expenses) from the sale of the Shares sold by such Selling Stockholder hereunder (the "Selling Stockholder Proceeds") less any amounts that such Selling Stockholder is obligated to contribute pursuant to Sections 9(e) and 9(f) below.

(c) Each Underwriter, severally and not jointly, will indemnify and hold harmless the Company and each Selling Stockholder against any losses, claims, damages or liabilities to which the Company or such Selling Stockholder may become subject, under the Act or otherwise, insofar as such losses, claims, damages or liabilities (or actions in respect thereof) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, or any roadshow, or any Testing-the-Waters Communication, or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, in each case to the extent, but only to the extent, that such untrue statement or alleged untrue statement or omission or alleged omission was made in the Registration Statement, any Preliminary Prospectus, the Pricing Prospectus or the Prospectus, or any amendment or supplement thereto, or any Issuer Free Writing Prospectus, or any roadshow, or any Testing-the-Waters Communication, in reliance upon and in conformity with the Underwriter Information; and will reimburse the Company and each Selling Stockholder for any legal or other expenses reasonably incurred by the Company or such Selling Stockholder in connection with investigating or defending any such action or claim as such expenses are incurred. As used in this Agreement with respect to an Underwriter and an applicable document, "Underwriter Information" shall mean the written information furnished to the Company by such Underwriter through the Representatives expressly for use therein; it being understood and agreed upon that the only such information furnished by any Underwriter consists of the following information in the Prospectus furnished on behalf of each Underwriter: the concession and reallocation figures appearing in the fifth paragraph under the caption "Underwriting," and the information contained in the eleventh, twelfth and thirteenth paragraphs relating to stabilization by the Underwriters under the caption "Underwriting."

(d) Promptly after receipt by an indemnified party under subsection (a), (b), or (c) of this Section 9 of notice of the commencement of any action, such indemnified party shall, if a claim in respect thereof is to be made against the indemnifying party under such subsection, notify the indemnifying party in writing of the commencement thereof; provided that the failure to notify the indemnifying party shall not relieve it from any liability that it may have under the preceding paragraphs of this Section 9 except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided further that the failure to notify the indemnifying party shall not relieve it from any liability that it may have to an indemnified party otherwise than under the preceding paragraphs of this Section 9. In case any such action shall be brought against any indemnified party and it shall notify the indemnifying party of the commencement thereof, the indemnifying party shall be entitled to participate therein and, to the extent that it shall wish, jointly with any other indemnifying party similarly notified, to assume the defense thereof, with counsel reasonably satisfactory to such indemnified party (who shall not, except with the consent of the indemnified party,

be counsel to the indemnifying party), and, after notice from the indemnifying party to such indemnified party of its election so to assume the defense thereof, the indemnifying party shall not be liable to such indemnified party under such subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by such indemnified party, in connection with the defense thereof other than reasonable costs of investigation. No indemnifying party shall, without the written consent of the indemnified party, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the indemnified party is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (i) includes an unconditional release of the indemnified party from all liability arising out of such action or claim and (ii) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of any indemnified party.

(e) If the indemnification provided for in this Section 9 is unavailable to or insufficient to hold harmless an indemnified party under subsection (a), (b) or (c) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then each indemnifying party shall contribute to the amount paid or payable by such indemnified party as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other from the offering of the Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then each indemnifying party shall contribute to such amount paid or payable by such indemnified party in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company and the Selling Stockholders on the one hand and the Underwriters on the other in connection with the statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company and the Selling Stockholders on the one hand and the Underwriters on the other shall be deemed to be in the same proportion as the total net proceeds from the offering (before deducting expenses) received by the Company and the Selling Stockholders bear to the total underwriting discounts and commissions received by the Underwriters, in each case as set forth in the table on the cover page of the Prospectus. The relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company or the Selling Stockholders on the one hand or the Underwriters on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company, each of the Selling Stockholders and the Underwriters agree that it would not be just and equitable if contribution pursuant to this subsection (e) were determined by pro rata allocation (even if the Underwriters were treated as one entity for such purpose) or by any other method of allocation which does not take account of the equitable considerations referred to above in this subsection (e). The amount paid or payable by an indemnified party as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this subsection (e) shall be deemed to include any legal or other expenses reasonably incurred by such indemnified party in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this subsection (e), no Underwriter shall be required to contribute any amount in excess of the amount by which the total price at which the Shares underwritten by it and distributed to the public were offered to the public exceeds the amount of any damages which such Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission and no Selling Stockholder shall be required to contribute any amount in excess of the Selling Stockholder Proceeds less any amounts such Selling Stockholder is obligated

to pay under the indemnity in subsection 9(b) above. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation. The Underwriters' obligations in this subsection (e) to contribute are several in proportion to their respective underwriting obligations and not joint and the Selling Stockholder's obligations in this subsection (e) to contribute are several in proportion to their Selling Stockholder Proceeds and not joint.

(f) The obligations of the Company and the Selling Stockholders under this Section 9 shall be in addition to any liability which the Company and the Selling Stockholders may otherwise have and shall extend, upon the same terms and conditions, to each employee, officer and director of each Underwriter and each person, if any, who controls any Underwriter within the meaning of the Act and each broker-dealer or other affiliate of any Underwriter; and the obligations of the Underwriters under this Section 9 shall be in addition to any liability which the respective Underwriters may otherwise have and shall extend, upon the same terms and conditions, to each officer and director of the Company (including any person who, with his or her consent, is named in the Registration Statement as about to become a director of the Company) and to each person, if any, who controls the Company or any Selling Stockholder within the meaning of the Act.

(g)

(i) The Company will indemnify and hold harmless the Directed Share Underwriter against any losses, claims, damages and liabilities to which the Directed Share Underwriter may become subject, under the Act or otherwise, insofar as such losses, claims damages or liabilities (or actions in respect thereof) (x) arise out of or are based upon an untrue statement or alleged untrue statement of a material fact contained in any material prepared by or with the consent of the Company for distribution to Participants in connection with the Directed Share Program or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, (y) arise out of or are based upon the failure of any Participant to pay for and accept delivery of Directed Shares that the Participant agreed to purchase, or (z) are related to, arise out of or are in connection with the Directed Share Program, and will reimburse the Directed Share Underwriter for any legal or other expenses reasonably incurred by the Directed Share Underwriter in connection with investigating or defending any such action or claim as such expenses are incurred; provided, however, that with respect to clauses (y) and (z) above, the Company shall not be liable in any such case to the extent that any such loss, claim, damage or liability (or expense relating thereto) is finally judicially determined to have resulted from the bad faith or gross negligence of the Directed Share Underwriter.

(ii) Promptly after receipt by the Directed Share Underwriter of notice of the commencement of any action, the Directed Share Underwriter shall, if a claim in respect thereof is to be made against the Company, notify the Company in writing of the commencement thereof; provided that the failure to notify the Company shall not relieve the Company from any liability that it may have under the preceding paragraph of this Section 9(g) except to the extent that it has been materially prejudiced (through the forfeiture of substantive rights or defenses) by such failure; and provided further that the failure to notify the Company shall not relieve it from any liability that it may have to the Directed Share Underwriter otherwise than under the preceding paragraph of this Section 9(g). In case any such action shall be brought against the Directed Share Underwriter and it shall notify the Company of the commencement thereof, the Company shall be entitled to participate therein and, to the extent that it shall wish, to assume the defense thereof, with counsel reasonably satisfactory to the Directed Share Underwriter (who shall not,

except with the consent of the Directed Share Underwriter, be counsel to the Company), and, after notice from the Company to the Directed Share Underwriter of its election so to assume the defense thereof, the Company shall not be liable to the Directed Share Underwriter under this subsection for any legal expenses of other counsel or any other expenses, in each case subsequently incurred by the Directed Share Underwriter, in connection with the defense thereof other than reasonable costs of investigation. In any such proceeding, the Directed Share Underwriter shall have the right to retain its own counsel, but the fees and expenses of such counsel shall be at the expense of such Directed Share Underwriter unless (i) the Company and such Directed Share Underwriter shall have mutually agreed in writing to the retention of such counsel, (ii) the Company has failed within a reasonable time to retain counsel reasonably satisfactory to such Directed Share Underwriter, (iii) the Directed Share Underwriter shall have reasonably concluded that there may be legal defenses available to it that are different from or in addition to those available to the Company or (iv) the named parties to any such proceeding (including any impleaded parties) include both the Company and the Directed Share Underwriter and representation of both parties by the same counsel would be inappropriate due to actual or potential differing interests between them. The Company shall not, in respect of the legal expenses of the Directed Share Underwriter in connection with any proceeding or related proceedings in the same jurisdiction, be liable for the fees and expenses of more than one separate firm (in addition to any local counsel) for the Directed Share Underwriter. The Company shall not be liable for any settlement of any proceeding effected without its written consent, but if settled with such consent, the Company agrees to indemnify the Directed Share Underwriter from and against any loss or liability by reason of such settlement. The Company shall not, without the written consent of the Directed Share Underwriter, effect the settlement or compromise of, or consent to the entry of any judgment with respect to, any pending or threatened action or claim in respect of which indemnification or contribution may be sought hereunder (whether or not the Directed Share Underwriter is an actual or potential party to such action or claim) unless such settlement, compromise or judgment (x) includes an unconditional release of the Directed Share Underwriter from all liability arising out of such action or claim and (y) does not include a statement as to or an admission of fault, culpability or a failure to act, by or on behalf of the Directed Share Underwriter.

(iii) If the indemnification provided for in this Section 9(g) is unavailable to or insufficient to hold harmless the Directed Share Underwriter under Section 9(g)(i) above in respect of any losses, claims, damages or liabilities (or actions in respect thereof) referred to therein, then the Company, in lieu of indemnifying the Directed Share Underwriter thereunder, shall contribute to the amount paid or payable by the Directed Share Underwriter as a result of such losses, claims, damages or liabilities (or actions in respect thereof) in such proportion as is appropriate to reflect the relative benefits received by the Company on the one hand and the Directed Share Underwriter on the other from the offering of the Directed Shares. If, however, the allocation provided by the immediately preceding sentence is not permitted by applicable law, then the Company shall contribute to such amount paid or payable by the Directed Share Underwriter in such proportion as is appropriate to reflect not only such relative benefits but also the relative fault of the Company on the one hand and the Directed Share Underwriter on the other in connection with any statements or omissions which resulted in such losses, claims, damages or liabilities (or actions in respect thereof), as well as any other relevant equitable considerations. The relative benefits received by the Company on the one hand and the Directed Share Underwriter on the other shall be deemed to be in the same proportion as the total net proceeds from the offering of the Directed Shares (before deducting expenses) received by the Company

and the total underwriting discounts and commissions received by the Directed Share Underwriter for the Directed Shares bear to the aggregate public offering price of the Directed Shares. If the loss, claim, damage or liability arises out of or is based upon an untrue statement or alleged untrue statement of a material fact or arise out of or are based upon the omission or alleged omission to state therein a material fact required to be stated therein or necessary to make the statements therein not misleading, the relative fault shall be determined by reference to, among other things, whether the untrue or alleged untrue statement of a material fact or the omission or alleged omission to state a material fact relates to information supplied by the Company on the one hand or the Directed Share Underwriter on the other and the parties' relative intent, knowledge, access to information and opportunity to correct or prevent such statement or omission. The Company and the Directed Share Underwriter agree that it would not be just and equitable if contribution pursuant to this Section 9(g)(iii) were determined by pro rata allocation or by any other method of allocation which does not take account of the equitable considerations referred to above in this Section 9(g)(iii). The amount paid or payable by the Directed Share Underwriter as a result of the losses, claims, damages or liabilities (or actions in respect thereof) referred to above in this Section 9(g)(iii) shall be deemed to include, subject to the limitations set forth above, any legal or other expenses reasonably incurred by the Directed Share Underwriter in connection with investigating or defending any such action or claim. Notwithstanding the provisions of this Section 9(g)(iii), the Directed Share Underwriter shall not be required to contribute any amount in excess of the amount by which the total price at which the Directed Shares sold by it and distributed to the Participants exceeds the amount of any damages which the Directed Share Underwriter has otherwise been required to pay by reason of such untrue or alleged untrue statement or omission or alleged omission. No person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Act) shall be entitled to contribution from any person who was not guilty of such fraudulent misrepresentation.

(iv) The obligations of the Company under this Section 9(g) shall be in addition to any liability which the Company may otherwise have and shall extend, upon the same terms and conditions, to each employee, officer and director of the Directed Share Underwriter and each person, if any, who controls the Directed Share Underwriter within the meaning of the Act and each broker-dealer or other affiliate of the Directed Share Underwriter.

10. (a) If any Underwriter shall default in its obligation to purchase the Shares that it has agreed to purchase hereunder at a Time of Delivery, the Representatives may in the Representatives' discretion arrange for the Representatives or another party or other parties to purchase such Shares on the terms contained herein. If within thirty-six hours after such default by any Underwriter the Representatives do not arrange for the purchase of such Shares, then the Company and the Selling Stockholders shall be entitled to a further period of thirty-six hours within which to procure another party or other parties satisfactory to the Representatives to purchase such Shares on such terms. In the event that, within the respective prescribed periods, the Representatives notify the Company and the Selling Stockholders that the Representatives have so arranged for the purchase of such Shares, or the Company or a Selling Stockholder notifies the Representatives that it has so arranged for the purchase of such Shares, the Representatives or the Company or the Selling Stockholders shall have the right to postpone such Time of Delivery for a period of not more than seven days, in order to effect whatever changes may thereby be made necessary in the Registration Statement or the Prospectus, or in any other documents or arrangements, and the Company agrees to file promptly any amendments or supplements to the Registration Statement or the Prospectus which in the Representatives' opinion may thereby be made necessary. The term "Underwriter" as used in this Agreement shall include any person substituted under this Section with like effect as if such person had originally been a party to this Agreement with respect to such Shares.



(b) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the Representatives, the Company and the Selling Stockholders as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased does not exceed one-eleventh of the aggregate number of all the Shares to be purchased at such Time of Delivery, then the Company and the Selling Stockholders shall have the right to require each non-defaulting Underwriter to purchase the number of Shares which such Underwriter agreed to purchase hereunder at such Time of Delivery and, in addition, to require each non-defaulting Underwriter to purchase its pro rata share (based on the number of Shares which such Underwriter agreed to purchase hereunder) of the Shares of such defaulting Underwriter or Underwriters for which such arrangements have not been made; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

(c) If, after giving effect to any arrangements for the purchase of the Shares of a defaulting Underwriter or Underwriters by the Representatives, the Company and the Selling Stockholders as provided in subsection (a) above, the aggregate number of such Shares which remains unpurchased exceeds one-eleventh of the aggregate number of all of the Shares to be purchased at such Time of Delivery, or if the Company and the Selling Stockholders shall not exercise the right described in subsection (b) above to require non-defaulting Underwriters to purchase Shares of a defaulting Underwriter or Underwriters, then this Agreement (or, with respect to a Second Time of Delivery, the obligations of the Underwriters to purchase and of the Company to sell the Optional Shares) shall thereupon terminate, without liability on the part of any non-defaulting Underwriter, the Company or the Selling Stockholders, except for the expenses to be borne by the Company, the Selling Stockholders and the Underwriters as provided in Section 7 hereof and the indemnity and contribution agreements in Section 9 hereof; but nothing herein shall relieve a defaulting Underwriter from liability for its default.

11. The respective indemnities, rights of contribution, agreements, representations, warranties and other statements of the Company, the Selling Stockholders and the several Underwriters, as set forth in this Agreement or made by or on behalf of them, respectively, pursuant to this Agreement, shall remain in full force and effect, regardless of any investigation (or any statement as to the results thereof) made by or on behalf of any Underwriter or any director, officer, employee, affiliate or controlling person of any Underwriter, or the Company, or any of the Selling Stockholders, or any officer or director or controlling person of the Company, or any controlling person of any Selling Stockholder, and shall survive delivery of and payment for the Shares.

12. If this Agreement shall be terminated pursuant to Section 10 hereof, neither the Company nor the Selling Stockholders shall then be under any liability to any Underwriter except as provided in Sections 7 and 9 hereof; but, if for any other reason (other than those set forth in clauses (i), (iii), (iv) or (v) of Section 8(h)), any Shares are not delivered by or on behalf of the Company and the Selling Stockholders as provided herein, or the Underwriters decline to purchase the Shares for any reason permitted under this Agreement, the Company will reimburse the Underwriters through the Representatives for all documented out-of-pocket expenses approved in writing by the Representatives, including fees and disbursements of counsel, reasonably incurred by the Underwriters in making preparations for the purchase, sale and delivery of the Shares not so delivered, but the Company and the Selling Stockholders shall then be under no further liability to any Underwriter except as provided in Sections 7 and 9 hereof.

13. In all dealings hereunder, the Representatives shall act on behalf of each of the Underwriters, and the parties hereto shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of any Underwriter made or given by the Representatives jointly or by Goldman Sachs & Co. LLC and J.P. Morgan Securities LLC on behalf of the Representatives as the Representatives; and in all dealings with any Selling Stockholder hereunder, the Representatives and the Company shall be entitled to act and rely upon any statement, request, notice or agreement on behalf of such Selling Stockholder made or given by any or all of the Attorneys-in-Fact for such Selling Stockholder.

In accordance with the requirements of the USA Patriot Act (Title III of Pub. L. 107-56 (signed into law October 26, 2001)), the Underwriters are required to obtain, verify and record information that identifies their respective clients, including the Company and the Selling Stockholders, which information may include the name and address of their respective clients, as well as other information that will allow the Underwriters to properly identify their respective clients.

All statements, requests, notices and agreements hereunder shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to (i) Goldman Sachs & Co. LLC, 200 West Street, New York, New York 10282, Attention: Registration Department and (ii) J.P. Morgan Securities LLC, 383 Madison Avenue, New York, New York 10179 (fax: (212) 622-8358); Attention: Equity Syndicate Desk; if to any Selling Stockholder represented by Whalen LLP shall be delivered or sent by mail, telex or facsimile transmission to each of the Attorneys-in-Fact named in the Power of Attorney, c/o the Company at the address set forth on the cover of the Registration Statement, Attention: General Counsel, with a copy, which shall not constitute notice, to Whalen LLP, 1601 Dove Street, Suite 270, Newport Beach, California 92660; if to the Company shall be delivered or sent by mail, telex or facsimile transmission to the address of the Company set forth on the cover of the Registration Statement, Attention: General Counsel (with a copy to Jon Avina, Cooley LLP, 3175 Hanover Street, Palo Alto, California 94304); and if to any stockholder that has delivered a lock-up letter described in Section 8(j) hereof shall be delivered or sent by mail to his or her respective address as such stockholder provides in writing to the Company; provided, however, that any notice to an Underwriter pursuant to Section 9(d) hereof shall be delivered or sent by mail, telex or facsimile transmission to such Underwriter at its address set forth in its Underwriters' Questionnaire or telex constituting such Questionnaire, which address will be supplied to the Company or the Selling Stockholders by the Representatives on request; provided further that notices under subsection 5(e) shall be in writing, and if to the Underwriters shall be delivered or sent by mail, telex or facsimile transmission to (i) Goldman Sachs & Co. LLC, 200 West Street, New York, New York 10282, Attention: Control Room and (ii) J.P. Morgan Securities LLC, 383 Madison Avenue, New York, New York 10179 (fax: (212) 622-8358); Attention: Equity Syndicate Desk. Any such statements, requests, notices or agreements shall take effect upon receipt thereof.

14. This Agreement shall be binding upon, and inure solely to the benefit of, the Underwriters, the Company and the Selling Stockholders and, to the extent provided in Sections 9 and 11 hereof, the officers and directors of the Company and each person who controls the Company, any Selling Stockholder or any Underwriter, or any director, officer, employee or affiliate of any Underwriter, and their respective heirs, executors, administrators, successors and assigns, and no other person shall acquire or have any right under or by virtue of this Agreement. No purchaser of any of the Shares from any Underwriter shall be deemed a successor or assign by reason merely of such purchase.

15. Time shall be of the essence of this Agreement. As used herein, the term "business day" shall mean any day when the Commission's office in Washington, D.C. is open for business.

16. The Company and the Selling Stockholders acknowledge and agree that (i) the purchase and sale of the Shares pursuant to this Agreement is an arm's-length commercial transaction between the Company and the Selling Stockholders, on the one hand, and the several Underwriters, on the other, (ii) in connection therewith and with the process leading to such transaction each Underwriter is acting solely as a principal and not the agent or fiduciary of the Company or any Selling Stockholder, (iii) no Underwriter has assumed an advisory or fiduciary responsibility in favor of the Company or any Selling Stockholder with respect to the offering contemplated hereby or the process leading thereto (irrespective of whether such Underwriter has advised or is currently advising the Company or any Selling Stockholder on other matters) or any other obligation to the Company or any Selling Stockholder except the obligations expressly set forth in this Agreement, (iv) the Company and each Selling Stockholder has consulted its own legal and financial advisors to the extent it deemed appropriate, and (v) none of the activities of the Underwriters in connection with the transactions contemplated herein constitutes a recommendation, investment advice, or solicitation of any action by the Underwriters with respect to any entity or natural person. The Company and each Selling Stockholder agrees that it will not claim that the Underwriters, or any of them, has rendered advisory services of any nature or respect, or owes a fiduciary or similar duty to the Company or any Selling Stockholder, in connection with such transaction or the process leading thereto.

17. This Agreement supersedes all prior agreements and understandings (whether written or oral) among the Company, the Selling Stockholders and the Underwriters, or any of them, with respect to the subject matter hereof.

18. This Agreement and any transaction contemplated by this Agreement and any claim, controversy or dispute arising under or related thereto shall be governed by and construed in accordance with the laws of the State of New York without regard to principles of conflict of laws that would result in the application of any other law than the laws of the State of New York. The Company and each Selling Stockholder agree that any suit or proceeding arising in respect of this Agreement or any transaction contemplated by this Agreement will be tried exclusively in the U.S. District Court for the Southern District of New York or, if that court does not have subject matter jurisdiction, in any state court located in The City and County of New York and the Company and each Selling Stockholder agree to submit to the jurisdiction of, and to venue in, such courts, and waive, to the fullest extent they may effectively do so, any objection which they may now or hereafter have to the laying of venue of any such proceeding.

19. The Company, each Selling Stockholder and each of the Underwriters hereby irrevocably waives, to the fullest extent permitted by applicable law, any and all right to trial by jury in any legal proceeding arising out of or relating to this Agreement or the transactions contemplated hereby.

20. This Agreement may be executed by any one or more of the parties hereto in any number of counterparts, each of which shall be deemed to be an original, but all such counterparts shall together constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including any electronic signature covered by the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., [www.docusign.com](http://www.docusign.com)) or other transmission method and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

21. Notwithstanding anything herein to the contrary, the Company and the Selling Stockholders are authorized to disclose to any persons the U.S. federal and state income tax treatment and tax structure of the potential transaction and all materials of any kind (including tax opinions and other tax analyses) provided to the Company and the Selling Stockholders relating to that treatment and structure, without the Underwriters imposing any limitation of any kind. However, any information relating to the tax treatment and tax structure shall remain confidential (and the foregoing sentence shall not apply) to the extent necessary to enable any person to comply with securities laws. For this purpose, "tax structure" is limited to any facts that may be relevant to that treatment.

22. Recognition of the U.S. Special Resolution Regimes.

(a) In the event that any Underwriter that is a Covered Entity becomes subject to a proceeding under a U.S. Special Resolution Regime, the transfer from such Underwriter of this Agreement, and any interest and obligation in or under this Agreement, will be effective to the same extent as the transfer would be effective under the U.S. Special Resolution Regime if this Agreement, and any such interest and obligation, were governed by the laws of the United States or a state of the United States.

(b) In the event that any Underwriter that is a Covered Entity or a BHC Act Affiliate of such Underwriter becomes subject to a proceeding under a U.S. Special Resolution Regime, Default Rights under this Agreement that may be exercised against such Underwriter are permitted to be exercised to no greater extent than such Default Rights could be exercised under the U.S. Special Resolution Regime if this Agreement were governed by the laws of the United States or a state of the United States.

(c) As used in this section:

“BHC Act Affiliate” has the meaning assigned to the term “affiliate” in, and shall be interpreted in accordance with, 12 U.S.C. § 1841(k).

“Covered Entity” means any of the following:

(i) a “covered entity” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 252.82(b);

(ii) a “covered bank” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 47.3(b); or

(iii) a “covered FSI” as that term is defined in, and interpreted in accordance with, 12 C.F.R. § 382.2(b).

“Default Right” has the meaning assigned to that term in, and shall be interpreted in accordance with, 12 C.F.R. §§ 252.81, 47.2 or 382.1, as applicable.

“U.S. Special Resolution Regime” means each of (i) the Federal Deposit Insurance Act and the regulations promulgated thereunder and (ii) Title II of the Dodd-Frank Wall Street Reform and Consumer Protection Act and the regulations promulgated thereunder.

If the foregoing is in accordance with the Representatives’ understanding, please sign and return to us one for the Company and each of the Representatives plus one for each counsel and the Custodian counterparts hereof, and upon the acceptance hereof by the Representatives, on behalf of each of the Underwriters, this letter and such acceptance hereof shall constitute a binding agreement among each of the Underwriters, the Company and each of the Selling Stockholders. It is understood that the Representatives’ acceptance of this letter on behalf of each of the Underwriters is pursuant to the authority set forth in a form of Agreement among Underwriters, the form of which shall be submitted to the Company and the Selling Stockholders for examination, upon request, but without warranty on the Representatives’ part as to the authority of the signers thereof.

Any person executing and delivering this Agreement as Attorney-in-Fact for a Selling Stockholder represents by so doing that he has been duly appointed as Attorney-in-Fact by such Selling Stockholder pursuant to a validly existing and binding Power-of-Attorney that authorizes such Attorney-in-Fact to take such action.

Very truly yours,

Maplebear Inc.

By: \_\_\_\_\_  
Name:  
Title:

Selling Stockholders, acting severally

By: \_\_\_\_\_  
Name:  
Title:  
As Attorney-in-Fact acting on behalf of each of the  
Selling Stockholders named in Schedule II to this  
Agreement.

Accepted as of the date hereof

Goldman Sachs & Co. LLC

By: \_\_\_\_\_  
Name:  
Title:

J.P. Morgan Securities LLC

By: \_\_\_\_\_  
Name:  
Title:

On behalf of each of the Underwriters

*[Signature Page to Underwriting Agreement]*

**SCHEDULE I**

<u>Underwriter</u>	<u>Total Number of Firm Shares to be Purchased</u>	<u>Number of Optional Shares to be Purchased if Maximum Option Exercised</u>
Goldman Sachs & Co. LLC	[●]	[●]
J.P. Morgan Securities LLC	[●]	[●]
BofA Securities, Inc.	[●]	[●]
Barclays Capital Inc.	[●]	[●]
Citigroup Global Markets Inc.	[●]	[●]
Robert W. Baird & Co. Incorporated	[●]	[●]
JMP Securities LLC	[●]	[●]
LionTree Advisors LLC	[●]	[●]
Oppenheimer & Co. Inc.	[●]	[●]
Piper Sandler & Co.	[●]	[●]
SoFi Securities LLC	[●]	[●]
Stifel, Nicolaus & Company, Incorporated	[●]	[●]
Wedbush Securities Inc.	[●]	[●]
Blaylock Van, LLC	[●]	[●]
Drexel Hamilton, LLC	[●]	[●]
Loop Capital Markets LLC	[●]	[●]
R. Seelaus & Co., LLC	[●]	[●]
Samuel A. Ramirez & Company, Inc.	[●]	[●]
Stern Brothers & Co.	[●]	[●]
Tigress Financial Partners LLC	[●]	[●]
<b>Total</b>	<b>[●]</b>	<b>[●]</b>

SCHEDULE II

	Total Number of Firm Shares to be Sold	Number of Optional Shares to be Sold if Maximum Option Exercised
The Company.	[●]	[●]
The Selling Stockholder(s):		
[Name of Selling Stockholder](a)	[●]	[●]
[Name of Selling Stockholder](b)	[●]	[●]
[Name of Selling Stockholder](c)	[●]	[●]
[Name of Selling Stockholder](d)	[●]	[●]
[Name of Selling Stockholder](e)	[●]	[●]
Total	<u>[●]</u>	<u>[●]</u>

- (a) This Selling Stockholder is represented by [Name and Address of Counsel] and has appointed [Names of Attorneys-in-Fact (not less than two)], and each of them, as the Attorneys-in-Fact for such Selling Stockholder.
- (b) This Selling Stockholder is represented by [Name and Address of Counsel] and has appointed [Names of Attorneys-in-Fact (not less than two)], and each of them, as the Attorneys-in-Fact for such Selling Stockholder.
- (c) This Selling Stockholder is represented by [Name and Address of Counsel] and has appointed [Names of Attorneys-in-Fact (not less than two)], and each of them, as the Attorneys-in-Fact for such Selling Stockholder.

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- (d) This Selling Stockholder is represented by **[Name and Address of Counsel]** and has appointed **[Names of Attorneys-in-Fact (not less than two)]**, and each of them, as the Attorneys-in-Fact for such Selling Stockholder.
  - (e) This Selling Stockholder is represented by **[Name and Address of Counsel]** and has appointed **[Names of Attorneys-in-Fact (not less than two)]**, and each of them, as the Attorneys-in-Fact for such Selling Stockholder.



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**SCHEDULE III**

- (a) Issuer Free Writing Prospectuses not included in the Pricing Disclosure Package  
Electronic Roadshow dated [ • ].
  
- (b) Additional documents incorporated by reference  
None.
  
- (c) Information other than the Pricing Prospectus that comprise the Pricing Disclosure Package  
The initial public offering price per share for the Shares is \$[ • ].  
The number of Shares purchased by the Underwriters is [ • ].
  
- (d) Written Testing-the-Waters Communications  
[ • ].

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## SCHEDULE IV

### Officers

1. Fidji Simo
2. Nick Giovanni
3. Asha Sharma
4. Morgan Fong

### Directors

1. Jeffrey Jordan
2. Meredith Kopit Levien
3. Barry McCarthy
4. Michael Moritz
5. Lily Sarafan
6. Frank Slotman
7. Daniel Sundheim

### Director Nominee

1. Ravinder Gupta

### Other Stockholders

1. [ • ]

## FORM OF PRESS RELEASE

**Maplebear Inc.**

[ • ]

Maplebear Inc., doing business as Instacart (the “Company”) announced today that Goldman Sachs & Co. LLC, the lead book-running manager in the recent public sale of [ • ] shares of the Company’s common stock, is [waiving] [releasing] a lock-up restriction with respect to [ • ] shares of the Company’s common stock held by [certain officers or directors] [an officer or director] of the Company. The [waiver] [release] will take effect on [ • ] and the shares may be sold on or after such date.

**This press release is not an offer for sale of the securities in the United States or in any other jurisdiction where such offer is prohibited, and such securities may not be offered or sold in the United States absent registration or an exemption from registration under the United States Securities Act of 1933, as amended.**

**Maplebear Inc.**  
**Form of Lock-Up Agreement**  
**[ • ], 2023**

Goldman Sachs & Co. LLC  
J.P. Morgan Securities LLC

As Representatives of the several Underwriters  
named in Schedule I to the Underwriting Agreement

c/o Goldman Sachs & Co. LLC  
200 West Street  
New York, NY 10282-2198

c/o J.P. Morgan Securities LLC  
383 Madison Avenue  
New York, New York 10179

Re: Maplebear Inc.—Lock-Up Agreement

To the addressees set forth above:

The undersigned understands that you, as representatives (the “Representatives”), propose to enter into an underwriting agreement (the “Underwriting Agreement”) on behalf of the several Underwriters named in Schedule I to such agreement (collectively, the “Underwriters”), with Maplebear Inc., a Delaware corporation (the “Company”), providing for a public offering (the “Public Offering”) of shares (the “Shares”) of the Company’s common stock, par value \$0.0001 per share (the “Common Stock”), pursuant to a Registration Statement on Form S-1 (the “Registration Statement”) to be filed with the Securities and Exchange Commission (the “SEC”).

In consideration of the agreement by the Underwriters to offer and sell the Shares, and of other good and valuable consideration the receipt and sufficiency of which is hereby acknowledged, the undersigned agrees that, during the period beginning from the date of this Lock-Up Agreement and continuing to and including the date 180 days after the date set forth on the final prospectus (the “Prospectus”) used to sell the Shares (the “Lock-Up Period”), the undersigned shall not, and shall not cause or direct any of its affiliates to, (i) offer, sell, contract to sell, pledge, grant any option to purchase, lend or otherwise dispose of any shares of Common Stock, or any options or warrants to purchase any shares of Common Stock, or any securities convertible into, exchangeable for or that represent the right to receive shares of Common Stock (such shares of Common Stock, options, warrants, or other securities, collectively, the “Lock-Up Securities”), including without limitation any such Lock-Up Securities now owned or hereafter acquired by the undersigned, (ii) engage in any hedging or other transaction or arrangement (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap, or any other derivative transaction or instrument, however described or defined) which is

designed to or which reasonably could be expected to lead to or result in a sale, loan, pledge, or other disposition (whether by the undersigned or someone other than the undersigned), or transfer of any of the economic consequences of ownership, in whole or in part, directly or indirectly, of any Lock-Up Securities, whether any such transaction or arrangement (or instrument provided for thereunder) would be settled by delivery of Common Stock or other securities, in cash or otherwise (any such sale, loan, pledge, or other disposition, or transfer of economic consequences, a “Transfer”), (iii) make any demand for or exercise any right with respect to the registration of any Lock-Up Securities or (iv) otherwise publicly announce any intention to engage in or cause any action, activity, transaction or arrangement described in clause (i), (ii) or (iii) above. The undersigned represents and warrants that the undersigned is not, and has not caused or directed any of its affiliates to be or become, currently a party to any agreement or arrangement that provides for, is designed to or which reasonably could be expected to lead to or result in any Transfer during the Lock-Up Period. For the avoidance of doubt, if the undersigned is an officer or director of the Company, the undersigned agrees that the foregoing provisions shall be equally applicable to any issuer-directed or other Shares the undersigned may purchase in the Public Offering.

If the undersigned is not a natural person, the undersigned represents and warrants that no single natural person, entity, or “group” (within the meaning of Section 13(d)(3) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), other than a natural person, entity, or “group” (as described above) that has executed a Lock-Up Agreement in substantially the same form as this Lock-Up Agreement, beneficially owns, directly or indirectly, 50% or more of the common equity or beneficial interests, or 50% or more of the voting power, in the undersigned.

If the undersigned is an officer or director of the Company, (i) Goldman Sachs & Co. LLC agrees that, at least three business days before the effective date of any release or waiver of the foregoing restrictions in connection with a transfer of shares of Common Stock, Goldman Sachs & Co. LLC will notify the Company of the impending release or waiver, and (ii) the Company has agreed in the Underwriting Agreement to announce the impending release or waiver by press release through a major news service at least two business days before the effective date of the release or waiver. Any release or waiver granted by Goldman Sachs & Co. LLC hereunder to any such officer or director shall only be effective two business days after the publication date of such press release. The provisions of this paragraph will not apply if (a) the release or waiver is effected solely to permit a transfer not for consideration or that is to an immediate family member as defined in FINRA Rule 5130(i)(5) and (b) the transferee has agreed in writing to be bound by the same terms described in this Lock-Up Agreement to the extent and for the duration that such terms remain in effect at the time of the transfer.

Notwithstanding the foregoing, the undersigned may:

(a) transfer the undersigned’s Lock-Up Securities:

- (i) as one or more *bona fide* gifts or charitable contributions, or for *bona fide* estate planning purposes;
- (ii) upon death by will, testamentary document, or the laws of intestate succession;
- (iii) if the undersigned is a natural person, to any member of the undersigned’s immediate family (for purposes of this Lock-Up Agreement, “immediate family” shall mean any relationship by blood, current or former marriage, domestic partnership, or adoption, not more remote than first cousin) or to any trust for the direct or indirect benefit of the undersigned or the immediate family of the undersigned or, if the undersigned is a trust, to a trustor or beneficiary of the trust or the estate of a beneficiary of such trust;

- (iv) to a partnership, limited liability company, or other entity of which the undersigned and the immediate family of the undersigned are the legal and beneficial owner of all of the outstanding equity securities or similar interests;
- (v) to a nominee or custodian of a person or entity to whom a disposition or transfer would be permissible under clauses (a)(i) through (iv) above;
- (vi) if the undersigned is a corporation, partnership, limited liability company, or other business entity, (A) to another corporation, partnership, limited liability company, or other business entity that is an affiliate (as defined in Rule 405 under the Securities Act of 1933, as amended (the "Securities Act")) of the undersigned, or to any investment fund or other entity which fund or entity is controlled or managed by the undersigned or affiliates of the undersigned, or (B) as part of a distribution by the undersigned to its stockholders, partners, members, or other equityholders or to the estate of any such stockholders, partners, members, or other equityholders;
- (vii) by operation of law, such as pursuant to a qualified domestic order, divorce settlement, divorce decree, or separation agreement;
- (viii) to the Company from an employee of the Company upon death, disability, or termination of employment, in each case, of such employee;
- (ix) if the undersigned is not an officer or director of the Company, in connection with a sale of the undersigned's shares of Common Stock acquired (A) from the Underwriters in the Public Offering or (B) in open market transactions after the closing date of the Public Offering;
- (x) to the Company in connection with the vesting, settlement, or exercise of restricted stock units ("RSUs"), restricted stock, options, warrants, or other rights to purchase shares of Common Stock (including, in each case, by way of "net" or "cashless" exercise), including any transfer to the Company for the payment of tax withholdings or remittance payments due as a result of the vesting, settlement, or exercise of such RSUs, restricted stock, options, warrants, or other rights, or in connection with the conversion or exchange of convertible or exchangeable securities of the Company or any of its subsidiaries, in all such cases pursuant to equity awards granted under a stock incentive plan or other equity award plan or arrangement, or pursuant to the terms of convertible or exchangeable securities, as applicable, each as described in the Prospectus, provided that any securities received upon such vesting, settlement, exercise, or conversion that are not transferred to cover any such tax obligations shall be subject to the terms of this Lock-Up Agreement;
- (xi) in connection with the sale or other transfer of the undersigned's shares of Common Stock to satisfy any tax obligations or payments due as a result of (A) if the undersigned's employment with the Company has terminated as of the date hereof, the exercise of stock options that will expire during the Lock-Up Period or (B) the settlement of RSUs pursuant to awards granted under a stock incentive plan or other equity award plan or arrangement described in the Prospectus, provided that, in each case, any securities received upon such exercise or settlement that are not transferred to cover any such tax obligations shall be subject to the terms of this Lock-Up Agreement;

- (xii) to the Company in connection with the conversion, exchange or reclassification of the outstanding equity securities of the Company into shares of Common Stock, or any reclassification, exchange or conversion of the Common Stock, in each case as described and as contemplated in the Prospectus, provided that any such shares of Common Stock received upon such conversion, exchange or reclassification shall be subject to the terms of this Lock-Up Agreement;
- (xiii) to the Company in connection with a tender offer by the Company for outstanding equity securities of the Company or other repurchase transaction that is approved by the Board of Directors of the Company and consummated prior to the date of the first amendment to the Registration Statement that contains a bona fide price range per share to the public; provided that in the event that such tender offer is not completed or the undersigned does not tender some or all Lock-Up Securities in such tender offer, any Lock-Up Securities not tendered or transferred to the Company shall remain subject to the provisions of this Lock-Up Agreement;
- (xiv) in connection with a secondary sale transaction that is approved by the Board of Directors of the Company and consummated no later than the date that is fourteen (14) business days prior to the date of the first amendment to the Registration Statement that contains a bona fide price range per share to the public; provided that in the event that such secondary transaction is not completed, such Lock-Up Securities shall remain subject to the provisions of this Lock-Up Agreement;
- (xv) to the Underwriters pursuant to the Underwriting Agreement;
- (xvi) in connection with the termination of employment of an employee of the Company or any of its subsidiaries, including following voluntary resignation of such employee, if disposition of such Lock-Up Securities is determined by the Company to be required under applicable law; and
- (xvii) with the prior written consent of Goldman Sachs & Co. LLC on behalf of the Underwriters;

provided that:

(A) in the case of clauses (a)(i), (ii), (iii), (iv), (v) and (vi), above, such transfer or distribution shall not involve a disposition for value,

(B) in the case of clauses (a)(i), (ii), (iii), (iv), (v), (vi), (vii), and (xiv) above, it shall be a condition to the transfer or distribution that the donee, devisee, transferee, or distributee, as the case may be, shall sign and deliver a lock-up agreement in the form of this Lock-Up Agreement,

(C) in the case of clauses (a)(iii), (iv), (v), (vi), (ix) and (xvi) above, no filing under the Exchange Act or other public filing, report, or announcement reporting a reduction in beneficial ownership of shares of Common Stock in connection with such transfer or distribution shall be required or shall be voluntarily made during the Lock-Up Period (other than any required Form 5 filing), and

(D) in the case of clauses (a)(i), (ii), (vii), (viii), (x), (xi) and (xii) above, if any filing under the Exchange Act, or other public filing, report, or announcement reporting a reduction in beneficial ownership of shares of Common Stock in connection with such transfer or distribution shall be legally required during the Lock-Up Period, such filing, report, or announcement shall clearly indicate in the footnotes thereto (1) the circumstances of such transfer or distribution and (2) in the case of a transfer or distribution pursuant to clauses (a)(i), (ii), or (vii) above, that the donee, devisee, transferee, or distributee, as the case may be, has agreed to be bound by a lock-up agreement in the form of this Lock-Up Agreement;

(b) enter into a written plan meeting the requirements of Rule 10b5-1 under the Exchange Act relating to the transfer, sale, or other disposition of the undersigned's Lock-Up Securities, if then permitted by the Company, provided that none of the securities subject to such plan may be transferred, sold, or otherwise disposed of until after the expiration of the Lock-Up Period and no public announcement, report, or filing under the Exchange Act, or any other public filing, report, or announcement, shall be voluntarily made regarding the establishment of such plan during the Lock-Up Period, and if any such filing, report, or announcement shall be legally required during the Lock-Up Period, such filing, report, or announcement shall clearly indicate therein that that none of the securities subject to such plan may be transferred, sold, or otherwise disposed of pursuant to such plan until after the expiration of the Lock-Up Period; and

(c) transfer the undersigned's Lock-Up Securities pursuant to a bona fide third-party tender offer, merger, consolidation, or other similar transaction that is approved by the Board of Directors of the Company (the "Board of Directors") and made to all holders of the Company's capital stock involving a Change of Control of the Company (for purposes hereof, "Change of Control" shall mean the transfer (whether by tender offer, merger, consolidation, or other similar transaction), in one transaction or a series of related transactions, to a person or group of affiliated persons, of shares of capital stock if, after such transfer, such person or group of affiliated persons would hold at least a majority of the outstanding voting securities of the Company (or the surviving entity)); provided that all of the undersigned's Lock-Up Securities that are not so transferred, tendered or otherwise disposed of shall remain subject to this Lock-Up Agreement; and provided further that in the event that such tender offer, merger, consolidation, or other similar transaction is not completed, all of the undersigned's Lock-Up Securities shall remain subject to the provisions of this Lock-Up Agreement.

The undersigned now has, and, except as contemplated by clauses (a) and (c) of the fifth paragraph of this Lock-Up Agreement, for the duration of this Lock-Up Agreement will have, good and marketable title to the undersigned's Lock-Up Securities, free and clear of all liens, encumbrances, and claims whatsoever. The undersigned also agrees and consents to the entry of stop transfer instructions with the Company's transfer agent and registrar against the transfer of the undersigned's Lock-Up Securities except in compliance with the foregoing restrictions.

In addition, and notwithstanding the provisions of the second paragraph of this Lock-up Agreement:

(a) if the undersigned is an employee of the Company or any of its subsidiaries and is not an Excluded Holder as of and including the fifth (5th) calendar day prior to the date of the Initial Earnings Release (each such person, an "Employee Stockholder") and the closing price of the Company's Common Stock on the Nasdaq Stock Market (rounded up to the nearest cent) has exceeded 120% of the initial public offering price per Share set forth on the cover page of the Prospectus on at least five (5) Trading Days (one of which must be a Trading Day occurring after the date of the Initial Earnings Release) out of any ten (10) consecutive Trading Day period, subject to compliance with the Company's insider trading policy, as it may be amended from time to time (the "Insider Trading Policy"), applicable securities laws, including, without limitation, Rule 144 promulgated under the Securities Act and the securities laws of applicable non-U.S. jurisdictions, and applicable contractual restrictions and limitations, the undersigned may sell in the public market, beginning at the opening of trading on the first Trading Day (the "Release Date")



after the applicable ten (10) consecutive Trading Day period, a number of shares of Common Stock not in excess of 35% of the sum of (1) the aggregate number of shares of Common Stock held by the undersigned as of August 15, 2023 and (2) the aggregate number of options to purchase shares of Common Stock, RSUs and securities convertible into or exchangeable for shares of Common Stock, in each case held by the undersigned, fully vested and not otherwise subject to applicable securities law, contractual or other restrictions (including any right of repurchase in favor of the Company or escrow restrictions) as of August 15, 2023, provided that the Release Date can only occur in a broadly applicable “open trading window” period during which trading in the Company’s securities is permitted under the Insider Trading Policy; and

(b) in any case, the Lock-Up Period shall terminate commencing on the earlier of (i) the opening of trading on the date on which a broadly applicable “open trading window” period commences following the date of the Second Earnings Release and (ii) the end of the 180th day after the date set forth on the Prospectus.

For purposes of this Lock-Up Agreement:

- “Excluded Holder” shall mean (i) any member of the Board of Directors, (ii) any officer of the Company with the title of Chief Executive Officer, Chief Financial Officer or Chief Operating Officer, (iii) any Key Holder (as defined in the Investors’ Rights Agreement) and his or its permitted transferees, (iv) for the avoidance of doubt, any contractor or consultant of the Company or its subsidiaries, and (v) any entities affiliated with an Employee Stockholder; provided that, with respect to clause (v), for the purposes of calculating the number of shares of Common Stock to be released under paragraph (a) above, shares of Common Stock or other securities of the Company held by any affiliated limited liability company, partnership, corporation, trust, or other entity (each an “Affiliated Entity”) of the undersigned shall be deemed to be held by the undersigned if all of the equity or beneficial interests and other economic interests in an Affiliated Entity are owned exclusively by the undersigned and/or immediate family members of the undersigned (including through a trustee or trust beneficiary relationship).
- “Initial Earnings Release” shall mean the Company’s public announcement of its earnings (which for this purpose shall not include “flash” numbers or preliminary, partial earnings) for the first completed quarterly period following the most recent period for which financial statements are included in the Prospectus;
- “Investors’ Rights Agreement” shall mean that certain Ninth Amended and Restated Investors’ Rights Agreement, dated February 26, 2021, by and among the Company, the Key Holders named therein, and the Investors named therein, as it may be amended and restated from time to time;
- “Second Earnings Release” shall mean the Company’s release of earnings (which for this purpose shall not include “flash” numbers or preliminary, partial earnings) for the second completed quarterly period following the most recent period for which financial statements are included in the Prospectus; and
- “Trading Day” shall mean a day on which the Nasdaq Stock Market is open for the buying and selling of securities.

The undersigned acknowledges and agrees that the Company may take any and all actions that it deems necessary or appropriate in its sole discretion to restrict the sale or transfer of any Lock-Up Securities owned by the undersigned pursuant to this Lock-Up Agreement in order to comply with applicable U.S. or non-U.S. securities laws and the Insider Trading Policy.

The undersigned acknowledges and agrees that none of the Underwriters has made any recommendation or provided any investment or other advice to the undersigned with respect to this Lock-Up Agreement or the subject matter hereof, and the undersigned has consulted its own legal, accounting, financial, regulatory, tax, and other advisors with respect to this Lock-Up Agreement and the subject matter hereof to the extent the undersigned has deemed appropriate.

This Lock-Up Agreement shall be governed by and construed in accordance with the laws of the State of New York, without regard to the conflict of laws principles thereof.

This Lock-Up Agreement shall automatically terminate and the undersigned shall be released from all of his, her or its obligations hereunder upon the earlier of (i) the date on which the Registration Statement filed with the SEC with respect to the Public Offering is withdrawn, (ii) the date on which for any reason the Underwriting Agreement is terminated (other than the provisions thereof that survive termination) prior to payment for and delivery of the Shares to be sold thereunder (other than pursuant to the Underwriters' option thereunder to purchase additional Shares), (iii) the date on which the Company notifies the Representatives, in writing and prior to the execution of the Underwriting Agreement, that it does not intend to proceed with the Public Offering and (iv) December 31, 2023, in the event that the Underwriting Agreement has not been executed by such date (provided, however, that the Company may, by written notice to the undersigned prior to such date, extend such date by a period of up to an additional 90 days).

This Lock-Up Agreement may be delivered via facsimile, electronic mail (including PDF or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act, the Electronic Signatures and Records Act or other applicable law, e.g., [www.docusign.com](http://www.docusign.com) or [www.echosign.com](http://www.echosign.com)), or other transmission method, and any counterpart so delivered shall be deemed to have been duly and validly delivered and be valid and effective for all purposes.

The undersigned understands that the Company and the Underwriters are relying upon this Lock-Up Agreement in proceeding toward consummation of the Public Offering. The undersigned further understands that this Lock-Up Agreement is irrevocable and shall be binding upon the undersigned's heirs, legal representatives, successors, and assigns. The undersigned hereby represents and warrants that the undersigned has full power and authority to enter into this Lock-Up Agreement.

**[REMAINDER OF PAGE INTENTIONALLY LEFT BLANK.]**

Very truly yours,

**IF AN INDIVIDUAL:**

By: \_\_\_\_\_  
*(duly authorized signature)*

Name: \_\_\_\_\_  
*(please print full name)*

**IF AN ENTITY:**

\_\_\_\_\_  
*(please print complete name of entity)*

By: \_\_\_\_\_  
*(duly authorized signature)*

Name: \_\_\_\_\_  
*(please print full name)*

Title: \_\_\_\_\_  
*(please print full title)*

**AMENDED AND RESTATED  
CERTIFICATE OF INCORPORATION  
OF  
MAPLEBEAR INC.**

Maplebear Inc. a corporation organized and existing under and by virtue of the General Corporation Law of the State of Delaware (the “**DGCL**”), does hereby certify that:

**ONE:** The name of this corporation is Maplebear Inc. The date of filing of the original certificate of incorporation of this corporation with the Secretary of State of the State of Delaware was August 3, 2012.

**TWO:** This Amended and Restated Certificate of Incorporation was duly adopted in accordance with the provisions of Sections 242 and 245 of the DGCL, and has been duly approved by the written consent of the stockholders of this corporation in accordance with Section 228 of the DGCL.

**THREE:** Pursuant to Sections 242 and 245 of the DGCL, the certificate of incorporation of this corporation, as heretofore amended, is hereby amended, integrated and restated to read in its entirety as follows:

**I.**

The name of this corporation is Maplebear Inc. (the “**Corporation**”).

**II.**

The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street, Corporation Trust Center, Wilmington, County of New Castle, DE 19801. The name of its registered agent at such address is The Corporation Trust Company.

**III.**

The purpose of the Corporation is to engage in any lawful act or activity for which a corporation may be organized under the General Corporation Law of the State of Delaware (the “**DGCL**”).

**IV.**

Effective upon the acceptance of this Amended and Restated Certificate of Incorporation (as amended from time to time, the “**Certificate of Incorporation**”) for filing with the Delaware Secretary of State, automatically and without further action on the part of the Corporation, each outstanding share of Voting Common Stock of the Company, \$0.0001 par value per share, shall be reclassified and become one share of Common Stock (defined below) (the “**Reclassification**”). All of the shares of Common Stock shall be uncertificated shares and the stockholders registered on the Corporation’s books as the owner of the shares so reclassified shall be registered on the Corporation’s books as the owners of the shares of Common Stock issued upon Reclassification thereof, without the need for surrender or exchange thereof.

**A.** The Corporation is authorized to issue two classes of stock to be designated, respectively, “**Common Stock**” and “**Preferred Stock**.” The total number of shares that the Corporation is authorized to issue is 2,030,000,000 shares, consisting of 2,000,000,000 shares of Common Stock, par value of \$0.0001 per share, and 30,000,000 shares of Preferred Stock, par value of \$0.0001 per share.

**B.** The Preferred Stock may be issued from time to time in one or more series. The Board of Directors of the Corporation (the “**Board of Directors**”) is hereby expressly authorized to provide for the issue of all or any of the unissued and undesignated shares of the Preferred Stock, in one or more series, and to fix the number of shares of such series and to determine or alter for each such series, such voting powers, full or limited, or no voting powers, and such designation, preferences, and relative, participating, optional, or other rights and such qualifications, limitations, or restrictions thereof, as shall be stated and expressed in the resolution or resolutions adopted by the Board of Directors providing for the issuance of such shares and as may be permitted by the DGCL. The number of authorized shares of Preferred Stock, or any series thereof, and Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding plus, if applicable, the number of shares of such class or series reserved for issuance) by the affirmative vote of the holders of a majority of the voting power of all of the outstanding shares of stock of the Corporation entitled to vote thereon, without a separate vote of the holders of the Preferred Stock, or of any series thereof, or Common Stock, respectively, irrespective of Section 242(b)(2) of the DGCL, unless a vote of any such holder is required pursuant to this Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock).

**C.** Each outstanding share of Common Stock shall entitle the holder thereof to one vote on each matter properly submitted to the stockholders of the Corporation for their vote; *provided, however*, that, except as otherwise required by applicable law, holders of Common Stock shall not be entitled to vote on any amendment to this Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock) that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series of Preferred Stock are entitled, either separately or together as a class with the holders of one or more other such series of Preferred Stock, to vote thereon pursuant to applicable law or the Certificate of Incorporation (including any certificate of designation filed with respect to any series of Preferred Stock).

## V.

For the management of the business and for the conduct of the affairs of the Corporation, and in further definition, limitation and regulation of the powers of the Corporation, of its directors and stockholders, or any class thereof, as the case may be, it is further provided that:

### A. MANAGEMENT OF THE BUSINESS.

Except as otherwise provided by the DGCL or the Certificate of Incorporation, the business and affairs of the Corporation shall be managed by or under the direction of the Board. Subject to any rights of the holders of shares of any one or more series of Preferred Stock then outstanding to elect additional directors under specified circumstances, the number of directors that shall constitute the Board shall be fixed exclusively by the Board.

### B. BOARD OF DIRECTORS

Subject to the rights of the holders of any series of Preferred Stock to elect additional directors under specified circumstances, following the closing of the initial public offering of Common Stock to the public (the “**Initial Public Offering**”) pursuant to an effective registration statement under the Securities Act of 1933, as amended (the “**1933 Act**”), the directors shall be divided into three classes designated as Class I, Class II and Class III, respectively. Each class shall consist, as nearly as practicable, of a number of directors equal to one-third of the number of members of the Board of Directors authorized as provided

in Section A of this Article V. The Board of Directors is authorized to assign members of the Board of Directors already in office to such classes at the time the classification becomes effective. At the first annual meeting of stockholders following the closing of the Initial Public Offering, the initial term of office of the Class I directors shall expire and Class I directors shall be elected for a full term of three years. At the second annual meeting of stockholders following the closing of the Initial Public Offering, the initial term of office of the Class II directors shall expire and Class II directors shall be elected for a full term of three years. At the third annual meeting of stockholders following the closing of the Initial Public Offering, the initial term of office of the Class III directors shall expire and Class III directors shall be elected for a full term of three years. At each succeeding annual meeting of stockholders, directors shall be elected for a full term of three years to succeed the directors of the class whose terms expire at such annual meeting. At any time that applicable law prohibits a classified board as described in Section A.2.(a) of this Article V, all directors shall be elected at each annual meeting of stockholders to hold office until the next annual meeting. No stockholder entitled to vote at an election for directors may cumulate votes.

Notwithstanding the foregoing provisions of this section, each director shall serve until such director's successor is duly elected and qualified or until such director's earlier death, resignation or removal. If the total number of directors is changed, any increase or decrease shall be apportioned by the Board among the classes so as to maintain the number of directors in each class as nearly equal as possible, and any additional director of any class elected to fill a newly created directorship resulting from an increase in such class shall hold office for a term that shall coincide with the remaining term of that class, but in no case shall a decrease in the number of directors constituting the Board remove or shorten the term of any incumbent director. The Board is authorized to assign members of the Board already in office to their respective class.

#### **C. REMOVAL OF DIRECTORS**

Following the closing of the Initial Public Offering, only for so long as the Board of Directors is classified and subject to the rights of any series of Preferred Stock to remove directors elected by such series of Preferred Stock, any individual director or the entire Board of Directors may be removed from office at any time, but only for cause, and only by the affirmative vote of the holders of at least 66<sup>2</sup>/<sub>3</sub>% of the voting power of all the then-outstanding shares of the capital stock of the Corporation entitled to vote generally at an election of directors, voting together as a single class.

#### **D. VACANCIES.**

Subject to any limitations imposed by applicable law and subject to the rights of the holders of any series of Preferred Stock to elect additional directors or fill vacancies in respect of such directors, any vacancies on the Board of Directors resulting from death, resignation, disqualification, removal or other causes and any newly created directorships resulting from any increase in the number of directors, shall be filled only by the affirmative vote of a majority of the directors then in office, even though less than a quorum of the Board of Directors, or by a sole remaining director, and not by the stockholders. Any director elected in accordance with the preceding sentence shall hold office for the remainder of the full term of the director for which the vacancy was created or occurred and until such director's successor shall have been elected and qualified or such director's earlier death, resignation or removal.

#### **E. PREFERRED STOCKHOLDERS ELECTION RIGHTS.**

Whenever the holders of any one or more series of Preferred Stock shall have the right, voting separately as a series or separately as a class with one or more such other series, to elect directors at an annual or special meeting of stockholders, the election, term of office, removal and other features of such

directorships shall be governed by the terms of the Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock) applicable thereto. The number of directors that may be elected by the holders of any such series of Preferred Stock shall be in addition to the number fixed pursuant to Section A of Article V hereof, and the total number of directors constituting the whole Board shall be automatically adjusted accordingly. Except as otherwise provided by the Board in the resolution or resolutions establishing such series, whenever the holders of any series of Preferred Stock having such right to elect additional directors are divested of such right pursuant to the provisions of such stock, the terms of office of all such additional directors elected by the holders of such stock, or elected to fill any vacancies resulting from the death, resignation, disqualification or removal of such additional directors, shall forthwith terminate (in which case each such director thereupon shall cease to be qualified as, and shall cease to be, a director) and the total authorized number of directors of the Corporation shall automatically be reduced accordingly.

**F. BYLAW AMENDMENTS.**

The Board of Directors is expressly authorized and empowered to adopt, amend or repeal any provisions of the Amended and Restated Bylaws of the Corporation (as amended from time to time, the “*Bylaws*”). The stockholders shall also have power to adopt, amend or repeal the Bylaws; *provided, however*, that, in addition to any vote of the holders of any class or series of stock of the Corporation required by law or by the Certificate of Incorporation, such action by stockholders shall require the affirmative vote of the holders of at least 66<sup>2</sup>/<sub>3</sub>% of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote generally in the election of directors, voting together as a single class.

**G. STOCKHOLDER ACTIONS.**

1. The directors of the Corporation need not be elected by written ballot unless the Bylaws so provide.

2. Subject to any rights of the holders of shares of any one or more series of Preferred Stock then outstanding, any action required or permitted to be taken by the stockholders of the Corporation must be effected at an annual or special meeting of the stockholders and may not be effected by consent in lieu of a meeting.

3. Subject to any rights of the holders of shares of any series of Preferred Stock then outstanding, special meetings of stockholders of the Corporation may be called only by the Chairperson of the Board of Directors, the Chief Executive Officer, the President or the Board of Directors, but a special meeting may not be called by any other person or persons and any power of stockholders to call a special meeting of stockholders is specifically denied. Only such business shall be considered at a special meeting of stockholders as shall have been stated in the notice for such meeting.

4. An annual meeting of stockholders for the election of directors to succeed those whose terms expire and for the transaction of such other business as may properly come before the meeting, shall be held at such place, if any, on such date, and at such time as shall be fixed exclusively by the Board or a duly authorized committee thereof.

5. Advance notice of stockholder nominations for the election of directors and of business to be brought by stockholders before any meeting of the stockholders of the Corporation shall be given in the manner provided in the Bylaws.

## VI.

**A.** No director or officer of the Corporation shall be liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director or officer, except to the extent such exemption from liability or limitation thereof is not permitted under the DGCL, as the same exists or may hereafter be amended. Any amendment, modification or repeal of the foregoing sentence shall not adversely affect any right or protection of a director or officer of the Corporation hereunder in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

## VII.

**A.** Unless the Corporation consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware (or, if and only if the Court of Chancery of the State of Delaware lacks subject matter jurisdiction, any state court located within the State of Delaware or, if and only if all such state courts lack subject matter jurisdiction, the federal district court for the District of Delaware) and any appellate court therefrom shall be the sole and exclusive forum for the following claims or causes of action under Delaware statutory or common law: (A) any derivative claim or cause of action brought on behalf of the Corporation; (B) any claim or cause of action for breach of a fiduciary duty owed by any current or former director, officer or other employee or stockholder of the Corporation, to the Corporation or the Corporation's stockholders; (C) any claim or cause of action against the Corporation or any current or former director, officer or other employee of the Corporation, arising out of or pursuant to any provision of the DGCL, the Certificate of Incorporation or the Bylaws; (D) any claim or cause of action seeking to interpret, apply, enforce or determine the validity of the Certificate of Incorporation or the Bylaws (including any right, obligation, or remedy thereunder); (E) any claim or cause of action as to which the DGCL confers jurisdiction on the Court of Chancery of the State of Delaware; and (F) any claim or cause of action against the Corporation or any current or former director, officer or other employee of the Corporation, governed by the internal-affairs doctrine or otherwise related to the Corporation's internal affairs, in all cases to the fullest extent permitted by applicable law and subject to the court having personal jurisdiction over the indispensable parties named as defendants. This Section A of Article VII shall not apply to claims or causes of action brought to enforce a duty or liability created by the 1933 Act or the Securities Exchange Act of 1934, as amended, or any other claim for which the federal courts have exclusive jurisdiction.

**B.** Unless the Corporation consents in writing to the selection of an alternative forum, to the fullest extent permitted by applicable law, the federal district courts of the United States of America shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the 1933 Act, including all causes of action asserted against any defendant named in such complaint. For the avoidance of doubt, this provision is intended to benefit and may be enforced by the Corporation, its officers and directors, the underwriters for any offering giving rise to such complaint, and any other professional entity whose profession gives authority to a statement made by that person or entity and who has prepared or certified any part of the documents underlying the offering.

**C.** Failure to enforce the foregoing provisions would cause the Corporation irreparable harm, and the Corporation shall be entitled to equitable relief, including injunctive relief and specific performance, to enforce the foregoing provisions.



## VIII.

**A.** Any person or entity holding, owning, or otherwise acquiring any interest in any security of the Corporation shall be deemed to have notice of and consented to the provisions of the Certificate of Incorporation.

**B.** The Corporation reserves the right to amend, alter, change or repeal, at any time and from time to time, any provision contained in the Certificate of Incorporation, in the manner now or hereafter prescribed by statute, except as provided in paragraph C. of this Article VIII and all rights, preferences and privileges of whatsoever nature conferred upon the stockholders, directors or any other persons whomsoever by and pursuant to the Certificate of Incorporation are granted subject to this reservation.

**C.** Notwithstanding any other provisions of the Certificate of Incorporation or any provision of applicable law that might otherwise permit a lesser vote or no vote, but in addition to any affirmative vote of the holders of any particular class or series of capital stock of the Corporation required by applicable law or by the Certificate of Incorporation or any certificate of designation filed with respect to a series of Preferred Stock, the affirmative vote of the holders of at least  $66\frac{2}{3}\%$  of the voting power of all of the then-outstanding shares of capital stock of the Corporation entitled to vote in the election of directors, voting together as a single class, shall be required to alter, amend or repeal (whether by merger, consolidation or otherwise), or adopt any provision inconsistent with, Articles V, VI, VII and VIII.

## IX.

**A.** If any provision or provisions of this Certificate of Incorporation shall be held to be invalid, illegal or unenforceable as applied to any circumstance for any reason whatsoever, the validity, legality and enforceability of such provisions in any other circumstance and of the remaining provisions of this Certificate of Incorporation (including, without limitation, each portion of any paragraph of this Certificate of Incorporation containing any such provision held to be invalid, illegal or unenforceable that is not itself held to be invalid, illegal or unenforceable) shall not, to the fullest extent permitted by applicable law, in any way be affected or impaired thereby.

The Corporation has caused this Amended and Restated Certificate of Incorporation to be signed by a duly authorized officer of the Corporation on this \_\_\_\_ day of \_\_\_\_\_, 2023.

**MAPLEBEAR INC.**

By: \_\_\_\_\_  
Fidji Simo  
Chief Executive Officer

**AMENDED AND RESTATED BYLAWS  
OF  
MAPLEBEAR INC.**

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**(A DELAWARE CORPORATION)**

**SECTION 1.**

**OFFICES**

**Section 1.1 Registered Office.** The registered office of Maplebear Inc. (the “**Corporation**”) in the State of Delaware and the name of the Corporation’s registered agent at such address shall be as set forth in the certificate of incorporation of the Corporation (as the same may be amended and/or restated from time to time, the “**Certificate of Incorporation**”).

**Section 1.2 Other Offices.** The Corporation may at any time establish other offices both within and without the State of Delaware.

**SECTION 2.**

**CORPORATE SEAL**

**Section 2.1 Corporate Seal.** The Board of Directors of the Corporation (the “**Board**”) may adopt a corporate seal. Said seal may be used by causing it or a facsimile thereof to be impressed or affixed or reproduced or otherwise.

**SECTION 3.**

**STOCKHOLDERS’ MEETINGS**

**Section 3.1 Place of Meetings.** Meetings of the stockholders of the Corporation may be held at such place, if any, either within or without the State of Delaware, as may be determined from time to time by the Board. The Board may, in its sole discretion, determine that the meeting shall not be held at any place, but may instead be held solely by means of remote communication as provided under the General Corporation Law of the State of Delaware (“**DGCL**”) and Section 3.9 below.

**Section 3.2 Annual Meetings.**

(a) The annual meeting of the stockholders of the Corporation, for the purpose of election of directors and for such other business as may properly come before it, shall be held on such date and time as may be determined from time to time by the Board. Any annual meeting of stockholders previously scheduled by the Board may be postponed, rescheduled or cancelled by the Board, or any director or officer of the Corporation to whom the Board delegates such authority, at any time before or after notice of such meeting has been given to stockholders. Nominations of persons for election to the Board and proposals of other business to be considered by the stockholders may be made at an annual meeting of stockholders: (i) pursuant to the Corporation’s notice of meeting of stockholders (or any supplement thereto); (ii) by or at the direction of the Board or a duly authorized committee thereof; or (iii) by any stockholder of the Corporation who was a stockholder of record at the time of giving the stockholder’s notice provided for in

Section 3.2(b) of these bylaws (as may be amended and/or restated from time to time, the “Bylaws”) and who is a stockholder of record at the time of the annual meeting of stockholders, who is entitled to vote at the meeting and who complied with the notice procedures set forth in this Section 3.2. For the avoidance of doubt, clause (iii) above shall be the exclusive means for a stockholder to make nominations and submit other business before an annual meeting of stockholders.

(b) At an annual meeting of the stockholders, only such business shall be conducted as is a proper matter for stockholder action under the DGCL, the Certificate of Incorporation and the Bylaws, and only such nominations shall be made and such business shall be conducted as shall have been properly brought before the meeting in accordance with the procedures below.

- (1) For nominations for the election to the Board to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 3.2(a), the stockholder must deliver written notice to the Secretary at the principal executive offices of the Corporation on a timely basis as set forth in Section 3.2(b)(3) and must update and supplement the information contained in such written notice on a timely basis as set forth in Section 3.2(c). Such stockholder’s notice shall include: (A) as to each nominee such stockholder proposes to nominate at the meeting: (1) the name, age, business address and residence address of such nominee, (2) the principal occupation or employment of such nominee, (3) the class or series and number of shares of each class or series of capital stock of the Corporation that are owned of record and beneficially by such nominee and list of any pledge of or encumbrances on such shares, (4) the date or dates on which such shares were acquired and the investment intent of such acquisition, (5) the questionnaire, representation and agreement required by Section 3.2(e), completed and signed by such nominee, and (6) all other information concerning such nominee as would be required to be disclosed in a proxy statement soliciting proxies for the election of such nominee as a director in an election contest (even if an election contest is not involved and whether or not proxies are being or will be solicited), or that is otherwise required to be disclosed or provided to the Corporation pursuant to Section 14 of the Securities Exchange Act of 1934, as amended (the “1934 Act”) (including such person’s written consent to being named in a proxy statement, associated proxy card and other filings as a nominee and to serving as a director if elected); and (B) all of the information required by Section 3.2(b)(4). The Corporation may require any proposed nominee to furnish such other information as it may reasonably require to determine the eligibility of such proposed nominee to serve as a director of the Corporation and to determine the independence (as such term is used in any applicable stock exchange listing requirements or applicable law) of such proposed nominee or to determine the eligibility of such proposed nominee to serve on any committee or sub-committee of the Board under any applicable stock exchange listing requirements or applicable law, or that the Board determines could be material to a reasonable stockholder’s understanding of the background, qualifications, experience, independence, or lack thereof, of such proposed nominee. The number of nominees a stockholder may nominate for election at an annual meeting on its own behalf (or in the case of a stockholder giving the notice on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at an annual meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such annual meeting. A stockholder may not designate any substitute nominees unless the stockholder provides timely notice of such substitute nominee(s) in accordance with this Section 3.2, in the case of an annual meeting, or Section 3.3, in the case of a special meeting (and such notice contains all of the information, representations, questionnaires and certifications with respect to such substitute nominee(s) that are required by the Bylaws with respect to nominees for director).
- (2) For business other than nominations for the election to the Board to be properly brought before an annual meeting by a stockholder pursuant to clause (iii) of Section 3.2(a), the stockholder must deliver written notice to the Secretary at the principal executive offices of the Corporation on a timely basis as set forth in Section 3.2(b)(3), and must update and supplement the information contained in such

written notice on a timely basis as set forth in Section 3.2(c). Such stockholder's notice shall include: (A) as to each matter such stockholder proposes to bring before the meeting, a brief description of the business desired to be brought before the meeting, the text of the proposal or business (including the text of any resolutions proposed for consideration and in the event that such business includes a proposal to amend the Bylaws, the language of the proposed amendment), the reasons for conducting such business at the meeting, and any material interest (including any anticipated benefit of such business to any Proponent (as defined below) other than solely as a result of its ownership of the Corporation's capital stock, that is material to any Proponent individually, or to the Proponents in the aggregate) in such business of any Proponent; and (B) all of the information required by Section 3.2(b)(4).

- (3) To be timely, the written notice required by Section 3.2(b)(1) or 3.2(b)(2) must be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the 90<sup>th</sup> day, nor earlier than the 120<sup>th</sup> day, prior to the first anniversary of the immediately preceding year's annual meeting (for purposes of notice required for action to be taken at the Corporation's first annual meeting of stockholders after its initial public offering of common stock, the date of the immediately preceding year's annual meeting shall be deemed to have occurred on June 15 in such immediately preceding calendar year); provided, however, that, subject to the last sentence of this Section 3.2(b)(3), in the event that the date of the annual meeting is advanced more than 30 days prior to or delayed by more than 70 days after the anniversary of the preceding year's annual meeting, or if no annual meeting was held (or deemed to have been held), notice by the stockholder to be timely must be so received not earlier than the 120<sup>th</sup> day prior to such annual meeting and not later than the later of the close of business on (i) the 90<sup>th</sup> day prior to such annual meeting or (ii) the tenth day following the day on which public announcement of the date of such meeting is first made by the Corporation. In no event shall an adjournment or postponement of an annual meeting (or the public announcement thereof) for which notice has been given, or for which a public announcement of the date of the meeting has been made by the Corporation, commence a new time period (or extend any time period) for the giving of a stockholder's notice as described above.
- (4) The written notice required by Sections 3.2(b)(1) or 3.2(b)(2) shall also include, as of the date of the notice and as to the stockholder giving the notice, the beneficial owner, if any, on whose behalf the nomination or proposal is made and any affiliate who controls either of the foregoing stockholder or beneficial owner, directly or indirectly (each, a "**Proponent**" and collectively, the "**Proponents**"): (A) the name and address of each Proponent, including, if applicable, such name and address as they appear on the Corporation's books and records; (B) the class, series and number of shares of each class or series of the capital stock of the Corporation that are, directly or indirectly, owned of record or beneficially (within the meaning of Rule 13d-3 under the 1934 Act) by each Proponent (provided, that for purposes of this Section 3.2(b)(4), such Proponent shall in all events be deemed to beneficially own all shares of any class or series of capital stock of the Corporation as to which such Proponent or any of its affiliates or associates has a right to acquire beneficial ownership at any time in the future); (C) a description of any agreement, arrangement or understanding (whether oral or in writing) with respect to such nomination or proposal (and/or the voting of shares of any class or series of capital stock of the Corporation) between or among any Proponent and any of its affiliates or associates, and/or any other persons (including their names) including without limitation, any agreements, arrangements or understandings required to be disclosed pursuant to Item 5 or Item 6 of 1934 Act Schedule 13D, regardless of whether the requirement to file a Schedule 13D is applicable; (D) a representation that the stockholder is a holder of record of shares of the Corporation at the time of giving notice, will be entitled to vote at the meeting, and that such stockholder (or a qualified representative thereof) intends to appear at the meeting to nominate the person or persons specified in the notice (with respect to a notice under Section 3.2(b)(1)) or to propose the business that is specified in the notice (with respect to a notice under Section 3.2(b)(2)); (E) a representation whether

any Proponent or any other participant (as defined in Item 4 of Schedule 14A under the 1934 Act) will engage in a solicitation with respect to such nomination or proposal and, if so, the name of each participant in such solicitation and the amount of the cost of solicitation that has been and will be borne, directly or indirectly, by each participant in such solicitation, and a representation as to whether the Proponents intend or are part of a group which intends (x) to deliver, or make available, a proxy statement and/or form of proxy to holders of at least the percentage of the Corporation's voting shares required to approve or adopt the proposal or elect the nominee, (y) to otherwise solicit proxies or votes from stockholders in support of such proposal or nomination and/or (z) to solicit proxies in support of any proposed nominee in accordance with Rule 14a-19 promulgated under the 1934 Act; (F) to the extent known by any Proponent, the name and address of any other stockholder supporting the proposal on the date of such stockholder's notice; (G) a description of all Derivative Transactions (as defined below) by each Proponent during the previous 12-month period, including the date of the transactions and the class, series and number of securities involved in, and the material economic or voting terms of, such Derivative Transactions; (H) a certification regarding whether each Proponent has complied with all applicable federal, state and other legal requirements in connection with such Proponent's acquisition of shares of capital stock or other securities of the Corporation and/or such Proponent's acts or omissions as a stockholder or beneficial owner of the Corporation and (I) any other information relating to each Proponents required to be disclosed in a proxy statement or other filings required to be made in connection with solicitations of proxies for, as applicable, the proposal and/or for the election of directors in an election contest pursuant to and in accordance with Section 14 of the 1934 Act and the rules and regulations promulgated thereunder.

**(c)** A stockholder providing the written notice required by Section 3.2(b)(1) or (2) shall update and supplement such notice in writing, if necessary, so that the information (other than the representations required by Section 3.2(b)(4)(E)) provided or required to be provided in such notice is true and correct in all material respects as of (i) the record date for the determination of stockholders entitled to notice of the meeting and (ii) the date that is five Business Days (as defined below) prior to the meeting and, in the event of any adjournment or postponement thereof, five Business Days prior to such adjourned or postponed meeting; provided, that no such update or supplement shall cure or affect the accuracy (or inaccuracy) of any representations made by any Proponent, any of its affiliates or associates, or a nominee or the validity (or invalidity) of any nomination or proposal that failed to comply with this Section 3.2 or is rendered invalid as a result of any inaccuracy therein. In the case of an update and supplement pursuant to clause (i) of this Section 3.2(c), such update and supplement must be received by the Secretary at the principal executive offices of the Corporation not later than five Business Days after the later of the record date for the determination of stockholders entitled to notice of the meeting or the public announcement of such record date. In the case of an update and supplement pursuant to clause (ii) of this Section 3.2(c), such update and supplement shall be received by the Secretary at the principal executive offices of the Corporation not later than two Business Days prior to the date for the meeting, and, in the event of any adjournment or postponement thereof, two Business Days prior to such adjourned or postponed meeting.

**(d)** Notwithstanding anything in Section 3.2(b)(3) to the contrary, in the event that the number of directors to be elected to the Board at an annual meeting is increased and there is no public announcement by the Corporation naming all of the nominees for director or specifying the size of the increased Board at least 10 days before the last day a stockholder may deliver a notice of nomination in accordance with Section 3.2(b)(3), a stockholder's notice required by this Section 3.2 and that complies with the requirements in Section 3.2(b)(1), other than the timing requirements in Section 3.2(b)(3), shall also be considered timely, but only with respect to nominees for the new positions created by such increase, if it shall be received by the Secretary at the principal executive offices of the Corporation not later than the close of business on the tenth day following the day on which such public announcement is first made by the Corporation.

(e) To be eligible to be a nominee for election or re-election as a director of the Corporation pursuant to a nomination under clause (iii) of Section 3.2(a) or clause (ii) of Section 3.3(c), each Proponent must deliver (in accordance with the time periods prescribed for delivery of notice under Sections 3.2(b)(3), 3.2(d) or 3.3(c), as applicable) to the Secretary at the principal executive offices of the Corporation a written questionnaire with respect to the background, qualifications, stock ownership and independence of such proposed nominee and the background of any other person or entity on whose behalf the nomination is being made (in the form provided by the Secretary within 10 days following a written request therefor by a stockholder of record) and a written representation and agreement (in the form provided by the Secretary within 10 days following written request therefor by a stockholder of record) that such person (i) is not and will not become a party to (A) any agreement, arrangement or understanding (whether oral or in writing) with, and has not given any commitment or assurance to, any person or entity as to how such person, if elected as a director of the Corporation, will act or vote on any issue or question (a “**Voting Commitment**”) that has not been disclosed to the Corporation in the questionnaire or (B) any Voting Commitment that could limit or interfere with such person’s ability to comply, if elected as a director of the Corporation, with such person’s fiduciary duties under applicable law; (ii) is not and will not become a party to any agreement, arrangement or understanding (whether oral or in writing) with any person or entity other than the Corporation with respect to any direct or indirect compensation, reimbursement or indemnification in connection with service or action as a director of the Corporation or a nominee that has not been disclosed in such questionnaire; (iii) would be in compliance, if elected as a director of the Corporation, and will comply with, all applicable publicly disclosed corporate governance, conflict of interest, confidentiality and stock ownership and trading policies and guidelines of the Corporation; and (iv) if elected as a director of the Corporation, intends to serve the entire term until the next meeting at which such candidate would face re-election.

(f) A person shall not be eligible for election or re-election as a director, unless the person is nominated, in the case of an annual meeting in accordance with clause (ii) or (iii) of Section 3.2(a) and in accordance with the procedures set forth in Section 3.2(b), Section 3.2(c), Section 3.2(d), Section 3.2(e) and Section 3.2(f), as applicable, or in the case of a special meeting, in accordance with Section 3.3(c) of the Bylaws and the requirements thereof. Only such business shall be conducted at any annual meeting of the stockholders of the Corporation as shall have been brought before the meeting in accordance with Section 3.2(a) and in accordance with the procedures set forth in Section 3.2(b), Section 3.2(c) and Section 3.2(f), as applicable. Notwithstanding anything to the contrary in the Bylaws, unless otherwise required by applicable law, in the event that any Proponent (i) provides notice pursuant to Rule 14a-19(b) promulgated under the 1934 Act with respect to one or more proposed nominees and (ii) subsequently (x) fails to comply with the requirements of Rule 14a-19 promulgated under the 1934 Act (or fails to timely provide reasonable evidence sufficient to satisfy the Corporation that such Proponent has met the requirements of Rule 14a-19(a)(3) promulgated under the 1934 Act in accordance with the next sentence) or (y) fails to inform the Corporation that they no longer plan to solicit proxies in accordance with the requirements of Rule 14a-19 under the 1934 Act by delivering a written notice to the Secretary at the principal executive offices of the Corporation within two (2) Business Days after the occurrence of such change, then the nomination of each such proposed nominee shall be disregarded (and such nominee disqualified from standing for election or re-election), notwithstanding that the nominee is included (as applicable) as a nominee in the Corporation’s proxy statement, notice of meeting or other proxy materials for any stockholder meeting (or any supplement thereto) and notwithstanding that proxies or votes in respect of the election of such proposed nominees may have been received by the Corporation (which proxies and votes shall be disregarded). If any Proponent provides notice pursuant to Rule 14a-19(b) promulgated under the 1934 Act, such Proponent shall deliver to the Corporation, no later than five (5) Business Days prior to the applicable meeting, reasonable evidence that it has met the requirements of Rule 14a-19(a)(3) promulgated under the 1934 Act. Notwithstanding anything to the contrary set forth herein, and for the avoidance of doubt, the nomination of any person whose name is included (as applicable) as a nominee in the corporation’s proxy statement, notice of meeting or other proxy materials for any stockholder meeting (or any supplement thereto) as a result of any notice

provided by any Proponent pursuant to Rule 14a-19(b) promulgated under the 1934 Act with respect to such proposed nominee and whose nomination is not made by or at the direction of the Board of Directors or any authorized committee thereof shall not be deemed (for purposes of clause (i) of Section 3.2(a) or otherwise) to have been made pursuant to the corporation's notice of meeting (or any supplement thereto) and any such nominee may only be nominated by a Proponent pursuant to clause (iii) of Section 3.2(a) and, in the case of a special meeting of stockholders, pursuant to and to the extent permitted under Section 3.3(c) of these Bylaws. Except as otherwise required by applicable law, the chairperson of the meeting shall have the power and duty to determine whether a nomination or any business proposed to be brought before the meeting was made, or proposed, as the case may be, in accordance with the procedures and requirements set forth in the Bylaws (including, without limitation, compliance with Rule 14a-19 promulgated under the 1934 Act) and, if any proposed nomination or business is not in compliance with the Bylaws, or the Proponent does not act in accordance with the representations required in this Section 3.2, to declare that such proposal or nomination shall not be presented for stockholder action at the meeting and shall be disregarded (and such nominee disqualified from standing for election or re-election), or that such business shall not be transacted, notwithstanding that such proposal or nomination is set forth in (as applicable) the Corporation's proxy statement, notice of meeting or other proxy materials and notwithstanding that proxies or votes in respect of such nomination or such business may have been solicited or received. Notwithstanding the foregoing provisions of this Section 3.2, unless otherwise required by applicable law, if the stockholder (or a qualified representative of the stockholder) does not appear at the annual meeting of stockholders of the Corporation to present a nomination or proposed business, such nomination shall be disregarded (and such nominee disqualified from standing for election or re-election) and such proposed business shall not be transacted, notwithstanding that such nomination or proposed business is set forth in (as applicable) the Corporation's proxy statement, notice of meeting or other proxy materials and notwithstanding that proxies or votes in respect of such vote may have been solicited or received by the Corporation. For purposes of this Section 3.2, to be considered a qualified representative of the stockholder, a person must be a duly authorized officer, manager, trustee or partner of such stockholder or must be authorized by a writing executed by such stockholder or an electronic transmission delivered by such stockholder to act for such stockholder as proxy at the meeting of stockholders, writing or electronic transmission, or a reliable reproduction of the writing or electronic transmission, shall be provided to the Secretary of the Corporation at least five Business Days prior to the meeting of stockholders.

(g) For purposes of Sections 3.2 and 3.3,

- (1) **"affiliates"** and **"associates"** shall have the meanings set forth in Rule 405 under the Securities Act of 1933, as amended (the **"1933 Act"**);
- (2) **"Business Day"** means any day other than Saturday, Sunday or a day on which banks are closed in New York City, New York;
- (3) **"close of business"** means 6:00 p.m. local time at the principal executive offices of the Corporation on any calendar day, whether or not the day is a Business Day;
- (4) **"Derivative Transaction"** means any agreement, arrangement, interest or understanding entered into by, or on behalf or for the benefit of, any Proponent or any of its affiliates or associates, whether record or beneficial: (A) the value of which is derived in whole or in part from the value of any class or series of shares or other securities of the Corporation; (B) that otherwise provides any direct or indirect opportunity to gain or share in any gain derived from a change in the value of securities of the Corporation; (C) the effect or intent of which is to mitigate loss, manage risk or benefit from changes in value or price with respect to any securities of the Corporation; or (D) that provides the right to vote or increase or decrease the voting power of, such Proponent, or any of its affiliates or associates, directly or indirectly, with respect to any securities of the Corporation, which agreement,



arrangement, interest or understanding may include, without limitation, any option, warrant, debt position, note, bond, convertible security, swap, stock appreciation or similar right, short position, profit interest, hedge, right to dividends, voting agreement, performance-related fee or arrangement to borrow or lend shares (whether or not subject to payment, settlement, exercise or conversion in any such class or series), and any proportionate interest of such Proponent in the securities of the Corporation held by any general or limited partnership, or any limited liability company, of which such Proponent is, directly or indirectly, a general partner or managing member; and

- (5) “**public announcement**” means disclosure in a press release reported by the Dow Jones News Service, Associated Press, Business Wire, GlobeNewswire or comparable national news service or in a document publicly filed by the Corporation with the Securities and Exchange Commission pursuant to Section 13, 14 or 15(d) of the 1934 Act or by such other means reasonably designed to inform the public or security holders in general of such information, including, without limitation, posting on the Corporation’s investor relations website.

### **Section 3.3 Special Meetings.**

(a) Special meetings of the stockholders of the Corporation may only be called in the manner provided in the Certificate of Incorporation. Any special meeting of stockholders previously scheduled by the Board may be postponed, rescheduled or cancelled by the Board, or any director or officer to whom the Board has delegated such authority, at any time before or after notice of such meeting has been given to stockholders.

(b) The Board shall determine the date and time of such special meeting. Upon determination of the date, time and place, if any, of the meeting, the Secretary shall cause a notice of meeting to be given to the stockholders entitled to vote, in accordance with the provisions of Section 3.4.

(c) Only such business shall be conducted at a special meeting of stockholders as shall have been brought before the meeting pursuant to the Corporation’s notice of meeting. Nominations of persons for election to the Board may be made at a special meeting of stockholders at which directors are to be elected (i) by or at the direction of the Board or a duly authorized committee thereof or (ii) by any stockholder of the Corporation who is a stockholder of record at the time of giving notice provided for in this paragraph and who is a stockholder of record at the time of the special meeting, who is entitled to vote at the meeting and who complies with Sections 3.2(b)(1), 3.2(b)(4), 3.2(c), 3.2(e) and 3.2(f). The number of nominees a stockholder may nominate for election at a special meeting on its own behalf (or in the case of a stockholder giving the notice on behalf of a beneficial owner, the number of nominees a stockholder may nominate for election at a special meeting on behalf of such beneficial owner) shall not exceed the number of directors to be elected at such special meeting. In the event the Corporation calls a special meeting of stockholders for the purpose of submitting a proposal to stockholders for the election of one or more directors, any such stockholder of record entitled to vote in such election of directors may nominate a person or persons (as the case may be), for election to such position(s) as specified in the Corporation’s notice of meeting, if written notice setting forth the information required by Sections 3.2(b)(1) and 3.2(b)(4) shall be received by the Secretary at the principal executive offices of the Corporation not earlier than 120<sup>th</sup> day prior to such special meeting and not later than the close of business on the later of (i) the 90<sup>th</sup> day prior to such meeting or (ii) the tenth day following the day on which the Corporation first makes a public announcement of the date of the special meeting at which directors are to be elected. The stockholder shall also update and supplement such information as required under Section 3.2(c). In no event shall an adjournment or a postponement of a special meeting for which notice has been given, or the public announcement thereof has been made, commence a new time period (or extend any time period) for the giving of a stockholder’s notice as described above.

(d) A person shall not be eligible for election or re-election as a director at the special meeting unless the person is nominated either in accordance with clause (i) or clause (ii) of Section 3.3(c). Except as otherwise required by applicable law, the chairperson of the meeting shall have the power and duty to determine whether a nomination was made in accordance with the procedures and requirements set forth in the Bylaws and, if any proposed nomination is not in compliance with the Bylaws (including, without limitation, compliance with Rule 14a-19 under the 1934 Act), or if the Proponent does not act in accordance with the representations required in Section 3.2, to declare that such nomination shall not be presented for stockholder action at the meeting and shall be disregarded (and such nominee disqualified from standing for election or re-election), notwithstanding that such nomination is set forth in (as applicable) the Corporation's proxy statement, notice of meeting or other proxy materials and notwithstanding that proxies or votes in respect of such nomination may have been solicited or received. Notwithstanding the foregoing provisions of this Section 3.3, unless otherwise required by applicable law, if the stockholder (or a qualified representative of the stockholder (meeting the requirements specified in Section 3.2(f)) does not appear at the special meeting of stockholders of the Corporation to present a nomination, such nomination shall be disregarded (and such nominee disqualified from standing for election or re-election), notwithstanding that the nomination is set forth (as applicable) in the Corporation's proxy statement, notice of meeting or other proxy materials and notwithstanding that proxies or votes in respect of such nomination may have been solicited or received by the Corporation.

(e) Notwithstanding the foregoing provisions of Sections 3.2 and 3.3, a stockholder must also comply with all applicable requirements of the 1934 Act and the rules and regulations promulgated thereunder with respect to the matters set forth in Sections 3.2 and 3.3, and any failure to comply with such requirements shall be deemed a failure to comply with Section 3.2 or 3.3, as applicable; provided, however, that, to the fullest extent not prohibited by applicable law, any references in the Bylaws to the 1934 Act or the rules and regulations promulgated thereunder are not intended to and shall not limit the requirements applicable to proposals and/or nominations to be considered pursuant to Sections 3.2(a)(iii) and 3.3(c). Nothing in the Bylaws shall be deemed to affect any rights of holders of any class or series of preferred stock to nominate and elect directors pursuant to and to the extent provided in any applicable provision of the Certificate of Incorporation.

**Section 3.4 Notice of Meetings.** Except as otherwise provided by applicable law, the Certificate of Incorporation or the Bylaws, notice of each meeting of stockholders shall be given not less than ten nor more than 60 days before the date of the meeting to each stockholder entitled to vote at such meeting as of the record date for determining the stockholders entitled to notice of such meeting. Such notice shall specify the date, time, and place, if any, of the meeting, the record date for determining stockholders entitled to vote at the meeting, if such record date is different from the record date for determining stockholders entitled to notice of the meeting, and the means of remote communications, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at any such meeting, and, in the case of special meetings, the purpose or purposes of the meeting.

**Section 3.5 Quorum and Vote Required.** At all meetings of stockholders, except where otherwise required by law or by the Certificate of Incorporation, or by the Bylaws, the presence, in person, by remote communication, if applicable, or by proxy, of the holders of a majority of the voting power of the outstanding shares of stock entitled to vote at the meeting shall constitute a quorum for the transaction of business. The stockholders present at a duly called or convened meeting, at which a quorum is present, may continue to transact business until adjournment, notwithstanding the withdrawal of enough stockholders to leave less than a quorum.

Unless a different or minimum vote is provided by law or by applicable stock exchange rules, or by the Certificate of Incorporation or the Bylaws, in which case such different or minimum vote shall be the applicable vote on the matter, in all matters other than the election of directors, the affirmative vote of a majority of the votes cast on such matter, voting affirmatively or negatively (excluding abstentions and broker non-votes) shall be the act of the stockholders. Except as otherwise required by law, the Certificate of Incorporation or the Bylaws, directors shall be elected by a plurality of the votes of the shares present in person, by remote communication, if applicable, or represented by proxy at the meeting and entitled to vote in the election of directors. Where a separate vote by a class or classes or series is required, except as required by law or by the Certificate of Incorporation or the Bylaws, the holders of a majority of the voting power of the outstanding shares of such class or classes or series, present in person, by remote communication, if applicable, or represented by proxy, shall constitute a quorum entitled to take action with respect to that vote on that matter. Unless a different or minimum vote is provided by law or by the Certificate of Incorporation or the Bylaws or any applicable stock exchange rules, in which case such different or minimum vote shall be the applicable vote on the matter, the affirmative vote of the holders of a majority (or plurality, in the case of the election of directors) of the votes cast on such matter, voting affirmatively or negatively (excluding abstentions and broker non-votes) shall be the act of such class or classes or series.

**Section 3.6 Adjournment and Notice of Adjourned Meetings.** Any meeting of stockholders, whether annual or special, may be adjourned from time to time either by the chairperson of the meeting or by the stockholders by the affirmative vote of a majority of the votes cast, voting affirmatively or negatively (excluding abstentions and broker non-votes). When a meeting is adjourned to another time or place, if any, (including an adjournment taken to address a technical failure to convene or continue a meeting using remote communication) notice need not be given of the adjourned meeting if the time and place, if any, thereof and the means of remote communication, if any, by which stockholders and proxyholders may be deemed present in person and may vote at such meeting are announced at the meeting at which the adjournment is taken or are (i) displayed, during the time scheduled for the meeting, on the same electronic network used to enable stockholders and proxy holders to participate in the meeting by means of remote communication or (ii) set forth in the notice of meeting given in accordance with Section 3.4. At the adjourned meeting, the Corporation may transact any business that might have been transacted at the original meeting. If the adjournment is for more than 30 days, a notice of the adjourned meeting shall be given to each stockholder of record entitled to vote at the meeting. If after the adjournment a new record date for determination of stockholders entitled to vote is fixed for the adjourned meeting, the Board shall fix as the record date for determining stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determination of stockholders entitled to vote at the adjourned meeting, and shall give notice of the adjourned meeting to each stockholder of record entitled to vote at such adjourned meeting as of the record date so fixed for notice of such adjourned meeting.

**Section 3.7 Voting Rights.** For the purpose of determining those stockholders entitled to vote at any meeting of the stockholders or adjournment thereof, except as otherwise provided by applicable law, only persons in whose names shares stand on the stock records of the Corporation on the record date shall be entitled to vote at any meeting of stockholders. Each stockholder entitled to vote at a meeting of stockholders may authorize another person or persons to act for such stockholder by proxy. No proxy shall be voted after three years from its date of creation unless the proxy provides for a longer period. Voting at meetings of stockholders need not be by written ballot. Any stockholder directly or indirectly soliciting proxies from other stockholders must use a proxy card color other than white, which shall be reserved for the exclusive use by the Board.

**Section 3.8 List of Stockholders.** The corporation shall prepare, no later than the tenth day before each meeting of stockholders, a complete list of the stockholders entitled to vote at said meeting, arranged in alphabetical order, showing the address of each stockholder and the number of shares registered in the name of each stockholder; provided, however, if the record date for determining the stockholders entitled to vote is less than ten days before the meeting date, the list shall reflect all of the stockholders entitled to vote as of the tenth day before the meeting date. Nothing in this Section 3.8 shall require the corporation to

include electronic mail addresses or other electronic contact information on such list. Such list shall be open to the examination of any stockholder, for any purpose germane to the meeting for a period of ten days ending on the day before the meeting date: (a) on a reasonably accessible electronic network, provided that the information required to gain access to such list is provided with the notice of the meeting, or (b) during ordinary business hours, at the principal place of business of the Corporation. In the event that the Corporation determines to make the list available on an electronic network, the Corporation may take reasonable steps to ensure that such information is available only to stockholders of the Corporation.

### **Section 3.9 Remote Communication; Delivery to the Corporation.**

(a) If authorized by the Board in its sole discretion, and subject to such guidelines and procedures as the Board may adopt, stockholders and proxyholders not physically present at a stockholder meeting may, by means of remote communication:

- (1) participate in a meeting of stockholders; and
- (2) be deemed present in person and vote at a meeting of stockholders whether such meeting is to be held at a designated place or solely by means of remote communication, provided that (i) the Corporation shall implement reasonable measures to verify that each person deemed present and permitted to vote at the meeting by means of remote communication is a stockholder or proxyholder, (ii) the Corporation shall implement reasonable measures to provide such stockholders and proxyholders a reasonable opportunity to participate in the meeting and to vote on matters submitted to the stockholders, including an opportunity to read or hear the proceedings of the meeting substantially concurrently with such proceedings, and (iii) if any stockholder or proxyholder votes or takes other action at the meeting by means of remote communication, a record of such vote or other action shall be maintained by the Corporation.

(b) Whenever Section 3.2 or 3.3 requires one or more persons (including a record or beneficial owner of capital stock) to deliver a document or information to the Corporation or any officer, employee or agent thereof (including any notice, request, questionnaire, revocation, representation or other document or agreement), such document or information shall be in writing exclusively (and not in an electronic transmission) and shall be delivered exclusively by hand (including, without limitation, overnight courier service) or by certified or registered mail, return receipt requested and the Corporation shall not be required to accept delivery of any document not in such written form or so delivered.

### **Section 3.10 Organization.**

(a) At every meeting of stockholders, a person designated by the Board shall act as chairperson of the meeting of stockholders. If no chairperson of the meeting of stockholders is so designated, then the Chairperson of the Board, or if no Chairperson has been appointed, is absent or refuses to act, the Lead Independent Director (as defined below), or if no Lead Independent Director has been appointed, is absent or refuses to act, the Chief Executive Officer, or if no Chief Executive Officer is then serving or the Chief Executive Officer is absent or refuses to act, the President, or, if the President is absent or refuses to act, a chairperson of the meeting chosen by the stockholders by the affirmative vote of a majority of the votes cast, voting affirmatively or negatively (excluding abstentions and broker non-votes), shall act as chairperson of the meeting of stockholders. A person designated by the Board shall act as secretary of the meeting. If no secretary of the meeting is designated, then the Secretary, or, in the Secretary's absence, an Assistant Secretary or other officer or other person directed to do so by the chairperson of the meeting, shall act as secretary of the meeting.

**(b)** The Board shall be entitled to make such rules or regulations for the conduct of meetings of stockholders as it shall deem necessary, appropriate or convenient. Subject to such rules and regulations of the Board, if any, the chairperson of the meeting shall have the right and authority to convene and (for any or no reason) to recess and/or adjourn the meeting, to prescribe such rules, regulations and procedures and to do all such acts as, in the judgment of such chairperson, are necessary, appropriate or convenient for the proper conduct of the meeting, including, without limitation, establishing an agenda or order of business for the meeting, rules and procedures for maintaining order at the meeting and the safety of those present, limitations on participation in such meeting to stockholders of record of the Corporation and their duly authorized and constituted proxies and such other persons as the chairperson shall permit, restrictions on entry to the meeting after the time fixed for the commencement thereof, limitations on the time allotted to questions or comments by participants and regulation of the opening and closing of the polls for balloting on matters that are to be voted on by ballot. The date and time of the opening and closing of the polls for each matter upon which the stockholders will vote at the meeting shall be announced at the meeting. Unless and to the extent determined by the Board or the chairperson of the meeting, meetings of stockholders shall not be required to be held in accordance with rules of parliamentary procedure.

**(c)** The Corporation may and shall, if required by applicable law, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof. The Corporation may designate one or more persons as alternate inspectors to replace any inspector who fails to act. If no inspector or alternate is able to act at a meeting of stockholders, the chairperson of the meeting shall appoint one or more inspectors to act at the meeting. Each inspector, before entering upon the discharge of the duties of inspector, shall take and sign an oath faithfully to execute the duties of inspector with strict impartiality and according to the best of such inspector's ability. The inspectors shall: (1) ascertain the number of shares outstanding and the voting power of each; (2) determine the shares represented at a meeting and the validity of proxies and ballots; (3) count all votes and ballots; (4) determine and retain for a reasonable period a record of the disposition of any challenges made to any determination by the inspectors; and (5) certify their determination of the number of shares represented at the meeting, and their count of all votes and ballots. The inspectors may appoint or retain other persons or entities to assist the inspectors in the performance of the duties of the inspectors. In determining the validity and counting of proxies and ballots, the inspectors shall be limited to an examination of the proxies, any envelopes submitted with those proxies, any information provided in accordance with Sections 211(e) or 212(c)(2) of the DGCL, or any information provided pursuant to Sections 211(a)(2)b.(i) or (iii) of the DGCL, ballots and the regular books and records of the Corporation, except that the inspectors may consider other reliable information for the limited purpose of reconciling proxies and ballots submitted by or on behalf of banks, brokers, their nominees or similar persons which represent more votes than the holder of a proxy is authorized by the record owner to cast or more votes than the stockholder holds of record. If the inspectors consider other reliable information for the limited purpose permitted herein, the inspectors at the time they make their certification pursuant to Section 231(b)(5) of the DGCL shall specify the precise information considered by them including the person or persons from whom they obtained the information, when the information was obtained, the means by which the information was obtained and the basis for the inspectors' belief that such information is accurate and reliable.

**SECTION 4.**  
**DIRECTORS**

**Section 4.1 Number.** The authorized number of directors of the Corporation shall be fixed in accordance with the Certificate of Incorporation.

**Section 4.2 Powers.** The business and affairs of the Corporation shall be managed by or under the direction of the Board, except as may be otherwise provided by the Certificate of Incorporation or the DGCL.

**Section 4.3 Terms.** The terms of directors shall be as set forth in the Certificate of Incorporation.

**Section 4.4 Vacancies; Newly Created Directorships.** Vacancies and newly created directorships on the Board shall be filled as set forth in the Certificate of Incorporation, except as otherwise required by applicable law.

**Section 4.5 Resignation.** Any director may resign at any time by delivering such director's notice in writing or by electronic transmission to the Board or the Secretary. Such resignation shall take effect at the time of delivery of the notice or at any later time specified therein. Acceptance of such resignation shall not be necessary to make it effective. When one or more directors shall resign from the Board, effective at a future date, a majority of the directors then in office, including those who have so resigned, shall have power to fill such vacancy or vacancies, the vote thereon to take effect when such resignation or resignations shall become effective, and each director so chosen shall hold office for the unexpired portion of the term of the director whose place shall be vacated and until such director's successor shall have been duly elected and qualified or until such director's earlier death, resignation or removal.

**Section 4.6 Removal.** Directors shall be removed as set forth in the Certificate of Incorporation.

**Section 4.7 Meetings.**

**(a) Regular Meetings.** Unless otherwise restricted by the Certificate of Incorporation, regular meetings of the Board may be held at any time or date and at any place, if any, within or outside of the State of Delaware that has been designated by the Board and publicized among all directors, either orally or in writing, by telephone, including a voice-messaging system or other system designed to record and communicate messages, facsimile or by electronic mail or other electronic means. No further notice shall be required for regular meetings of the Board.

**(b) Special Meetings.** Unless otherwise restricted by the Certificate of Incorporation, special meetings of the Board may be held at any time and place, if any, within or without the State of Delaware as designated and called by the Chairperson of the Board, the Chief Executive Officer or the Board.

**(c) Meetings by Electronic Communications Equipment.** Any member of the Board, or of any committee thereof, may participate in a meeting by means of conference telephone or other communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting by such means shall constitute presence in person at such meeting.

**(d) Notice of Special Meetings.** Notice of the time and place, if any, of all special meetings of the Board shall be given orally or in writing, by telephone, including a voice messaging system or other system or technology designed to record and communicate messages, or by electronic mail or other means of electronic transmission at least 24 hours before the date and time of the meeting. If notice is sent by U.S. mail, it shall be sent by first class mail, postage prepaid, at least three days before the date of the meeting.

**Section 4.8 Quorum and Voting.**

**(a)** Except as otherwise required by the DGCL, the Certificate of Incorporation or the Bylaws, a quorum of the Board shall consist of a majority of the authorized number of directors fixed from time to time by the Board in accordance with the Certificate of Incorporation; provided, however, at any meeting whether a quorum be present or otherwise, a majority of the directors present may adjourn the meeting to another time, without notice other than by announcement at the meeting.

(b) At each meeting of the Board at which a quorum is present, all questions and business shall be determined by the affirmative vote of a majority of the directors present, unless a different vote be required by applicable law, the Certificate of Incorporation or the Bylaws.

**Section 4.9 Action without Meeting.** Unless otherwise restricted by the Certificate of Incorporation or the Bylaws, any action required or permitted to be taken at any meeting of the Board 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. After an action is taken, such consent or consents shall be 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.

**Section 4.10 Fees and Compensation.** Unless otherwise restricted by the Certificate of Incorporation or the Bylaws, the Board, or any duly authorized committee thereof, shall have the authority to fix the compensation, including fees and reimbursement of expenses, of directors for services to the Corporation in any capacity.

**Section 4.11 Committees.**

(a) **Committees.** The Board may, from time to time, appoint such committees as may be permitted by applicable law. Such committees appointed by the Board shall consist of one or more members of the Board and to the extent permitted by applicable law and provided in the resolution of the Board shall have and may exercise all the powers and authority of the Board in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers that may require it; but no such committee shall have the power or authority in reference to (i) approving or adopting, or recommending to the stockholders, any action or matter (other than the election or removal of directors) expressly required by the DGCL to be submitted to stockholders for approval, or (ii) adopting, amending or repealing any Bylaw of the Corporation.

(b) **Term.** The Board, subject to any requirements of any outstanding series of preferred stock and the provisions of subsection (a) of this Section 4.11, may at any time increase or decrease the number of members of a committee or terminate the existence of a committee. The membership of a committee member shall terminate on the date of such committee member's death, such person's resignation from the committee or on such date that the committee member, for any reason, is no longer a member of the Board. The Board may at any time for any reason remove any individual committee member and the Board may fill any committee vacancy created by death, resignation, removal or increase in the number of members of the committee. The Board may designate one or more directors as alternate members of any committee, who may replace any absent or disqualified member at any meeting of the committee, and, in addition, in the absence or disqualification of any member of a committee, the member or members thereof present at any meeting and not disqualified from voting, whether or not such member or members constitute a quorum, may unanimously appoint another member of the Board to act at the meeting in the place of any such absent or disqualified member.

(c) **Meetings.** Unless the Board shall otherwise provide, regular meetings of any committee appointed pursuant to this Section 4.11 shall be held at such times and places, if any, as are determined by the Board, or by any such committee, and when notice thereof has been given to each member of such committee, no further notice of such regular meetings need be given thereafter. Special meetings of any such committee may be held at such place, if any, that has been determined from time to time by such committee, and may

be called by any director who is a member of such committee, upon notice to the members of such committee of the time and place, if any, of such special meeting given in the manner provided for the giving of notice to members of the Board of the time and place, if any, of special meetings of the Board. Unless otherwise provided by the Board in the resolutions authorizing the creation of the committee, the presence of at least a majority of the members of the committee then serving shall be necessary to constitute a quorum unless the committee shall consist of one or two members, in which event one member shall constitute a quorum; and all matters shall be determined by the affirmative vote of a majority of the members present at a meeting of the committee at which a quorum is present.

**Section 4.12 Duties of Chairperson of the Board.** The Board shall elect from its ranks a Chairperson of the Board. The Chairperson of the Board shall perform such other duties customarily associated with the office and shall also perform such other duties and have such other powers, as the Board shall designate from time to time. The Chairperson of the Board, when present, shall preside at all meetings of the Board in accordance with Sections 4.14 of the Bylaws.

**Section 4.13 Lead Independent Director.** The Board may, in its discretion, elect a lead independent director from among its members that are Independent Directors (as defined below) (such director, the “**Lead Independent Director**”). The Lead Independent Director shall preside at all meetings at which the Chairperson of the Board is not present and shall exercise such other powers and duties as may from time to time be assigned to such person by the Board or as prescribed by these Bylaws. For purposes of these Bylaws, “**Independent Director**” has the meaning ascribed to such term under the rules of the stock exchange upon which the Corporation’s common stock is primarily traded.

**Section 4.14 Organization.** At every meeting of the directors, the Chairperson of the Board shall act as chairperson of the meeting. If a Chairperson has not been appointed or is absent, the Lead Independent Director, or, if a Lead Independent Director has not been appointed or is absent, the Chief Executive Officer (if a director), or, if a Chief Executive Officer is absent, the President (if a director), or, in the absence of any such person, a chairperson of the meeting chosen by a majority of the directors present, shall preside over the meeting. The Secretary, or in the Secretary’s absence, any Assistant Secretary or other officer, director or other person directed to do so by the person presiding over the meeting, shall act as secretary of the meeting.

## SECTION 5.

### OFFICERS

**Section 5.1 Officers Designated.** The officers of the Corporation shall include, if and when designated by the Board, the Chief Executive Officer, the President, the Secretary and the Treasurer. The Board may also appoint one or more Assistant Secretaries and Assistant Treasurers and such other officers and agents with such powers and duties as it shall deem appropriate or necessary. The Board may assign such additional titles to one or more of the officers as it shall deem appropriate. Any one person may hold any number of offices of the Corporation at any one time unless specifically prohibited therefrom by applicable law, the Certificate of Incorporation or the Bylaws.

#### **Section 5.2 Tenure and Duties of Officers.**

**(a) General.** All officers shall hold office at the pleasure of the Board and until their successors shall have been duly elected and qualified, subject to such officer’s earlier death, resignation or removal. If the office of any officer becomes vacant for any reason, the vacancy may be filled by the Board or by a committee thereof to which the Board has delegated such responsibility or, if so authorized by the Board, by the Chief Executive Officer or another officer of the Corporation.



**(b) Duties of Chief Executive Officer.** The Chief Executive Officer shall preside, if a director, at all meetings of the Board, unless a Chairperson of the Board or Lead Independent Director has been appointed and is present. The Chief Executive Officer shall be the chief executive officer of the Corporation and, subject to the supervision, direction and control of the Board, shall have the general powers and duties of supervision, direction, management and control of the business and officers of the Corporation as are customarily associated with the position of Chief Executive Officer. To the extent that a Chief Executive Officer has been appointed and no President has been appointed, all references in the Bylaws to the President shall be deemed references to the Chief Executive Officer. The Chief Executive Officer shall perform other duties customarily associated with the office and shall also perform such other duties and have such other powers, as the Board shall designate from time to time.

**(c) Duties of President.** The President shall preside, if a director, at all meetings of the Board, unless a Chairperson of the Board, Lead Independent Director or Chief Executive Officer has been appointed and is present. Unless another officer has been appointed Chief Executive Officer of the Corporation, the President shall be the chief executive officer of the Corporation and, subject to the supervision, direction and control of the Board, shall have the general powers and duties of supervision, direction, management and control of the business and officers of the Corporation as are customarily associated with the position of President. The President shall perform other duties customarily associated with the office and shall also perform such other duties and have such other powers, as the Board (or the Chief Executive Officer, if the Chief Executive Officer and President are not the same person and the Board has delegated the designation of the President's duties to the Chief Executive Officer) shall designate from time to time.

**(d) Duties of Secretary and Assistant Secretary.** The Secretary shall attend all meetings of the stockholders and of the Board and shall record all acts, votes and proceedings thereof in the minute books of the Corporation. The Secretary shall give, or cause to be given, notice in conformity with the Bylaws of all meetings of the stockholders and of all meetings of the Board and any committee thereof requiring notice. The Secretary shall perform all other duties provided for in the Bylaws and other duties customarily associated with the office and shall also perform such other duties and have such other powers, as the Board or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President shall designate from time to time. The Chief Executive Officer, or if no Chief Executive Officer is then serving, the President may direct any Assistant Secretary or other officer to assume and perform the duties of the Secretary in the absence or disability of the Secretary, and each Assistant Secretary shall perform other duties customarily associated with the office and shall also perform such other duties and have such other powers as the Board or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President shall designate from time to time.

**(e) Duties of Treasurer and Assistant Treasurer.** The Treasurer shall keep or cause to be kept the books of account of the Corporation in a thorough and proper manner and shall render statements of the financial affairs of the Corporation in such form and as often as required by the Board, the Chief Executive Officer or the President. The Treasurer, subject to the order of the Board, shall have the custody of all funds and securities of the Corporation. The Treasurer shall perform other duties customarily associated with the office and shall also perform such other duties and have such other powers as the Board or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President shall designate from time to time. The Chief Executive Officer, or if no Chief Executive Officer is then serving, the President may direct any Assistant Treasurer or other officer to assume and perform the duties of the Treasurer in the absence or disability of the Treasurer, and each Assistant Treasurer shall perform other duties commonly incident to the office and shall also perform such other duties and have such other powers as the Board or the Chief Executive Officer, or if no Chief Executive Officer is then serving, the President shall designate from time to time.

**Section 5.3 Delegation of Authority.** The Board or any duly authorized committee thereof may from time to time delegate the powers or duties of any officer to any other officer or agent, notwithstanding any provision hereof.

**Section 5.4 Resignations.** Any officer may resign at any time by giving notice in writing or by electronic transmission to the Board, the Chairperson of the Board, the Chief Executive Officer, the President or the Secretary. Any such resignation shall be effective when received by the person or persons to whom such notice is given, unless a later time is specified therein, in which event the resignation shall become effective at such later time. Unless otherwise specified in such notice, the acceptance of any such resignation shall not be necessary to make it effective. Any resignation shall be without prejudice to the rights, if any, of the Corporation under any contract with the resigning officer.

**Section 5.5 Removal.** Any officer may be removed from office at any time, either with or without cause, by the Board, or by any duly authorized committee thereof or any officer upon whom such power of removal may have been conferred by the Board.

## SECTION 6.

### EXECUTION OF CORPORATE INSTRUMENTS AND VOTING OF SECURITIES OWNED BY THE CORPORATION

**Section 6.1 Execution of Corporate Instruments.** The Board may, in its discretion, determine the method and designate the signatory officer or officers, or other person or persons, to execute, sign or endorse on behalf of the Corporation any corporate instrument or document, or to sign on behalf of the Corporation the corporate name without limitation, or to enter into contracts on behalf of the Corporation, except where otherwise provided by applicable law or the Bylaws, and such execution or signature shall be binding upon the Corporation.

(a) All checks and drafts drawn on banks or other depositories on funds to the credit of the Corporation or in special accounts of the Corporation shall be signed by such person or persons as the Board shall from time to time authorize so to do.

(b) Unless otherwise specifically determined by the Board or otherwise required by applicable law, the execution, signing or endorsement of any corporate instrument or document by or on behalf of the Corporation may be effected manually, by facsimile or (to the extent not prohibited by applicable law and subject to such policies and procedures as the Corporation may have in effect from time to time) by electronic signature.

(c) Unless authorized or ratified by the Board or within the agency power of an officer, no officer, agent or employee shall have any power or authority to bind the Corporation by any contract or engagement or to pledge its credit or to render it liable for any purpose or for any amount.

**Section 6.2 Voting of Securities Owned by the Corporation.** All stock and other securities of or interests in other corporations or entities owned or held by the Corporation for itself, or for other parties in any capacity, shall be voted, and all proxies and consents with respect thereto shall be executed, by the person authorized so to do by resolution of the Board, or, in the absence of such authorization, by the Chairperson of the Board, the Chief Executive Officer, or the President.

## SECTION 7.

### SHARES OF STOCK

**Section 7.1 Form and Execution of Certificates.** The shares of the Corporation shall be represented by certificates, or shall be uncertificated if so provided by resolution or resolutions of the Board. Certificates for the shares of stock of the Corporation, if any, shall be in such form as is consistent with the Certificate of Incorporation and applicable law. Every holder of stock in the Corporation represented by certificates shall be entitled to have a certificate signed by or in the name of the Corporation by any two authorized officers of the Corporation (including, without limitation, the Chairperson of the Board, the Chief Executive Officer, the President, the Treasurer, any Assistant Treasurer, the Secretary and any Assistant Secretary), certifying the number, and the class or series, of shares owned by such holder in the Corporation in certificated form. Any or all of the signatures on the certificate may be facsimiles. In case any officer, transfer agent, or registrar who has signed or whose facsimile signature has been placed upon a certificate shall have ceased to be such officer, transfer agent, or registrar before such certificate is issued, it may be issued with the same effect as if he were such officer, transfer agent, or registrar at the date of issue.

**Section 7.2 Lost Certificates.** The Corporation may issue a new certificate or certificates or uncertificated shares in place of any certificate or certificates theretofore issued by the Corporation alleged to have been lost, stolen, or destroyed, upon the making of an affidavit of that fact by the person claiming the certificate of stock to be lost, stolen, or destroyed. The Corporation may require, as a condition precedent to the issuance of a new certificate or certificates, the owner of such lost, stolen, or destroyed certificate or certificates, or the owner's legal representative, to give the Corporation a bond (or other adequate security) sufficient to indemnify the Corporation against any claim that may be made against the Corporation with respect to the certificate alleged to have been lost, stolen, or destroyed or the issuance of such new certificate(s) or uncertificated shares.

#### **Section 7.3 Transfers.**

(a) Transfers of record of shares of stock of the Corporation shall be made only upon its books by the holders thereof, in person or by attorney duly authorized, and, in the case of stock represented by certificate, upon the surrender of a properly endorsed certificate or certificates for a like number of shares.

(b) The Corporation shall have power to enter into and perform any agreement with any number of stockholders of any one or more classes or series of stock of the Corporation to restrict the transfer of shares of stock of the Corporation of any one or more classes or series owned by such stockholders in any manner not prohibited by the DGCL.

#### **Section 7.4 Fixing Record Dates.**

(a) In order that the Corporation may determine the stockholders entitled to notice of any meeting of stockholders or any adjournment thereof, the Board 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, and which record date shall, subject to applicable law, not be more than 60 nor less than ten days before the date of such meeting. If the Board so fixes a record date for determining the stockholders entitled to notice of any meeting of stockholders, such date shall also be the record date for determining the stockholders entitled to vote at such meeting, unless the Board determines, at the time it fixes the record date for determining the stockholders entitled to notice of such meeting, that a later date on or before the date of the meeting shall be the record date for determining the stockholders entitled to vote at such meeting. If no record date is fixed by the Board, the record date for determining stockholders entitled to notice of or to vote at a meeting

of stockholders shall be at the close of business on the day next preceding the day on which notice is given, or if notice is waived, at the close of business on the day next preceding the day on which the meeting is held. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board may fix a new record date for determining the stockholders entitled to vote at the adjourned meeting, and in such case shall also fix as the record date for stockholders entitled to notice of such adjourned meeting the same or an earlier date as that fixed for determining the stockholders entitled to vote in accordance with the provisions of this Section 7.4(a).

**(b)** In order that the Corporation may determine the stockholders entitled to receive payment of any dividend or other distribution or allotment of any rights or the stockholders entitled to exercise any rights in respect of any change, conversion or exchange of stock, or for the purpose of any other lawful action, the Board may fix, in advance, a record date, which record date shall not precede the date upon which the resolution fixing the record date is adopted, and which record date shall be not more than 60 days prior to such action. If no record date is fixed, the record date for determining stockholders for any such purpose shall be at the close of business on the day on which the Board adopts the resolution relating to such action.

**Section 7.5 Registered Stockholders.** The Corporation shall be entitled to recognize the exclusive right of a person registered on its books as the owner of shares to receive dividends, and to vote as such owner, and shall not be bound to recognize any equitable or other claim to or interest in such share or shares on the part of any other person whether or not it shall have express or other notice thereof, except as otherwise provided by the laws of Delaware.

**Section 7.6 Additional Powers of the Board.** In addition to, and without limiting, the powers set forth in the Bylaws, the Board shall have power and authority to make all such rules and regulations as it shall deem expedient concerning the issue, transfer, and registration of certificates for shares of stock of the Corporation, including the use of uncertificated shares of stock, subject to the provisions of the DGCL, other applicable law, the Certificate of Incorporation and the Bylaws. The Board may appoint and remove transfer agents and registrars of transfers, and may require all stock certificates to bear the signature of any such transfer agent and/or any such registrar of transfers.

## SECTION 8.

### OTHER SECURITIES OF THE CORPORATION

**Section 8.1 Execution of Other Securities.** All bonds, debentures and other corporate securities of the Corporation, other than stock certificates (covered in Section 7.1), may be signed by the Chairperson of the Board, the Chief Executive Officer, or the President, or such other person as may be authorized by the Board; provided, however, that where any such bond, debenture or other corporate security shall be authenticated by the manual signature, or where permissible facsimile signature, of a trustee under an indenture pursuant to which such bond, debenture or other corporate security shall be issued, the signatures of the persons signing and attesting the corporate seal on such bond, debenture or other corporate security may be the imprinted facsimile of the signatures of such persons. Interest coupons appertaining to any such bond, debenture or other corporate security, authenticated by a trustee as aforesaid, shall be signed by the Treasurer or an Assistant Treasurer of the Corporation or such other person as may be authorized by the Board, or bear imprinted thereon the facsimile signature of such person. In case any officer who shall have signed or attested any bond, debenture or other corporate security, or whose facsimile signature shall appear thereon or on any such interest coupon, shall have ceased to be such officer before the bond, debenture or other corporate security so signed or attested shall have been delivered, such bond, debenture or other corporate security nevertheless may be adopted by the Corporation and issued and delivered as though the person who signed the same or whose facsimile signature shall have been used thereon had not ceased to be such officer of the Corporation.

## SECTION 9.

### DIVIDENDS

**Section 9.1 Declaration of Dividends.** Dividends upon the capital stock of the Corporation, subject to the provisions of the Certificate of Incorporation and applicable law, if any, may be declared by the Board. Dividends may be paid in cash, in property, or in shares of capital stock or other securities of the Corporation, subject to the provisions of the Certificate of Incorporation and applicable law.

**Section 9.2 Dividend Reserve.** Before payment of any dividend, there may be set aside out of any funds of the Corporation available for dividends such sum or sums as the Board from time to time, in its absolute discretion, determines proper as a reserve or reserves to meet contingencies, or for equalizing dividends, or for repairing or maintaining any property of the Corporation, or for such other purpose or purposes as the Board shall determine to be conducive to the interests of the Corporation, and the Board may modify or abolish any such reserve in the manner in which it was created.

## SECTION 10.

### FISCAL YEAR

**Section 10.1 Fiscal Year.** The fiscal year of the Corporation shall be fixed by resolution of the Board and may be changed by the Board.

## SECTION 11.

### INDEMNIFICATION

**Section 11.1 Indemnification of Directors, Executive Officers, Other Officers, Employees and Other Agents.**

**(a) Directors and Executive Officers.** The Corporation shall indemnify to the fullest extent permitted by the DGCL as it presently 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 such law permitted the Corporation to provide prior to such amendment), any person who was or is made or is threatened to be made a party or is otherwise involved in a Proceeding, by reason of the fact that he or she is or was a director or executive officer (for the purposes of this Section 11.1, "executive officer" has the meaning defined in Rule 3b-7 promulgated under the 1934 Act) of the Corporation, or while serving as a director or executive officer of the Corporation, is or was serving at the request of the Corporation as a director, officer, employee or agent of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, whether the basis of such Proceeding is alleged action in an official capacity as a director or executive officer or in any other capacity while serving as a director or executive officer, against all expense, liability and loss (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid in settlement) reasonably incurred or suffered by such person in connection therewith; provided, however, that the Corporation will not be required to indemnify or advance expenses to any director or executive officer in connection with any Proceeding (or part thereof) initiated by such person unless (i) the Proceeding (or part thereof) was authorized by the Board or (ii) the Proceeding (or part thereof) is initiated to enforce rights to indemnification or advancement of expenses as provided under subsection (d) of this Section 11.1 or is a compulsory counterclaim brought by such person.

Any reference to an officer of the Corporation in this Section 11.1 shall be deemed to refer exclusively to the Chief Executive Officer, President, Secretary, Treasurer and any other officer of the Corporation appointed by the Board pursuant to Section 5 of these Bylaws, and any reference to an officer of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall be deemed to refer exclusively to an officer appointed by the board of directors or equivalent governing body of such other entity pursuant to the certificate of incorporation and bylaws or equivalent organizational documents of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise. The fact that any person who is or was an employee of the Corporation or an employee of any other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, but not an officer thereof as described in the preceding sentence, has been given or has used the title of "Vice President" or any other title that could be construed to suggest or imply that such person is or may be such an officer of the Corporation or of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise shall not result in such person being constituted as, or being deemed to be, such an officer of the Corporation or of such other corporation, partnership, joint venture, trust, employee benefit plan or other enterprise for purposes of this Section 11.1.

**(b) Other Officers, Employees and Other Agents.** The Corporation shall have power to indemnify and advance expenses to its other officers, employees and other agents to the fullest extent permitted by the DGCL.

**(c) Expenses.** The Corporation shall advance to any current or former director or executive officer of the Corporation, or to any person, who while serving as a director or executive officer of the Corporation, is or was serving at the request of the Corporation as a director or officer of another corporation, partnership, joint venture, trust, employee benefit plan or other enterprise, prior to the final disposition of the Proceeding, promptly following request therefor, all expenses incurred by such person in defending (or participating as a witness in) any Proceeding referred to in Section 11.1(a), or in connection with a Proceeding brought to establish or enforce a right to indemnification or advancement of expenses under subsection (d) of this Section 11.1, provided, however, that, if the DGCL requires, or in the case of an advance made in a Proceeding brought to establish or enforce a right to indemnification or advancement, an advancement of expenses incurred by a director or executive officer in such director's or executive officer's capacity as a director or executive officer (and not in any other capacity in which service was or is rendered by such indemnitee, including, without limitation, service to an employee benefit plan) will be made only upon delivery to the Corporation of an undertaking, by or on behalf of such indemnitee, to repay all amounts so advanced if it is ultimately determined by final judicial decision from which there is no further right to appeal that such indemnitee is not entitled to be indemnified or entitled to advancement for such expenses under this Section 11.1 or otherwise.

**(d) Enforcement.** Without the necessity of entering into an express contract, all rights to indemnification and advances to directors and executive officers under this Section 11.1 will be deemed to be contractual rights and be effective to the same extent and as if provided for in a contract between the Corporation and the director or executive officer. Any right to indemnification or advancement of expenses granted by this Section 11.1 to a current or former director or executive officer will be enforceable by or on behalf of the person holding such right in any court of competent jurisdiction if (i) the claim for indemnification or advancement of expenses is denied, in whole or in part, (ii) no disposition of a claim for indemnification is made within 90 days of request therefor, or (iii) no disposition of a claim for an advance is made within 20 days of request therefor. The claimant in such enforcement action, if successful in whole or in part, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, will be entitled to be paid also the expense of prosecuting or defending the claim to the fullest extent permitted by the DGCL. In (i) any suit brought to enforce a right to indemnification hereunder (but not in a suit brought to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) any suit brought by the Corporation to recover an advancement of expenses pursuant to the

terms of an undertaking, the Corporation shall be entitled to recover such expenses upon a final adjudication that, the indemnitee has not met any applicable standard for indemnification set forth in the DGCL. Neither the failure of the Corporation (including its Board, 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 such person has met the applicable standard of conduct set forth in the DGCL, nor an actual determination by the Corporation (including its Board, independent legal counsel or its stockholders) that the claimant has not met such applicable standard of conduct, will be a defense to the action or create a presumption that claimant has not met the applicable standard of conduct. In any suit brought by a current or former director or executive officer to enforce a right to indemnification or to an advancement of expenses hereunder, or brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the burden of proving that the director or executive officer is not entitled to be indemnified, or to such advancement of expenses, under this Section 11.1 or otherwise is on the Corporation.

**(e) Non-Exclusivity of Rights.** The rights conferred on any person by this Section 11.1 are not exclusive of any other right that such person may have or hereafter acquire under any applicable law, provision of the Certificate of Incorporation, Bylaws, agreement, vote of stockholders or disinterested directors or otherwise, both as to action in such person's official capacity and as to action in another capacity while holding office. The Corporation is specifically authorized to enter into individual contracts with any or all of its directors, officers, employees or agents respecting indemnification and advances, to the fullest extent not prohibited by the DGCL.

**(f) Survival of Rights.** The rights conferred on any person by this Section 11.1 will continue as to a person who has ceased to be a director or executive officer and will inure to the benefit of the heirs, executors and administrators of such a person.

**(g) Insurance.** To the fullest extent permitted by the DGCL, the Corporation may purchase insurance on behalf of any person required or permitted to be indemnified pursuant to this Section 11.1.

**(h) Amendments.** Any repeal or modification of this Section 11.1 is only prospective and does not affect the rights under this Bylaw in effect at the time of the alleged occurrence of any action or omission to act that is the cause of any Proceeding against any current or former director or executive officer of the Corporation.

**(i) Saving Clause.** If this Section 11 or any portion hereof is invalidated on any ground by any court of competent jurisdiction, then the Corporation will nevertheless indemnify and advance expenses to each director and executive officer to the full extent not prohibited by any applicable portion of this Section 11 that has not been invalidated, or by any. If this Section 11 is invalid due to the application of the indemnification and advancement provisions of another jurisdiction, then the Corporation will indemnify and advance expenses to each director and executive officer to the full extent under applicable law.

**(j) Certain Definitions.** For the purposes of this Section 11, the following definitions apply:

- (1)** The term **"Proceeding"** is to be broadly construed and includes, without limitation, the investigation, preparation, prosecution, defense, settlement, arbitration and appeal of, and the giving of testimony in, any threatened, pending or completed action, suit or proceeding, whether civil, criminal, administrative or investigative.
- (2)** The term **"expenses"** is to be broadly construed and includes, without limitation, court costs, attorneys' fees, witness fees, fines, amounts paid in settlement or judgment and any other costs and expenses of any nature or kind incurred in connection with any proceeding.

- (3) The term the “**Corporation**” includes, in addition to the resulting corporation, any constituent corporation (including any constituent of a constituent) absorbed in a consolidation or merger that, 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, employee benefit plan or other enterprise, stands in the same position under the provisions of this Section 11 with respect to the resulting or surviving corporation as such person would have with respect to such constituent corporation if its separate existence had continued.
- (4) References to “**fin**es” include any excise taxes assessed on a person with respect to an employee benefit plan.

## SECTION 12.

### NOTICES

#### Section 12.1 Notices.

**(a) Notice to Stockholders.** Notice to stockholders of stockholder meetings shall be given as provided in Section 3.4. Without limiting the manner by which notice may otherwise be given effectively to stockholders under any agreement or contract with such stockholder, and except as otherwise required by applicable law, written notice to stockholders for purposes other than stockholder meetings may be sent by U.S. mail or courier service, facsimile or by electronic mail or other means of electronic transmission in accordance with Section 232 of the DGCL.

**(b) Notice to Directors.** Any notice required to be given to any director may be given by the method stated in subsection (a) or as otherwise provided in the Bylaws, with notice other than one that is delivered personally to be sent to such address or electronic mail address as such director shall have filed in writing with the Secretary, or, in the absence of such filing, to the last known address or electronic mail address of such director.

**(c) Affidavit of Mailing.** An affidavit of notice, executed by a duly authorized and competent employee of the Corporation or its transfer agent appointed with respect to the class of stock affected, or other agent, specifying the name and address or the names and addresses of the stockholder or stockholders, or director or directors, to whom any such notice or notices was or were given, and the time and method of giving the same, shall in the absence of fraud, be prima facie evidence of the facts therein contained.

**(d) Methods of Notice.** It shall not be necessary that the same method of giving notice be employed in respect of all recipients of notice, but one permissible method may be employed in respect of any one or more, and any other permissible method or methods may be employed in respect of any other or others.

**(e) Notice to Person with Whom Communication is Unlawful.** Whenever notice is required to be given, under applicable law or any provision of the Certificate of Incorporation or Bylaws, to any person with whom communication is unlawful, the giving of such notice to such person shall not be required and there shall be no duty to apply to any governmental authority or agency for a license or permit to give such notice to such person. Any action or meeting that shall be taken or held without notice to any such person with whom communication is unlawful shall have the same force and effect as if such notice had been duly given. In the event that the action taken by the Corporation is such as to require the filing of a certificate under any provision of the DGCL, the certificate shall state, if such is the fact and if notice is required, that notice was given to all persons entitled to receive notice except such persons with whom communication is unlawful.



**(f) Notice to Stockholders Sharing an Address.** Except as otherwise prohibited under the DGCL, any notice given under the provisions of the DGCL, the Certificate of Incorporation or the Bylaws shall be effective if given by a single written notice to stockholders who share an address if consented to by the stockholders at that address to whom such notice is given. Such consent shall have been deemed to have been given if such stockholder fails to object in writing to the Corporation within 60 days of having been given notice by the Corporation of its intention to send the single notice. Any consent shall be revocable by the stockholder by written notice to the Corporation.

**(g) Waiver.** Whenever notice is required to be given under any provision of the DGCL, the Certificate of Incorporation or the Bylaws, a written waiver, signed by the person entitled to notice, or a waiver by electronic transmission by the person entitled to notice, whether before or after the time stated therein, shall be deemed equivalent to notice. Attendance of a person at a meeting shall constitute a waiver of notice of such meeting, except when the person attends a meeting for the express purpose of objecting at the beginning of the meeting, to the transaction of any business because the meeting is not lawfully called or convened. Neither the business to be transacted at, nor the purpose of, any regular or special meeting of the stockholders, directors or members of a committee of directors need be specified in any written waiver of notice or any waiver by electronic transmission unless so required by the Certificate of Incorporation or the Bylaws.

### **SECTION 13. AMENDMENTS**

**Section 13.1 Amendments.** Subject to the limitations set forth in Section 11.1(h) or the Certificate of Incorporation, the Board is expressly empowered to adopt, amend or repeal the Bylaws of the Corporation. The stockholders also shall have power to adopt, amend or repeal the Bylaws of the Corporation; provided, however, that, in addition to any vote of the holders of any class or series of stock of the Corporation required by applicable law or by the Certificate of Incorporation (including any certificate of designation relating to any series of Preferred Stock (as defined in the Certificate of Incorporation)), such action by stockholders shall require the affirmative vote of the holders of at least  $66\frac{2}{3}\%$  of the voting power of all of the then-outstanding shares of the capital stock of the Corporation entitled to vote thereon, voting together as a single class.



Maplebear Inc.  
September 11, 2023  
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September 11, 2023

Maplebear Inc.  
50 Beale Street, Suite 600  
San Francisco, CA 94105

Ladies and Gentlemen:

We have acted as counsel to Maplebear Inc., a Delaware corporation (the "**Company**"), in connection with the filing by the Company of a Registration Statement (No. 333-274213) on Form S-1 (the "**Registration Statement**") with the Securities and Exchange Commission (the "**Commission**"), including a related prospectus included in the Registration Statement (the "**Prospectus**"), covering an underwritten public offering of up to 25,300,000 shares (the "**Shares**") of the Company's common stock, par value \$0.0001 per share (the "**Common Stock**"), which consists of (i) up to 17,400,000 Shares (the "**Company Shares**") to be sold by the Company, including up to 3,300,000 Shares that may be sold by the Company pursuant to the exercise of an option to purchase additional Shares granted to the underwriters, and (ii) 7,900,000 Shares (the "**Stockholder Shares**") to be sold by the selling stockholders identified in such Registration Statement.

In connection with this opinion, we have (i) examined and relied upon (a) the Registration Statement and the Prospectus, (b) the Company's certificate of incorporation and bylaws, each as currently in effect, (c) the forms of the Company's Amended and Restated Certificate of Incorporation and Amended and Restated Bylaws, filed as Exhibits 3.3 and 3.4, respectively, to the Registration Statement, each of which is to be in effect prior to the closing of the offering contemplated by the Registration Statement and (d) such other records, documents, certificates, memoranda and other instruments as in our judgment are necessary or appropriate to enable us to render the opinion expressed below and (ii) assumed that the Shares will be sold at a price established by the Board of Directors of the Company or a duly authorized committee thereof and that the Amended and Restated Certificate of Incorporation referred to in clause (i)(c) is filed with the Secretary of State of the State of Delaware before issuance of the Shares.

We have assumed the genuineness of all signatures, the authenticity of all documents submitted to us as originals, the conformity to originals of all documents submitted to us as copies, the accuracy, completeness and authenticity of certificates of public officials; and the due authorization, execution and delivery of all documents by all persons other than by the Company where authorization, execution and delivery are prerequisites to the effectiveness thereof. As to certain factual matters, we have relied upon a certificate of an officer of the Company and have not independently verified such matters.

Our opinion is expressed only with respect to the General Corporation Law of the State of Delaware. We express no opinion to the extent that any other laws are applicable to the subject matter hereof and express no opinion and provide no assurance as to compliance with any federal or state securities law, rule or regulation.

On the basis of the foregoing, and in reliance thereon, we are of the opinion that (i) the Company Shares, when sold and issued against payment therefor as described in the Registration Statement and the Prospectus, will be validly issued, fully paid and nonassessable and (ii) the Stockholder Shares have been validly issued and are fully paid and non-assessable, except with respect to the Stockholder Shares that are to be acquired by certain selling stockholders upon the exercise of outstanding options to purchase Common Stock in accordance with the terms of such options or the settlement of outstanding restricted stock units in accordance with their terms, which will be validly issued, fully paid and nonassessable upon such exercise or settlement.



Maplebear Inc.  
September 11, 2023  
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This opinion is limited to the matters expressly set forth in this letter, and no opinion should be implied, or may be inferred, beyond the matters expressly stated. This opinion speaks only as to law and facts in effect or existing as of the date hereof and we undertake no obligation or responsibility to update or supplement this letter to reflect any facts or circumstances that may hereafter come to our attention or any changes in law that may hereafter occur.

We consent to the reference to our firm under the caption "Legal Matters" in the Prospectus included in the Registration Statement and to the filing of this opinion as an exhibit to the Registration Statement. In giving such consent, we do not thereby admit that we are in the category of persons whose consent is required under Section 7 of the Securities Act of 1933, as amended, or the rules and regulations of the Commission thereunder.

Sincerely

Cooley LLP

By: /s/ Jon C. Avina  
Jon C. Avina

Cooley LLP 3175 Hanover Street Palo Alto, CA 94304-1130  
t: (650) 843-5000 f: (650) 849-7400 cooley.com

**MAPLEBEAR INC.  
2013 EQUITY INCENTIVE PLAN**

**SECTION 1. PURPOSE**

The purpose of the Maplebear Inc. 2013 Equity Incentive Plan is to attract, retain and motivate employees, officers, directors, consultants, agents, advisors and independent contractors of the Company and its Related Companies by providing them the opportunity to acquire a proprietary interest in the Company and to align their interests and efforts to the long-term interests of the Company's stockholders.

**SECTION 2. DEFINITIONS**

Certain capitalized terms used in the Plan have the meanings set forth in Appendix A.

**SECTION 3. ADMINISTRATION**

**3.1 Administration of the Plan**

The Plan shall be administered by the Board. All references in the Plan to the "*Plan Administrator*" shall be to the Board.

**3.2 Administration and Interpretation by Plan Administrator**

(a) Except for the terms and conditions explicitly set forth in the Plan, and to the extent permitted by applicable law, the Plan Administrator shall have full power and exclusive authority, subject to such orders or resolutions not inconsistent with the provisions of the Plan as may from time to time be adopted by the Board to (i) select the Eligible Persons to whom Awards may from time to time be granted under the Plan; (ii) determine the type or types of Award to be granted to each Participant under the Plan; (iii) determine the number of shares of Common Stock to be covered by each Award granted under the Plan; (iv) determine the terms and conditions of any Award granted under the Plan; (v) approve the forms of notice or agreement for use under the Plan; (vi) determine whether, to what extent and under what circumstances Awards may be settled in cash, shares of Common Stock or other property or canceled or suspended; (vii) interpret and administer the Plan and any instrument evidencing an Award, notice or agreement executed or entered into under the Plan; (viii) establish such rules and regulations as it shall deem appropriate for the proper administration of the Plan; (ix) delegate ministerial duties to such of the Company's employees as it so determines; and (x) make any other determination and take any other action that the Plan Administrator deems necessary or desirable for administration of the Plan.

(b) The effect on the vesting of an Award of a Company-approved leave of absence or a Participant's reduction in hours of employment or service shall be determined by the Company's chief human resources officer or other person performing that function or, with respect to directors or executive officers, by the Board, whose determination shall be final.

(c) Decisions of the Plan Administrator shall be final, conclusive and binding on all persons, including the Company, any Participant, any stockholder and any Eligible Person. A majority of the members of the Plan Administrator may determine its actions.

#### SECTION 4. SHARES SUBJECT TO THE PLAN

##### 4.1 Authorized Number of Shares

Subject to adjustment from time to time as provided in Section 14.1, a maximum of 34,125,825 shares of Common Stock shall be available for issuance under the Plan. Shares issued under the Plan shall be drawn from authorized and unissued shares or shares now held or subsequently acquired by the Company as treasury shares.

##### 4.2 Share Usage

(a) Shares of Common Stock covered by an Award shall not be counted as used unless and until they are actually issued and delivered to a Participant. If any Award lapses, expires, terminates or is canceled prior to the issuance of shares thereunder or if shares of Common Stock are issued under the Plan to a Participant and thereafter are forfeited to or otherwise reacquired by the Company, the shares subject to such Awards and the forfeited or reacquired shares shall again be available for issuance under the Plan. Any shares of Common Stock (i) tendered by a Participant or retained by the Company as full or partial payment to the Company for the purchase price of an Award or to satisfy tax withholding obligations in connection with an Award, or (ii) covered by an Award that is settled in cash or in a manner such that some or all of the shares covered by the Award are not issued, shall be available for Awards under the Plan. The number of shares of Common Stock available for issuance under the Plan shall not be reduced to reflect any dividends or dividend equivalents that are reinvested into additional shares of Common Stock or credited as additional shares of Common Stock subject or paid with respect to an Award.

(b) The Plan Administrator shall also, without limitation, have the authority to grant Awards as an alternative to or as the form of payment for grants or rights earned or due under other compensation plans or arrangements of the Company.

Notwithstanding any other provision of the Plan to the contrary, the Plan Administrator may grant Substitute Awards under the Plan. In the event that a written agreement between the Company and an Acquired Entity pursuant to which merger or consolidation is completed is approved by the Board and that agreement sets forth the terms and conditions of the substitution for or assumption of outstanding awards of the Acquired Entity, those terms and conditions shall be deemed to be the action of the Plan Administrator without any further action by the Plan Administrator, and the persons holding such awards shall be deemed to be Participants.

(d) Notwithstanding any other provisions in this Section 4.2 to the contrary, the maximum number of shares that may be issued upon the exercise of Incentive Stock Options shall equal the aggregate share number stated in Section 4.1, subject to adjustment as provided in Section 14.1.

## **SECTION 5. ELIGIBILITY**

An Award may be granted to any employee, officer or director of the Company or a Related Company whom the Plan Administrator from time to time selects. An Award may also be granted to any consultant, agent, advisor or independent contractor for bona fide services rendered to the Company or any Related Company that (a) are not in connection with the offer and sale of the Company's securities in a capital-raising transaction and (b) do not directly or indirectly promote or maintain a market for the Company's securities.

## **SECTION 6. AWARDS**

### **6.1 Form, Grant and Settlement of Awards**

The Plan Administrator shall have the authority, in its sole discretion, to determine the type or types of Awards to be granted under the Plan. Such Awards may be granted either alone or in addition to or in tandem with any other type of Award. Any Award settlement may be subject to such conditions, restrictions and contingencies as the Plan Administrator shall determine.

### **6.2 Evidence of Awards**

Awards granted under the Plan shall be evidenced by a written, including an electronic, instrument that shall contain such terms, conditions, limitations and restrictions as the Plan Administrator shall deem advisable and that are not inconsistent with the Plan.

### **6.3 Dividends and Distributions**

Participants may, if the Plan Administrator so determines, be credited with dividends or dividend equivalents paid with respect to shares of Common Stock underlying an Award in a manner determined by the Plan Administrator in its sole discretion. The Plan Administrator may apply any restrictions to the dividends or dividend equivalents that the Plan Administrator deems appropriate. The Plan Administrator, in its sole discretion, may determine the form of payment of dividends or dividend equivalents, including cash, shares of Common Stock, Restricted Stock or Stock Units. Notwithstanding the foregoing, the right to any dividends or dividend equivalents declared and paid on the number of shares underlying an Option or Stock Appreciation Right may not be contingent, directly or indirectly, on the exercise of the Option or Stock Appreciation Right, and must comply with or qualify for an exemption under Section 409A. Also notwithstanding the foregoing, the right to any dividends or dividend equivalents declared and paid on Restricted Stock must (a) be paid at the same time they are paid to other stockholders and (b) comply with or qualify for an exemption under Section 409A.

## SECTION 7. OPTIONS

### 7.1 Grant of Options

The Plan Administrator may grant Options designated as Incentive Stock Options or Nonqualified Stock Options.

### 7.2 Option Exercise Price

Options shall be granted with an exercise price per share not less than 100% of the Fair Market Value of the Common Stock on the Grant Date (and not less than the minimum exercise price required by Section 422 of the Code with respect to Incentive Stock Options), except in the case of Substitute Awards.

### 7.3 Term of Options

Subject to earlier termination in accordance with the terms of the Plan and the instrument evidencing the Option, the maximum term of an Option (the "**Option Term**") shall be ten years from the Grant Date. For Incentive Stock Options, the Option Term shall be as specified in Section 8.4.

### 7.4 Exercise of Options

The Plan Administrator shall establish and set forth in each instrument that evidences an Option the time at which, or the installments in which, the Option shall vest and become exercisable, any of which provisions may be waived or modified by the Plan Administrator at any time. If not so established in the instrument evidencing the Option, the Option shall vest and become exercisable according to the following schedule, which may be waived or modified by the Plan Administrator at any time:

<u>Period of Participant's Continuous Employment or Service With the Company or Its Related Companies From the Vesting Commencement Date</u>	<u>Portion of Total Option That Is Vested and Exercisable</u>
After 1 year	1/4th
After each additional one-month period of continuous service completed thereafter	An additional 1/48 <sup>th</sup>
After 4 years	100%

To the extent an Option has vested and become exercisable, the Option may be exercised in whole or from time to time in part by delivery to or as directed or approved by the Company of a properly executed stock option exercise agreement or notice, in a form and in accordance

with procedures established by the Plan Administrator, setting forth the number of shares with respect to which the Option is being exercised, the restrictions imposed on the shares purchased under such exercise agreement or notice, if any, and such representations and agreements as may be required by the Plan Administrator, accompanied by payment in full as described in Section 7.5. An Option may be exercised only for whole shares and may not be exercised for less than a reasonable number of shares at any one time, as determined by the Plan Administrator.

#### **7.5 Payment of Exercise Price**

The exercise price for shares purchased under an Option shall be paid in full to the Company by delivery of consideration equal to the product of the Option exercise price and the number of shares purchased. Such consideration must be paid before the Company will issue the shares being purchased and must be in a form or a combination of forms acceptable to the Plan Administrator for that purchase, which forms may include:

(a) cash;

(b) check or wire transfer;

I having the Company withhold shares of Common Stock that would otherwise be issued on exercise of the Option that have an aggregate Fair Market Value equal to the aggregate exercise price of the shares being purchased under the Option;

(d) tendering (either actually or, if and so long as the Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, by attestation) shares of Common Stock owned by the Participant that have an aggregate Fair Market Value equal to the aggregate exercise price of the shares being purchased under the Option;

I if and so long as the Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, and to the extent permitted by law, delivery of a properly executed exercise agreement or notice, together with irrevocable instructions to a brokerage firm designated or approved by the Company to deliver promptly to the Company the aggregate amount of proceeds to pay the Option exercise price and any tax withholding obligations that may arise in connection with the exercise, all in accordance with the regulations of the Federal Reserve Board; or

(f) such other consideration as the Plan Administrator may permit.

In addition, to assist a Participant (including directors and executive officers) in acquiring shares of Common Stock pursuant to an Option granted under the Plan, the Plan Administrator, in its sole discretion and to the extent permitted by applicable law, may authorize, either at the Grant Date or at any time before the acquisition of Common Stock pursuant to the Option, (i) the payment by a Participant of the purchase price of the Common Stock by a promissory note or (ii) the guarantee by the Company of a loan obtained by the Participant from a third party. Such notes or loans must be full recourse to the extent



necessary to avoid adverse accounting charges to the Company's earnings for financial reporting purposes. Subject to the foregoing, the Plan Administrator shall in its sole discretion specify the terms of any loans or loan guarantees, including the interest rate and terms of and security for repayment.

#### **7.6 Effect of Termination of Service**

The Plan Administrator shall establish and set forth in each instrument that evidences an Option whether the Option shall continue to be exercisable, and the terms and conditions of such exercise, after a Termination of Service, any of which provisions may be waived or modified by the Plan Administrator at any time. If not so established in the instrument evidencing the Option, the Option shall be exercisable according to the following terms and conditions, which may be waived or modified by the Plan Administrator at any time:

(a) Any portion of an Option that is not vested and exercisable on the date of a Participant's Termination of Service shall expire on such date.

(b) Any portion of an Option that is vested and exercisable on the date of a Participant's Termination of Service shall expire on the earliest to occur of:

(i) if the Participant's Termination of Service occurs for reasons other than Cause, Retirement, Disability or death, the date that is three months after such Termination of Service;

(ii) if the Participant's Termination of Service occurs by reason of Retirement, Disability or death, the one-year anniversary of such Termination of Service; and

(iii) the Option Expiration Date.

Notwithstanding the foregoing, if a Participant dies after the Participant's Termination of Service but while an Option is otherwise exercisable, the portion of the Option that is vested and exercisable on the date of such Termination of Service shall expire upon the earlier to occur of (y) the Option Expiration Date and (z) the one-year anniversary of the date of death, unless the Plan Administrator determines otherwise.

Notwithstanding the foregoing, to the extent required by applicable law, unless employment or services are terminated for Cause, the right to exercise an Option in the event of Termination of Service, to the extent that the Participant is otherwise entitled to exercise an Option on the date of Termination of Service, shall be

- a. at least six months from the date of a Participant's Termination of Service if termination was caused by death or Disability; and
- b. at least 30 days from the date of a Participant's Termination of Service if termination was caused by other than death or Disability;
- c. but in no event later than the Option Expiration Date.

Also notwithstanding the foregoing, in case a Participant's Termination of Service occurs for Cause, all Options granted to the Participant shall automatically expire upon first notification to the Participant of such termination, unless the Plan Administrator determines otherwise. If a Participant's employment or service relationship with the Company is suspended pending an investigation of whether the Participant shall be terminated for Cause, all the Participant's rights under any Option shall likewise be suspended during the period of investigation. If any facts that would constitute termination for Cause are discovered after a Participant's Termination of Service, any Option then held by the Participant may be immediately terminated by the Plan Administrator, in its sole discretion.

## SECTION 8. INCENTIVE STOCK OPTION LIMITATIONS

Notwithstanding any other provisions of the Plan to the contrary, the terms and conditions of any Incentive Stock Options shall in addition comply in all respects with Section 422 of the Code or any successor provision, and any applicable regulations thereunder, including, to the extent required thereunder, the following:

### 8.1 Dollar Limitation

To the extent the aggregate Fair Market Value (determined as of the Grant Date) of Common Stock with respect to which a Participant's Incentive Stock Options become exercisable for the first time during any calendar year (under the Plan and all other stock option plans of the Company and its parent and subsidiary corporations) exceeds \$100,000, such portion in excess of \$100,000 shall be treated as a Nonqualified Stock Option. In the event the Participant holds two or more such Options that become exercisable for the first time in the same calendar year, such limitation shall be applied on the basis of the order in which such Options are granted.

### 8.2 Eligible Employees

Individuals who are not employees of the Company or one of its parent or subsidiary corporations may not be granted Incentive Stock Options.

### 8.3 Exercise Price

Incentive Stock Options shall be granted with an exercise price per share not less than 100% of the Fair Market Value of the Common Stock on the Grant Date and, in the case of an Incentive Stock Option granted to a Participant who owns more than 10% of the total combined voting power of all classes of the stock of the Company or of its parent or subsidiary corporations (a "**Ten Percent Stockholder**"), shall be granted with an exercise price per share not less than 110% of the Fair Market Value of the Common Stock on the Grant Date. The determination of more than 10% ownership shall be made in accordance with Section 422 of the Code.

#### **8.4 Option Term**

Subject to earlier termination in accordance with the terms of the Plan and the instrument evidencing the Option, the maximum term of an Incentive Stock Option shall not exceed ten years, and in the case of an Incentive Stock Option granted to a Ten Percent Stockholder, shall not exceed five years.

#### **8.5 Exercisability**

An Option designated as an Incentive Stock Option shall cease to qualify for favorable tax treatment as an Incentive Stock Option to the extent it is exercised (if permitted by the terms of the Option) (a) more than three months after the date of a Participant's termination of employment if termination was for reasons other than death or disability, (b) more than one year after the date of a Participant's termination of employment if termination was by reason of disability, or (c) more than six months following the first day of a Participant's leave of absence that exceeds three months, unless the Participant's reemployment rights are guaranteed by statute or contract.

#### **8.6 Taxation of Incentive Stock Options**

In order to obtain certain tax benefits afforded to Incentive Stock Options under Section 422 of the Code, the Participant must hold the shares acquired upon the exercise of an Incentive Stock Option for two years after the Grant Date and one year after the date of exercise. A Participant may be subject to the alternative minimum tax at the time of exercise of an Incentive Stock Option. The Participant shall give the Company prompt notice of any disposition of shares acquired on the exercise of an Incentive Stock Option prior to the expiration of such holding periods.

#### **8.7 Code Definitions**

For the purposes of this Section 8, "disability," "parent corporation" and "subsidiary corporation" shall have the meanings attributed to those terms for purposes of Section 422 of the Code.

#### **8.8 Promissory Notes**

The amount of any promissory note delivered pursuant to Section 7.5 in connection with an Incentive Stock Option shall bear interest at a rate specified by the Plan Administrator, but in no case less than the rate required to avoid imputation of interest (taking into account any exceptions to the imputed interest rules) for federal income tax purposes.

## SECTION 9. STOCK APPRECIATION RIGHTS

### 9.1 Grant of Stock Appreciation Rights

The Plan Administrator may grant Stock Appreciation Rights to Participants at any time on such terms and conditions as the Plan Administrator shall determine in its sole discretion. An SAR may be granted in tandem with an Option or alone ("**freestanding**"). The grant price of a tandem SAR shall be equal to the exercise price of the related Option. The grant price of a freestanding SAR shall be established in accordance with procedures for Options set forth in Section 7.2. An SAR may be exercised upon such terms and conditions and for the term as the Plan Administrator determines in its sole discretion; provided, however, that, subject to earlier termination in accordance with the terms of the Plan and the instrument evidencing the SAR, the maximum term of a freestanding SAR shall be ten years, and in the case of a tandem SAR, (a) the term shall not exceed the term of the related Option and (b) the tandem SAR may be exercised for all or part of the shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option, except that the tandem SAR may be exercised only with respect to the shares for which its related Option is then exercisable.

### 9.2 Payment of SAR Amount

Upon the exercise of an SAR, a Participant shall be entitled to receive payment in an amount determined by multiplying: (a) the difference between the Fair Market Value of the Common Stock on the date of exercise over the grant price of the SAR by (b) the number of shares with respect to which the SAR is exercised. At the discretion of the Plan Administrator as set forth in the instrument evidencing the Award, the payment upon exercise of an SAR may be in cash, in shares, in some combination thereof or in any other manner approved by the Plan Administrator in its sole discretion.

### 9.3 Waiver of Restrictions

The Plan Administrator, in its sole discretion, may waive any other terms, conditions or restrictions on any SAR under such circumstances and subject to such terms and conditions as the Plan Administrator shall deem appropriate.

## SECTION 10. STOCK AWARDS, RESTRICTED STOCK AND STOCK UNITS

### 10.1 Grant of Stock Awards, Restricted Stock and Stock Units

The Plan Administrator may grant Stock Awards, Restricted Stock and Stock Units on such terms and conditions and subject to such repurchase or forfeiture restrictions, if any, which may be based on continuous service with the Company or a Related Company or the achievement of any performance goals, as the Plan Administrator shall determine in its sole discretion, which terms, conditions and restrictions shall be set forth in the instrument evidencing the Award.

## 10.2 Vesting of Restricted Stock and Stock Units

Upon the satisfaction of any terms, conditions and restrictions prescribed with respect to Restricted Stock or Stock Units, or upon a Participant's release from any terms, conditions and restrictions of Restricted Stock or Stock Units, as determined by the Plan Administrator (a) the shares of Restricted Stock covered by each Award of Restricted Stock shall become freely transferable by the Participant subject to the terms and conditions of the Plan, the instrument evidencing the Award, and applicable securities laws, and (b) Stock Units shall be paid in shares of Common Stock or, if set forth in the instrument evidencing the Awards, in cash or a combination of cash and shares of Common Stock. Any fractional shares subject to such Awards shall be paid to the Participant in cash.

## 10.3 Waiver of Restrictions

The Plan Administrator, in its sole discretion, may waive the repurchase or forfeiture period and any other terms, conditions or restrictions on any Restricted Stock or Stock Unit under such circumstances and subject to such terms and conditions as the Plan Administrator shall deem appropriate.

## SECTION 11. OTHER STOCK OR CASH-BASED AWARDS

Subject to the terms of the Plan and such other terms and conditions as the Plan Administrator deems appropriate, the Plan Administrator may grant other incentives payable in cash or in shares of Common Stock under the Plan.

## SECTION 12. WITHHOLDING

The Company may require the Participant to pay to the Company the amount of (a) any taxes that the Company is required by applicable federal, state, local or foreign law to withhold with respect to the grant, vesting or exercise of an Award ("**tax withholding obligations**") and (b) any amounts due from the Participant to the Company or to any Related Company ("**other obligations**"). Notwithstanding any other provision of the Plan to the contrary, the Company shall not be required to issue any shares of Common Stock or otherwise settle an Award under the Plan until such tax withholding obligations and other obligations are satisfied.

The Plan Administrator may permit or require a Participant to satisfy all or part of the Participant's tax withholding obligations and other obligations by (a) paying cash to the Company, (b) having the Company withhold an amount from any cash amounts otherwise due or to become due from the Company to the Participant, (c) having the Company withhold a number of shares of Common Stock that would otherwise be issued to the Participant (or become vested, in the case of Restricted Stock) having a Fair Market Value equal to the tax withholding obligations and other obligations, or (d) surrendering a number of shares of Common Stock the Participant already owns having a value equal to the tax withholding obligations and other obligations. The value of the shares so withheld or tendered may not exceed the employer's maximum required tax withholding rate.

## SECTION 13. ASSIGNABILITY

No Award or interest in an Award may be sold, assigned, pledged (as collateral for a loan or as security for the performance of an obligation or for any other purpose) or transferred by a Participant or made subject to attachment or similar proceedings otherwise than by will or by the applicable laws of descent and distribution, except to the extent the Participant designates one or more beneficiaries on a Company-approved form who may exercise the Award or receive payment under the Award after the Participant's death. During a Participant's lifetime, an Award may be exercised only by the Participant. Notwithstanding the foregoing and to the extent permitted by Section 422 of the Code, the Plan Administrator, in its sole discretion, may permit a Participant to assign or transfer an Award, subject to such terms and conditions as the Plan Administrator shall specify.

## SECTION 14. ADJUSTMENTS

### 14.1 Adjustment of Shares

In the event, at any time or from time to time, a stock dividend, stock split, spin-off, combination or exchange of shares, recapitalization, merger, consolidation, distribution to stockholders other than a normal cash dividend, or other change in the Company's corporate or capital structure results in (a) the outstanding shares of Common Stock, or any securities exchanged therefor or received in their place, being exchanged for a different number or kind of securities of the Company or any other company or (b) new, different or additional securities of the Company or any other company being received by the holders of shares of Common Stock, then the Plan Administrator shall make proportional adjustments in (i) the maximum number and kind of securities available for issuance under the Plan; (ii) the maximum number and kind of securities issuable as Incentive Stock Options as set forth in Section 4.2(d); and (iii) the number and kind of securities that are subject to any outstanding Award and the per share price of such securities, without any change in the aggregate price to be paid therefor. The determination by the Plan Administrator as to the terms of any of the foregoing adjustments shall be conclusive and binding.

Notwithstanding the foregoing, the issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services rendered, either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, outstanding Awards. Also notwithstanding the foregoing, a dissolution or liquidation of the Company or a Change of Control shall not be governed by this Section 14.1 but shall be governed by Sections 14.2 and 14.3, respectively.

### 14.2 Dissolution or Liquidation

To the extent not previously exercised or settled, and unless otherwise determined by the Plan Administrator in its sole discretion, Awards shall terminate immediately prior to the dissolution or liquidation of the Company. To the extent a vesting condition, forfeiture

provision or repurchase right applicable to an Award has not been waived by the Plan Administrator, the Award shall be forfeited immediately prior to the consummation of the dissolution or liquidation.

### **14.3 Change of Control**

(a) Notwithstanding any other provision of the Plan to the contrary, unless the Plan Administrator determines otherwise with respect to a particular Award in the instrument evidencing the Award or in a written employment, services or other agreement between the Participant and the Company or a Related Company, in the event of a Change of Control, if and to the extent an outstanding Award is not converted, assumed, substituted for or replaced by the Successor Company, then effective immediately prior to the Change of Control such Award shall become fully vested and exercisable or payable, and all applicable restrictions or forfeiture provisions shall lapse, and then terminate upon effectiveness of the Change of Control. If and to the extent the Successor Company converts, assumes, substitutes for or replaces an outstanding Award, the vesting and/or exercisability restrictions and/or forfeiture and/or repurchase provisions applicable to such Award shall not be accelerated or lapse, and all such vesting and/or exercisability restrictions and/or forfeiture and/or repurchase provisions shall continue with respect to any shares of the Successor Company or other consideration that may be received with respect to such Award.

(b) For the purposes of Section 14.3(a), an Award shall be considered converted, assumed, substituted for or replaced by the Successor Company if following the Change of Control the Award confers the right to purchase or receive, for each share of Common Stock subject to the Award immediately prior to the Change of Control, the consideration (whether stock, cash, or other securities or property) received in the Change of Control by holders of Common Stock for each share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares); provided, however, that if such consideration received in the Change of Control is not solely common stock of the Successor Company, the Plan Administrator may, with the consent of the Successor Company, provide for the consideration to be received pursuant to the Award, for each share of Common Stock subject thereto, to be solely common stock of the Successor Company substantially equal in fair market value to the per share consideration received by holders of Common Stock in the Change of Control. The determination of such substantial equality of value of consideration shall be made by the Plan Administrator, and its determination shall be conclusive and binding.

I Notwithstanding the foregoing, the Plan Administrator, in its sole discretion, may instead provide in the event of a Change of Control that a Participant's outstanding Awards shall terminate upon or immediately prior to such Change of Control and that each such Participant shall receive, in exchange therefor, a cash payment equal to the amount (if any) by which (i) the Acquisition Price multiplied by the number of shares of Common Stock subject to such outstanding Awards (either to the extent then vested and exercisable, or subject to restrictions and/or forfeiture provisions, or whether or not then vested and

exercisable, or subject to restrictions and/or forfeiture provisions, as determined by the Plan Administrator in its sole discretion) exceeds (ii) if applicable, the respective aggregate exercise, grant or purchase price payable with respect to shares of Common Stock subject to such Awards.

(d) For the avoidance of doubt, nothing in this Section 14.3 requires all Awards to be treated similarly.

#### **14.4 Further Adjustment of Awards**

Subject to Sections 14.2 and 14.3, the Plan Administrator shall have the discretion, exercisable at any time before a sale, merger, consolidation, reorganization, liquidation, dissolution or change of control of the Company, as defined by the Plan Administrator, to take such further action as it determines to be necessary or advisable with respect to Awards. Such authorized action may include (but shall not be limited to) establishing, amending or waiving the type, terms, conditions or duration of, or restrictions on, Awards so as to provide for earlier, later, extended or additional time for exercise, lifting restrictions and other modifications, and the Plan Administrator may take such actions with respect to all Participants, to certain categories of Participants or only to individual Participants. The Plan Administrator may take such action before or after granting Awards to which the action relates and before or after any public announcement with respect to such sale, merger, consolidation, reorganization, liquidation, dissolution or change of control that is the reason for such action.

#### **14.5 No Limitations**

The grant of Awards shall in no way affect the Company's right to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

#### **14.6 Fractional Shares**

In the event of any adjustment in the number of shares covered by any Award, each such Award shall cover only the number of full shares resulting from such adjustment.

#### **14.7 Section 409A**

Subject to Section 18.5, but notwithstanding any other provision of the Plan to the contrary, (a) any adjustments made pursuant to this Section 14 to Awards that are considered "deferred compensation" within the meaning of Section 409A shall be made in compliance with the requirements of Section 409A and (b) any adjustments made pursuant to this Section 14 to Awards that are not considered "deferred compensation" subject to Section 409A shall be made in such a manner as to ensure that after such adjustment the Awards either (i) continue not to be subject to Section 409A or (ii) comply with the requirements of Section 409A.



## SECTION 15. FIRST REFUSAL; VOTING RESTRICTIONS

### 15.1 First Refusal Rights

Until the date on which the initial registration of the Common Stock under Section 12(b) or 12(g) of the Exchange Act first becomes effective, the Company shall have the right of first refusal with respect to any proposed sale or other disposition by a Participant of any shares of Common Stock issued pursuant to an Award. Such right of first refusal shall be exercisable in accordance with the terms and conditions established by the Plan Administrator and set forth in the agreement evidencing the Participant's receipt of the shares or, if applicable, in a shareholders agreement or other similar agreement.

### 15.2 Other Rights and Voting Restrictions

Until the date on which the initial registration of the Common Stock under Section 12(b) or 12(g) of the Exchange Act first becomes effective, the Plan Administrator may require a Participant, as a condition to receiving shares under the Plan, to become a party to a stock purchase agreement and/or a shareholders agreement or other similar agreement, in the form designated by the Plan Administrator, pursuant to which Participant grants to the Company and/or its other shareholders certain rights, including but not limited to co-sale rights, and agrees to certain voting restrictions with respect to the Shares acquired by Participant under the Plan.

### 15.3 General

The Company's rights under this Section 15 are assignable by the Company at any time.

## SECTION 16. MARKET STANDOFF

In the event of an underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, no person may sell, make any short sale of, loan, hypothecate, pledge, grant any option for the purchase of, or otherwise dispose of or transfer for value or otherwise agree to engage in any of the foregoing transactions with respect to any shares issued pursuant to an Award granted under the Plan without the prior written consent of the Company or its underwriters. Such limitations shall be in effect for such period of time as may be requested by the Company or such underwriters; provided, however, that in no event shall such period exceed (a) 180 days after the effective date of the registration statement for such public offering or (b) such longer period requested by the underwriters as is necessary to comply with regulatory restrictions on the publication of research reports (including, but not limited to, NYSE Rule 472 or NASD Conduct Rule 2711, or any successor rules). The limitations of this Section 16 shall in all events terminate two years after the effective date of the Company's initial public offering.

In the event of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change affecting the Company's outstanding Common Stock

effected as a class without the Company's receipt of consideration, any new, substituted or additional securities distributed with respect to the shares issued under the Plan shall be immediately subject to the provisions of this Section 16, to the same extent the shares issued under the Plan are at such time covered by such provisions.

In order to enforce the limitations of this Section 16, the Company may impose stop-transfer instructions with respect to the shares until the end of the applicable standoff period.

## **SECTION 17. AMENDMENT AND TERMINATION**

### **17.1 Amendment, Suspension or Termination**

The Board may amend, suspend or terminate the Plan or any portion of the Plan at any time and in such respects as it shall deem advisable; provided, however, that, to the extent required by applicable law, regulation or stock exchange rule, stockholder approval shall be required for any amendment to the Plan. Subject to Section 17.3, the Board may amend the terms of any outstanding Award, prospectively or retroactively.

### **17.2 Term of the Plan**

The Plan shall have no fixed expiration date. After the Plan is terminated, no future Awards may be granted, but Awards previously granted shall remain outstanding in accordance with their applicable terms and conditions and the Plan's terms and conditions. Notwithstanding the foregoing, no Incentive Stock Options may be granted more than ten years after the later of (a) the adoption of the Plan by the Board and (b) the adoption by the Board of any amendment to the Plan that constitutes the adoption of a new plan for purposes of Section 422 of the Code. Also notwithstanding the foregoing, no Award may be granted to a resident of California more than ten years after the earlier of the date of adoption of the Plan and the date the Plan is approved by the stockholders.

### **17.3 Consent of Participant**

The amendment, suspension or termination of the Plan or a portion thereof or the amendment of an outstanding Award shall not, without the Participant's consent, materially adversely affect any rights under any Award theretofore granted to the Participant under the Plan. Any change or adjustment to an outstanding Incentive Stock Option shall not, without the consent of the Participant, be made in a manner so as to constitute a "modification" that would cause such Incentive Stock Option to fail to continue to qualify as an Incentive Stock Option. Notwithstanding the foregoing, any adjustments made pursuant to Section 14 shall not be subject to these restrictions.

Subject to Section 18.5, but notwithstanding any other provision of the Plan to the contrary, the Board shall have broad authority to amend the Plan or any outstanding Award without the consent of the Participant to the extent the Board deems necessary or advisable to comply with, or take into account, changes in applicable tax laws, securities laws, accounting rules or other applicable law, rule or regulation.

## SECTION 18. GENERAL

### 18.1 No Individual Rights

No individual or Participant shall have any claim to be granted any Award under the Plan, and the Company has no obligation for uniformity of treatment of Participants under the Plan.

Furthermore, nothing in the Plan or any Award granted under the Plan shall be deemed to constitute an employment contract or confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Related Company or limit in any way the right of the Company or any Related Company to terminate a Participant's employment or other relationship at any time, with or without cause.

### 18.2 Issuance of Shares

Notwithstanding any other provision of the Plan to the contrary, the Company shall have no obligation to issue or deliver any shares of Common Stock under the Plan or make any other distribution of benefits under the Plan unless, in the opinion of the Company's counsel, such issuance, delivery or distribution would comply with all applicable laws (including, without limitation, the requirements of the Securities Act or the laws of any state or foreign jurisdiction) and the applicable requirements of any securities exchange or similar entity.

The Company shall be under no obligation to any Participant to register for offering or resale or to qualify for exemption under the Securities Act, or to register or qualify under the laws of any state or foreign jurisdiction, any shares of Common Stock, security or interest in a security paid or issued under, or created by, the Plan, or to continue in effect any such registrations or qualifications if made.

As a condition to the exercise of an Option or any other receipt of Common Stock pursuant to an Award under the Plan, the Company may require (a) the Participant to represent and warrant at the time of any such exercise or receipt that such shares are being purchased or received only for the Participant's own account and without any present intention to sell or distribute such shares and (b) such other action or agreement by the Participant as may from time to time be necessary to comply with the federal, state and foreign securities laws. At the option of the Company, a stop-transfer order against any such shares may be placed on the official stock books and records of the Company, and a legend indicating that such shares may not be pledged, sold or otherwise transferred, unless an opinion of counsel is provided (concurring in by counsel for the Company) stating that such transfer is not in violation of any applicable law or regulation, may be stamped on stock certificates to ensure exemption from registration. The Plan Administrator may also require the Participant to execute and deliver to the Company a purchase agreement or such other agreement as may be in use by the Company at such time that describes certain terms and conditions applicable to the shares.

To the extent the Plan or any instrument evidencing an Award provides for issuance of stock certificates to reflect the issuance of shares of Common Stock, the issuance may be effected on a noncertificated basis, to the extent not prohibited by applicable law or the applicable rules of any stock exchange.

### **18.3 Indemnification**

Each person who is or shall have been a member of the Board shall be indemnified and held harmless by the Company against and from any loss, cost, liability or expense that may be imposed upon or reasonably incurred by such person in connection with or resulting from any claim, action, suit or proceeding to which such person may be a party or in which such person may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by such person in settlement thereof, with the Company's approval, or paid by such person in satisfaction of any judgment in any such claim, action, suit or proceeding against such person, unless such loss, cost, liability or expense is a result of such person's own willful misconduct or except as expressly provided by statute; provided, however, that such person shall give the Company an opportunity, at its own expense, to handle and defend the same before such person undertakes to handle and defend it on such person's own behalf.

The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such person may be entitled under the Company's certificate of incorporation or bylaws, as a matter of law, or otherwise, or of any power that the Company may have to indemnify or hold harmless.

### **18.4 No Rights as a Stockholder**

Unless otherwise provided by the Plan Administrator or in the instrument evidencing the Award or in a written employment, services or other agreement, no Award, other than a Stock Award, shall entitle the Participant to any cash dividend, voting or other right of a stockholder unless and until the date of issuance under the Plan of the shares that are the subject of such Award.

### **18.5 Compliance with Laws and Regulations**

In interpreting and applying the provisions of the Plan, any Option granted as an Incentive Stock Option pursuant to the Plan shall, to the extent permitted by law, be construed as an "incentive stock option" within the meaning of Section 422 of the Code.

The Plan and Awards granted under the Plan are intended to be exempt from the requirements of Section 409A to the maximum extent possible, whether pursuant to the short-term deferral exception described in Treasury Regulation Section 1.409A-1(b)(4), the exclusion applicable to stock options, stock appreciation rights and certain other equity-based compensation under Treasury Regulation Section 1.409A-1(b)(5), or otherwise. To the extent Section 409A is applicable to the Plan or any Award granted under the Plan, it is intended that the Plan and any Awards granted under the Plan comply with the deferral,

payout, plan termination and other limitations and restrictions imposed under Section 409A. Notwithstanding any other provision of the Plan or any Award granted under the Plan to the contrary, the Plan and any Award granted under the Plan shall be interpreted, operated and administered in a manner consistent with such intentions; provided, however, that the Plan Administrator makes no representations that Awards granted under the Plan shall be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to Awards granted under the Plan. Without limiting the generality of the foregoing, and notwithstanding any other provision of the Plan or any Award granted under the Plan to the contrary, with respect to any payments and benefits under the Plan or any Award granted under the Plan to which Section 409A applies, all references in the Plan or any Award granted under the Plan to the termination of the Participant's employment or service are intended to mean the Participant's "separation from service," within the meaning of Section 409A(a)(2)(A)(i) to the extent necessary to avoid subjecting the Participant to the imposition of any additional tax under Section 409A. In addition, if the Participant is a "specified employee," within the meaning of Section 409A, then to the extent necessary to avoid subjecting the Participant to the imposition of any additional tax under Section 409A, amounts that would otherwise be payable under the Plan or any Award granted under the Plan during the six-month period immediately following the Participant's "separation from service," within the meaning of Section 409A(a)(2)(A)(i), shall not be paid to the Participant during such period, but shall instead be accumulated and paid to the Participant (or, in the event of the Participant's death, the Participant's estate) in a lump sum on the first business day after the earlier of the date that is six months following the Participant's separation from service or the Participant's death. Notwithstanding any other provision of the Plan to the contrary, the Plan Administrator, to the extent it deems necessary or advisable in its sole discretion, reserves the right, but shall not be required, to unilaterally amend or modify the Plan and any Award granted under the Plan so that the Award qualifies for exemption from or complies with Section 409A.

#### **18.6 Participants in Other Countries or Jurisdictions**

Without amending the Plan, the Plan Administrator may grant Awards to Eligible Persons who are foreign nationals on such terms and conditions different from those specified in the Plan, as may, in the judgment of the Plan Administrator, be necessary or desirable to foster and promote achievement of the purposes of the Plan and shall have the authority to adopt such modifications, procedures, subplans and the like as may be necessary or desirable to comply with provisions of the laws or regulations of other countries or jurisdictions in which the Company or any Related Company may operate or have employees to ensure the viability of the benefits from Awards granted to Participants employed in such countries or jurisdictions, meet the requirements that permit the Plan to operate in a qualified or tax efficient manner, comply with applicable foreign laws or regulations and meet the objectives of the Plan.

#### **18.7 No Trust or Fund**

The Plan is intended to constitute an “unfunded” plan. Nothing contained herein shall require the Company to segregate any monies or other property, or shares of Common Stock, or to create any trusts, or to make any special deposits for any immediate or deferred amounts payable to any Participant, and no Participant shall have any rights that are greater than those of a general unsecured creditor of the Company.

#### **18.8 Successors**

All obligations of the Company under the Plan with respect to Awards shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all the business and/or assets of the Company.

#### **18.9 Severability**

If any provision of the Plan or any Award is determined to be invalid, illegal or unenforceable in any jurisdiction, or as to any person, or would disqualify the Plan or any Award under any law deemed applicable by the Plan Administrator, such provision shall be construed or deemed amended to conform to applicable laws, or, if it cannot be so construed or deemed amended without, in the Plan Administrator’s determination, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, person or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.

#### **18.10 Choice of Law and Venue**

The Plan, all Awards granted thereunder and all determinations made and actions taken pursuant hereto, to the extent not otherwise governed by the laws of the United States, shall be governed by the laws of the State of California without giving effect to principles of conflicts of law. Participants irrevocably consent to the nonexclusive jurisdiction and venue of the state and federal courts located in the State of California.

#### **18.11 Financial Reports**

To the extent required by applicable law, the Company shall provide annual financial statements of the Company to each Participant. Such financial statements need not be audited and need not be issued to key persons whose duties within the Company assure them access to equivalent information.

#### **18.12 Legal Requirements**

The granting of Awards and the issuance of shares of Common Stock under the Plan is subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

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**SECTION 19. EFFECTIVE DATE**

The effective date (the “**Effective Date**”) is the date on which the Plan is adopted by the Board. If the stockholders of the Company do not approve the Plan within 12 months after the Board’s adoption of the Plan, any Incentive Stock Options granted under the Plan will be treated as Nonqualified Stock Options. To the extent required under applicable law, any Award exercised before the stockholders of the Company approve the Plan shall be rescinded if the stockholders of the Company do not approve the Plan by the later of (a) within 12 months before or after the date on which the Board adopts the Plan and (b) prior to or within 12 months of the date on which any Award under the Plan is granted in California.

**PLAN ADOPTION AND AMENDMENTS/ADJUSTMENTS  
SUMMARY PAGE**

<u>Date of Board Action</u>	<u>Action</u>	<u>Section/Effect of Amendment</u>	<u>Date of Stockholder Approval</u>
January 27, 2013	Initial Plan Adoption	N/A	January 27, 2013
June 24, 2013	Increase Shares	Section 4.1	June 24, 2013
December 15, 2014	Increase Shares	Section 4.1	December 15, 2014
December 1, 2015	Increase Shares	Section 4.1	December 1, 2015
December 13, 2016	Increase Shares	Section 4.1	February 13, 2017
March 1, 2017	Increase Shares	Section 4.1	March 1, 2017
September 19, 2017	Increase Shares	Section 4.1	September 29, 2017
May 30, 2018	Increase Shares	Section 4.1	May 30, 2018
July 11, 2018	Increase Shares due to 5:1 forward stock split	Section 4.1	July 11, 2018



APPENDIX A

DEFINITIONS

As used in the Plan:

“**Acquired Entity**” means any entity acquired by the Company or a Related Company or with which the Company or a Related Company merges or combines.

“**Acquisition Price**” means the fair market value of the securities, cash or other property, or any combination thereof, receivable or deemed receivable upon a Change of Control in respect of a share of Common Stock, as determined by the Plan Administrator in its sole discretion.

“**Award**” means any Option, Stock Appreciation Right, Stock Award, Restricted Stock, Stock Unit or cash-based award or other incentive payable in cash or in shares of Common Stock, as may be designated by the Plan Administrator from time to time.

“**Board**” means the Board of Directors of the Company.

“**Cause**,” unless otherwise defined in the instrument evidencing an Award or in a written employment, services or other agreement between the Participant and the Company or a Related Company, means dishonesty, fraud, serious or willful misconduct, unauthorized use or disclosure of confidential information or trade secrets, or conduct prohibited by law (except minor violations), in each case as determined by the Company’s chief human resources officer or other person performing that function or, in the case of directors and executive officers, the Board, whose determination shall be conclusive and binding.

“**Change of Control**,” unless the Plan Administrator determines otherwise with respect to an Award at the time the Award is granted or unless otherwise defined for purposes of an Award in a written employment, services or other agreement between the Participant and the Company or a Related Company, means consummation of:

- (a) a merger or consolidation of the Company with or into any other company or other entity;
- (b) a sale, in one transaction or a series of transactions undertaken with a common purpose, of all of the Company’s outstanding voting securities; or
- (c) a sale, lease, exchange or other transfer, in one transaction or a series of related transactions, undertaken with a common purpose of all or substantially all of the Company’s assets.

Notwithstanding the foregoing, a Change of Control shall not include (i) a merger or consolidation of the Company in which the holders of the outstanding voting securities of the Company immediately prior to the merger or consolidation hold at least a majority of the

outstanding voting securities of the Successor Company immediately after the merger or consolidation; (ii) a sale, lease, exchange or other transfer of all or substantially all of the Company's assets to a majority-owned subsidiary company; (iii) a transaction undertaken for the principal purpose of restructuring the capital of the Company, including, but not limited to, reincorporating the Company in a different jurisdiction, converting the Company to a limited liability company or creating a holding company; or (iv) any transaction that the Board determines is not a Change of Control for purposes of the Plan.

Where a series of transactions undertaken with a common purpose is deemed to be a Change of Control, the date of such Change of Control shall be the date on which the last of such transactions is consummated.

**"Code"** means the Internal Revenue Code of 1986, as amended from time to time.

**"Common Stock"** means the common stock, par value \$0.00001 per share, of the Company.

**"Company"** means Maplebear Inc., a Delaware corporation.

**"Disability,"** unless otherwise defined by the Plan Administrator for purposes of the Plan or in the instrument evidencing an Award or in a written employment, services or other agreement between the Participant and the Company or a Related Company, means a mental or physical impairment of the Participant that is expected to result in death or that has lasted or is expected to last for a continuous period of 12 months or more and that causes the Participant to be unable to perform his or her material duties for the Company or a Related Company and to be engaged in any substantial gainful activity, in each case as determined by the Company's chief human resources officer or other person performing that function or, in the case of directors and executive officers, the Board, each of whose determination shall be conclusive and binding.

**"Effective Date"** has the meaning set forth in Section 19.

**"Eligible Person"** means any person eligible to receive an Award as set forth in Section 5.

**"Exchange Act"** means the Securities Exchange Act of 1934, as amended from time to time.

**"Fair Market Value"** means the per share fair market value of the Common Stock as established in good faith by the Plan Administrator or, if the Common Stock is publicly traded, the closing price for the Common Stock on any given date during regular trading, or if not trading on that date, such price on the last preceding date on which the Common Stock was traded, unless determined otherwise by the Plan Administrator using such methods or procedures as it may establish.

**"Grant Date"** means the later of (a) the date on which the Plan Administrator completes the corporate action authorizing the grant of an Award or such later date specified by the Plan Administrator and (b) the date on which all conditions precedent to an Award have been satisfied, provided that conditions to the exercisability or vesting of Awards shall not defer the Grant Date.

**“Incentive Stock Option”** means an Option granted with the intention that it qualify as an “incentive stock option” as that term is defined for purposes of Section 422 of the Code or any successor provision.

**“Nonqualified Stock Option”** means an Option other than an Incentive Stock Option.

**“Option”** means a right to purchase Common Stock granted under Section 7.

**“Option Expiration Date”** means the last day of the maximum term of an Option.

**“Option Term”** means the maximum term of an Option as set forth in Section 7.3.

**“Participant”** means any Eligible Person to whom an Award is granted.

**“Plan”** means the Maplebear Inc. 2013 Equity Incentive Plan.

**“Plan Administrator”** has the meaning set forth in Section 3.1.

**“Related Company”** means any entity that, directly or indirectly, is in control of, is controlled by or is under common control with the Company.

**“Restricted Stock”** means an Award of shares of Common Stock granted under Section 10, the rights of ownership of which are subject to restrictions prescribed by the Plan Administrator.

**“Retirement,”** unless otherwise defined in the instrument evidencing the Award or in a written employment, services or other agreement between the Participant and the Company or a Related Company, means “Retirement” as defined for purposes of the Plan by the Plan Administrator or the Company’s chief human resources officer or other person performing that function or, if not so defined, means Termination of Service on or after the date the Participant reaches “normal retirement age,” as that term is defined in Section 411(a)(8) of the Code.

**“Section 409A”** means Section 409A of the Code.

**“Securities Act”** means the Securities Act of 1933, as amended from time to time.

**“Stock Appreciation Right”** or **“SAR”** means a right granted under Section 9.1 to receive the excess of the Fair Market Value of a specified number of shares of Common Stock over the grant price.

**“Stock Award”** means an Award of shares of Common Stock granted under Section 10, the rights of ownership of which are not subject to restrictions prescribed by the Plan Administrator.

**“Stock Unit”** means an Award denominated in units of Common Stock granted under Section 10.

**“Substitute Awards”** means Awards granted or shares of Common Stock issued by the Company in substitution or exchange for awards previously granted by an Acquired Entity.

**“Successor Company”** means the surviving company, the successor company, the acquiring company or its parent, as applicable, in connection with a Change of Control.

**“Termination of Service”** means a termination of employment or service relationship with the Company or a Related Company for any reason, whether voluntary or involuntary, including by reason of death, Disability or Retirement. Any question as to whether and when there has been a Termination of Service for the purposes of an Award and the cause of such Termination of Service shall be determined by the Company’s chief human resources officer or other person performing that function or, with respect to directors and executive officers, by the Board, whose determination shall be conclusive and binding. Transfer of a Participant’s employment or service relationship between the Company and any Related Company shall not be considered a Termination of Service for purposes of an Award. Unless the Board determines otherwise, a Termination of Service shall be deemed to occur if the Participant’s employment or service relationship is with an entity that has ceased to be a Related Company. A Participant’s change in status from an employee of the Company or a Related Company to a nonemployee director, consultant, advisor or independent contractor of the Company or a Related Company, or a change in status from a nonemployee director, consultant, advisor or independent contractor of the Company or a Related Company to an employee of the Company or a Related Company, shall not be considered a Termination of Service.

**“Vesting Commencement Date”** means the Grant Date or such other date selected by the Plan Administrator as the date from which an Award begins to vest.

**MAPLEBEAR INC.  
2013 EQUITY INCENTIVE PLAN  
STOCK OPTION GRANT NOTICE**

Maplebear Inc. (the "**Company**") hereby grants to you an Option (the "**Option**") to purchase shares of the Company's Common Stock under the Company's 2013 Equity Incentive Plan (the "**Plan**"). The Option is subject to all the terms and conditions set forth in this Stock Option Grant Notice (this "**Grant Notice**"), in the Stock Option Agreement and in the Plan, which are attached to and incorporated into this Grant Notice in their entirety.

**Participant:** \_\_\_\_\_

**Grant Date:** \_\_\_\_\_ *[date of Board approval of grant]*

**Vesting Commencement Date:** \_\_\_\_\_ *[typically grant date or date of hire]*

**Number of Shares Subject to Option:** \_\_\_\_\_

**Exercise Price (per Share):** \_\_\_\_\_

**Option Expiration Date:** \_\_\_\_\_ (subject to earlier termination in accordance with the terms of the Plan and the Stock Option Agreement) *[option expiration date is typically 10 years from Grant Date]*

**Type of Option:**  Incentive Stock Option\*  Nonqualified Stock Option

**Vesting and Exercisability Schedule:** 1/4<sup>th</sup> of the shares subject to the Option will vest and become exercisable on the one-year anniversary of the Vesting Commencement Date.

1/48<sup>th</sup> of the shares subject to the Option will vest and become exercisable monthly thereafter over the next three years.

**Additional Terms/Acknowledgement:** You acknowledge receipt of, and understand and agree to, this Grant Notice, the Stock Option Agreement and the Plan. You further acknowledge that as of the Grant Date, this Grant Notice, the Stock Option Agreement and the Plan set forth the entire understanding between you and the Company regarding the Option and supersede all prior oral and written agreements on the subject [with the exception of the following agreements:\_\_\_\_\_].

MAPLEBEAR INC.

PARTICIPANT

By: \_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_  
Signature

**Attachments:**

1. Stock Option Agreement
2. 2013 Equity Incentive Plan

Date: \_\_\_\_\_  
Address: \_\_\_\_\_  
Taxpayer ID: \_\_\_\_\_

\* See Sections 3 and 4 of the Stock Option Agreement.

**MAPLEBEAR INC.**  
**2013 EQUITY INCENTIVE PLAN**

**STOCK OPTION AGREEMENT**

Pursuant to your Stock Option Grant Notice (the “**Grant Notice**”) and this Stock Option Agreement (this “**Agreement**”), Maplebear Inc. (the “**Company**”) has granted you an Option under its 2013 Equity Incentive Plan (the “**Plan**”) to purchase the number of shares of the Company’s Common Stock indicated in your Grant Notice (the “**Shares**”) at the exercise price indicated in your Grant Notice. Capitalized terms not defined in this Agreement but defined in the Plan have the same definitions as in the Plan.

The details of the Option are as follows:

1. **Vesting and Exercisability.** Subject to the limitations contained herein, the Option will vest and become exercisable as provided in your Grant Notice, provided that vesting will cease upon your Termination of Service and the unvested portion of the Option will terminate.

2. **Securities Law Compliance.** Notwithstanding any other provision of this Agreement, you may not exercise the Option unless the Shares issuable upon exercise are registered under the Securities Act or, if such Shares are not then so registered, the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act. The exercise of the Option must also comply with other applicable laws and regulations governing the Option, and you may not exercise the Option if the Company determines that such exercise would not be in material compliance with such laws and regulations.

3. **Incentive Stock Option Qualification.** If so designated in your Grant Notice, all or a portion of the Option is intended to qualify as an Incentive Stock Option under federal income tax law, but the Company does not represent or guarantee that the Option qualifies as such.

If the Option has been designated as an Incentive Stock Option and the aggregate Fair Market Value (determined as of the grant date) of the shares of Common Stock subject to the portions of the Option and all other Incentive Stock Options you hold that first become exercisable during any calendar year exceeds \$100,000, any excess portion will be treated as a Nonqualified Stock Option, unless the Internal Revenue Service changes the rules and regulations governing the \$100,000 limit for Incentive Stock Options. A portion of the Option may be treated as a Nonqualified Stock Option if certain events cause exercisability of the Option to accelerate.

4. **Notice of Disqualifying Disposition.** To the extent the Option has been designated as an Incentive Stock Option, to obtain certain tax benefits afforded to Incentive Stock Options, you must hold the Shares issued upon the exercise of the Option for two years after the Grant Date and one year after the date of exercise. By accepting the Option, you agree to promptly notify the Company if you dispose of any of the Shares within one year from the date you exercise all or part of the Option or within two years from the Grant Date.

5. **Alternative Minimum Tax.** You may be subject to the alternative minimum tax at the time of exercise of an Incentive Stock Option.

6. **Independent Tax Advice.** You should obtain tax advice when exercising the Option and prior to the disposition of the Shares.

7. **Method of Exercise.** You may exercise the Option by giving written notice to the Company, in form and substance satisfactory to the Company, which will state your election to exercise the Option and the number of Shares for which you are exercising the Option. The written notice must be accompanied by full payment of the exercise price for the number of Shares you are purchasing. You may make this payment in any combination of the following: (a) by cash; (b) by check acceptable to the Company; (c) if permitted by the Plan Administrator for Nonqualified Stock Options, by having the Company withhold shares of Common Stock that would otherwise be issued on exercise of the Option that have a Fair Market Value on the date of exercise of the Option equal to the exercise price of the Option; (d) if permitted by the Plan Administrator, by using shares of Common Stock you already own; (e) if the Common Stock is registered under the Exchange Act and to the extent permitted by law, by instructing a broker to deliver to the Company the total payment required, all in accordance with the regulations of the Federal Reserve Board; or (f) by any other method permitted by the Plan Administrator.

8. **First Refusal Rights; Voting and Other Restrictions.** So long as the Common Stock is not registered under the Exchange Act, the Plan Administrator may, in its sole discretion at the time of exercise, require you to sign a stock purchase agreement and/or a shareholders agreement or other similar agreement, in the form designated by the Plan Administrator, pursuant to which you will grant to the Company and/or its stockholders certain rights, including, but not limited to, repurchase, co-sale and/or first refusal rights, and agree to certain voting restrictions, with respect to the Shares acquired by you upon exercise of the Option. Upon request to the Company, you may review a current form of any such agreement(s) prior to exercise of the Option.

9. **Market Standoff.** You agree that any Shares received upon exercise of the Option will be subject to the market standoff restrictions on transfer set forth in the Plan.

10. **Treatment Upon Termination of Employment or Service Relationship.** The unvested portion of the Option will terminate automatically and without further notice immediately upon your Termination of Service. You may exercise the vested portion of the Option as follows:

(a) **General Rule.** You must exercise the vested portion of the Option on or before the earlier of (i) 7 years from your Termination of Service, (ii) 3 months (or one year after your Termination of Service in the event of a Termination of Service due to your death, disability, or Retirement or death following the Termination of Service while your Option is exercisable) after the earlier of (A) the expiration of the lock-up period following an Initial Public Offering or (B) Termination of Service after a Change of Control in which the Option is converted, assumed, substituted for or replaced by the Successor Company, (iii) the Option Expiration Date, and (iv) such earlier date as may be provided or permitted by the Plan. For this purpose, an “**Initial Public Offering**” means the consummation of the first firm commitment

underwritten public offering pursuant to an effective registration statement covering the offer and sale by the Company of its equity securities, as a result of or following which the Shares shall be publicly held.

(b) *Reserved.*

(c) *Reserved.*

(d) *Cause.* The vested portion of the Option will automatically expire at the time the Company first notifies you of your Termination of Service for Cause, unless the Plan Administrator determines otherwise. If your employment or service relationship is suspended pending an investigation of whether you will be terminated for Cause, all your rights under the Option likewise will be suspended during the period of investigation. If any facts that would constitute termination for Cause are discovered after your Termination of Service, any Option you then hold may be immediately terminated by the Plan Administrator.

The Option must be exercised within three months after termination of employment for reasons other than death or disability and one year after termination of employment due to disability to qualify for the beneficial tax treatment afforded Incentive Stock Options. For purposes of the preceding, "disability" has the meaning attributed to that term for purposes of Section 422 of the Code.

**It is your responsibility to be aware of the date the Option terminates.**

**11. Limited Transferability.** During your lifetime only you can exercise the Option. The Option is not transferable except by will or by the applicable laws of descent and distribution. The Plan provides for exercise of the Option by a beneficiary designated on a Company-approved form or the personal representative of your estate. Notwithstanding the foregoing and to the extent permitted by the Plan and Section 422 of the Code, the Plan Administrator, in its sole discretion, may permit you to assign or transfer the Option, subject to such terms and conditions as specified by the Plan Administrator.

**12. Withholding Taxes.** As a condition to the exercise of any portion of the Option, you must make such arrangements as the Company may require for the satisfaction of any federal, state, local or foreign tax withholding obligations that may arise in connection with such exercise.

**13. Option Not an Employment or Service Contract.** Nothing in the Plan or this Agreement will be deemed to constitute an employment contract or confer or be deemed to confer any right for you to continue in the employ of, or to continue any other relationship with, the Company or any Related Company or limit in any way the right of the Company or any Related Company to terminate your employment or other relationship at any time, with or without Cause.

**14. No Right to Damages.** You will have no right to bring a claim or to receive damages if you are required to exercise the vested portion of the Option within three months (one year in the case of Retirement, Disability or death) of your Termination of Service or if any portion of the Option is cancelled or expires unexercised. The loss of existing or potential profit



in the Option will not constitute an element of damages in the event of your Termination of Service for any reason even if the termination is in violation of an obligation of the Company or a Related Company to you.

15. **Binding Effect.** This Agreement will inure to the benefit of the successors and assigns of the Company and be binding upon you and your heirs, executors, administrators, successors and assigns.

16. **Section 409A Compliance.** Notwithstanding any provision in the Plan or this Agreement to the contrary, the Plan Administrator may, at any time and without your consent, modify the terms of the Option as it determines appropriate to avoid the imposition of interest or penalties under Section 409A of the Code; provided, however, that the Plan Administrator makes no representations that the Option shall be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to the Option.

***[Insert these sections for non-US Residents only:*** 17. **Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation.** By entering into this Agreement and accepting the grant of the Option evidenced hereby, you acknowledge that: (a) the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time; (b) the grant of the Option is a one-time benefit which does not create any contractual or other right to receive future grants of options, or benefits in lieu of options; (c) all determinations with respect to any such future grants, including, but not limited to, the times when options will be granted, the number of shares subject to each option, the option price, and the time or times when each option will be exercisable, will be at the sole discretion of the Company; (d) your participation in the Plan is voluntary; (e) the value of the Option is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (f) the Option is not part of normal or expected compensation for purposes of calculating any benefits, severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments, and you will have no entitlement to compensation or damages as a consequence of your forfeiture of any unvested portion of the Option as a result of your Termination of Service for any reason; (g) the vesting of the Option ceases upon your Termination of Service for any reason except as may otherwise be explicitly provided in the Plan or this Agreement or otherwise permitted by the Plan Administrator; (h) the future value of the Shares underlying the Option is unknown and cannot be predicted with certainty; (i) if the Shares underlying the Option do not increase in value, the Option will have no value; and (j) in the event that you are not a direct employee of the Company, the grant of the Option will not be interpreted to form an employment or other relationship with the Company.

18. **Employee Data Privacy.** By entering into this Agreement and accepting the Option, you (a) explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of any of your personal data that is necessary to facilitate the implementation, administration and management of the Option and the Plan; (b) understand that the Company and your employer may, for the purpose of implementing, administering and managing the Plan, hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number,

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salary, nationality, job title and details of all awards or entitlement to the Common Stock granted to you under the Plan or otherwise (“**Data**”); (c) understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, including any broker with whom the Shares issued upon vesting of the Option may be deposited, and that these recipients may be located in your country or elsewhere, and that the recipient’s country may have different data privacy laws and protections than your country; (d) waive any data privacy rights you may have with respect to the Data; and (e) authorize the Company, its Related Companies and its agents to store and transmit such information in electronic form.]

**MAPLEBEAR INC.  
2013 EQUITY INCENTIVE PLAN  
STOCK OPTION EXERCISE NOTICE**

By your signature and the signature of the representative of Maplebear Inc. (the "**Company**") below, you and the Company agree that you are purchasing shares of the Company's Common Stock subject to the terms and conditions of this Stock Option Exercise Notice (the "**Exercise Notice**"), the agreement(s) evidencing the applicable Option(s) (the "**Option Agreement(s)**") and the Company's 2013 Equity Incentive Plan (the "**Plan**"), as well as the terms and conditions of the Stock Purchase Agreement (this "**Agreement**"), which is attached to and incorporated into this Exercise Notice in its entirety.

**Purchaser:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Taxpayer I.D. number:** \_\_\_\_\_

**Total number of shares for which Option is being exercised now (these shares are referred to below as "Shares"):** \_\_\_\_\_

**Total exercise price for Shares:** \$ \_\_\_\_\_

**(Note: If you are exercising more than one stock option under this Agreement, please complete Attachment A instead of completing the following four items):**

**Option Grant Date:** \_\_\_\_\_

**Type of Option:**  Incentive Stock Option  
 Nonqualified Stock Option

**Exercise price per share:** \$ \_\_\_\_\_

**Total number of shares subject to Option:** \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Exercise Notice on the date indicated below.

**MAPLEBEAR INC.**

**PARTICIPANT**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

Attachment:

1. Stock Purchase Agreement

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

Check Box if Not Legally Married

PARTICIPANT'S SPOUSE

\_\_\_\_\_  
Signature

Print Name: \_\_\_\_\_

**MAPLEBEAR INC.  
2013 EQUITY INCENTIVE PLAN**

**STOCK PURCHASE AGREEMENT**

Pursuant to your Stock Option Exercise Notice (the "**Exercise Notice**") and this Stock Purchase Agreement (this "**Agreement**"), you and Maplebear Inc. (the "**Company**") agree that you are purchasing the number of shares of the Company's Common Stock set forth on the Exercise Notice and subject to the terms and conditions of the agreement(s) evidencing the applicable Option(s) (the "**Option Agreement(s)**"), the Exercise Notice, the Company's 2013 Equity Incentive Plan (the "**Plan**") and this Agreement as set forth below. Capitalized terms not defined in this Agreement but defined in the Plan have the same definitions as in the Plan.

The details of this Agreement are as follows:

**1. Payment of Exercise Price**

Prior to or concurrently with the delivery of this Agreement to the Company, you have delivered the exercise price for the Shares in accordance with the terms of the Plan and the Option Agreement.

**2. Securities Law Compliance**

**2.1** You represent and warrant that you (a) have been furnished with a copy of the Plan and all information which you deem necessary to evaluate the merits and risks of the purchase of the Shares, (b) have had the opportunity to ask questions and receive answers concerning the information received about the Shares and the Company, and (c) have been given the opportunity to obtain any additional information you deem necessary to verify the accuracy of any information obtained concerning the Shares and the Company.

**2.2** You hereby confirm that you have been informed that the Shares have not been registered under the Securities Act of 1933, as amended (the "**Securities Act**"), or any state securities laws pursuant to exemptions from registration. You further confirm that you understand that the reliance by the Company on such exemptions is predicated in part on the truth and accuracy of the statements by you in this Agreement.

**2.3** You hereby represent and warrant that you are purchasing the Shares for your own account, for investment purposes only, and not with a view towards the distribution or public offering of all or any part of the Shares.

**2.4** You hereby confirm that you understand that because the Shares have not been registered under the Securities Act, you must continue to bear the economic risk of the investment for an indefinite period of time and the Shares cannot be sold unless the Shares are subsequently registered or an exemption from registration is available.

**2.5** You hereby agree that you will in no event sell or distribute all or any part of the Shares unless (a) you comply with the provisions of this Agreement and (b)(i) there is an effective registration statement under the Securities Act and applicable state securities laws covering any such transaction involving the Shares or (ii) the Company receives an opinion of your legal counsel (concurring in by legal counsel for the Company) stating that such transaction is exempt from registration or, in the Company's sole discretion, the Company otherwise satisfies itself that such transaction is exempt from registration.

2.6 You hereby consent to the placing of a legend on your certificate(s) as set forth in Section 5 and to the placing of a stop-transfer order on the books of the Company and with any transfer agents against the Shares until the Shares may be legally resold or distributed.

2.7 You hereby confirm that you understand that at the present time Rule 144 of the Securities and Exchange Commission (the “SEC”) may not be relied on for the resale or distribution of the Shares by you. You understand that the Company has no obligation to you to register the Shares with the SEC and has not represented to you that it will so register the Shares.

2.8 You confirm that you have been advised, prior to your purchase of the Shares, that neither the offering of the Shares nor any offering materials have been reviewed by any administrator under the Securities Act or any other applicable securities act (the “Acts”) and that the Shares have not been registered under any of the Acts and therefore cannot be resold unless they are registered under the Acts or unless an exemption from such registration is available.

2.9 You hereby agree to indemnify the Company and hold it harmless from and against any loss, claim or liability, including attorneys’ fees or legal expenses, incurred by the Company as a result of any breach by you of, or any inaccuracy in, any representation, warranty or statement made by you in this Agreement or the breach by you of any terms or conditions of this Agreement.

### 3. Transfer Restrictions

**3.1 Restrictions on Transfer.** Shares will not be sold, transferred, assigned, pledged, encumbered or otherwise disposed of in contravention of the provisions of this Agreement. The Shares may not be sold, transferred, assigned, pledged, encumbered or otherwise disposed of without the prior consent of the Plan Administrator. If the Plan Administrator consents to such sale, transfer, assignment, pledge, encumbrance or other disposal of the Shares, and you comply with the provisions of Section 4, you agree to (a) pay the Company a transfer processing fee of \$5,000 per transaction (whereby transfers to separate transferees shall be deemed to be separate transactions); and (b) provide an opinion, which is reasonably acceptable to legal counsel for the Company, of your legal counsel and the counsel of the transferee (concurring in by legal counsel for the Company) stating that such transaction is exempt from registration under applicable securities laws or, in the Company’s sole discretion, the Company otherwise satisfies itself that such transaction is exempt from registration under applicable securities laws. Such restrictions on transfer, however, will not apply to a transfer to the Company in pledge as security for any purchase-money indebtedness incurred by you in connection with the acquisition of the Shares. For purposes of this Agreement, a “*transfer*” shall mean any transfer or registration of transfer within the meaning of Delaware law and section 202 of the Delaware general corporation law, including but not limited to any sale, assignment, conveyance, hypothecation, encumbrance, pledge, gift, grant of a security interest or lien, transfer by bequest, devise or descent, any short sale, grant of any option, any hedging or similar transaction with the same economic effect as a sale or transfer, or other transfer or disposition of any kind of a share or any legal, economic or beneficial interest in such share, whether or not for value and whether voluntary or involuntary or by operation of law, or any right or interest therein. Transfer shall also include, without limitation, any (i) transfer of a share to a broker or other nominee (regardless of whether or not there is a corresponding change in beneficial ownership); (2) transfer to a receiver, levying creditor, trustee or receiver in bankruptcy proceedings or general assignee for the benefit of creditors, whether voluntary or by operation of law, directly or indirectly; or (3) transfer of, or entering into a binding agreement with respect to, the power (whether exclusive or shared) to vote or direct the voting of such share by proxy or otherwise.

**3.2 Transferee Obligations.** Each person (other than the Company) to whom the Shares are transferred must, as a condition precedent to the validity of such transfer, acknowledge in writing to the Company that such person is bound by the provisions of this Agreement, to the same extent the Shares would be so subject if retained by you.

**3.3 Market Standoff.** In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, you or any transferee (either being referred to herein as "you") agrees not to sell, make any short sale of, loan, hypothecate, pledge, assign, grant any option for the purchase of, or otherwise dispose or transfer for value or agree to engage in any of the foregoing transactions with respect to, any Shares without the prior written consent of the Company or such underwriters. Such limitations shall be in effect for such period of time as may be requested by the Company or such underwriters; provided, however, that in no event shall such period exceed (a) 180 days after the effective date of the registration statement for such public offering or (b) such longer period requested by the underwriters as is necessary to comply with regulatory restrictions on the publication of research reports (including, but not limited to, NYSE Rule 472 or NASD Conduct Rule 2711). This market standoff provision will be in effect no longer than two years after the effective date of the Company's initial public offering.

In the event of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change affecting the Company's outstanding Common Stock effected as a class without the Company's receipt of consideration, any new, substituted or additional securities distributed with respect to the Shares shall be immediately subject to the provisions of this Section 3.3, to the same extent the Shares are at such time covered by such provisions.

In order to enforce the limitations of this Section 3.3, the Company may impose stop-transfer instructions with respect to the Shares until the end of the applicable standoff period.

**3.4 Stockholders Agreements.** If upon the purchase of the Shares pursuant to this Agreement you will hold two percent (2%) or more of the Company's then outstanding capital stock, as a condition to the exercise of the Option you must (a) execute an adoption agreement, and become a party, to the Company's Third Amended and Restated Voting Agreement, dated as of December 15, 2014, or the current version of such agreement (the "**Voting Agreement**"), as a "Stockholder" for purposes of the Voting Agreement and (b) execute, and become a party to, the Company's Third Amended and Restated Right of First Refusal and Co-Sale Agreement, dated as of December 15, 2014, or the current version of such agreement (the "**Co-Sale Agreement**"), as a "Key Holder" for purposes of the Co-Sale Agreement. Upon execution of the Co-Sale Agreement, the Right of First Refusal for the Shares pursuant to Section 4 of this Agreement shall apply to only those Shares that are not purchased by the Company and/or the investors in the Company pursuant to the terms of the Co-Sale Agreement.

#### **4. Company's Right of First Refusal**

Before any Shares held by you may be sold or otherwise transferred (including any assignment, pledge, encumbrance or other disposition of the Shares, but not a transfer to the Company in pledge as security for any purchase-money indebtedness incurred by you in connection with the acquisition of the Shares), the Company will have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 4 (the "**Right of First Refusal**"). The Company shall have the right to assign all or any portion of its Right of First Refusal to any current stockholder of the Company, any other third party or any combination of any of the foregoing, in its sole discretion. Such Right of First Refusal will terminate on the initial registration of the Common Stock under Section 12(b) or 12(g) of the Exchange Act.

**4.1** In the event you desire to accept a bona fide third-party offer for the sale or transfer of any or all of the Shares, you will promptly deliver to the Company a written notice (the "**Notice**") stating the terms and conditions of any proposed sale or transfer, including (a) your bona fide intention to sell or otherwise transfer such Shares, (b) the name of each proposed purchaser or other transferee (the "**Proposed Transferee**"), (c) the number of Shares to be transferred to each Proposed Transferee, and (d) the bona fide cash price or other consideration for which you propose to transfer the Shares (the "**Offered Price**"). You will provide satisfactory proof that the disposition of such shares to such Proposed Transferee would not be in contravention of the provisions of Section 3 and you will offer to sell the Shares at the Offered Price to the Company or its assignee(s), as the case may be.

**4.2** At any time within 120 days after receipt of the Notice, the Company or one or more of its assignees or both, as the case may be, may, by giving written notice to you, elect to purchase all or any portion of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with Section 4.3.

**4.3** The purchase price for the Shares purchased under this Section 4 will be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the noncash consideration will be determined by the Board in good faith.

**4.4** Payment of the purchase price will be made, in the discretion of the Plan Administrator, either (a) in cash (by check), by cancellation of all or a portion of any of your outstanding indebtedness to the Company or such assignee, or by any combination thereof, within 120 days after receipt of the Notice or (b) in the manner and at the time(s) set forth in the Notice.

**4.5** If any of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or one or more of its assignees as provided in this Section 4, subject to the terms and conditions of Section 3, then you may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price; provided that such sale or other transfer is consummated within 150 days after the date of the Notice; and provided, further, that any such sale or other transfer is effected in accordance with any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Agreement, including without limitation, this Section 4 will continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if you propose to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice will be given to the Company, and the Company or its assignee will again be offered the Right of First Refusal before any Shares held by you may be sold or otherwise transferred.

## **5. Legends**

You understand and agree that the Shares are subject to first refusal rights and other transfer restrictions, as set forth in this Agreement. You understand that the certificate(s) representing the Shares will bear legends in substantially the following forms:

*"The securities represented by this certificate are subject to certain restrictions on public resale and transfer and first refusal rights held by the issuer and/or its assignee(s) and may not be sold, assigned, transferred, encumbered or in any way disposed of except as set forth in a stock purchase agreement between the issuer and the original purchaser of these shares, a copy of which may be obtained at the principal office of the issuer. Such transfer restrictions and first refusal rights are binding on transferees of these shares."*

*“The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended (the “Act”), or under applicable state securities laws. These securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Act and applicable state securities laws, pursuant to registration or exemption therefrom. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. The issuer of these securities may require an opinion of counsel in form and substance satisfactory to the issuer to the effect that the proposed transfer or resale is in compliance with the Act and any applicable state securities laws.”*

## **6. Stop-Transfer Notices**

You understand and agree that, in order to ensure compliance with the restrictions referred to in this Agreement, the Company may issue appropriate “stop-transfer” instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records. The Company will not be required to (a) transfer on its books any Shares that have been sold or transferred in violation of the provisions of this Agreement or (b) treat as the owner of the Shares, or otherwise accord voting, dividend or liquidation rights to, any transferee to whom the Shares have been transferred in contravention of this Agreement.

## **7. Independent Tax Advice**

You acknowledge that determining the actual tax consequences to you of exercising the Option or disposing of the Shares may be complicated. These tax consequences will depend, in part, on your specific situation and may also depend on the resolution of currently uncertain tax law, and other variables not within the control of the Company. You are aware that you should consult a competent and independent tax advisor for a full understanding of the specific tax consequences to you prior to exercising the Option or disposing of the Shares. Prior to exercising the Option, you either have consulted with a competent tax advisor independent of the Company to obtain tax advice concerning the exercise of the Option in light of your specific situation or have had the opportunity to consult with such a tax advisor but chose not to do so.

## **8. Withholding and Disposition of Shares**

As described in the Option Agreement, you will make arrangements satisfactory to the Company for the payment of any federal, state, local or foreign withholding tax obligations that arise upon purchase of the Shares. If you are exercising an Incentive Stock Option, you agree to notify the Company if any Shares are disposed of within one year from the date hereof or two years from the Grant Date.

## **9. General Provisions**

**9.1 Assignment.** The Company may assign its Right of First Refusal at any time, in whole or in part, whether or not such rights are then exercisable, to any person or entity selected by the Board, including, without limitation, one or more stockholders of the Company.

**9.2 Notices.** Any notice required in connection with (a) the Company’s Right of First Refusal or (b) the disposition of any Shares covered thereby will be given in writing and will be deemed effective upon personal delivery or upon deposit in the U.S. mail, registered or certified, postage prepaid and addressed to the party entitled to such notice at the address indicated in this Agreement or at such other address as such party may designate by 10 days’ advance written notice under this Section 9.2 to all other parties to this Agreement.



**9.3 No Waiver.** No waiver of any provision of this Agreement will be valid unless in writing and signed by the person against whom such waiver is sought to be enforced, nor will failure to enforce any right hereunder constitute a continuing waiver of the same or a waiver of any other right hereunder.

**9.4 Cancellation of Shares.** If the Company or its assignees will make available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Shares to be purchased by the Company pursuant to the exercise of the Company's Right of First Refusal in accordance with the provisions of this Agreement, then, from and after such time, you will no longer have any rights as a purchaser of such Shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such Shares will be deemed purchased in accordance with the applicable provisions of this Agreement and the Company or its assignees will be deemed the owner and purchaser of such Shares, whether or not the certificates therefor have been delivered as required by this Agreement.

**9.5 Undertaking.** You hereby agree to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on either you or the Shares pursuant to the express provisions of this Agreement.

**9.6 Agreement Is Entire Contract.** This Agreement constitutes the entire contract between the parties hereto with regard to the subject matter hereof. This Agreement is made pursuant to the provisions of the Plan and will in all respects be construed in conformity with the express terms and provisions of the Plan.

**9.7 Successors and Assigns.** The provisions of this Agreement will inure to the benefit of, and be binding on, the Company and its successors and assigns and you and your legal representatives, heirs, legatees, distributees, assigns and transferees by operation of law, whether or not any such person will have become a party to this Agreement and agreed in writing to join herein and be bound by the terms and conditions hereof.

**9.8 No Employment or Service Contract.** Nothing in this Agreement will affect in any manner whatsoever the right or power of the Company, or a Related Company, to terminate your employment or services on behalf of the Company, for any reason, with or without cause.

**9.9 Stockholder of Record.** You will be recorded as a stockholder of the Company and will have, subject to the provisions of this Agreement and the Plan, all the rights of a stockholder with respect to the Shares.

**9.10 Counterparts.** This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but which, upon execution, will constitute one and the same instrument.

**9.11 Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of California.

**ATTACHMENT A**

*(To be completed only if you are exercising more than one Option)*

Please complete for each Option you are exercising.

<u>Option Grant Date</u>	<u>Type of Option: Incentive Stock Option ("ISO") Nonqualified Stock Option ("NSO") (please circle one)</u>	<u>Exercise Price Per Share</u>	<u>Number of Shares to be Exercised</u>
	ISO/NSO	\$	
	ISO/NSO	\$	
	ISO/NSO	\$	
	ISO/NSO	\$	
	ISO/NSO	\$	

**RECEIPT FOR ISO EXERCISE**

\_\_\_\_\_ hereby acknowledges receipt from \_\_\_\_\_ ("**Purchaser**") in payment for \_\_\_\_\_ shares of Common Stock of Maplebear Inc., a Delaware corporation, of \$\_\_\_\_\_ in the form of

- Cash
- Check (personal, cashier's or bank certified)
- \_\_\_\_\_ shares of the Company's Common Stock, fair market value \$\_\_\_\_\_ per share, held by the Purchaser
- Copy of irrevocable instructions to broker
- Other: \_\_\_\_\_

Exercise Date: \_\_\_\_\_ By: \_\_\_\_\_

*(Date Company receives both the executed Exercise Notice and payment)*

Per share FMV on such date: \$\_\_\_\_\_

For: Maplebear Inc.

**RECEIPT FOR NSO EXERCISE**

\_\_\_\_\_ hereby acknowledges receipt from \_\_\_\_\_ ("**Purchaser**") in payment for \_\_\_\_\_ shares of Common Stock of Maplebear Inc., a Delaware corporation, and applicable tax withholding, of \$\_\_\_\_\_ in the form of

- Cash
- Check (personal, cashier's or bank certified)
- \_\_\_\_\_ shares of the Company's Common Stock, fair market value \$\_\_\_\_\_ per share, withheld by the Company but otherwise issuable on exercise of an option
- \_\_\_\_\_ shares of the Company's Common Stock, fair market value \$\_\_\_\_\_ per share, held by the Purchaser
- Copy of irrevocable instructions to broker
- Other: \_\_\_\_\_

Exercise Date: \_\_\_\_\_ By: \_\_\_\_\_

*(Date Company receives both the executed Exercise Notice and payment)*

Per share FMV on such date: \$\_\_\_\_\_

For: Maplebear Inc.

**MAPLEBEAR INC.  
2018 EQUITY INCENTIVE PLAN**

**SECTION 1. PURPOSE**

The purpose of the Maplebear Inc. 2018 Equity Incentive Plan is to attract, retain and motivate employees, officers, directors, consultants, agents, advisors and independent contractors of the Company and its Related Companies by providing them the opportunity to acquire a proprietary interest in the Company and to align their interests and efforts to the long-term interests of the Company's stockholders.

**SECTION 2. DEFINITIONS**

Certain capitalized terms used in the Plan have the meanings set forth in Appendix A.

**SECTION 3. ADMINISTRATION**

**3.1 Administration of the Plan**

The Plan shall be administered by the Board. All references in the Plan to the "*Plan Administrator*" shall be to the Board.

**3.2 Administration and Interpretation by Plan Administrator**

(a) Except for the terms and conditions explicitly set forth in the Plan, and to the extent permitted by applicable law, the Plan Administrator shall have full power and exclusive authority, subject to such orders or resolutions not inconsistent with the provisions of the Plan as may from time to time be adopted by the Board to (i) select the Eligible Persons to whom Awards may from time to time be granted under the Plan; (ii) determine the type or types of Award to be granted to each Participant under the Plan; (iii) determine the number of shares of Common Stock to be covered by each Award granted under the Plan; (iv) determine the terms and conditions of any Award granted under the Plan; (v) approve the forms of notice or agreement for use under the Plan; (vi) determine whether, to what extent and under what circumstances Awards may be settled in cash, shares of Common Stock or other property or canceled or suspended; (vii) interpret and administer the Plan and any instrument evidencing an Award, notice or agreement executed or entered into under the Plan; (viii) establish such rules and regulations as it shall deem appropriate for the proper administration of the Plan; (ix) delegate ministerial duties to such of the Company's employees as it so determines; and (x) make any other determination and take any other action that the Plan Administrator deems necessary or desirable for administration of the Plan.

(b) The effect on the vesting of an Award of a Company-approved leave of absence or a Participant's reduction in hours of employment or service shall be determined by the Company's chief human resources officer or other person performing that function or, with respect to directors or executive officers, by the Board, whose determination shall be final.

(c) Decisions of the Plan Administrator shall be final, conclusive and binding on all persons, including the Company, any Participant, any stockholder and any Eligible Person. A majority of the members of the Plan Administrator may determine its actions.

## SECTION 4. SHARES SUBJECT TO THE PLAN

### 4.1 Authorized Number of Shares

Subject to adjustment from time to time as provided in Section 14.1, the aggregate number of shares of Common Stock that may be issued pursuant to Awards on and after August 30, 2018 (the "**Amendment Date**") shall not exceed the sum of (i) 78,055,613 shares (including shares subject to Awards previously granted and shares already issued upon exercise or vesting of previously granted Awards as of the Amendment Date), *plus* (ii) up to 28,220,030 shares ("**Contingent Shares**") equal to the number of shares that are subject to outstanding unexercised options under the Maplebear, Inc. 2013 Equity Incentive Plan (the "**Prior Plan**") as of the Amendment Date (clauses (i) and (ii), the "**Share Reserve**"). For clarity, the Contingent Shares will only become available for Awards under this Plan at the same time, and in the same number, as shares subject to awards under the Prior Plan are returned to the share reserve under the Prior Plan after the Amendment Date pursuant to Section 4.2 of the Prior Plan (e.g., when awards under the Prior Plan are cancelled or terminate without being exercised, or are repurchased by the Company for failure to meet a vesting contingency). For example, if an outstanding option under the Prior Plan at the Amendment Date covers 1,000 shares of Voting Common Stock, and that option is forfeited without being exercised, then, at the time the option is forfeited and terminates, 1,000 shares of Common Stock will then become available for Awards under this Plan. If that same option is exercised in full, the 1,000 shares of Voting Common Stock will never become available under this Plan. Shares issued under the Plan shall be drawn from authorized and unissued shares or shares now held or subsequently acquired by the Company as treasury shares.

### 4.2 Share Usage

(a) Shares of Common Stock covered by an Award shall not be counted as used unless and until they are actually issued and delivered to a Participant. If any Award lapses, expires, terminates or is canceled prior to the issuance of shares thereunder or if shares of Common Stock are issued under the Plan to a Participant and thereafter are forfeited to or otherwise reacquired by the Company, the shares subject to such Awards and the forfeited or reacquired shares shall again be available for issuance under the Plan. Any shares of Common Stock (i) tendered by a Participant or retained by the Company as full or partial payment to the Company for the purchase price of an Award or to satisfy tax withholding obligations in connection with an Award, or (ii) covered by an Award that is settled in cash or in a manner such that some or all of the shares covered by the Award are not issued, shall be available for Awards under the Plan. The number of shares of Common Stock available for issuance under the Plan shall not be reduced to reflect any dividends or dividend equivalents that are reinvested into additional shares of Common Stock or credited as additional shares of Common Stock subject or paid with respect to an Award.

(b) The Plan Administrator shall also, without limitation, have the authority to grant Awards as an alternative to or as the form of payment for grants or rights earned or due under other compensation plans or arrangements of the Company.

(c) Notwithstanding any other provision of the Plan to the contrary, the Plan Administrator may grant Substitute Awards under the Plan. In the event that a written agreement between the Company and an Acquired Entity pursuant to which merger or consolidation is completed is approved by the Board and that agreement sets forth the terms and conditions of the substitution for or assumption of outstanding awards of the Acquired Entity, those terms and conditions shall be deemed to be the action of the Plan Administrator without any further action by the Plan Administrator, and the persons holding such awards shall be deemed to be Participants.

(d) Notwithstanding any other provisions in this Section 4.2 to the contrary, the maximum number of shares that may be issued upon the exercise of Incentive Stock Options shall equal the aggregate share number stated in Section 4.1, subject to adjustment as provided in Section 14.1.

## **SECTION 5. ELIGIBILITY**

An Award may be granted to any employee, officer or director of the Company or a Related Company whom the Plan Administrator from time to time selects. An Award may also be granted to any consultant, agent, advisor or independent contractor for bona fide services rendered to the Company or any Related Company that (a) are not in connection with the offer and sale of the Company's securities in a capital-raising transaction and (b) do not directly or indirectly promote or maintain a market for the Company's securities.

## **SECTION 6. AWARDS**

### **6.1 Form, Grant and Settlement of Awards**

The Plan Administrator shall have the authority, in its sole discretion, to determine the type or types of Awards to be granted under the Plan. Such Awards may be granted either alone or in addition to or in tandem with any other type of Award. Any Award settlement may be subject to such conditions, restrictions and contingencies as the Plan Administrator shall determine.

### **6.2 Evidence of Awards**

Awards granted under the Plan shall be evidenced by a written, including an electronic, instrument that shall contain such terms, conditions, limitations and restrictions as the Plan Administrator shall deem advisable and that are not inconsistent with the Plan.

### **6.3 Dividends and Distributions**

Participants may, if the Plan Administrator so determines, be credited with dividends or dividend equivalents paid with respect to shares of Common Stock underlying an Award in a manner determined by the Plan Administrator in its sole discretion. The Plan Administrator may apply any restrictions to the dividends or dividend equivalents that the Plan Administrator deems appropriate. The Plan Administrator, in its sole discretion, may determine the form of payment of dividends or dividend equivalents, including cash, shares of Common Stock, Restricted Stock or Stock Units. Notwithstanding the foregoing, the right to any dividends or dividend equivalents declared and paid on the number of shares underlying an Option or Stock Appreciation Right may not be contingent, directly or indirectly, on the exercise of the Option or Stock Appreciation Right, and must comply with or qualify for an exemption under Section 409A. Also notwithstanding the foregoing, the right to any dividends or dividend equivalents declared and paid on Restricted Stock must (a) be paid at the same time they are paid to other stockholders and (b) comply with or qualify for an exemption under Section 409A.

## **SECTION 7. OPTIONS**

### **7.1 Grant of Options**

The Plan Administrator may grant Options designated as Incentive Stock Options or Nonqualified Stock Options.

### **7.2 Option Exercise Price**

Options shall be granted with an exercise price per share not less than 100% of the Fair Market Value of the Common Stock on the Grant Date (and not less than the minimum exercise price required by Section 422 of the Code with respect to Incentive Stock Options), except in the case of Substitute Awards.

### **7.3 Term of Options**

Subject to earlier termination in accordance with the terms of the Plan and the instrument evidencing the Option, the maximum term of an Option (the "**Option Term**") shall be ten years from the Grant Date. For Incentive Stock Options, the Option Term shall be as specified in Section 8.4.

### **7.4 Exercise of Options**

The Plan Administrator shall establish and set forth in each instrument that evidences an Option the time at which, or the installments in which, the Option shall vest and become exercisable, any of which provisions may be waived or modified by the Plan Administrator at any time. If not so established in the instrument evidencing the Option, the Option shall vest and become exercisable according to the following schedule, which may be waived or modified by the Plan Administrator at any time:



**Period of Participant's Continuous  
Employment or Service With the  
Company or Its Related Companies  
From the Vesting Commencement Date**

**Portion of Total Option That  
Is Vested and Exercisable**

After one year	1/4 <sup>th</sup>
After each additional one-month period of continuous service completed thereafter	An additional 1/48 <sup>th</sup>
After four years	100%

To the extent an Option has vested and become exercisable, the Option may be exercised in whole or from time to time in part by delivery to or as directed or approved by the Company of a properly executed stock option exercise agreement or notice, in a form and in accordance with procedures established by the Plan Administrator, setting forth the number of shares with respect to which the Option is being exercised, the restrictions imposed on the shares purchased under such exercise agreement or notice, if any, and such representations and agreements as may be required by the Plan Administrator, accompanied by payment in full as described in Section 7.5. An Option may be exercised only for whole shares and may not be exercised for less than a reasonable number of shares at any one time, as determined by the Plan Administrator.

**7.5 Payment of Exercise Price**

The exercise price for shares purchased under an Option shall be paid in full to the Company by delivery of consideration equal to the product of the Option exercise price and the number of shares purchased. Such consideration must be paid before the Company will issue the shares being purchased and must be in a form or a combination of forms acceptable to the Plan Administrator for that purchase, which forms may include:

- (a) cash;
- (b) check or wire transfer;
- (c) having the Company withhold shares of Common Stock that would otherwise be issued on exercise of the Option that have an aggregate Fair Market Value equal to the aggregate exercise price of the shares being purchased under the Option;
- (d) tendering (either actually or, if and so long as the Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, by attestation) shares of Common Stock owned by the Participant that have an aggregate Fair Market Value equal to the aggregate exercise price of the shares being purchased under the Option;
- (e) consideration received by the Company under a cashless exercise program (whether through a broker or otherwise) implemented by the Company in connection with the Plan; or
- (f) such other consideration as the Plan Administrator may permit.

In addition, to assist a Participant (including directors and executive officers) in acquiring shares of Common Stock pursuant to an Option granted under the Plan, the Plan Administrator, in its sole discretion and to the extent permitted by applicable law, may authorize, either at the Grant Date or at any time before the acquisition of Common Stock pursuant to the Option, (i) the payment by a Participant of the purchase price of the Common Stock by a promissory note or (ii) the guarantee by the Company of a loan obtained by the Participant from a third party. Such notes or loans must be full recourse to the extent necessary to avoid adverse accounting charges to the Company's earnings for financial reporting purposes. Subject to the foregoing, the Plan Administrator shall in its sole discretion specify the terms of any loans or loan guarantees, including the interest rate and terms of and security for repayment.

#### **7.6 Effect of Termination of Service**

The Plan Administrator shall establish and set forth in each instrument that evidences an Option whether the Option shall continue to be exercisable, and the terms and conditions of such exercise, after a Termination of Service, any of which provisions may be waived or modified by the Plan Administrator at any time. If not so established in the instrument evidencing the Option, the Option shall be exercisable according to the following terms and conditions, which may be waived or modified by the Plan Administrator at any time:

- (a) Any portion of an Option that is not vested and exercisable on the date of a Participant's Termination of Service shall expire on such date.
- (b) Any portion of an Option that is vested and exercisable on the date of a Participant's Termination of Service shall expire on the earliest to occur of:
  - (i) if the Participant's Termination of Service occurs for reasons other than Cause, Retirement, Disability or death, the date that is three months after such Termination of Service;
  - (ii) if the Participant's Termination of Service occurs by reason of Retirement, Disability or death, the one-year anniversary of such Termination of Service; and
  - (iii) the Option Expiration Date.
- (c) Notwithstanding the foregoing, if a Participant dies after the Participant's Termination of Service but while an Option is otherwise exercisable, the portion of the Option that is vested and exercisable on the date of such Termination of Service shall expire upon the earlier to occur of (y) the Option Expiration Date and (z) the one-year anniversary of the date of death, unless the Plan Administrator determines otherwise.
- (d) Notwithstanding the foregoing, to the extent required by applicable law, unless employment or services are terminated for Cause, the right to exercise an Option in the event of Termination of Service, to the extent that the Participant is otherwise entitled to exercise an Option on the date of Termination of Service, shall be:

- (i) at least six months from the date of a Participant's Termination of Service if termination was caused by death or Disability; and
- (ii) at least 30 days from the date of a Participant's Termination of Service if termination was caused by other than death or Disability;
- (iii) but in no event later than the Option Expiration Date.

(e) Also notwithstanding the foregoing, in case a Participant's Termination of Service occurs for Cause, all Options granted to the Participant shall automatically expire upon first notification to the Participant of such termination, unless the Plan Administrator determines otherwise. If a Participant's employment or service relationship with the Company is suspended pending an investigation of whether the Participant shall be terminated for Cause, all the Participant's rights under any Option shall likewise be suspended during the period of investigation. If any facts that would constitute termination for Cause are discovered after a Participant's Termination of Service, any Option then held by the Participant may be immediately terminated by the Plan Administrator, in its sole discretion.

## **SECTION 8. INCENTIVE STOCK OPTION LIMITATIONS**

Notwithstanding any other provisions of the Plan to the contrary, the terms and conditions of any Incentive Stock Options shall in addition comply in all respects with Section 422 of the Code or any successor provision, and any applicable regulations thereunder, including, to the extent required thereunder, the following:

### **8.1 Dollar Limitation**

To the extent the aggregate Fair Market Value (determined as of the Grant Date) of Common Stock with respect to which a Participant's Incentive Stock Options become exercisable for the first time during any calendar year (under the Plan and all other stock option plans of the Company and its parent and subsidiary corporations) exceeds \$100,000, such portion in excess of \$100,000 shall be treated as a Nonqualified Stock Option. In the event the Participant holds two or more such Options that become exercisable for the first time in the same calendar year, such limitation shall be applied on the basis of the order in which such Options are granted.

### **8.2 Eligible Employees**

Individuals who are not employees of the Company or one of its parent or subsidiary corporations may not be granted Incentive Stock Options.

### **8.3 Exercise Price**

Incentive Stock Options shall be granted with an exercise price per share not less than 100% of the Fair Market Value of the Common Stock on the Grant Date and, in the case of an Incentive Stock Option granted to a Participant who owns more than 10% of the total combined voting power of all classes of the stock of the Company or of its parent or subsidiary corporations (a "**Ten Percent Stockholder**"), shall be granted with an exercise price per share not less than 110% of the Fair Market Value of the Common Stock on the Grant Date. The determination of more than 10% ownership shall be made in accordance with Section 422 of the Code.

#### **8.4 Option Term**

Subject to earlier termination in accordance with the terms of the Plan and the instrument evidencing the Option, the maximum term of an Incentive Stock Option shall not exceed ten years, and in the case of an Incentive Stock Option granted to a Ten Percent Stockholder, shall not exceed five years.

#### **8.5 Exercisability**

An Option designated as an Incentive Stock Option shall cease to qualify for favorable tax treatment as an Incentive Stock Option to the extent it is exercised (if permitted by the terms of the Option) (a) more than three months after the date of a Participant's termination of employment if termination was for reasons other than death or disability, (b) more than one year after the date of a Participant's termination of employment if termination was by reason of disability, or (c) more than six months following the first day of a Participant's leave of absence that exceeds three months, unless the Participant's reemployment rights are guaranteed by statute or contract.

#### **8.6 Taxation of Incentive Stock Options**

In order to obtain certain tax benefits afforded to Incentive Stock Options under Section 422 of the Code, the Participant must hold the shares acquired upon the exercise of an Incentive Stock Option for two years after the Grant Date and one year after the date of exercise. A Participant may be subject to the alternative minimum tax at the time of exercise of an Incentive Stock Option. The Participant shall give the Company prompt notice of any disposition of shares acquired on the exercise of an Incentive Stock Option prior to the expiration of such holding periods.

#### **8.7 Code Definitions**

For the purposes of this Section 8, "disability," "parent corporation" and "subsidiary corporation" shall have the meanings attributed to those terms for purposes of Section 422 of the Code.

#### **8.8 Promissory Notes**

The amount of any promissory note delivered pursuant to Section 7.5 in connection with an Incentive Stock Option shall bear interest at a rate specified by the Plan Administrator, but in no case less than the rate required to avoid imputation of interest (taking into account any exceptions to the imputed interest rules) for federal income tax purposes.

## SECTION 9. STOCK APPRECIATION RIGHTS

### 9.1 Grant of Stock Appreciation Rights

The Plan Administrator may grant Stock Appreciation Rights to Participants at any time on such terms and conditions as the Plan Administrator shall determine in its sole discretion. An SAR may be granted in tandem with an Option or alone ("**freestanding**"). The grant price of a tandem SAR shall be equal to the exercise price of the related Option. The grant price of a freestanding SAR shall be established in accordance with procedures for Options set forth in Section 7.2. An SAR may be exercised upon such terms and conditions and for the term as the Plan Administrator determines in its sole discretion; provided, however, that, subject to earlier termination in accordance with the terms of the Plan and the instrument evidencing the SAR, the maximum term of a freestanding SAR shall be ten years, and in the case of a tandem SAR, (a) the term shall not exceed the term of the related Option and (b) the tandem SAR may be exercised for all or part of the shares subject to the related Option upon the surrender of the right to exercise the equivalent portion of the related Option, except that the tandem SAR may be exercised only with respect to the shares for which its related Option is then exercisable.

### 9.2 Payment of SAR Amount

Upon the exercise of an SAR, a Participant shall be entitled to receive payment in an amount determined by multiplying: (a) the difference between the Fair Market Value of the Common Stock on the date of exercise over the grant price of the SAR by (b) the number of shares with respect to which the SAR is exercised. At the discretion of the Plan Administrator as set forth in the instrument evidencing the Award, the payment upon exercise of an SAR may be in cash, in shares, in some combination thereof or in any other manner approved by the Plan Administrator in its sole discretion.

### 9.3 Waiver of Restrictions

The Plan Administrator, in its sole discretion, may waive any other terms, conditions or restrictions on any SAR under such circumstances and subject to such terms and conditions as the Plan Administrator shall deem appropriate.

## SECTION 10. STOCK AWARDS, RESTRICTED STOCK AND STOCK UNITS

### 10.1 Grant of Stock Awards, Restricted Stock and Stock Units

The Plan Administrator may grant Stock Awards, Restricted Stock and Stock Units on such terms and conditions and subject to such repurchase or forfeiture restrictions, if any, which may be based on continuous service with the Company or a Related Company or the achievement of any performance goals, as the Plan Administrator shall determine in its sole discretion, which terms, conditions and restrictions shall be set forth in the instrument evidencing the Award.

## 10.2 Vesting of Restricted Stock and Stock Units

Upon the satisfaction of any terms, conditions and restrictions prescribed with respect to Restricted Stock or Stock Units, or upon a Participant's release from any terms, conditions and restrictions of Restricted Stock or Stock Units, as determined by the Plan Administrator (a) the shares of Restricted Stock covered by each Award of Restricted Stock shall become freely transferable by the Participant subject to the terms and conditions of the Plan, the instrument evidencing the Award, and applicable securities laws, and (b) Stock Units shall be paid in shares of Common Stock or, if set forth in the instrument evidencing the Awards, in cash or a combination of cash and shares of Common Stock. Any fractional shares subject to such Awards shall be paid to the Participant in cash.

## 10.3 Waiver of Restrictions

The Plan Administrator, in its sole discretion, may waive the repurchase or forfeiture period and any other terms, conditions or restrictions on any Restricted Stock or Stock Unit under such circumstances and subject to such terms and conditions as the Plan Administrator shall deem appropriate.

## SECTION 11. OTHER STOCK OR CASH-BASED AWARDS

Subject to the terms of the Plan and such other terms and conditions as the Plan Administrator deems appropriate, the Plan Administrator may grant other incentives payable in cash or in shares of Common Stock under the Plan.

## SECTION 12. WITHHOLDING

The Company may require the Participant to pay to the Company the amount of (a) any taxes that the Company is required by applicable federal, state, local or foreign law to withhold with respect to the grant, vesting or exercise of an Award ("**tax withholding obligations**") and (b) any amounts due from the Participant to the Company or to any Related Company ("**other obligations**"). Notwithstanding any other provision of the Plan to the contrary, the Company shall not be required to issue any shares of Common Stock or otherwise settle an Award under the Plan until such tax withholding obligations and other obligations are satisfied.

The Plan Administrator may permit or require a Participant to satisfy all or part of the Participant's tax withholding obligations and other obligations by (a) paying cash to the Company, (b) having the Company withhold an amount from any cash amounts otherwise due or to become due from the Company to the Participant, (c) having the Company withhold a number of shares of Common Stock that would otherwise be issued to the Participant (or become vested, in the case of Restricted Stock) having a Fair Market Value equal to the tax withholding obligations and other obligations, or (d) surrendering a number of shares of Common Stock the Participant already owns having a value equal to the tax withholding obligations and other obligations. The value of the shares so withheld or tendered may not exceed the employer's maximum required tax withholding rate.

## SECTION 13. ASSIGNABILITY

No Award or interest in an Award may be sold, assigned, pledged (as collateral for a loan or as security for the performance of an obligation or for any other purpose) or transferred by a Participant or made subject to attachment or similar proceedings otherwise than by will or by the applicable laws of descent and distribution, except to the extent the Participant designates one or more beneficiaries on a Company-approved form who may exercise the Award or receive payment under the Award after the Participant's death. During a Participant's lifetime, an Award may be exercised only by the Participant. Notwithstanding the foregoing and to the extent permitted by Section 422 of the Code, the Plan Administrator, in its sole discretion, may permit a Participant to assign or transfer an Award, subject to such terms and conditions as the Plan Administrator shall specify.

## SECTION 14. ADJUSTMENTS

### 14.1 Adjustment of Shares

In the event, at any time or from time to time, a stock dividend, stock split, spin-off, combination or exchange of shares, recapitalization, merger, consolidation, distribution to stockholders other than a normal cash dividend, or other change in the Company's corporate or capital structure results in (a) the outstanding shares of Common Stock, or any securities exchanged therefor or received in their place, being exchanged for a different number or kind of securities of the Company or any other company or (b) new, different or additional securities of the Company or any other company being received by the holders of shares of Common Stock, then the Plan Administrator shall make proportional adjustments in (i) the maximum number and kind of securities available for issuance under the Plan; (ii) the maximum number and kind of securities issuable as Incentive Stock Options as set forth in Section 4.2(d); and (iii) the number and kind of securities that are subject to any outstanding Award and the per share price of such securities, without any change in the aggregate price to be paid therefor. The determination by the Plan Administrator as to the terms of any of the foregoing adjustments shall be conclusive and binding.

Notwithstanding the foregoing, the issuance by the Company of shares of stock of any class, or securities convertible into shares of stock of any class, for cash or property, or for labor or services rendered, either upon direct sale or upon the exercise of rights or warrants to subscribe therefor, or upon conversion of shares or obligations of the Company convertible into such shares or other securities, shall not affect, and no adjustment by reason thereof shall be made with respect to, outstanding Awards. Also notwithstanding the foregoing, a dissolution or liquidation of the Company or a Change of Control shall not be governed by this Section 14.1 but shall be governed by Sections 14.2 and 14.3, respectively.

### 14.2 Dissolution or Liquidation

To the extent not previously exercised or settled, and unless otherwise determined by the Plan Administrator in its sole discretion, Awards shall terminate immediately prior to the dissolution or liquidation of the Company. To the extent a vesting condition, forfeiture provision or repurchase right applicable to an Award has not been waived by the Plan Administrator, the Award shall be forfeited immediately prior to the consummation of the dissolution or liquidation.

### 14.3 Change of Control

(a) Notwithstanding any other provision of the Plan to the contrary, unless the Plan Administrator determines otherwise with respect to a particular Award in the instrument evidencing the Award or in a written employment, services or other agreement between the Participant and the Company or a Related Company, in the event of a Change of Control, if and to the extent an outstanding Award is not converted, assumed, substituted for or replaced by the Successor Company, then effective immediately prior to the Change of Control such Award shall become fully vested and exercisable or payable, and all applicable restrictions or forfeiture provisions shall lapse, and then terminate upon effectiveness of the Change of Control. If and to the extent the Successor Company converts, assumes, substitutes for or replaces an outstanding Award, the vesting and/or exercisability restrictions and/or forfeiture and/or repurchase provisions applicable to such Award shall not be accelerated or lapse, and all such vesting and/or exercisability restrictions and/or forfeiture and/or repurchase provisions shall continue with respect to any shares of the Successor Company or other consideration that may be received with respect to such Award.

(b) For the purposes of Section 14.3(a), an Award shall be considered converted, assumed, substituted for or replaced by the Successor Company if following the Change of Control the Award confers the right to purchase or receive, for each share of Common Stock subject to the Award immediately prior to the Change of Control, the consideration (whether stock, cash, or other securities or property) received in the Change of Control by holders of Common Stock for each share held on the effective date of the transaction (and if holders were offered a choice of consideration, the type of consideration chosen by the holders of a majority of the outstanding shares); provided, however, that if such consideration received in the Change of Control is not solely common stock of the Successor Company, the Plan Administrator may, with the consent of the Successor Company, provide for the consideration to be received pursuant to the Award, for each share of Common Stock subject thereto, to be solely common stock of the Successor Company substantially equal in fair market value to the per share consideration received by holders of Common Stock in the Change of Control. The determination of such substantial equality of value of consideration shall be made by the Plan Administrator, and its determination shall be conclusive and binding.

(c) Notwithstanding the foregoing, the Plan Administrator, in its sole discretion, may instead provide in the event of a Change of Control that a Participant's outstanding Awards shall terminate upon or immediately prior to such Change of Control and that each such Participant shall receive, in exchange therefor, a cash payment equal to the amount (if any) by which (i) the Acquisition Price multiplied by the number of shares of Common Stock subject to such outstanding Awards (either to the extent then vested and exercisable, or subject to restrictions and/or forfeiture provisions, or whether or not then vested and exercisable, or subject to restrictions and/or forfeiture provisions, as determined by the Plan Administrator in its sole discretion) exceeds (ii) if applicable, the respective aggregate exercise, grant or purchase price payable with respect to shares of Common Stock subject to such Awards.



(d) For the avoidance of doubt, nothing in this Section 14.3 requires all Awards to be treated similarly.

#### **14.4 Further Adjustment of Awards**

Subject to Sections 14.2 and 14.3, the Plan Administrator shall have the discretion, exercisable at any time before a sale, merger, consolidation, reorganization, liquidation, dissolution or change of control of the Company, as defined by the Plan Administrator, to take such further action as it determines to be necessary or advisable with respect to Awards. Such authorized action may include (but shall not be limited to) establishing, amending or waiving the type, terms, conditions or duration of, or restrictions on, Awards so as to provide for earlier, later, extended or additional time for exercise, lifting restrictions and other modifications, and the Plan Administrator may take such actions with respect to all Participants, to certain categories of Participants or only to individual Participants. The Plan Administrator may take such action before or after granting Awards to which the action relates and before or after any public announcement with respect to such sale, merger, consolidation, reorganization, liquidation, dissolution or change of control that is the reason for such action.

#### **14.5 No Limitations**

The grant of Awards shall in no way affect the Company's right to adjust, reclassify, reorganize or otherwise change its capital or business structure or to merge, consolidate, dissolve, liquidate or sell or transfer all or any part of its business or assets.

#### **14.6 Fractional Shares**

In the event of any adjustment in the number of shares covered by any Award, each such Award shall cover only the number of full shares resulting from such adjustment.

#### **14.7 Section 409A**

Subject to Section 18.5, but notwithstanding any other provision of the Plan to the contrary, (a) any adjustments made pursuant to this Section 14 to Awards that are considered "deferred compensation" within the meaning of Section 409A shall be made in compliance with the requirements of Section 409A and (b) any adjustments made pursuant to this Section 14 to Awards that are not considered "deferred compensation" subject to Section 409A shall be made in such a manner as to ensure that after such adjustment the Awards either (i) continue not to be subject to Section 409A or (ii) comply with the requirements of Section 409A.

## SECTION 15. FIRST REFUSAL

### 15.1 First Refusal Rights

Until the date on which the initial registration of the Common Stock under Section 12(b) or 12(g) of the Exchange Act first becomes effective, the Company shall have the right of first refusal with respect to any proposed sale or other disposition by a Participant of any shares of Common Stock issued pursuant to an Award. Such right of first refusal shall be exercisable in accordance with the terms and conditions established by the Plan Administrator and set forth in the agreement evidencing the Participant's receipt of the shares or, if applicable, in a shareholders agreement or other similar agreement.

### 15.2 Other Rights

Until the date on which the initial registration of the Common Stock under Section 12(b) or 12(g) of the Exchange Act first becomes effective, the Plan Administrator may require a Participant, as a condition to receiving shares under the Plan, to become a party to a stock purchase agreement and/or a shareholders agreement or other similar agreement, in the form designated by the Plan Administrator, pursuant to which Participant grants to the Company and/or its other shareholders certain rights, including but not limited to co-sale rights, with respect to the shares acquired by Participant under the Plan.

### 15.3 General

The Company's rights under this Section 15 are assignable by the Company at any time.

## SECTION 16. MARKET STANDOFF

In the event of an underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, no person may sell, make any short sale of, loan, hypothecate, pledge, grant any option for the purchase of, or otherwise dispose of or transfer for value or otherwise agree to engage in any of the foregoing transactions with respect to any shares issued pursuant to an Award granted under the Plan without the prior written consent of the Company or its underwriters. Such limitations shall be in effect for such period of time as may be requested by the Company or such underwriters; provided, however, that in no event shall such period exceed (a) 180 days after the effective date of the registration statement for such public offering or (b) such longer period requested by the underwriters as is necessary to comply with regulatory restrictions on the publication of research reports (including, but not limited to, NYSE Rule 472 or NASD Conduct Rule 2711, or any successor rules). The limitations of this Section 16 shall in all events terminate two years after the effective date of the Company's initial public offering.

In the event of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change affecting the Company's outstanding Common Stock effected as a class without the Company's receipt of consideration, any new, substituted or additional securities distributed with respect to the shares issued under the Plan shall be immediately subject to the provisions of this Section 16, to the same extent the shares issued under the Plan are at such time covered by such provisions.

In order to enforce the limitations of this Section 16, the Company may impose stop-transfer instructions with respect to the shares until the end of the applicable standoff period.

## **SECTION 17. AMENDMENT AND TERMINATION**

### **17.1 Amendment, Suspension or Termination**

The Board may amend, suspend or terminate the Plan or any portion of the Plan at any time and in such respects as it shall deem advisable; provided, however, that, to the extent required by applicable law, regulation or stock exchange rule, stockholder approval shall be required for any amendment to the Plan. Subject to Section 17.3, the Board may amend the terms of any outstanding Award, prospectively or retroactively.

### **17.2 Term of the Plan**

The Plan shall have no fixed expiration date. After the Plan is terminated, no future Awards may be granted, but Awards previously granted shall remain outstanding in accordance with their applicable terms and conditions and the Plan's terms and conditions. Notwithstanding the foregoing, no Incentive Stock Options may be granted more than ten years after the later of (a) the adoption of the Plan by the Board and (b) the adoption by the Board of any amendment to the Plan that constitutes the adoption of a new plan for purposes of Section 422 of the Code. Also notwithstanding the foregoing, no Award may be granted to a resident of California more than ten years after the earlier of the date of adoption of the Plan and the date the Plan is approved by the stockholders.

### **17.3 Consent of Participant**

The amendment, suspension or termination of the Plan or a portion thereof or the amendment of an outstanding Award shall not, without the Participant's consent, materially adversely affect any rights under any Award theretofore granted to the Participant under the Plan. Any change or adjustment to an outstanding Incentive Stock Option shall not, without the consent of the Participant, be made in a manner so as to constitute a "modification" that would cause such Incentive Stock Option to fail to continue to qualify as an Incentive Stock Option. Notwithstanding the foregoing, any adjustments made pursuant to Section 14 shall not be subject to these restrictions.

Subject to Section 18.5, but notwithstanding any other provision of the Plan to the contrary, the Board shall have broad authority to amend the Plan or any outstanding Award without the consent of the Participant to the extent the Board deems necessary or advisable to comply with, or take into account, changes in applicable tax laws, securities laws, accounting rules or other applicable law, rule or regulation.

## SECTION 18. GENERAL

### 18.1 No Individual Rights

No individual or Participant shall have any claim to be granted any Award under the Plan, and the Company has no obligation for uniformity of treatment of Participants under the Plan.

Furthermore, nothing in the Plan or any Award granted under the Plan shall be deemed to constitute an employment contract or confer or be deemed to confer on any Participant any right to continue in the employ of, or to continue any other relationship with, the Company or any Related Company or limit in any way the right of the Company or any Related Company to terminate a Participant's employment or other relationship at any time, with or without cause.

### 18.2 Issuance of Shares

Notwithstanding any other provision of the Plan to the contrary, the Company shall have no obligation to issue or deliver any shares of Common Stock under the Plan or make any other distribution of benefits under the Plan unless, in the opinion of the Company's counsel, such issuance, delivery or distribution would comply with all applicable laws (including, without limitation, the requirements of the Securities Act or the laws of any state or foreign jurisdiction) and the applicable requirements of any securities exchange or similar entity.

The Company shall be under no obligation to any Participant to register for offering or resale or to qualify for exemption under the Securities Act, or to register or qualify under the laws of any state or foreign jurisdiction, any shares of Common Stock, security or interest in a security paid or issued under, or created by, the Plan, or to continue in effect any such registrations or qualifications if made.

As a condition to the exercise of an Option or any other receipt of Common Stock pursuant to an Award under the Plan, the Company may require (a) the Participant to represent and warrant at the time of any such exercise or receipt that such shares are being purchased or received only for the Participant's own account and without any present intention to sell or distribute such shares and (b) such other action or agreement by the Participant as may from time to time be necessary to comply with the federal, state and foreign securities laws. At the option of the Company, a stop-transfer order against any such shares may be placed on the official stock books and records of the Company, and a legend indicating that such shares may not be pledged, sold or otherwise transferred, unless an opinion of counsel is provided (concurring in by counsel for the Company) stating that such transfer is not in violation of any applicable law or regulation, may be stamped on stock certificates to ensure exemption from registration. The Plan Administrator may also require the Participant to execute and deliver to the Company a purchase agreement or such other agreement as may be in use by the Company at such time that describes certain terms and conditions applicable to the shares.

To the extent the Plan or any instrument evidencing an Award provides for issuance of stock certificates to reflect the issuance of shares of Common Stock, the issuance may be effected on a non-certificated basis, to the extent not prohibited by applicable law or the applicable rules of any stock exchange.

### **18.3 Indemnification**

Each person who is or shall have been a member of the Board shall be indemnified and held harmless by the Company against and from any loss, cost, liability or expense that may be imposed upon or reasonably incurred by such person in connection with or resulting from any claim, action, suit or proceeding to which such person may be a party or in which such person may be involved by reason of any action taken or failure to act under the Plan and against and from any and all amounts paid by such person in settlement thereof, with the Company's approval, or paid by such person in satisfaction of any judgment in any such claim, action, suit or proceeding against such person, unless such loss, cost, liability or expense is a result of such person's own willful misconduct or except as expressly provided by statute; provided, however, that such person shall give the Company an opportunity, at its own expense, to handle and defend the same before such person undertakes to handle and defend it on such person's own behalf.

The foregoing right of indemnification shall not be exclusive of any other rights of indemnification to which such person may be entitled under the Company's certificate of incorporation or bylaws, as a matter of law, or otherwise, or of any power that the Company may have to indemnify or hold harmless.

### **18.4 No Rights as a Stockholder**

Unless otherwise provided by the Plan Administrator or in the instrument evidencing the Award or in a written employment, services or other agreement, no Award, other than a Stock Award, shall entitle the Participant to any cash dividend or other right of a stockholder unless and until the date of issuance under the Plan of the shares that are the subject of such Award.

### **18.5 Compliance with Laws and Regulations**

In interpreting and applying the provisions of the Plan, any Option granted as an Incentive Stock Option pursuant to the Plan shall, to the extent permitted by law, be construed as an "incentive stock option" within the meaning of Section 422 of the Code.

The Plan and Awards granted under the Plan are intended to be exempt from the requirements of Section 409A to the maximum extent possible, whether pursuant to the short-term deferral exception described in Treasury Regulation Section 1.409A-1(b)(4), the exclusion applicable to stock options, stock appreciation rights and certain other equity-based compensation under Treasury Regulation Section 1.409A-1(b)(5), or otherwise. To the extent Section 409A is applicable to the Plan or any Award granted under the Plan, it is intended that the Plan and any Awards granted under the Plan comply with the deferral, payout, plan termination and other limitations and restrictions imposed under Section 409A. Notwithstanding any other provision of the Plan or any Award granted under the Plan to the contrary, the Plan and any Award granted under the Plan shall be interpreted, operated and administered in a manner consistent

with such intentions; provided, however, that the Plan Administrator makes no representations that Awards granted under the Plan shall be exempt from or comply with Section 409A and makes no undertaking to preclude Section 409A from applying to Awards granted under the Plan. Without limiting the generality of the foregoing, and notwithstanding any other provision of the Plan or any Award granted under the Plan to the contrary, with respect to any payments and benefits under the Plan or any Award granted under the Plan to which Section 409A applies, all references in the Plan or any Award granted under the Plan to the termination of the Participant's employment or service are intended to mean the Participant's "separation from service," within the meaning of Section 409A(a)(2)(A)(i) to the extent necessary to avoid subjecting the Participant to the imposition of any additional tax under Section 409A. In addition, if the Participant is a "specified employee," within the meaning of Section 409A, then to the extent necessary to avoid subjecting the Participant to the imposition of any additional tax under Section 409A, amounts that would otherwise be payable under the Plan or any Award granted under the Plan during the six-month period immediately following the Participant's "separation from service," within the meaning of Section 409A(a)(2)(A)(i), shall not be paid to the Participant during such period, but shall instead be accumulated and paid to the Participant (or, in the event of the Participant's death, the Participant's estate) in a lump sum on the first business day after the earlier of the date that is six months following the Participant's separation from service or the Participant's death. Notwithstanding any other provision of the Plan to the contrary, the Plan Administrator, to the extent it deems necessary or advisable in its sole discretion, reserves the right, but shall not be required, to unilaterally amend or modify the Plan and any Award granted under the Plan so that the Award qualifies for exemption from or complies with Section 409A.

#### **18.6 Participants in Other Countries or Jurisdictions**

Without amending the Plan, the Plan Administrator may grant Awards to Eligible Persons who are foreign nationals on such terms and conditions different from those specified in the Plan, as may, in the judgment of the Plan Administrator, be necessary or desirable to foster and promote achievement of the purposes of the Plan and shall have the authority to adopt such modifications, procedures, subplans and the like as may be necessary or desirable to comply with provisions of the laws or regulations of other countries or jurisdictions in which the Company or any Related Company may operate or have employees to ensure the viability of the benefits from Awards granted to Participants employed in such countries or jurisdictions, meet the requirements that permit the Plan to operate in a qualified or tax efficient manner, comply with applicable foreign laws or regulations and meet the objectives of the Plan.

#### **18.7 No Trust or Fund**

The Plan is intended to constitute an "unfunded" plan. Nothing contained herein shall require the Company to segregate any monies or other property, or shares of Common Stock, or to create any trusts, or to make any special deposits for any immediate or deferred amounts payable to any Participant, and no Participant shall have any rights that are greater than those of a general unsecured creditor of the Company.

### **18.8 Successors**

All obligations of the Company under the Plan with respect to Awards shall be binding on any successor to the Company, whether the existence of such successor is the result of a direct or indirect purchase, merger, consolidation, or otherwise, of all or substantially all the business and/or assets of the Company.

### **18.9 Severability**

If any provision of the Plan or any Award is determined to be invalid, illegal or unenforceable in any jurisdiction, or as to any person, or would disqualify the Plan or any Award under any law deemed applicable by the Plan Administrator, such provision shall be construed or deemed amended to conform to applicable laws, or, if it cannot be so construed or deemed amended without, in the Plan Administrator's determination, materially altering the intent of the Plan or the Award, such provision shall be stricken as to such jurisdiction, person or Award, and the remainder of the Plan and any such Award shall remain in full force and effect.

### **18.10 Choice of Law and Venue**

The Plan, all Awards granted thereunder and all determinations made and actions taken pursuant hereto, to the extent not otherwise governed by the laws of the United States, shall be governed by the laws of the State of California without giving effect to principles of conflicts of law. Participants irrevocably consent to the nonexclusive jurisdiction and venue of the state and federal courts located in the State of California.

### **18.11 Financial Reports**

To the extent required by applicable law, the Company shall provide annual financial statements of the Company to each Participant. Such financial statements need not be audited and need not be issued to key persons whose duties within the Company assure them access to equivalent information.

### **18.12 Legal Requirements**

The granting of Awards and the issuance of shares of Common Stock under the Plan is subject to all applicable laws, rules and regulations, and to such approvals by any governmental agencies or national securities exchanges as may be required.

## **SECTION 19. EFFECTIVE DATE**

The effective date (the "**Effective Date**") is the date on which the Plan is adopted by the Board. If the stockholders of the Company do not approve the Plan within 12 months after the Board's adoption of the Plan, any Incentive Stock Options granted under the Plan will be treated as Nonqualified Stock Options. To the extent required under applicable law, any Award exercised before the stockholders of the Company approve the Plan shall be rescinded if the stockholders of the Company do not approve the Plan by the later of (a) within 12 months before or after the date on which the Board adopts the Plan and (b) prior to or within 12 months of the date on which any Award under the Plan is granted in California.

APPENDIX A

**DEFINITIONS**

As used in the Plan:

**“Acquired Entity”** means any entity acquired by the Company or a Related Company or with which the Company or a Related Company merges or combines.

**“Acquisition Price”** means the fair market value of the securities, cash or other property, or any combination thereof, receivable or deemed receivable upon a Change of Control in respect of a share of Common Stock, as determined by the Plan Administrator in its sole discretion.

**“Award”** means any Option, Stock Appreciation Right, Stock Award, Restricted Stock, Stock Unit or cash-based award or other incentive payable in cash or in shares of Common Stock, as may be designated by the Plan Administrator from time to time.

**“Board”** means the Board of Directors of the Company.

**“Cause,”** unless otherwise defined in the instrument evidencing an Award or in a written employment, services or other agreement between the Participant and the Company or a Related Company, means dishonesty, fraud, serious or willful misconduct, unauthorized use or disclosure of confidential information or trade secrets, or conduct prohibited by law (except minor violations), in each case as determined by the Company’s chief human resources officer or other person performing that function or, in the case of directors and executive officers, the Board, whose determination shall be conclusive and binding.

**“Change of Control,”** unless the Plan Administrator determines otherwise with respect to an Award at the time the Award is granted or unless otherwise defined for purposes of an Award in a written employment, services or other agreement between the Participant and the Company or a Related Company, means consummation of:

- (a) a merger or consolidation of the Company with or into any other company or other entity;
- (b) a sale, in one transaction or a series of transactions undertaken with a common purpose, of all of the Company’s outstanding voting securities; or
- (c) a sale, lease, exchange or other transfer, in one transaction or a series of related transactions, undertaken with a common purpose of all or substantially all of the Company’s assets.

Notwithstanding the foregoing, a Change of Control shall not include (i) a merger or consolidation of the Company in which the holders of the outstanding voting securities of the Company immediately prior to the merger or consolidation hold at least a majority of the outstanding voting securities of the Successor Company immediately after the merger or consolidation; (ii) a sale, lease, exchange or other transfer of all or substantially all of the Company’s assets to a majority-owned subsidiary company; (iii) a transaction undertaken for the principal purpose of restructuring the capital of the Company, including, but not limited to, reincorporating the Company in a different jurisdiction, converting the Company to a limited liability company or creating a holding company; or (iv) any transaction that the Board determines is not a Change of Control for purposes of the Plan.



Where a series of transactions undertaken with a common purpose is deemed to be a Change of Control, the date of such Change of Control shall be the date on which the last of such transactions is consummated.

“**Code**” means the Internal Revenue Code of 1986, as amended from time to time.

“**Common Stock**” means the common stock of the Company that is designated as “Non-Voting Common Stock” under the Company’s Certificate of Incorporation, as may be amended from time to time.

“**Company**” means Maplebear Inc., a Delaware corporation.

“**Disability**,” unless otherwise defined by the Plan Administrator for purposes of the Plan or in the instrument evidencing an Award or in a written employment, services or other agreement between the Participant and the Company or a Related Company, means a mental or physical impairment of the Participant that is expected to result in death or that has lasted or is expected to last for a continuous period of 12 months or more and that causes the Participant to be unable to perform his or her material duties for the Company or a Related Company and to be engaged in any substantial gainful activity, in each case as determined by the Company’s chief human resources officer or other person performing that function or, in the case of directors and executive officers, the Board, each of whose determination shall be conclusive and binding.

“**Effective Date**” has the meaning set forth in Section 19.

“**Eligible Person**” means any person eligible to receive an Award as set forth in Section 5.

“**Exchange Act**” means the Securities Exchange Act of 1934, as amended from time to time.

“**Fair Market Value**” means the per share fair market value of the Common Stock as established in good faith by the Plan Administrator or, if the Common Stock is publicly traded, the closing price for the Common Stock on any given date during regular trading, or if not trading on that date, such price on the last preceding date on which the Common Stock was traded, unless determined otherwise by the Plan Administrator using such methods or procedures as it may establish.

“**Grant Date**” means the later of (a) the date on which the Plan Administrator completes the corporate action authorizing the grant of an Award or such later date specified by the Plan Administrator and (b) the date on which all conditions precedent to an Award have been satisfied, provided that conditions to the exercisability or vesting of Awards shall not defer the Grant Date.

“**Incentive Stock Option**” means an Option granted with the intention that it qualify as an “incentive stock option” as that term is defined for purposes of Section 422 of the Code or any successor provision.

“**Nonqualified Stock Option**” means an Option other than an Incentive Stock Option.

“**Option**” means a right to purchase Common Stock granted under Section 7.

“**Option Expiration Date**” means the last day of the maximum term of an Option.

“**Option Term**” means the maximum term of an Option as set forth in Section 7.3.

“**Participant**” means any Eligible Person to whom an Award is granted.

“**Plan**” means the Maplebear Inc. 2018 Equity Incentive Plan.

“**Plan Administrator**” has the meaning set forth in Section 3.1.

“**Related Company**” means any entity that, directly or indirectly, is in control of, is controlled by or is under common control with the Company.

“**Restricted Stock**” means an Award of shares of Common Stock granted under Section 10, the rights of ownership of which are subject to restrictions prescribed by the Plan Administrator.

“**Retirement**,” unless otherwise defined in the instrument evidencing the Award or in a written employment, services or other agreement between the Participant and the Company or a Related Company, means “Retirement” as defined for purposes of the Plan by the Plan Administrator or the Company’s chief human resources officer or other person performing that function or, if not so defined, means Termination of Service on or after the date the Participant reaches “normal retirement age,” as that term is defined in Section 411(a)(8) of the Code.

“**Section 409A**” means Section 409A of the Code.

“**Securities Act**” means the Securities Act of 1933, as amended from time to time.

“**Stock Appreciation Right**” or “**SAR**” means a right granted under Section 9.1 to receive the excess of the Fair Market Value of a specified number of shares of Common Stock over the grant price.

“**Stock Award**” means an Award of shares of Common Stock granted under Section 10, the rights of ownership of which are not subject to restrictions prescribed by the Plan Administrator.

“**Stock Unit**” means an Award denominated in units of Common Stock granted under Section 10.

“**Substitute Awards**” means Awards granted or shares of Common Stock issued by the Company in substitution or exchange for awards previously granted by an Acquired Entity.

“**Successor Company**” means the surviving company, the successor company, the acquiring company or its parent, as applicable, in connection with a Change of Control.

**“Termination of Service”** means a termination of employment or service relationship with the Company or a Related Company for any reason, whether voluntary or involuntary, including by reason of death, Disability or Retirement. Any question as to whether and when there has been a Termination of Service for the purposes of an Award and the cause of such Termination of Service shall be determined by the Company’s chief human resources officer or other person performing that function or, with respect to directors and executive officers, by the Board, whose determination shall be conclusive and binding. Transfer of a Participant’s employment or service relationship between the Company and any Related Company shall not be considered a Termination of Service for purposes of an Award. Unless the Board determines otherwise, a Termination of Service shall be deemed to occur if the Participant’s employment or service relationship is with an entity that has ceased to be a Related Company. A Participant’s change in status from an employee of the Company or a Related Company to a nonemployee director, consultant, advisor or independent contractor of the Company or a Related Company, or a change in status from a nonemployee director, consultant, advisor or independent contractor of the Company or a Related Company to an employee of the Company or a Related Company, shall not be considered a Termination of Service.

**“Vesting Commencement Date”** means the Grant Date or such other date selected by the Plan Administrator as the date from which an Award begins to vest.

**MAPLEBEAR INC.  
2018 EQUITY INCENTIVE PLAN  
STOCK OPTION GRANT NOTICE**

Maplebear Inc. (the "**Company**") hereby grants to you an Option (the "**Option**") to purchase shares of the Company's Common Stock (as defined in the Plan) under the Company's 2018 Equity Incentive Plan (the "**Plan**"). The Option is subject to all the terms and conditions set forth in this Stock Option Grant Notice (this "**Grant Notice**"), in the Stock Option Agreement and in the Plan, which are attached to and incorporated into this Grant Notice in their entirety.

**Participant:** \_\_\_\_\_  
**Grant Date:** \_\_\_\_\_ *[date of Board approval of grant]*  
**Vesting Commencement Date:** \_\_\_\_\_ *[typically grant date or date of hire]*  
**Number of Shares Subject to Option:** \_\_\_\_\_  
**Exercise Price (per Share):** \_\_\_\_\_  
**Option Expiration Date:** \_\_\_\_\_ (subject to earlier termination in accordance with the terms of the Plan and the Stock Option Agreement) *[option expiration date is typically 10 years from Grant Date]*

**Type of Option:**  Incentive Stock Option\*  Nonqualified Stock Option

**Vesting and Exercisability Schedule:** 1/4<sup>th</sup> of the shares subject to the Option will vest and become exercisable on the one-year anniversary of the Vesting Commencement Date.

1/48<sup>th</sup> of the shares subject to the Option will vest and become exercisable monthly thereafter over the next three years.

**Additional Terms/Acknowledgement:** You acknowledge receipt of, and understand and agree to, this Grant Notice, the Stock Option Agreement and the Plan. You further acknowledge that as of the Grant Date, this Grant Notice, the Stock Option Agreement and the Plan set forth the entire understanding between you and the Company regarding the Option and supersede all prior oral and written agreements on the subject.

MAPLEBEAR INC.

PARTICIPANT

By: \_\_\_\_\_  
Its: \_\_\_\_\_

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_  
Address: \_\_\_\_\_  
Taxpayer ID: \_\_\_\_\_

**Attachments:**

1. Stock Option Agreement
2. 2018 Equity Incentive Plan

\* See Sections 3 and 4 of the Stock Option Agreement.

**MAPLEBEAR INC.  
2018 EQUITY INCENTIVE PLAN**

**STOCK OPTION AGREEMENT**

Pursuant to your Stock Option Grant Notice (the “**Grant Notice**”) and this Stock Option Agreement (this “**Agreement**”), Maplebear Inc. (the “**Company**”) has granted you an Option under its 2018 Equity Incentive Plan (the “**Plan**”) to purchase the number of shares of the Company’s Common Stock indicated in your Grant Notice (the “**Shares**”) at the exercise price indicated in your Grant Notice. Capitalized terms not defined in this Agreement but defined in the Plan have the same definitions as in the Plan.

The details of the Option are as follows:

1. **Vesting and Exercisability.** Subject to the limitations contained herein, the Option will vest and become exercisable as provided in your Grant Notice, provided that vesting will cease upon your Termination of Service and the unvested portion of the Option will terminate.

2. **Securities Law Compliance.** Notwithstanding any other provision of this Agreement, you may not exercise the Option unless the Shares issuable upon exercise are registered under the Securities Act or, if such Shares are not then so registered, the Company has determined that such exercise and issuance would be exempt from the registration requirements of the Securities Act. The exercise of the Option must also comply with other applicable laws and regulations governing the Option, and you may not exercise the Option if the Company determines that such exercise would not be in material compliance with such laws and regulations.

3. **Incentive Stock Option Qualification.** If so designated in your Grant Notice, all or a portion of the Option is intended to qualify as an Incentive Stock Option under federal income tax law, but the Company does not represent or guarantee that the Option qualifies as such.

If the Option has been designated as an Incentive Stock Option and the aggregate Fair Market Value (determined as of the grant date) of the shares of Common Stock subject to the portions of the Option and all other Incentive Stock Options you hold that first become exercisable during any calendar year exceeds \$100,000, any excess portion will be treated as a Nonqualified Stock Option, unless the Internal Revenue Service changes the rules and regulations governing the \$100,000 limit for Incentive Stock Options. A portion of the Option may be treated as a Nonqualified Stock Option if certain events cause exercisability of the Option to accelerate.

4. **Notice of Disqualifying Disposition.** To the extent the Option has been designated as an Incentive Stock Option, to obtain certain tax benefits afforded to Incentive Stock Options, you must hold the Shares issued upon the exercise of the Option for two years after the Grant Date and one year after the date of exercise. By accepting the Option, you agree to promptly notify the Company if you dispose of any of the Shares within one year from the date you exercise all or part of the Option or within two years from the Grant Date.

5. **Alternative Minimum Tax.** You may be subject to the alternative minimum tax at the time of exercise of an Incentive Stock Option.

6. **Independent Tax Advice.** You should obtain tax advice when exercising the Option and prior to the disposition of the Shares.

7. **Method of Exercise.** You may exercise the Option by giving written notice to the Company, in form and substance satisfactory to the Company, which will state your election to exercise the Option and the number of Shares for which you are exercising the Option. The written notice must be accompanied by full payment of the exercise price for the number of Shares you are purchasing. You may make this payment in any combination of the following: (a) by cash; (b) by check acceptable to the Company; (c) if permitted by the Plan Administrator for Nonqualified Stock Options, by having the Company withhold shares of Common Stock that would otherwise be issued on exercise of the Option that have a Fair Market Value on the date of exercise of the Option equal to the exercise price of the Option; (d) if permitted by the Plan Administrator, by using shares of Common Stock you already own; (e) if the Common Stock is registered under the Exchange Act and to the extent permitted by law, by instructing a broker to deliver to the Company the total payment required, all in accordance with the regulations of the Federal Reserve Board; or (f) by any other method permitted by the Plan Administrator.

8. **First Refusal Rights and Other Restrictions.** So long as the Common Stock is not registered under the Exchange Act, the Plan Administrator may, in its sole discretion at the time of exercise, require you to sign a stock purchase agreement and/or a shareholders agreement or other similar agreement, in the form designated by the Plan Administrator, pursuant to which you will grant to the Company and/or its stockholders certain rights, including, but not limited to, repurchase, co-sale and/or first refusal rights with respect to the Shares acquired by you upon exercise of the Option. Upon request to the Company, you may review a current form of any such agreement(s) prior to exercise of the Option.

9. **Market Standoff.** You agree that any Shares received upon exercise of the Option will be subject to the market standoff restrictions on transfer set forth in the Plan.

10. **Treatment Upon Termination of Employment or Service Relationship.** The unvested portion of the Option will terminate automatically and without further notice immediately upon your Termination of Service. You may exercise the vested portion of the Option as follows:

(a) *General Rule.* You must exercise the vested portion of the Option on or before the earlier of (i) seven years from your Termination of Service, (ii) three months (or one year after your Termination of Service in the event of a Termination of Service due to your death, disability, or Retirement or death following the Termination of Service while your Option is exercisable) after the earlier of (A) the expiration of the lock-up period following an

Initial Public Offering or (B) Termination of Service after a Change of Control in which the Option is converted, assumed, substituted for or replaced by the Successor Company, (iii) the Option Expiration Date, and (iv) such earlier date as may be provided or permitted by the Plan. For this purpose, an **“Initial Public Offering”** means the consummation of the first firm commitment underwritten public offering pursuant to an effective registration statement covering the offer and sale by the Company of its equity securities, as a result of or following which the Shares shall be publicly held.

(b) *Reserved.*

(c) *Reserved.*

(d) **Cause.** The vested portion of the Option will automatically expire at the time the Company first notifies you of your Termination of Service for Cause, unless the Plan Administrator determines otherwise. If your employment or service relationship is suspended pending an investigation of whether you will be terminated for Cause, all your rights under the Option likewise will be suspended during the period of investigation. If any facts that would constitute termination for Cause are discovered after your Termination of Service, any Option you then hold may be immediately terminated by the Plan Administrator.

The Option must be exercised within three months after termination of employment for reasons other than death or disability and one year after termination of employment due to disability to qualify for the beneficial tax treatment afforded Incentive Stock Options. For purposes of the preceding, “disability” has the meaning attributed to that term for purposes of Section 422 of the Code.

**It is your responsibility to be aware of the date the Option terminates.**

**11. Limited Transferability.** During your lifetime only you can exercise the Option. The Option is not transferable except by will or by the applicable laws of descent and distribution. The Plan provides for exercise of the Option by a beneficiary designated on a Company-approved form or the personal representative of your estate. Notwithstanding the foregoing and to the extent permitted by the Plan and Section 422 of the Code, the Plan Administrator, in its sole discretion, may permit you to assign or transfer the Option, subject to such terms and conditions as specified by the Plan Administrator.

**12. Withholding Taxes.** As a condition to the exercise of any portion of the Option, you must make such arrangements as the Company may require for the satisfaction of any federal, state, local or foreign tax withholding obligations that may arise in connection with such exercise.

**13. Option Not an Employment or Service Contract.** Nothing in the Plan or this Agreement will be deemed to constitute an employment contract or confer or be deemed to confer any right for you to continue in the employ of, or to continue any other relationship with, the Company or any Related Company or limit in any way the right of the Company or any Related Company to terminate your employment or other relationship at any time, with or without Cause.

14. **No Right to Damages.** You will have no right to bring a claim or to receive damages if you are required to exercise the vested portion of the Option within three months (one year in the case of Retirement, Disability or death) of your Termination of Service or if any portion of the Option is cancelled or expires unexercised. The loss of existing or potential profit in the Option will not constitute an element of damages in the event of your Termination of Service for any reason even if the termination is in violation of an obligation of the Company or a Related Company to you.

15. **Binding Effect.** This Agreement will inure to the benefit of the successors and assigns of the Company and be binding upon you and your heirs, executors, administrators, successors and assigns.

16. **Section 409A Compliance.** Notwithstanding any provision in the Plan or this Agreement to the contrary, the Plan Administrator may, at any time and without your consent, modify the terms of the Option as it determines appropriate to avoid the imposition of interest or penalties under Section 409A of the Code; provided, however, that the Plan Administrator makes no representations that the Option shall be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to the Option.

*[Insert these sections for non-US Residents only:* 17. **Limitation on Rights; No Right to Future Grants; Extraordinary Item of Compensation.** By entering into this Agreement and accepting the grant of the Option evidenced hereby, you acknowledge that: (a) the Plan is discretionary in nature and may be amended, suspended or terminated by the Company at any time; (b) the grant of the Option is a one-time benefit which does not create any contractual or other right to receive future grants of options, or benefits in lieu of options; (c) all determinations with respect to any such future grants, including, but not limited to, the times when options will be granted, the number of shares subject to each option, the option price, and the time or times when each option will be exercisable, will be at the sole discretion of the Company; (d) your participation in the Plan is voluntary; (e) the value of the Option is an extraordinary item of compensation which is outside the scope of your employment contract, if any; (f) the Option is not part of normal or expected compensation for purposes of calculating any benefits, severance, resignation, termination, redundancy, end of service payments, bonuses, long-service awards, pension or retirement benefits or similar payments, and you will have no entitlement to compensation or damages as a consequence of your forfeiture of any unvested portion of the Option as a result of your Termination of Service for any reason; (g) the vesting of the Option ceases upon your Termination of Service for any reason except as may otherwise be explicitly provided in the Plan or this Agreement or otherwise permitted by the Plan Administrator; (h) the future value of the Shares underlying the Option is unknown and cannot be predicted with certainty; (i) if the Shares underlying the Option do not increase in value, the Option will have no value; and (j) in the event that you are not a direct employee of the Company, the grant of the Option will not be interpreted to form an employment or other relationship with the Company.



18. **Employee Data Privacy.** By entering into this Agreement and accepting the Option, you (a) explicitly and unambiguously consent to the collection, use and transfer, in electronic or other form, of any of your personal data that is necessary to facilitate the implementation, administration and management of the Option and the Plan; (b) understand that the Company and your employer may, for the purpose of implementing, administering and managing the Plan, hold certain personal information about you, including, but not limited to, your name, home address and telephone number, date of birth, social insurance number or other identification number, salary, nationality, job title and details of all awards or entitlement to the Common Stock granted to you under the Plan or otherwise ("**Data**"); (c) understand that Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, including any broker with whom the Shares issued upon vesting of the Option may be deposited, and that these recipients may be located in your country or elsewhere, and that the recipient's country may have different data privacy laws and protections than your country; (d) waive any data privacy rights you may have with respect to the Data; and (e) authorize the Company, its Related Companies and its agents to store and transmit such information in electronic form.]

**MAPLEBEAR INC.  
2018 EQUITY INCENTIVE PLAN  
STOCK OPTION EXERCISE NOTICE**

By your signature and the signature of the representative of Maplebear Inc. (the "**Company**") below, you and the Company agree that you are purchasing shares of the Company's Common Stock (as defined in the Plan) subject to the terms and conditions of this Stock Option Exercise Notice (the "**Exercise Notice**"), the agreement(s) evidencing the applicable Option(s) (the "**Option Agreement(s)**") and the Company's 2018 Equity Incentive Plan (the "**Plan**"), as well as the terms and conditions of the Stock Purchase Agreement (this "**Agreement**"), which is attached to and incorporated into this Exercise Notice in its entirety.

**Purchaser:** \_\_\_\_\_

**Address:** \_\_\_\_\_

**Taxpayer I.D. number:** \_\_\_\_\_

**Total number of shares for which Option is being exercised now (these shares are referred to below as "Shares"):** \_\_\_\_\_

**Total exercise price for Shares:** \$ \_\_\_\_\_

**(Note: If you are exercising more than one stock option under this Agreement, please complete Attachment A instead of completing the following four items):**

**Option Grant Date:** \_\_\_\_\_

**Type of Option:**  Incentive Stock Option  
 Nonqualified Stock Option

**Exercise price per share:** \$ \_\_\_\_\_

**Total number of shares subject to Option:** \_\_\_\_\_

IN WITNESS WHEREOF, the parties have executed this Exercise Notice on the date indicated below.

**MAPLEBEAR INC.**

**PARTICIPANT**

By: \_\_\_\_\_

Its: \_\_\_\_\_

Date: \_\_\_\_\_

\_\_\_\_\_  
Signature

Date: \_\_\_\_\_

Check Box if Not Legally Married

PARTICIPANT'S SPOUSE

Attachment:

1. Stock Purchase Agreement

\_\_\_\_\_  
Signature

Print Name: \_\_\_\_\_

**MAPLEBEAR INC.  
2018 EQUITY INCENTIVE PLAN**

**STOCK PURCHASE AGREEMENT**

Pursuant to your Stock Option Exercise Notice (the “**Exercise Notice**”) and this Stock Purchase Agreement (this “**Agreement**”), you and Maplebear Inc. (the “**Company**”) agree that you are purchasing the number of shares of the Company’s Common Stock set forth on the Exercise Notice and subject to the terms and conditions of the agreement(s) evidencing the applicable Option(s) (the “**Option Agreement(s)**”), the Exercise Notice, the Company’s 2018 Equity Incentive Plan (the “**Plan**”) and this Agreement as set forth below. Capitalized terms not defined in this Agreement but defined in the Plan have the same definitions as in the Plan.

The details of this Agreement are as follows:

**1. Payment of Exercise Price**

Prior to or concurrently with the delivery of this Agreement to the Company, you have delivered the exercise price for the Shares in accordance with the terms of the Plan and the Option Agreement.

**2. Securities Law Compliance**

**2.1** You represent and warrant that you (a) have been furnished with a copy of the Plan and all information which you deem necessary to evaluate the merits and risks of the purchase of the Shares, (b) have had the opportunity to ask questions and receive answers concerning the information received about the Shares and the Company, and (c) have been given the opportunity to obtain any additional information you deem necessary to verify the accuracy of any information obtained concerning the Shares and the Company.

**2.2** You hereby confirm that you have been informed that the Shares have not been registered under the Securities Act of 1933, as amended (the “**Securities Act**”), or any state securities laws pursuant to exemptions from registration. You further confirm that you understand that the reliance by the Company on such exemptions is predicated in part on the truth and accuracy of the statements by you in this Agreement.

**2.3** You hereby represent and warrant that you are purchasing the Shares for your own account, for investment purposes only, and not with a view towards the distribution or public offering of all or any part of the Shares.

**2.4** You hereby confirm that you understand that because the Shares have not been registered under the Securities Act, you must continue to bear the economic risk of the investment for an indefinite period of time and the Shares cannot be sold unless the Shares are subsequently registered or an exemption from registration is available.

2.5 You hereby agree that you will in no event sell or distribute all or any part of the Shares unless (a) you comply with the provisions of this Agreement and (b)(i) there is an effective registration statement under the Securities Act and applicable state securities laws covering any such transaction involving the Shares or (ii) the Company receives an opinion of your legal counsel (concurring in by legal counsel for the Company) stating that such transaction is exempt from registration or, in the Company's sole discretion, the Company otherwise satisfies itself that such transaction is exempt from registration.

2.6 You hereby consent to the placing of a legend on your certificate(s) as set forth in Section 5 and to the placing of a stop-transfer order on the books of the Company and with any transfer agents against the Shares until the Shares may be legally resold or distributed.

2.7 You hereby confirm that you understand that at the present time Rule 144 of the Securities and Exchange Commission (the "SEC") may not be relied on for the resale or distribution of the Shares by you. You understand that the Company has no obligation to you to register the Shares with the SEC and has not represented to you that it will so register the Shares.

2.8 You confirm that you have been advised, prior to your purchase of the Shares, that neither the offering of the Shares nor any offering materials have been reviewed by any administrator under the Securities Act or any other applicable securities act (the "Acts") and that the Shares have not been registered under any of the Acts and therefore cannot be resold unless they are registered under the Acts or unless an exemption from such registration is available.

2.9 You hereby agree to indemnify the Company and hold it harmless from and against any loss, claim or liability, including attorneys' fees or legal expenses, incurred by the Company as a result of any breach by you of, or any inaccuracy in, any representation, warranty or statement made by you in this Agreement or the breach by you of any terms or conditions of this Agreement.

### 3. Transfer Restrictions

**3.1 Restrictions on Transfer.** Shares will not be sold, transferred, assigned, pledged, encumbered or otherwise disposed of in contravention of the provisions of this Agreement. The Shares may not be sold, transferred, assigned, pledged, encumbered or otherwise disposed of without the prior consent of the Plan Administrator. If the Plan Administrator consents to such sale, transfer, assignment, pledge, encumbrance or other disposal of the Shares, and you comply with the provisions of Section 4, you agree to (a) pay the Company a transfer processing fee of \$5,000 per transaction (whereby transfers to separate transferees shall be deemed to be separate transactions); and (b) provide an opinion, which is reasonably acceptable to legal counsel for the Company, of your legal counsel and the counsel of the transferee (concurring in by legal counsel for the Company) stating that such transaction is exempt from registration under applicable securities laws or, in the Company's sole discretion, the Company otherwise satisfies itself that such transaction is exempt from registration under applicable securities laws. Such restrictions on transfer, however, will not apply to a transfer to the Company in pledge as security for any purchase-money indebtedness incurred by you in connection with the acquisition of the Shares. For purposes of this Agreement, a "transfer" shall mean any transfer or registration of transfer within the meaning of Delaware law and section 202 of the Delaware general corporation law, including but not limited to any sale, assignment, conveyance, hypothecation, encumbrance, pledge, gift, grant of a security interest or lien, transfer by bequest, devise or descent, any short sale, grant of any option, any hedging or similar transaction with the same economic effect as a sale or transfer, or other transfer or disposition of any kind of a share or any legal, economic or beneficial interest in such share, whether or not for value and whether voluntary or involuntary or by operation of law, or any right or interest therein. Transfer shall also include, without limitation, any (i) transfer of a share to a broker or other nominee (regardless of whether or not there is a corresponding change in beneficial ownership); (2) transfer to a receiver, levying creditor, trustee or receiver in bankruptcy proceedings or general assignee for the benefit of creditors, whether voluntary or by operation of law, directly or indirectly; or (3) transfer of, or entering into a binding agreement with respect to, the power (whether exclusive or shared) to vote or direct the voting of such share by proxy or otherwise.

**3.2 Transferee Obligations.** Each person (other than the Company) to whom the Shares are transferred must, as a condition precedent to the validity of such transfer, acknowledge in writing to the Company that such person is bound by the provisions of this Agreement, to the same extent the Shares would be so subject if retained by you.

**3.3 Market Standoff.** In connection with any underwritten public offering by the Company of its equity securities pursuant to an effective registration statement filed under the Securities Act, including the Company's initial public offering, you or any transferee (either being referred to herein as "you") agrees not to sell, make any short sale of, loan, hypothecate, pledge, assign, grant any option for the purchase of, or otherwise dispose or transfer for value or agree to engage in any of the foregoing transactions with respect to, any Shares without the prior written consent of the Company or such underwriters. Such limitations shall be in effect for such period of time as may be requested by the Company or such underwriters; provided, however, that in no event shall such period exceed (a) 180 days after the effective date of the registration statement for such public offering or (b) such longer period requested by the underwriters as is necessary to comply with regulatory restrictions on the publication of research reports (including, but not limited to, NYSE Rule 472 or NASD Conduct Rule 2711). This market standoff provision will be in effect no longer than two years after the effective date of the Company's initial public offering.

In the event of any stock split, stock dividend, recapitalization, combination of shares, exchange of shares or other change affecting the Company's outstanding Common Stock effected as a class without the Company's receipt of consideration, any new, substituted or additional securities distributed with respect to the Shares shall be immediately subject to the provisions of this Section 3.3, to the same extent the Shares are at such time covered by such provisions.

In order to enforce the limitations of this Section 3.3, the Company may impose stop-transfer instructions with respect to the Shares until the end of the applicable standoff period.

**3.4 Stockholders Agreements.** If upon the purchase of the Shares pursuant to this Agreement you will hold two percent (2%) or more of the Company's then outstanding capital stock, as a condition to the exercise of the Option you must execute, and become a party to, the Company's Fourth Amended and Restated Right of First Refusal and Co-Sale Agreement, dated as of March 2, 2017, or the current version of such agreement (the "**Co-Sale Agreement**"), as a "Key Holder" for purposes of the Co-Sale Agreement. Upon execution of the Co-Sale Agreement, the Right of First Refusal for the Shares pursuant to Section 4 of this Agreement shall apply to only those Shares that are not purchased by the Company and/or the investors in the Company pursuant to the terms of the Co-Sale Agreement.

#### **4. Company's Right of First Refusal**

Before any Shares held by you may be sold or otherwise transferred (including any assignment, pledge, encumbrance or other disposition of the Shares, but not a transfer to the Company in pledge as security for any purchase-money indebtedness incurred by you in connection with the acquisition of the Shares), the Company will have a right of first refusal to purchase the Shares on the terms and conditions set forth in this Section 4 (the "**Right of First Refusal**"). The Company shall have the right to assign all or any portion of its Right of First Refusal to any current stockholder of the Company, any other third party or any combination of any of the foregoing, in its sole discretion. Such Right of First Refusal will terminate on the initial registration of the Common Stock under Section 12(b) or 12(g) of the Exchange Act.

**4.1** In the event you desire to accept a bona fide third-party offer for the sale or transfer of any or all of the Shares, you will promptly deliver to the Company a written notice (the "**Notice**") stating the terms and conditions of any proposed sale or transfer, including (a) your bona fide intention to sell or otherwise transfer such Shares, (b) the name of each proposed purchaser or other transferee (the "**Proposed Transferee**"), (c) the number of Shares to be transferred to each Proposed Transferee, and (d) the bona fide cash price or other consideration for which you propose to transfer the Shares (the "**Offered Price**"). You will provide satisfactory proof that the disposition of such shares to such Proposed Transferee would not be in contravention of the provisions of Section 3 and you will offer to sell the Shares at the Offered Price to the Company or its assignee(s), as the case may be.

**4.2** At any time within 120 days after receipt of the Notice, the Company or one or more of its assignees or both, as the case may be, may, by giving written notice to you, elect to purchase all or any portion of the Shares proposed to be transferred to any one or more of the Proposed Transferees, at the purchase price determined in accordance with Section 4.3.

**4.3** The purchase price for the Shares purchased under this Section 4 will be the Offered Price. If the Offered Price includes consideration other than cash, the cash equivalent value of the noncash consideration will be determined by the Board in good faith.

**4.4** Payment of the purchase price will be made, in the discretion of the Plan Administrator, either (a) in cash (by check), by cancellation of all or a portion of any of your outstanding indebtedness to the Company or such assignee, or by any combination thereof, within 120 days after receipt of the Notice or (b) in the manner and at the time(s) set forth in the Notice.

**4.5** If any of the Shares proposed in the Notice to be transferred to a given Proposed Transferee are not purchased by the Company and/or one or more of its assignees as provided in this Section 4, subject to the terms and conditions of Section 3, then you may sell or otherwise transfer such Shares to that Proposed Transferee at the Offered Price or at a higher price; provided that such sale or other transfer is consummated within 150 days after the date of the Notice; and provided, further, that any such sale or other transfer is effected in accordance with any applicable securities laws and the Proposed Transferee agrees in writing that the provisions of this Agreement, including without limitation, this Section 4 will continue to apply to the Shares in the hands of such Proposed Transferee. If the Shares described in the Notice are not transferred to the Proposed Transferee within such period, or if you propose to change the price or other terms to make them more favorable to the Proposed Transferee, a new Notice will be given to the Company, and the Company or its assignee will again be offered the Right of First Refusal before any Shares held by you may be sold or otherwise transferred.

## **5. Legends**

You understand and agree that the Shares are subject to first refusal rights and other transfer restrictions, as set forth in this Agreement. You understand that the certificate(s) representing the Shares will bear legends in substantially the following forms:

*“The securities represented by this certificate are subject to certain restrictions on public resale and transfer and first refusal rights held by the issuer and/or its assignee(s) and may not be sold, assigned, transferred, encumbered or in any way disposed of except as set forth in a stock purchase agreement between the issuer and the original purchaser of these shares, a copy of which may be obtained at the principal office of the issuer. Such transfer restrictions and first refusal rights are binding on transferees of these shares.”*

*“The securities represented by this certificate have not been registered under the Securities Act of 1933, as amended (the “Act”), or under applicable state securities laws. These securities are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Act and applicable state securities laws, pursuant to registration or exemption therefrom. Investors should be aware that they may be required to bear the financial risks of this investment for an indefinite period of time. The issuer of these securities may require an opinion of counsel in form and substance satisfactory to the issuer to the effect that the proposed transfer or resale is in compliance with the Act and any applicable state securities laws.”*

#### **6. Stop-Transfer Notices**

You understand and agree that, in order to ensure compliance with the restrictions referred to in this Agreement, the Company may issue appropriate “stop-transfer” instructions to its transfer agent, if any, and that, if the Company transfers its own securities, it may make appropriate notations to the same effect in its own records. The Company will not be required to (a) transfer on its books any Shares that have been sold or transferred in violation of the provisions of this Agreement or (b) treat as the owner of the Shares, or otherwise accord dividend or liquidation rights to, any transferee to whom the Shares have been transferred in contravention of this Agreement.

#### **7. Independent Tax Advice**

You acknowledge that determining the actual tax consequences to you of exercising the Option or disposing of the Shares may be complicated. These tax consequences will depend, in part, on your specific situation and may also depend on the resolution of currently uncertain tax law, and other variables not within the control of the Company. You are aware that you should consult a competent and independent tax advisor for a full understanding of the specific tax consequences to you prior to exercising the Option or disposing of the Shares. Prior to exercising the Option, you either have consulted with a competent tax advisor independent of the Company to obtain tax advice concerning the exercise of the Option in light of your specific situation or have had the opportunity to consult with such a tax advisor but chose not to do so.

#### **8. Withholding and Disposition of Shares**

As described in the Option Agreement, you will make arrangements satisfactory to the Company for the payment of any federal, state, local or foreign withholding tax obligations that arise upon purchase of the Shares. If you are exercising an Incentive Stock Option, you agree to notify the Company if any Shares are disposed of within one year from the date hereof or two years from the Grant Date.

## 9. General Provisions

**9.1 Assignment.** The Company may assign its Right of First Refusal at any time, in whole or in part, whether or not such rights are then exercisable, to any person or entity selected by the Board, including, without limitation, one or more stockholders of the Company.

**9.2 Notices.** Any notice required in connection with (a) the Company's Right of First Refusal or (b) the disposition of any Shares covered thereby will be given in writing and will be deemed effective upon personal delivery or upon deposit in the U.S. mail, registered or certified, postage prepaid and addressed to the party entitled to such notice at the address indicated in this Agreement or at such other address as such party may designate by 10 days' advance written notice under this Section 9.2 to all other parties to this Agreement.

**9.3 No Waiver.** No waiver of any provision of this Agreement will be valid unless in writing and signed by the person against whom such waiver is sought to be enforced, nor will failure to enforce any right hereunder constitute a continuing waiver of the same or a waiver of any other right hereunder.

**9.4 Cancellation of Shares.** If the Company or its assignees will make available, at the time and place and in the amount and form provided in this Agreement, the consideration for the Shares to be purchased by the Company pursuant to the exercise of the Company's Right of First Refusal in accordance with the provisions of this Agreement, then, from and after such time, you will no longer have any rights as a purchaser of such Shares (other than the right to receive payment of such consideration in accordance with this Agreement). Such Shares will be deemed purchased in accordance with the applicable provisions of this Agreement and the Company or its assignees will be deemed the owner and purchaser of such Shares, whether or not the certificates therefor have been delivered as required by this Agreement.

**9.5 Undertaking.** You hereby agree to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on either you or the Shares pursuant to the express provisions of this Agreement.

**9.6 Agreement Is Entire Contract.** This Agreement constitutes the entire contract between the parties hereto with regard to the subject matter hereof. This Agreement is made pursuant to the provisions of the Plan and will in all respects be construed in conformity with the express terms and provisions of the Plan.

**9.7 Successors and Assigns.** The provisions of this Agreement will inure to the benefit of, and be binding on, the Company and its successors and assigns and you and your legal representatives, heirs, legatees, distributees, assigns and transferees by operation of law, whether or not any such person will have become a party to this Agreement and agreed in writing to join herein and be bound by the terms and conditions hereof.

**9.8 No Employment or Service Contract.** Nothing in this Agreement will affect in any manner whatsoever the right or power of the Company, or a Related Company, to terminate your employment or services on behalf of the Company, for any reason, with or without cause.



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**9.9 Stockholder of Record.** You will be recorded as a stockholder of the Company and will have, subject to the provisions of this Agreement and the Plan, all the rights of a stockholder with respect to the Shares.

**9.10 Counterparts.** This Agreement may be executed in two or more counterparts, each of which will be deemed an original, but which, upon execution, will constitute one and the same instrument.

**9.11 Governing Law.** This Agreement will be governed by and construed in accordance with the laws of the State of California.

**ATTACHMENT A**

*(To be completed only if you are exercising more than one Option)*

Please complete for each Option you are exercising.

<u>Option Grant Date</u>	Type of Option: Incentive Stock Option ("ISO") Nonqualified Stock Option ("NSO") (please circle one)	<u>Exercise Price Per Share</u>	<u>Number of Shares to be Exercised</u>
	ISO/NSO	\$	
	ISO/NSO	\$	
	ISO/NSO	\$	
	ISO/NSO	\$	
	ISO/NSO	\$	

**RECEIPT FOR ISO EXERCISE**

\_\_\_\_\_ hereby acknowledges receipt from \_\_\_\_\_ ("**Purchaser**") in payment for \_\_\_\_\_ shares of Common Stock of Maplebear Inc., a Delaware corporation, of \$\_\_\_\_\_ in the form of

- Cash
- Check (personal, cashier's or bank certified)
- \_\_\_\_\_ shares of the Company's Common Stock, fair market value \$\_\_\_\_\_ per share, held by the Purchaser
- Copy of irrevocable instructions to broker
- Other: \_\_\_\_\_

Exercise Date: \_\_\_\_\_ By: \_\_\_\_\_

*(Date Company receives both the executed Exercise Notice and payment)*

Per share FMV on such date: \$\_\_\_\_\_ For: Maplebear Inc.

**RECEIPT FOR NSO EXERCISE**

\_\_\_\_\_ hereby acknowledges receipt from \_\_\_\_\_ (“**Purchaser**”) in payment for \_\_\_\_\_ shares of Common Stock of Maplebear Inc., a Delaware corporation, and applicable tax withholding, of \$\_\_\_\_\_ in the form of

- Cash
- Check (personal, cashier’s or bank certified)
- \_\_\_\_\_ shares of the Company’s Common Stock, fair market value \$\_\_\_\_\_ per share, withheld by the Company but otherwise issuable on exercise of an option
- \_\_\_\_\_ shares of the Company’s Common Stock, fair market value \$\_\_\_\_\_ per share, held by the Purchaser
- Copy of irrevocable instructions to broker
- Other: \_\_\_\_\_

Exercise Date: \_\_\_\_\_

By: \_\_\_\_\_

*(Date Company receives both the executed Exercise Notice and payment)*

For: Maplebear Inc.

Estimated per share FMV on such date\*: \$\_\_\_\_\_

\* The actual per share FMV on such date may be higher or lower, and will be communicated to you after it is established by the Board.

MAPLEBEAR INC.  
2018 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD NOTICE

Maplebear Inc. (the “*Company*”) has granted to you a Restricted Stock Unit Award (the “*Award*”). The Award is subject to all the terms and conditions set forth in this Restricted Stock Unit Award Notice (the “*Award Notice*”), and the RSU Terms and Conditions (the “*Terms and Conditions*”) and the Company’s 2018 Equity Incentive Plan (the “*Plan*”), each of which are incorporated into the Award Notice in their entirety.

The Award Notice and the Terms and Conditions are collectively referred to as the “*RSU Agreement*.” Capitalized terms not explicitly defined in this Award Notice but defined in the Plan shall have the same definitions as in the Plan.

**Participant:** \_\_\_\_\_  
**Grant Date:** \_\_\_\_\_  
**Vesting Commencement Date:** \_\_\_\_\_  
**Number of Restricted Stock Units (“RSUs”):** \_\_\_\_\_  
**Liquidity Event Deadline:** Seventh (7th) Anniversary of the Grant Date

**Vesting Schedule:** You will be issued shares with respect to an RSU only if it vests. Two separate vesting requirements must be satisfied *on or before the Liquidity Event Deadline* above in order for an RSU to vest: the Service-Based Requirement and the Liquidity Event Requirement, as provided below. An RSU will actually vest (and become a “*Vested RSU*”) on the first date upon which both the Service-Based Requirement and the Liquidity Event Requirement are satisfied (the “*Vesting Date*”).

**Service-Based Requirement:** Your RSUs will satisfy the Service-Based Requirement (which we refer to as being “service-vested”) according to the following schedule, provided that you have not incurred a Termination of Service prior to each such date:

<< insert vesting table >>

**Liquidity Event Requirement:** The Liquidity Event Requirement will be satisfied on the first to occur of the following events that occur prior to the Liquidity Event Deadline (each, a “*Liquidity Event*”): (1) a Change of Control (as defined in the Plan); and (2) the effective date of a registration statement filed under the Securities Act of 1933, as amended, for an initial public offering of the Common Stock (an “*IPO*”). For the avoidance of doubt, clause (2) shall be deemed to include the date of the initial listing of any class of the Company’s common stock on a national securities exchange by means of a registration statement on Form S-1 filed by the Company that registers shares of existing capital stock of the Company for resale.

**Settlement Schedule:** If an RSU vests as provided for above, the Company will issue one share of Common Stock for each Vested RSU in accordance with the following schedule (each date or event below, a “**Settlement Time**”), subject to the provisions of Section 1 of the RSU Agreement:

(i) If the Liquidity Event Requirement is first met because of a Change in Control, then the Settlement Time for any then-Vested RSUs will be as of immediately prior to the consummation of the Change of Control.

(ii) If the Liquidity Event Requirement is first met because of an IPO, then the Settlement Time for Vested RSUs will generally occur on the next Quarterly Settlement Date, or the IPO Settlement Date in the case of RSUs that first vest upon the IPO or during the Lock-Up Period.

A “**Quarterly Settlement Date**” means February 15, May 15, August 15 and November 15.

The “**IPO Settlement Date**” means the earlier of (i) the next trading day following the expiration of the period provided in Section 16 of the Plan (the “**Lock-Up Period**”), and (ii) a date determined by the Board following the effectiveness of the IPO; *provided* that in all cases Vested RSUs shall be settled no later than March 15 of the year following the year in which the IPO occurs.

(iii) If a Change of Control occurs after an IPO but before the applicable time specified in clause (ii) above, then the Settlement Time for Vested RSUs will occur as specified in clause (i) above.

**Additional Terms/Acknowledgement:** By accepting the Award, you acknowledge receipt of, and understand and agree to, the Award Notice, the Terms and Conditions and the Plan. You further acknowledge that as of the Grant Date, the Award Notice, the Terms and Conditions and the Plan set forth the entire understanding between you and the Company regarding the Award and supersede all prior oral and written agreements on the subject.

This Award Notice and any notices, agreements or other documents related to this Award or your participation in the Plan may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and any counterpart so delivered will be deemed to have been duly and validly delivered and be valid and effective for all purposes.

**MAPLEBEAR INC.**

By: \_\_\_\_\_  
Its: \_\_\_\_\_

**Incorporated Documents:**

1. RSU Terms and Conditions
2. 2018 Equity Incentive Plan

**PARTICIPANT**

\_\_\_\_\_  
[Name]  
Taxpayer ID: \_\_\_\_\_

Address: \_\_\_\_\_  
\_\_\_\_\_

MAPLEBEAR INC.  
2018 EQUITY INCENTIVE PLAN

RSU Terms and Conditions

Pursuant to your Restricted Stock Unit Award Notice (the “**Award Notice**”) and these RSU Terms and Conditions (“**Terms and Agreement**”), Maplebear Inc. (the “**Company**”) has granted you a Restricted Stock Unit Award (the “**Award**”) under its 2018 Equity Incentive Plan (the “**Plan**”) for the number of Restricted Stock Units indicated in your Award Notice.

The Award Notice and these Terms and Conditions are collectively referred to as the “**RSU Agreement**”). Capitalized terms not explicitly defined in these Terms and Conditions or the Award Notice but defined in the Plan shall have the same definitions as in the Plan.

The details of the Award are as follows:

**1. Settlement of Vested RSUs and Issuance of Shares**

**1.1 General.** The delivery of shares under this Award is intended to comply with Treasury Regulation Section 1.409A-1(b)(4) and will be construed and administered in such a manner. Subject to the satisfaction of the withholding obligations set forth in Section 7, the Company will deliver to you a number of shares of the Common Stock equal to the number of Vested RSUs subject to the Award on the applicable Settlement Time(s) as provided in the Award Notice. However, if a scheduled delivery date falls on a date that is not a business day, such delivery date will instead fall on the next following business day. The form of such delivery (*e.g.*, a stock certificate or electronic entry evidencing such shares) will be determined by the Company.

**1.2 Delayed Settlement During Closed Trading Window.** Notwithstanding the foregoing, following the IPO and the expiration of the Lock-Up Period, in the event that:

(a) you are subject to the Company’s policy permitting certain individuals to sell shares only during certain “window” periods, in effect from time to time or you are otherwise prohibited from selling shares of Common Stock in the public market and any shares covered by the Award are scheduled to be delivered on a day (the “**Original Distribution Date**”) that does not occur during an open “window period” applicable to you, as determined by the Company in accordance with such policy, or does not occur on a date when you are otherwise permitted to sell shares of Common Stock on the open market (including under a previously established written trading plan that meets the requirements of Rule 10b5-1 under the Exchange Act and was entered into in compliance with the Company’s policies or under such other policy expressly approved by the Company), and

(b) the Company elects not to satisfy its Tax Withholding Obligation (as defined in Section 7) by (i) withholding shares from your distribution, (ii) permitting you to enter into a “same day sale” commitment with a brokerage firm or (iii) permitting you to pay cash, then



(c) such shares will not be delivered on such Original Distribution Date and will instead be delivered on the first business day of the next occurring open “window period” applicable to you pursuant to such policy (regardless of whether you have experienced a Termination of Service) or the next business day when you are not prohibited from selling shares of the Common Stock in the open market, or on such other date determined by the Company, but in no event later than March 15 of the calendar year following the calendar year in which the RSUs originally became vested.

## 2. Termination of Award

**2.1 Termination of Service.** Except as otherwise set forth in the Award Notice, and unless the Plan Administrator determines otherwise prior to your Termination of Service, upon your Termination of Service, your RSUs will be treated as follows:

(a) Any RSUs that have not met the Service-Based Requirement will expire immediately.

(b) In the case of RSUs that have met the Service-Based Requirement, if your Termination of Service was not for Cause and such termination occurs prior to achievement of the Liquidity Event Requirement and prior to the Liquidity Event Deadline, then any RSUs that have met the Service-Based Requirement will remain outstanding and eligible to vest on the occurrence of a Liquidity Event that occurs on or prior to the Liquidity Event Deadline.

(c) If your Termination of Service is for Cause, all RSUs (including Vested RSUs), will automatically expire upon first notification to you of such termination, unless the Plan Administrator determines otherwise. If your Termination of Service is suspended pending an investigation of whether you shall be terminated for Cause, all your rights under the Award shall likewise be suspended during the period of investigation. If any facts that would constitute termination for Cause are discovered after your Termination of Service, the Award may be immediately terminated by the Plan Administrator, in its sole discretion.

**2.2 Liquidity Event Deadline.** All unvested RSUs will automatically expire as of the Liquidity Event Deadline, regardless of whether you have experienced a Termination of Service, if no Liquidity Event has occurred by such date.

## 3. Securities Law Compliance

**3.1** You represent and warrant that you (a) have been furnished with a copy of the Plan and all information which you deem necessary to evaluate the merits and risks of receipt of the Award, (b) have had the opportunity to ask questions and receive answers concerning the information received about the Award and the Company, and (c) have been given the opportunity to obtain any additional information you deem necessary to verify the accuracy of any information obtained concerning the Award and the Company.

**3.2** You hereby agree that you will in no event sell or distribute all or any part of the shares of Common Stock that you receive pursuant to settlement of this Award (the “*Shares*”) unless (a) there is an effective registration statement under the Securities Act and applicable state securities laws covering any such transaction involving the Shares or (b) the Company receives an opinion of your legal counsel (concurring in by legal counsel for the Company) stating that such transaction is exempt from registration or the Company otherwise satisfies itself that such transaction is exempt from registration. You understand that the Company has no obligation to you to maintain any registration of the Shares with the Securities and Exchange Commission and has not represented to you that it will so maintain registration of the Shares.

**3.3** You confirm that you have been advised, prior to your receipt of the Shares, that neither the offering of the Shares nor any offering materials have been reviewed by any administrator under the Securities Act or any other applicable securities act (the “**Acts**”) and that the Shares cannot be resold unless they are registered under the Acts or unless an exemption from such registration is available.

**3.4** You hereby agree to indemnify the Company and hold it harmless from and against any loss, claim or liability, including attorneys’ fees or legal expenses, incurred by the Company as a result of any breach by you of, or any inaccuracy in, any representation, warranty or statement made by you in this RSU Agreement or the breach by you of any terms or conditions of this RSU Agreement.

**4. Transfer Restrictions**

No portion of this Award or any interest therein shall be sold, transferred, assigned, encumbered, pledged or otherwise disposed of, whether voluntarily or by operation of law.

**5. No Rights as Stockholder**

You shall not have voting or other rights as a stockholder of the Common Stock with respect to the Award. You will not receive any benefit or adjustment to your Award with respect to any cash dividend, stock dividend or other distribution except as provided in Section 14 of the Plan.

**6. Independent Tax Advice**

You acknowledge that determining the actual tax consequences to you of receiving or disposing of the Award and Shares may be complicated. These tax consequences will depend, in part, on your specific situation and may also depend on the resolution of currently uncertain tax law and other variables not within the control of the Company. You are aware that you should consult a competent and independent tax advisor for a full understanding of the specific tax consequences to you of receiving the Award and receiving or disposing of the Shares. Prior to executing this RSU Agreement, you either have consulted with a competent tax advisor independent of the Company to obtain tax advice concerning the receipt of the Award and the receipt or disposition of the Shares in light of your specific situation or you have had the opportunity to consult with such a tax advisor but chose not to do so.

## 7. Withholding

You are ultimately responsible for all taxes owed in connection with this Award (e.g., at vesting and/or upon receipt of the Shares), including any domestic or foreign tax withholding obligation required by law, whether national, federal, state or local, including U.S. FICA or any other social tax obligation, but excluding any taxes imposed solely on the Company (or a Related Company) as an employer (the “**Tax Withholding Obligation**”), without regard to any action the Company or any Related Company takes with respect to any such Tax Withholding Obligation that arises in connection with this Award. As a condition to the issuance of Shares pursuant to this Award, you agree to make arrangements satisfactory to the Company (or a Related Company) for the payment of the Tax Withholding Obligation that arises upon receipt of the Shares or otherwise. The Company may refuse to issue any Shares to you until you satisfy the Tax Withholding Obligation. In its sole discretion, the Company may withhold from the shares otherwise payable to you with respect to your Vested RSUs the number of whole shares of the Common Stock required to satisfy the minimum applicable Tax Withholding Obligation, the number to be determined by the Company based on the Fair Market Value of the Common Stock on the date the Company is required to withhold. In addition, if and so long as the Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, the Company in its sole discretion may require you to instruct a brokerage firm designated or approved by the Company for such purpose to sell on your behalf a whole number of Shares from those Shares issuable to you in payment of Vested RSUs as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Tax Withholding Obligation. Notwithstanding the forgoing, to the maximum extent permitted by law, the Company (or a Related Company) has the right to retain from salary or other amounts payable to you, without notice, an amount sufficient to satisfy the Tax Withholding Obligation.

## 8. General Provisions

**8.1 Assignment.** The Company may assign its forfeiture rights at any time, whether or not such rights are then exercisable, to any person or entity selected by the Board.

**8.2 No Waiver.** No waiver of any provision of this RSU Agreement will be valid unless in writing and signed by the person against whom such waiver is sought to be enforced, nor will failure to enforce any right hereunder constitute a continuing waiver of the same or a waiver of any other right hereunder.

**8.3 Undertaking.** You hereby agree to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on either you or the Award pursuant to the express provisions of this RSU Agreement.

**8.4 Governing Plan Document.** This RSU Agreement constitutes the entire contract between the parties hereto with regard to the subject matter hereof. This RSU Agreement is made pursuant to the provisions of the Plan and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan.

**8.5 Successors and Assigns.** The provisions of this RSU Agreement will inure to the benefit of, and be binding on, the Company and its successors and assigns and you and your legal representatives, heirs, legatees, distributees, assigns and transferees by operation of law, whether or not any such person will have become a party to this RSU Agreement and agreed in writing to join herein and be bound by the terms and conditions hereof.

**8.6 No Employment or Service Contract.** Nothing in this RSU Agreement will affect in any manner whatsoever the right or power of the Company, or a Related Company, to terminate your employment or services on behalf of the Company, for any reason, with or without Cause.

**8.7 Governing Law.** This RSU Agreement will be construed and administered in accordance with and governed by the laws of the State of California.

**8.8 Section 409A Compliance.** Payments made pursuant to this RSU Agreement are intended to qualify for an exemption from or comply with the requirements of Section 409A of the Code, including any applicable regulations and guidance issued thereunder, and this RSU Agreement and the Plan shall be interpreted, operated and administered in a manner consistent with this intention. Each payment made pursuant to this RSU Agreement shall be treated as a separate payment for purposes of Section 409A of the Code. If it is determined that the Award is deferred compensation subject to Section 409A of the Code, and if you are a "specified employee" (within the meaning set forth Section 409A(a)(2)(B)(i) of the Code) as of the date of your separation from service (within the meaning of Treasury Regulation Section 1.409A-1(h)), then you may be subject to certain delayed payment rules as provided in Section 18.5 of the Plan. Notwithstanding any other provision in this RSU Agreement or the Plan, the Company, to the extent it deems necessary or advisable in its sole discretion, reserves the right, but shall not be required, to unilaterally amend or modify this RSU Agreement so that payments made pursuant to this RSU Agreement qualify for exemption from or comply with Section 409A of the Code; provided, however, that the Company makes no representations that payments made pursuant to this RSU Agreement shall be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to payments made under this RSU Agreement.

MAPLEBEAR INC.  
2018 EQUITY INCENTIVE PLAN

RSU Terms and Conditions

Pursuant to your Restricted Stock Unit Award Notice (the “**Award Notice**”) and these RSU Terms and Conditions (“**Terms and Agreement**”), Maplebear Inc. (the “**Company**”) has granted you a Restricted Stock Unit Award (the “**Award**”) under its 2018 Equity Incentive Plan (the “**Plan**”) for the number of Restricted Stock Units indicated in your Award Notice.

The Award Notice and these Terms and Conditions are collectively referred to as the “**RSU Agreement**”). Capitalized terms not explicitly defined in these Terms and Conditions or the Award Notice but defined in the Plan shall have the same definitions as in the Plan.

The details of the Award are as follows:

**1. Settlement of Vested RSUs and Issuance of Shares**

**1.1 General.** If you are subject to taxation in the United States, the delivery of shares under this Award is intended to comply with Treasury Regulation Section 1.409A-1(b)(4) and will be construed and administered in such a manner. Subject to the satisfaction of the withholding obligations set forth in Section 7 and the applicable provisions in the appendix hereto (the “**Appendix**”), the Company will issue to you a number of shares of the Common Stock equal to the number of Vested RSUs subject to the Award on the applicable Settlement Time(s) as provided in the Award Notice. However, if a scheduled delivery date falls on a date that is not a business day, such delivery date will instead fall on the next following business day. The form of such delivery (*e.g.*, a stock certificate or electronic entry evidencing such shares) will be determined by the Company.

**1.2 Delayed Settlement During Closed Trading Window.** Notwithstanding the foregoing, following the IPO and the expiration of the Lock-Up Period, in the event that:

(a) you are subject to the Company’s policy permitting certain individuals to sell shares only during certain “window” periods, in effect from time to time or you are otherwise prohibited from selling shares of Common Stock in the public market and any shares covered by the Award are scheduled to be delivered on a day (the “**Original Distribution Date**”) that does not occur during an open “window period” applicable to you, as determined by the Company in accordance with such policy, or does not occur on a date when you are otherwise permitted to sell shares of Common Stock on the open market (including under a previously established written trading plan that meets the requirements of Rule 10b5-1 under the Exchange Act and was entered into in compliance with the Company’s policies or under such other policy expressly approved by the Company), and

(b) the Company elects not to satisfy its Tax Withholding Obligation (as defined in Section 7) by (i) withholding shares from your distribution, (ii) permitting you to enter into a “same day sale” commitment with a brokerage firm or (iii) permitting you to pay cash, then

(c) such shares will not be delivered on such Original Distribution Date and will instead be delivered on the first business day of the next occurring open “window period” applicable to you pursuant to such policy (regardless of whether you have experienced a Termination of Service) or the next business day when you are not prohibited from selling shares of the Common Stock in the open market, or on such other date determined by the Company, but if you are subject to taxation in the United States, in no event later than March 15 of the calendar year following the calendar year in which the RSUs originally became vested.

## **2. Termination of Award**

**2.1 Termination of Service.** Except as otherwise set forth in the Award Notice and the Appendix, and unless the Plan Administrator determines otherwise prior to your Termination of Service, upon your Termination of Service, your RSUs will be treated as follows:

(a) Any RSUs that have not met the Service-Based Requirement will expire immediately. For certainty, except only as may be required to satisfy the minimum requirements of applicable employment or labour standards legislation, as amended or replaced, or as agreed to by the Company, no RSUs shall meet the Service-Based Requirement following the Participant’s Termination of Service, and any Awards that do not meet the Service-Based Requirement will terminate and be cancelled on that date, and you shall have no claim to any payment or damages in lieu thereof.

(b) In the case of RSUs that have met the Service-Based Requirement, if your Termination of Service was not for Cause and such termination occurs prior to achievement of the Liquidity Event Requirement and prior to the Liquidity Event Deadline, then any RSUs that have met the Service-Based Requirement will remain outstanding and eligible to vest on the occurrence of a Liquidity Event that occurs on or prior to the Liquidity Event Deadline.

(c) In the case of RSUs that have met the Service-Based Requirement, if your Termination of Service is for Cause, except only as may be required to satisfy the minimum requirements of applicable employment or labour standards legislation, as amended or replaced, all RSUs (including Vested RSUs) will automatically expire upon your Termination of Service, unless the Plan Administrator determines otherwise, and you shall have no claim to any payment or damages in lieu thereof. If your Termination of Service is for Cause, and you were suspended pending an investigation prior to the Termination of Service, your Termination of Service shall be deemed to have occurred on the date you were given notice of your suspension by the Company or its Related Companies. If any facts that would constitute termination for Cause are discovered after your Termination of Service, the Award may be immediately terminated by the Plan Administrator, in its sole discretion.

(d) In all cases, Termination of Service means the date that you cease to be an employee of the Company or its Related Companies for any reason, whether lawful or otherwise (including, without limitation, by reason of resignation, death, frustration of contract, termination for cause, termination without cause, or constructive dismissal), without regard to any pay in lieu of notice (whether by way of lump sum or salary continuance), benefits continuance or other termination related payments or benefits to which you may then be entitled. The Plan Administrator shall have the exclusive discretion to determine when a Termination of Service occurs (including whether you may still be providing services while on a leave of absence).

**2.2 Liquidity Event Deadline.** All unvested RSUs will automatically expire as of the Liquidity Event Deadline, regardless of whether you have experienced a Termination of Service, if no Liquidity Event has occurred by such date.

### **3. Securities Law Compliance**

**3.1** You represent and warrant that you (a) have been furnished with a copy of the Plan and all information which you deem necessary to evaluate the merits and risks of receipt of the Award, (b) have had the opportunity to ask questions and receive answers concerning the information received about the Award and the Company, and (c) have been given the opportunity to obtain any additional information you deem necessary to verify the accuracy of any information obtained concerning the Award and the Company.

**3.2** You hereby agree that you will in no event sell or distribute all or any part of the shares of Common Stock that you receive pursuant to settlement of this Award (the “**Shares**”) unless (a) there is an effective registration statement under the Securities Act and applicable state securities laws covering any such transaction involving the Shares or (b) the Company receives an opinion of your legal counsel (concurring by legal counsel for the Company) stating that such transaction is exempt from registration or the Company otherwise satisfies itself that such transaction is exempt from registration. You understand that the Company has no obligation to you to maintain any registration of the Shares with the Securities and Exchange Commission and has not represented to you that it will so maintain registration of the Shares.

**3.3** You confirm that you have been advised, prior to your receipt of the Shares, that neither the offering of the Shares nor any offering materials have been reviewed by any administrator under the Securities Act or any other applicable securities act (the “**Acts**”) and that the Shares cannot be resold unless they are registered under the Acts or unless an exemption from such registration is available.

**3.4** You hereby agree to indemnify the Company and hold it harmless from and against any loss, claim or liability, including attorneys’ fees or legal expenses, incurred by the Company as a result of any breach by you of, or any inaccuracy in, any representation, warranty or statement made by you in this RSU Agreement or the breach by you of any terms or conditions of this RSU Agreement.

#### **4. Transfer Restrictions**

No portion of this Award or any interest therein shall be sold, transferred, assigned, encumbered, pledged or otherwise disposed of, whether voluntarily or by operation of law.

#### **5. No Rights as Stockholder**

You shall not have voting or other rights as a stockholder of the Common Stock with respect to the Award. You will not receive any benefit or adjustment to your Award with respect to any cash dividend, stock dividend or other distribution except as provided in Section 14 of the Plan.

#### **6. Independent Tax Advice**

You acknowledge that determining the actual tax and social security consequences to you of receiving or disposing of the Award and Shares may be complicated. These tax and social security consequences will depend, in part, on your specific situation and may also depend on the resolution of currently uncertain tax or social security laws and other variables not within the control of the Company. You are aware that you should consult a competent and independent tax advisor for a full understanding of the specific tax and social security consequences to you of receiving the Award and receiving or disposing of the Shares. Prior to executing this RSU Agreement, you either have consulted with a competent tax advisor independent of the Company to obtain tax and social security advice concerning the receipt of the Award and the receipt or disposition of the Shares in light of your specific situation or you have had the opportunity to consult with such a tax advisor but chose not to do so.

#### **7. Withholding**

You are ultimately responsible for all taxes owed in connection with this Award (e.g., at vesting and/or upon receipt of the Shares), including any domestic or foreign tax withholding obligation required by law, whether national, federal, provincial, state or local, including U.S. FICA or any other social security or tax obligation, but excluding any taxes imposed solely on the Company (or a Related Company) as an employer (the "**Tax Withholding Obligation**"), without regard to any action the Company or any Related Company takes with respect to any such Tax Withholding Obligation that arises in connection with this Award. As a condition to the issuance of Shares pursuant to this Award, you agree to make arrangements satisfactory to the Company (or a Related Company) for the payment of the Tax Withholding Obligation that arises upon receipt of the Shares or otherwise. The Company may refuse to issue any Shares to you until you satisfy the Tax Withholding Obligation. In its sole discretion, the Company may withhold from the shares otherwise payable to you with respect to your Vested RSUs the number of whole shares of the Common Stock required to satisfy the minimum applicable Tax Withholding Obligation, the number to be determined by the Company based on the Fair Market Value of the Common Stock on the date the Company is required to withhold. In



addition, if and so long as the Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, the Company in its sole discretion may require you to instruct a brokerage firm designated or approved by the Company for such purpose to sell on your behalf a whole number of Shares from those Shares issuable to you in payment of Vested RSUs as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Tax Withholding Obligation. Notwithstanding the forgoing, to the maximum extent permitted by law, the Company (or a Related Company) has the right to retain from salary or other amounts payable to you, without notice, an amount sufficient to satisfy the Tax Withholding Obligation.

## **8. General Provisions**

**8.1 Assignment.** The Company may assign its forfeiture rights at any time, whether or not such rights are then exercisable, to any person or entity selected by the Board.

**8.2 No Waiver.** No waiver of any provision of this RSU Agreement will be valid unless in writing and signed by the person against whom such waiver is sought to be enforced, nor will failure to enforce any right hereunder constitute a continuing waiver of the same or a waiver of any other right hereunder.

**8.3 Undertaking.** You hereby agree to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on either you or the Award pursuant to the express provisions of this RSU Agreement.

**8.4 Governing Plan Document.** This RSU Agreement constitutes the entire contract between the parties hereto with regard to the subject matter hereof. This RSU Agreement is made pursuant to the provisions of the Plan and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. For greater certainty, in the event of a conflict between the terms and provisions of the Plan and the terms and provisions of this RSU Agreement, the terms and conditions of this RSU Agreement shall prevail.

**8.5 Successors and Assigns.** The provisions of this RSU Agreement will inure to the benefit of, and be binding on, the Company and its successors and assigns and you and your legal representatives, heirs, legatees, distributees, assigns and transferees by operation of law, whether or not any such person will have become a party to this RSU Agreement and agreed in writing to join herein and be bound by the terms and conditions hereof.

**8.6 No Employment or Service Contract.** Nothing in this RSU Agreement will affect in any manner whatsoever the right or power of the Company, or a Related Company, to terminate your employment or services on behalf of the Company, for any reason, with or without Cause.

**8.7 Governing Law.** This RSU Agreement will be construed and administered in accordance with and governed by the laws of the State of California.

**8.8 Section 409A Compliance.** If you are subject to taxation in the United States, payments made pursuant to this RSU Agreement are intended to qualify for an exemption from or comply with the requirements of Section 409A of the Code, including any applicable regulations and guidance issued thereunder, and this RSU Agreement and the Plan shall be interpreted, operated and administered in a manner consistent with this intention. Each payment made pursuant to this RSU Agreement shall be treated as a separate payment for purposes of Section 409A of the Code. If it is determined that the Award is deferred compensation subject to Section 409A of the Code, and if you are a “specified employee” (within the meaning set forth Section 409A(a)(2)(B)(i) of the Code) as of the date of your separation from service (within the meaning of Treasury Regulation Section 1.409A-1(h)), then you may be subject to certain delayed payment rules as provided in Section 18.5 of the Plan. Notwithstanding any other provision in this RSU Agreement or the Plan, the Company, to the extent it deems necessary or advisable in its sole discretion, reserves the right, but shall not be required, to unilaterally amend or modify this RSU Agreement so that payments made pursuant to this RSU Agreement qualify for exemption from or comply with Section 409A of the Code; provided, however, that the Company makes no representations that payments made pursuant to this RSU Agreement shall be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to payments made under this RSU Agreement.

**8.9 Award not a Service Contract.** By accepting your Award, you acknowledge, understand and agree that:

(a) the Plan is established voluntarily by the Company, it is discretionary in nature, and may be amended, suspended or terminated by the Company at any time, to the extent permitted under the Plan;

(b) the grant of your Award is voluntary and occasional and does not create any contractual or other right to receive future grants of awards (whether on the same or different terms), or benefits in lieu of awards, even if awards have been granted in the past;

(c) your Award and any shares of Common Stock acquired under the Plan, and the income and value of same, are not part of normal or expected compensation for any purpose, including, without limitation, calculating any severance, resignation, termination, redundancy, dismissal, end-of-service payments, bonuses, holiday pay, long-service awards, pension or retirement or welfare benefits or similar payments;

(d) the future value of the shares of Common Stock underlying the RSUs is unknown, indeterminable, and cannot be predicted with certainty;

(e) neither the Company nor any Related Company shall be liable for any foreign exchange rate fluctuation between your local currency and the United States Dollar that may affect the value of your Award or of any amounts due to you pursuant to the vesting of your Award or the subsequent sale of any shares of Common Stock received;

(f) no claim or entitlement to compensation or damages shall arise from forfeiture of this Award resulting from a Termination of Service (for any reason whatsoever, whether or not later found to be invalid or in breach of employment laws in the jurisdiction where you are employed or the terms of your employment or service agreement, if any), and in consideration of the grant of this Award to which you are otherwise not entitled, you irrevocably agree never to institute any claim against the Company or any Related Company, waive your ability, if any, to bring any such claim, and release the Company and any Related Company from any such claim; if, notwithstanding the foregoing, any such claim is allowed by a court of competent jurisdiction, then, by participating in the Plan, you shall be deemed irrevocably to have agreed not to pursue such claim and agree to execute any and all documents necessary to request dismissal or withdrawal of such claim.

#### **8.10 Data Privacy.**

(a) You explicitly and unambiguously acknowledge and consent to the collection, use and transfer, in electronic or other form, of your personal data as described in this document by and among, as applicable, your employer, the Company and its Related Companies for the exclusive purpose of implementing, administering and managing your participation in the Plan. You understand that the Company, its Related Companies and your employer hold certain personal information about you, including, but not limited to, name, home address and telephone number, date of birth, social security number (or other identification number), salary, nationality, job title, any shares of stock or directorships held in the Company, details of all options or any other entitlement to shares of stock awarded, canceled, purchased, exercised, vested, unvested or outstanding in your favor for the purpose of implementing, managing and administering the Plan (“**Data**”). You understand that the Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in your country or elsewhere, in particular in the US, and that the recipient country may have different data privacy laws providing less protections of your personal data than your country. You may request a list with the names and addresses of any potential recipients of the Data by contacting the stock plan administrator at the Company (the “**Stock Plan Administrator**”). You acknowledge that the recipients may receive, possess, process, use, retain and transfer the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data, as may be required to a broker or other third party with whom you may elect to deposit any shares of Common Stock acquired upon the vesting of your Award. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan. You may, at any time, view the Data, request additional information about the storage and processing of the Data, require any necessary amendments to the Data or refuse or withdraw the consents herein, in any case without cost, by contacting the Stock Plan Administrator in writing.

(b) For the purposes of operating the Plan in the European Union, Switzerland and the United Kingdom, the Company will collect and process information relating to you in accordance with the privacy notice from time to time in force.

**8.11 Language.** You acknowledge that you are sufficiently proficient in the English language, or have consulted with an advisor who is sufficiently proficient in English, so as to allow you to understand the terms and conditions of this RSU Agreement. If you have received this RSU Agreement, or any other document related to this Award and/or the Plan translated into a language other than English and if the meaning of the translated version is different than the English version, the English version will control.

**8.12 Foreign Asset/Account, Exchange Control and Tax Reporting.** You may be subject to foreign asset/account, exchange control and/or tax reporting requirements as a result of the acquisition, holding and/or transfer of shares of Common Stock or cash (including dividends and the proceeds arising from the sale of shares of Common Stock) derived from your participation in the Plan in, to and/or from a brokerage/bank account or legal entity located outside your country. The applicable laws in your country may require that you report such accounts, assets and balances therein, the value thereof and/or the transactions related thereto to the applicable authorities in such country. You may also be required to repatriate sale proceeds or other funds received as a result of your participation in the Plan to your country through a designated bank or broker within a certain time after receipt. You acknowledge that it is your responsibility to be compliant with such regulations and you are encouraged to consult with your personal legal advisor for any details.

**8.13 Appendix.** Notwithstanding any provisions in this RSU Agreement, your Award shall be subject to the special terms and conditions for your country set forth in the Appendix attached hereto. Moreover, if you relocate to one of the countries included therein, the terms and conditions for such country will apply to you to the extent the Company determines that the application of such terms and conditions is necessary or advisable for legal or administrative reasons. The Appendix constitutes part of the RSU Agreement.

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## APPENDIX

This Appendix includes special terms and conditions that govern the Award granted to you under the Plan if you reside and/or work in any country listed below.

The information contained herein is general in nature and may not apply to your particular situation, and you are advised to seek appropriate professional advice as to how the relevant laws in your country may apply to your situation. If you are a citizen or resident of a country other than the one in which you are currently working and/or residing, transfer employment and/or residency to another country after the date of grant, are a consultant, change employment status to a consultant position, or are considered a resident of another country for local law purposes, the Company will, in its discretion, determine the extent to which the special terms and conditions contained herein will be applicable to you. References to your "employer" will include any entity that engages your services.

## AUSTRALIA

**Vesting and holding period.** Notwithstanding any provision of the RSU Agreement, you hereby agree that you will in no event sell or distribute all or any part of any RSU in the 12-month period following the date such RSU is awarded to you.

**Breach of Law.** Notwithstanding anything else in the Plan or the RSU Agreement, you will not be entitled to, and shall not claim any benefit (including without limitation a legal right) under the Plan if the provision of such benefit would give rise to a breach of Part 2D.2 of the Australian Corporations Act 2001 (Cth) ("**Corporations Act**"), any other provision of the Corporations Act, or any other applicable statute, rule or regulation which limits or restricts the giving of such benefits. Further, the Company is under no obligation to seek or obtain the approval of its shareholders in general meeting for the purpose of overcoming any such limitation or restriction.

**Securities Law Information.** The grant of the Award is made without disclosure otherwise required under the Corporations Act, pursuant to certain exceptions available to the Company, and upon which the Company relies, under the Corporations Act.

**Advice.** Any advice given to you by the Company, or a representative of the Company, in relation to the Award should not be considered as investment advice and does not take into account your objectives, financial situation, or needs.

Australian law normally requires persons who offer financial products to give information to investors before they invest. This requires those offering financial products to have disclosed information that is material for investors to make an informed decision. The usual rules do not apply to this offer because it is made under an employee incentive scheme and in reliance on certain exceptions available to the Company under the Corporations Act, and upon which the Company relies. As a result, you may not be given all of the information normally expected when receiving an offer of financial products in Australia. You will also have fewer other legal protections for this investment.

You should consider obtaining your own financial product advice from a person who is licensed by the Australian Securities and Investments Commission ("**ASIC**") to give such advice before accepting the Award.

**Risks.** There are risks associated with the Company and a number of general risks associated with an investment in the RSUs and the underlying shares of Common Stock. These risks may individually or in combination materially and adversely affect the future operating and financial performance of the Company and, accordingly, the value of shares of Common Stock. At their worst, the value of the shares of the Common Stock to which your Award relates may become zero if adverse market conditions are encountered. As the price of Common Stock is valued in United States Dollars ("**USD**"), the underlying value of the shares of the Common Stock to which your Award relates may also be affected by movements in the USD/Australian Dollar exchange rate.

There can be no guarantee that the Company will achieve its stated objectives. Before agreeing to participate in the Plan, you should be satisfied that you have a sufficient understanding of the risks involved in making an investment in the Company and whether it is a suitable investment, having regard to your objectives, financial situation, and needs.

The Award will only vest on the satisfaction of the conditions (if any) set out in the enclosed Grant Notice and the issue of the Award to you is subject to the terms of the enclosed RSU Agreement and Plan. There is a chance that any conditions attaching to the Award may never be fulfilled and that the Award will not vest.

Further risks and rights with respect to holding an Award are set out in the enclosed RSU Agreement and Plan.

**Exchange Control Information.** Exchange control reporting is required for cash transactions exceeding AUD \$10,000 and international fund transfers. You understand that the Australian bank assisting with the transaction may file the report on your behalf. If there is no Australian bank involved in the transfer, you will be required to file the report. You should consult with your personal advisor to ensure proper compliance with applicable reporting requirements in Australia.

**Tax Information.** Subdivision 83A-C of the Income Tax Assessment Act 1997 (Cth) applies to the grant of the Award (subject to the provisions in that Act).

**Data Privacy.** Section 8.10 of the Terms and Agreement (Data Privacy) is deleted and replaced with the following:

By accepting the Award, you explicitly and unambiguously consent to the collection, holding, use and disclosure, in electronic or other form, of your personal information (as that term is defined in the *Privacy Act 1988* (Cth)) as described in this document by and among, as applicable, your employer, the Company and its Related Companies for the purpose of implementing, administering and managing your participation in the Plan. You understand that the Company, its Related Companies and your employer hold certain personal information about you, including, but not limited to, name, home address and telephone number, email address and other contact details, date of birth, tax file number (or other identification number), salary, nationality, job title, any shares of Common Stock or directorships held in the Company, details of all options or any other entitlement to shares of Common Stock awarded, canceled, purchased, exercised, vested, unvested or outstanding in your favor for the purpose of implementing, managing and administering the Plan ("**Data**"). The collection of this information may be required for compliance with various legislation, including the Corporations Act 2001 (Cth) and applicable taxation legislation. You understand that the Data may be transferred to any third parties assisting in the implementation, administration and management of the Plan, that these recipients may be located in Australia or elsewhere, in particular in the United States, and that the recipient country may have different data privacy laws providing less protection of your personal data than your country. You

may request a list with the names and addresses of any potential recipients of the Data by contacting the stock plan administrator at the Company (the "**Stock Plan Administrator**"). You authorize the recipients to collect, hold, use and disclose the Data, in electronic or other form, for the purposes of implementing, administering and managing your participation in the Plan, including any requisite transfer of such Data, as may be required to a broker or other third party (that may or may not be located in Australia or elsewhere) with whom you may elect to deposit any shares of the Common Stock acquired upon the vesting of the Award. You understand that Data will be held only as long as is necessary to implement, administer and manage your participation in the Plan or for the period required by law, whichever is the longer. You may, at any time, refuse or withdraw the consents herein, in any case without cost, by contacting the Stock Plan Administrator in writing. You understand that refusing or withdrawing consent may affect your ability to participate in the Plan. You acknowledge that further information on how your employer, the Company and its Related Companies collect, hold, use and disclose Data and personal information (and how you can access, correct or complain about the handling of that Data or personal information by your employer, the Company and its Related Companies) can be found in the privacy policies of your employer, the Company and its Related Companies or the manager of the Plan (as applicable).



**Settlement.** Notwithstanding the terms of Section 7 of the Terms and Agreement, and Section 12 of the Plan, your Tax Withholding Obligation may not be settled by having the Company withhold a number of shares of Common Stock that would otherwise be issued to you.

**Termination of Service.**

The following provision supplements Section 2.1(a) of the Terms and Agreement:

For certainty, except only as may be required to satisfy the minimum requirements of applicable employment or labour standards legislation, as amended or replaced, or as agreed to by the Company, no RSUs shall meet the Service-Based Requirement or Liquidity Event Requirement following the Participant's Termination of Service, and any Awards that do not meet both the Service-Based Requirement and Liquidity Event Requirement will terminate and be cancelled on that date, and you shall have no claim to any payment or damages in lieu thereof, whether under the common law, the *Civil Code of Quebec* or otherwise

The following provision supplements Section 2.1(b) of the Terms and Agreement:

Notwithstanding the foregoing, if your Termination of Service is for Cause, except only as may be required to satisfy the minimum requirements of applicable employment or labour standards legislation, as amended or replaced, all RSUs (including Vested RSUs) will automatically expire upon your Termination of Service, unless the Plan Administrator determines otherwise, and you shall have no claim to any payment or damages in lieu thereof whether under the common law, the *Civil Code of Quebec* or otherwise.

The following provision supplements Section 2.1(c) of the Terms and Agreement:

In all cases, Termination of Service means the date that you cease to be an employee of the Company or its Related Companies for any reason, whether lawful or otherwise (including, without limitation, by reason of resignation, death, frustration of contract, termination for cause, termination without cause, or constructive dismissal), without regard to any pay in lieu of notice (whether by way of lump sum or salary continuance), benefits continuance, or other termination related payments or benefits, whether pursuant to the common law, the *Civil Code of Quebec* or otherwise, to which you may then be entitled.

**Language.**

**For Quebec Participants;** You acknowledge that you have expressly required and are satisfied that this document and any related document or notice be drawn-up exclusively in the English language. ***Vous reconnaissez que vous avez expressement requis et que vous êtes satisfait que le présent document ainsi que tout document ou avis y afférent soient rédigés uniquement en anglais.***

## CHINA

*The following provisions apply if you are subject to exchange control restrictions imposed by the State Administration of Foreign Exchange (“SAFE”), as determined by the Plan Administrator in its sole discretion:*

**Vesting and Settlement.** The following provisions supplement the “Vesting Schedule” and “Settlement Schedule” section of the Award Notice and Sections 1 and 2 of the Terms and Agreement:

The vesting and settlement of your RSUs is conditioned on the Company’s completion of a registration of the Plan with SAFE and on the continued effectiveness of such registration. If or to the extent the Company is unable to complete the registration and cover your RSUs, or maintain such registration, the Company reserves the right to delay the vesting and/or settlement of your RSUs until such time as an effective registration of the Plan with SAFE is in place or the Company determines, in its sole discretion, that such registration is not necessary or advisable for the vesting and settlement of the RSUs to be effected in accordance with applicable law. If the Company determines, in its sole discretion, that the vesting and settlement of the RSUs cannot be effected in accordance with applicable law, the RSUs will terminate and you will have no right to receive shares of Common Stock or any other benefit in lieu thereof. Alternatively, if the Company determines, in its sole discretion, that the vesting and settlement of the RSUs cannot be effected in accordance with applicable law, the Company reserves the discretion (but is not obligated) to settle any RSUs that have satisfied the Service-Based Requirement and Liquidity Event Requirement (which, for purposes of this provision, shall be referred to as “**Vested RSUs**”) in cash paid through local payroll in an amount equal to the Fair Market Value of the shares of Common Stock subject to your Vested RSUs at the Settlement Time (less any Tax Withholding Obligation).

You are required to maintain any shares of Common Stock acquired under the Plan in an account at a broker designated by the Company, and any shares deposited into such designated account cannot be transferred out of it unless and until they are sold. To facilitate compliance with local regulatory requirements, the Company reserves the right to force the sale of any shares of Common Stock issued upon settlement of your RSUs (i) immediately upon issuance of the shares, (ii) following Termination of Service, or (iii) within any other time frame as the Company determines to be necessary or advisable for legal or administrative reasons. The Company is authorized to instruct its designated broker to assist with the sale of the shares (on your behalf pursuant to this authorization without further consent) and you expressly authorize the Company’s designated broker to complete the sale of such shares. You acknowledge that the Company’s designated broker is under no obligation to arrange for the sale of the shares at any particular price. Upon the sale of the shares, the Company will pay to you the cash proceeds from the sale, less any brokerage fees or commissions and subject to any Tax Withholding Obligation. When the shares acquired under the Plan are sold, the repatriation requirements described below shall apply.

**Exchange Control Requirement.** Pursuant to exchange control requirements in China, you will be required to immediately repatriate to China any funds realized as a result of participating in the Plan (e.g., cash proceeds from the sale of the shares acquired under the Plan and any dividends paid on such shares). You understand that, under applicable laws, such repatriation of the funds may need to be effectuated through a special exchange control account established by the Company

or a Related Company in China, and you hereby consent and agree that any funds realized as a result of participating in the Plan may be transferred to such special account prior to being delivered to you. You also understand that the Company will deliver the funds to you as soon as possible, but that there may be delays in distributing the funds to you due to exchange control requirements. You understand that the funds may be paid to you in U.S. Dollars or in local currency, at the Company's discretion. If the funds are paid to you in U.S. Dollars, you will be required to set up a U.S. Dollar bank account in China so that the funds may be deposited into this account. If the funds are paid to you in local currency, the Company is under no obligation to secure any particular exchange conversion rate and the Company may face delays in converting the funds to local currency due to exchange control restrictions.

Finally, you agree to comply with any other requirements that may be imposed by the Company in the future in order to facilitate compliance with exchange control requirements in China.

## TURKEY

**Securities Law Information.** You are not permitted to sell any shares of Common Stock acquired under the Plan in Turkey. You must sell shares acquired under the Plan outside of Turkey.

**Exchange Control Notice.** Under Turkish law, you are permitted to purchase and sell securities or derivatives traded on exchanges abroad only through intermediary financial institutions that are approved under the Capital Market Law (*i.e.*, banks licensed in Turkey). Therefore, you may be required to appoint a Turkish broker to assist you with the sale of the shares of Common Stock acquired under the Plan. You acknowledge that you are solely responsible for engaging such Turkish financial intermediary. You should consult your personal legal advisor before selling any shares acquired under the Plan to confirm the applicability of this requirement.

MAPLEBEAR INC.  
2018 EQUITY INCENTIVE PLAN

RESTRICTED STOCK UNIT AWARD NOTICE

Maplebear Inc. (the “**Company**”) has granted to you a Restricted Stock Unit Award (the “**Award**”). The Award is subject to all the terms and conditions set forth in this Restricted Stock Unit Award Notice and Exhibit A attached hereto (together, the “**Award Notice**”), and the RSU Terms and Conditions (the “**Terms and Conditions**”) and the Company’s 2018 Equity Incentive Plan (the “**Plan**”), each of which are incorporated into the Award Notice in their entirety.

The Award Notice and the Terms and Conditions are collectively referred to as the “**RSU Agreement**.” Capitalized terms not explicitly defined in this Award Notice but defined in the Plan shall have the same definitions as in the Plan.

**Participant:** \_\_\_\_\_  
**Grant Date:** \_\_\_\_\_  
**Number of Restricted Stock Units (“RSUs”):** \_\_\_\_\_

**Vesting and Settlement Schedule:** This Award shall vest in accordance with the vesting conditions provided in Exhibit A attached hereto. You will be issued shares with respect to an RSU only if it vests. If an RSU vests as provided for above and in Exhibit A attached hereto, the Company will issue one share of Common Stock for each vested RSU in accordance with Exhibit A attached hereto.

**Additional Terms/Acknowledgement:** By accepting the Award, you acknowledge receipt of, and understand and agree to, the Award Notice, the Terms and Conditions and the Plan. You further acknowledge that as of the Grant Date, the Award Notice, the Terms and Conditions and the Plan set forth the entire understanding between you and the Company regarding the Award and supersede all prior oral and written agreements on the subject.

This Award Notice and any notices, agreements or other documents related to this Award or your participation in the Plan may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and any counterpart so delivered will be deemed to have been duly and validly delivered and be valid and effective for all purposes.

[signature page follows]

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By:  
Its:

**Incorporated Documents:**

1. Exhibit A
2. RSU Terms and Conditions
3. 2018 Equity Incentive Plan

## Exhibit A

### **Vesting and Settlement Schedule**

*This Exhibit A forms part of the Restricted Stock Unit Award Notice to which it is attached and all references to "Award Notice" in the Restricted Stock Unit Award Notice and the RSU Terms and Conditions shall include both the Restricted Stock Unit Award Notice and this Exhibit A.*

**Vesting Schedule:** You will receive shares with respect to an RSU only if it vests. The RSUs vest upon meeting Performance Goals during the Performance Period as described in this Award Notice (any RSU that becomes so vested, a "**Vested RSU**"). All RSUs that do not become Vested RSUs during the Performance Period will be immediately forfeited to the Company without consideration following the conclusion of the Performance Period.

**Performance Period:** The "**Performance Period**" means the period of time commencing on the Grant Date and ending on the earlier of (i) the five (5) year anniversary of the Grant Date; (ii) a Change of Control; and (iii) your Termination of Service for any reason, provided that if you incur an Involuntary Termination prior to a Change of Control, your RSUs will remain outstanding following your Involuntary Termination as necessary to give effect to the potential vesting acceleration upon a Change of Control as described below under "Treatment upon a Change of Control".

**Performance Goals:** Your RSUs will vest upon the Company's first achievement of each of the four (4) Performance Goals set forth below, according to the following schedule. For clarity, each applicable "**Performance Goal**" set forth below is attained upon satisfaction of the corresponding milestone during the Performance Period and prior to your Termination of Service (except as described below under "Treatment upon a Change of Control"). For illustration, the Second Performance Goal is satisfied upon achievement of a Market Capitalization of \$[ ] during the Performance Period and prior to your Termination of Service, and upon achievement of such Second Performance Goal, [ ] RSUs shall become Vested RSUs.

For clarity, the maximum number of RSUs that may become Vested RSUs under the Award shall be [ ] RSUs. RSUs may only vest with respect to a particular Performance Goal upon the first occurrence of such Performance Goal. For example, upon the IPO Date, the First Performance Goal shall be achieved and [ ] RSUs vest; subsequently, if the Second Performance Goal is achieved, an additional [ ] RSUs will vest such that the total number of RSUs that have vested under the Award (including the RSUs previously vested upon achievement of the First Performance Goal) is [ ] RSUs.

All numbers of RSUs in the schedule below and otherwise referenced in this Award Notice are subject to adjustment as provided in Section 14 of the Plan.

<u>Performance Goals</u>	<u>Milestone</u>	<u>Number of RSUs to Vest (per Performance Goal)</u>
First Performance Goal	IPO Date	<input type="text"/>
Second Performance Goal	Market Capitalization of \$ <input type="text"/>	<input type="text"/>
Third Performance Goal	Market Capitalization of \$ <input type="text"/>	<input type="text"/>
Fourth Performance Goal	Market Capitalization of \$ <input type="text"/>	<input type="text"/>

**Treatment upon a Change of Control:** If a Change of Control occurs during the Performance Period and, except as otherwise provided in the paragraph below, on or prior to your Termination of Service, (i) if not already achieved, the First Performance Goal will be deemed achieved upon the effective time of the Change of Control and the applicable number of RSUs will vest, and (ii) Market Capitalization will be measured as of immediately prior to the effective time of the Change of Control, such that the RSUs will be eligible to vest at such time if a Performance Goal is achieved. The Performance Period will end and all RSUs remaining unvested (after applying any vesting resulting from such Change of Control) will automatically expire upon the effectiveness of the Change of Control.

Notwithstanding any other provision in the RSU Agreement or this Award Notice to the contrary, to the extent you incur an Involuntary Termination within the three-month period prior to the effective time of such Change of Control and during the Performance Period, your RSUs will remain outstanding following your Involuntary Termination as necessary to give effect to the potential vesting acceleration upon a Change of Control described above, and such vesting acceleration is expressly contingent upon your satisfaction of the Release Condition.

[Except as otherwise provided in this Award Notice, the provisions of the Severance Plan do not apply to the Award.]

**Settlement:** If and when an RSU vests as provided for above, the Company will issue one share of Common Stock for each Vested RSU on (i) the next Quarterly Settlement Date or (ii) the IPO Settlement Date in the case of RSUs that first vest during the Lock-Up Period (as applicable), provided that if a Change of Control occurs during the Performance Period and sooner than the foregoing applicable settlement date, then the settlement date for Vested RSUs shall occur immediately prior to consummation of such Change of Control. Notwithstanding the foregoing, in all circumstances, shares of Common Stock will be issued no later than the Issuance Deadline. The applicable settlement date for each Vested RSU pursuant to the foregoing provisions is referred to as a “**Settlement Time**” for purposes of the Award.



As used in this RSU Agreement, the following definitions will apply:

**“CoC Price”** means the fair market value of the securities, cash or other property, or any combination thereof, to be received upon a Change of Control in respect of a share of Common Stock, as determined by the Plan Administrator in its sole discretion.

**“Involuntary Termination”** has the meaning set forth in the Severance Plan, with any defined terms in such definition (including, without limitation, the defined term “Cause”) having the meanings set forth in the Severance Plan.

**“IPO Date”** shall be the effective date of a registration statement filed under the Securities Act of 1933, as amended, for an initial public offering of the Common Stock, including a direct listing (an **“IPO”**), which, for the avoidance of doubt, shall be deemed to include the date of the initial listing of any class of the Company’s common stock on a national securities exchange by means of a registration statement on Form S-1 filed by the Company that registers shares of existing capital stock of the Company for resale.

**“IPO Settlement Date”** means the earlier of (i) the next trading day following the expiration of the period provided in Section 16 of the Plan (the **“Lock-Up Period”**) and (ii) a date determined by the Board that occurs on or following the effectiveness of the IPO.

**“Issuance Deadline”** means (a) December 31 of the calendar year in which the applicable vest date occurs (that is, the last day of your taxable year in which the applicable vest date occurs), or (b) if and only if permitted in a manner that complies with Treasury Regulations Section 1.409A-1(b)(4), no later than the date that is the 15th day of the third calendar month of the applicable year following the year in which the shares issuable as a result of the applicable vest date are no longer subject to a “substantial risk of forfeiture” within the meaning of Treasury Regulations Section 1.409A-1(d).

**“Market Capitalization”** means, as of any measurement date and as determined by the Board (or authorized committee thereof), (x) the number of fully-diluted shares of the Company’s common stock outstanding as of such date using the treasury stock method, multiplied by (y) the volume-weighted average closing price of the Company’s common stock as quoted on the principal stock exchange on which the Company’s common stock is listed over the 30-trading day period preceding the applicable measurement date. Notwithstanding the foregoing, if Market Capitalization is measured as a result of a Change of Control under “Treatment upon a Change of Control” above, CoC Price will be used instead of (y) above for purposes of calculating Market Capitalization. For the avoidance of doubt, a Performance Goal relating to Market Capitalization may not be achieved prior to the end of the 30-trading day period following the IPO Date.

Each trading day during the Performance Period on or after the IPO Date (except as otherwise provided herein) shall be a measurement date for purposes of determining Market Capitalization, provided that the Company may, for administrative purposes, assess and calculate Market Capitalization as of each such measurement date retroactively on a quarterly or more frequent basis for purposes of determining whether a Performance Goal is achieved and any such achievement of a Performance Goal shall be effective as of the particular applicable Market Capitalization measurement date.

**“Quarterly Settlement Date”** means February 15, May 15, August 15 and November 15.

**“Release Condition”** means the requirement that you execute a general waiver and release, in such a form as provided by the Company (the **“Release”**), within the applicable time period set forth therein, and such Release must become effective in accordance with its terms, which must occur in no event more than 60 days following the date of the applicable Involuntary Termination.

**“Severance Plan”** means the Company’s Severance and Change in Control Plan and your participation agreement thereunder.

**MAPLEBEAR INC.**  
**2018 EQUITY INCENTIVE PLAN**

**RSU Terms and Conditions**

Pursuant to your Restricted Stock Unit Award Notice (the “**Award Notice**”) and these RSU Terms and Conditions (“**Terms and Conditions**”), Maplebear Inc. (the “**Company**”) has granted you a Restricted Stock Unit Award (the “**Award**”) under its 2018 Equity Incentive Plan (the “**Plan**”) for the number of Restricted Stock Units indicated in your Award Notice.

The Award Notice and these Terms and Conditions are collectively referred to as the “**RSU Agreement**”. Capitalized terms not explicitly defined in these Terms and Conditions or the Award Notice but defined in the Plan shall have the same definitions as in the Plan.

The details of the Award are as follows:

**1. Settlement of Vested RSUs and Issuance of Shares**

**1.1 General.** The delivery of shares under this Award is intended to comply with Treasury Regulation Section 1.409A-1(b)(4) to the maximum extent permissible and will be construed and administered in such a manner; to the extent such exemption from Section 409A of the Code is not available, the delivery of shares under this Award is intended to comply with the requirements of Section 409A of the Code to the extent necessary to avoid adverse personal tax consequences, and any ambiguities herein shall be interpreted accordingly. Subject to the satisfaction of the withholding obligations set forth in Section 7, the Company will deliver to you a number of shares of the Common Stock equal to the number of Vested RSUs subject to the Award on the applicable Settlement Time(s) as provided in the Award Notice. However, if a scheduled delivery date falls on a date that is not a business day, such delivery date will instead fall on the next following business day. The form of such delivery (*e.g.*, a stock certificate or electronic entry evidencing such shares) will be determined by the Company. In the event of an Involuntary Termination, to the extent that the Release Condition is satisfied, any accelerated vesting that is triggered by such Involuntary Termination will be effective as of the 60th day following such Involuntary Termination.

**1.2 Delayed Settlement During Closed Trading Window.** Notwithstanding the foregoing, following the IPO Date and the expiration of the Lock-Up Period, in the event that:

(a) you are subject to the Company’s policy permitting certain individuals to sell shares only during certain “window” periods, in effect from time to time or you are otherwise prohibited from selling shares of Common Stock in the public market and any shares covered by the Award are scheduled to be delivered on a day (the “**Original Distribution Date**”) that does not occur during an open “window period” applicable to you, as determined by the Company in accordance with such policy, or does not occur on a date when you are otherwise permitted to sell shares of Common Stock on the open market (including under a previously established written trading plan that meets the requirements of Rule 10b5-1 under the Exchange Act and was entered into in compliance with the Company’s policies or under such other policy expressly approved by the Company), and

(b) subject to Section 7 below, the Company elects not to satisfy its Tax Withholding Obligation (as defined in Section 7) by (i) withholding shares from your distribution, (ii) permitting you to enter into a “same day sale” commitment with a brokerage firm or (iii) permitting you to pay cash, then

(c) such shares will not be delivered on such Original Distribution Date and will instead be delivered on the first business day of the next occurring open “window period” applicable to you pursuant to such policy (regardless of whether you have experienced a Termination of Service) or the next business day when you are not prohibited from selling shares of the Common Stock in the open market, or on such other date determined by the Company, but in no event later than the Issuance Deadline.

**1.3 Delayed Settlement Due to HSR Requirements.** Notwithstanding the foregoing, no shares issuable to you under the RSU Agreement as a result of the vesting of the Award will be delivered to you until after you have complied with any notification and waiting period requirements under the Hart-Scott-Rodino (“*HSR*”) Act in connection with the issuance of such shares (any such filings and/or waiting period required pursuant to HSR, the “*HSR Requirements*”). If the HSR Requirements apply to the issuance of any shares issuable to you under the RSU Agreement upon vesting of the Award, such shares will not be issued at such time set forth in the RSU Agreement and will instead be issued as soon as reasonably practicable on or following the date when all such HSR Requirements are satisfied and in accordance with the Company’s then-effective policies. Notwithstanding the foregoing, the issuance date for any shares delayed under this Section 1.3 shall in no event be later than the Issuance Deadline unless the Company determines such delay does not cause adverse tax consequences to you under Section 409A or otherwise.

## **2. Termination of Award**

**2.1 Termination of Service.** Except as otherwise set forth in the Award Notice, and unless the Plan Administrator determines otherwise prior to your Termination of Service, upon your Termination of Service, your RSUs will be treated as follows:

(a) All RSUs that are unvested at the time of your Termination of Service will automatically expire as of the date of your Termination of Service.

(b) Notwithstanding the foregoing, if your Termination of Service is for Cause, all RSUs (including Vested RSUs), will automatically expire upon first notification to you of such termination, unless the Plan Administrator determines otherwise. If your Termination of Service is suspended pending an investigation of whether you shall be terminated for Cause, all your rights under the Award shall likewise be suspended during the period of investigation.

**2.3 Performance Period Expiration.** All RSUs that remain unvested as of the conclusion of the Performance Period will automatically expire for no consideration immediately following conclusion of the Performance Period.

### **3. Securities Law Compliance**

**3.1** You represent and warrant that you (a) have been furnished with a copy of the Plan and all information which you deem necessary to evaluate the merits and risks of receipt of the Award, (b) have had the opportunity to ask questions and receive answers concerning the information received about the Award and the Company, and (c) have been given the opportunity to obtain any additional information you deem necessary to verify the accuracy of any information obtained concerning the Award and the Company.

**3.2** You hereby agree that you will in no event sell or distribute all or any part of the shares of Common Stock that you receive pursuant to settlement of this Award (the “**Shares**”) unless (a) there is an effective registration statement under the Securities Act and applicable state securities laws covering any such transaction involving the Shares or (b) the Company receives an opinion of your legal counsel (concurring in by legal counsel for the Company) stating that such transaction is exempt from registration or the Company otherwise satisfies itself that such transaction is exempt from registration. You understand that the Company has no obligation to you to maintain any registration of the Shares with the Securities and Exchange Commission and has not represented to you that it will so maintain registration of the Shares.

**3.3** You confirm that you have been advised, prior to your receipt of the Shares, that neither the offering of the Shares nor any offering materials have been reviewed by any administrator under the Securities Act or any other applicable securities act (the “**Acts**”) and that the Shares cannot be resold unless they are registered under the Acts or unless an exemption from such registration is available.

**3.4** You hereby agree to indemnify the Company and hold it harmless from and against any loss, claim or liability, including attorneys’ fees or legal expenses, incurred by the Company as a result of any breach by you of, or any inaccuracy in, any representation, warranty or statement made by you in this Section 3 or the breach by you of any terms or conditions of this Section 3.

### **4. Transfer Restrictions**

No portion of this Award or any interest therein shall be sold, transferred, assigned, encumbered, pledged or otherwise disposed of, whether voluntarily or by operation of law.

### **5. No Rights as Stockholder**

You shall not have voting or other rights as a stockholder of the Common Stock with respect to the Award. You will not receive any benefit or adjustment to your Award with respect to any cash dividend, stock dividend or other distribution except as provided in Section 14 of the Plan.

## 6. Independent Tax Advice

You acknowledge that determining the actual tax consequences to you of receiving or disposing of the Award and Shares may be complicated. These tax consequences will depend, in part, on your specific situation and may also depend on the resolution of currently uncertain tax law and other variables not within the control of the Company. You are aware that you should consult a competent and independent tax advisor for a full understanding of the specific tax consequences to you of receiving the Award and receiving or disposing of the Shares. Prior to executing this RSU Agreement, you either have consulted with a competent tax advisor independent of the Company to obtain tax advice concerning the receipt of the Award and the receipt or disposition of the Shares in light of your specific situation or you have had the opportunity to consult with such a tax advisor but chose not to do so.

## 7. Withholding

You are ultimately responsible for all taxes owed in connection with this Award (e.g., at vesting and/or upon receipt of the Shares), including any domestic or foreign tax withholding obligation required by law, whether national, federal, state or local, including U.S. FICA or any other social tax obligation, but excluding any taxes imposed solely on the Company (or a Related Company) as an employer (the "**Tax Withholding Obligation**"), without regard to any action the Company or any Related Company takes with respect to any such Tax Withholding Obligation that arises in connection with this Award. As a condition to the issuance of Shares pursuant to this Award, you agree to make arrangements satisfactory to the Company (or a Related Company) for the payment of the Tax Withholding Obligation that arises upon receipt of the Shares or otherwise. The Company may refuse to issue any Shares to you until you satisfy the Tax Withholding Obligation. In its sole discretion, the Company may withhold from the shares otherwise payable to you with respect to your Vested RSUs the number of whole shares of the Common Stock required to satisfy the minimum applicable Tax Withholding Obligation, the number to be determined by the Company based on the Fair Market Value of the Common Stock on the date the Company is required to withhold. In addition, if and so long as the Common Stock is registered under Section 12(b) or 12(g) of the Exchange Act, the Company in its sole discretion may require you to instruct a brokerage firm designated or approved by the Company for such purpose to sell on your behalf a whole number of Shares from those Shares issuable to you in payment of Vested RSUs as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Tax Withholding Obligation. Notwithstanding the forgoing, to the maximum extent permitted by law, the Company (or a Related Company) has the right to retain from salary or other amounts payable to you, without notice, an amount sufficient to satisfy the Tax Withholding Obligation.

## 8. General Provisions

**8.1 Assignment.** The Company may assign its forfeiture rights at any time, whether or not such rights are then exercisable, to any person or entity selected by the Board.

**8.2 No Waiver.** No waiver of any provision of this RSU Agreement will be valid unless in writing and signed by the person against whom such waiver is sought to be enforced, nor will failure to enforce any right hereunder constitute a continuing waiver of the same or a waiver of any other right hereunder.

**8.3 Undertaking.** You hereby agree to take whatever additional action and execute whatever additional documents the Company may deem necessary or advisable in order to carry out or effect one or more of the obligations or restrictions imposed on either you or the Award pursuant to the express provisions of this RSU Agreement.

**8.4 Governing Plan Document.** This RSU Agreement constitutes the entire contract between the parties hereto with regard to the subject matter hereof. This RSU Agreement is made pursuant to the provisions of the Plan and is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan.

**8.5 Successors and Assigns.** The provisions of this RSU Agreement will inure to the benefit of, and be binding on, the Company and its successors and assigns and you and your legal representatives, heirs, legatees, distributees, assigns and transferees by operation of law, whether or not any such person will have become a party to this RSU Agreement and agreed in writing to join herein and be bound by the terms and conditions hereof.

**8.6 No Employment or Service Contract.** Nothing in this RSU Agreement will affect in any manner whatsoever the right or power of the Company, or a Related Company, to terminate your employment or services on behalf of the Company, for any reason, with or without Cause.

**8.7 Governing Law.** This RSU Agreement will be construed and administered in accordance with and governed by the laws of the State of California.

**8.8 Section 409A Compliance.** Payments made pursuant to this RSU Agreement are intended to qualify for an exemption from or comply with the requirements of Section 409A of the Code, including any applicable regulations and guidance issued thereunder, and this RSU Agreement and the Plan shall be interpreted, operated and administered in a manner consistent with this intention. Each payment made pursuant to this RSU Agreement shall be treated as a separate payment for purposes of Section 409A of the Code. If it is determined that the Award is deferred compensation subject to Section 409A of the Code, and if you are a "specified employee" (within the meaning set forth Section 409A(a)(2)(B)(i) of the Code) as of the date of your separation from service (within the meaning of Treasury Regulation Section 1.409A-1(h)), then you may be subject to certain delayed payment rules as provided in Section 18.5 of the Plan. Notwithstanding any other provision in this RSU Agreement or

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the Plan, the Company, to the extent it deems necessary or advisable in its sole discretion, reserves the right, but shall not be required, to unilaterally amend or modify this RSU Agreement so that payments made pursuant to this RSU Agreement qualify for exemption from or comply with Section 409A of the Code; provided, however, that the Company makes no representations that payments made pursuant to this RSU Agreement shall be exempt from or comply with Section 409A of the Code and makes no undertaking to preclude Section 409A of the Code from applying to payments made under this RSU Agreement.



2018 EQUITY INCENTIVE PLAN

RESTRICTED STOCK AWARD GRANT NOTICE

Maplebear Inc. (the “*Company*”), pursuant to its 2018 Equity Incentive Plan (the “*Plan*”), hereby awards to Participant, in consideration for Participant’s past or future services actually or to be rendered to the Company, the number of shares of Common Stock (the “*Shares*” or “*Restricted Shares*”) set forth below (the “*Award*”). The Award is subject to all of the terms and conditions as set forth in this Restricted Stock Award Grant Notice (the “*Grant Notice*”) and the attached Restricted Stock Award Terms and Conditions (together with the Grant Notice, the “*Award Agreement*”), and the Plan, all of which are attached to this Grant Notice and incorporated into this Grant Notice in their entirety. Capitalized terms not explicitly defined in the Award Agreement but defined in the Plan will have the meanings provided in the Plan.

Participant: \_\_\_\_\_  
 Date of Grant: \_\_\_\_\_  
 Vesting Commencement Date: \_\_\_\_\_  
 Number of Shares Subject to Award: \_\_\_\_\_  
 Consideration: Services to the Company by Participant

**Vesting Schedule:** Two separate vesting requirements must be satisfied in order for your Award to vest: the Service-Based Requirement and the Liquidity Event Requirement, as provided below. A Restricted Share will actually vest (and cease to be subject to forfeiture) on the first date upon which both the Service-Based Requirement and the Liquidity Event Requirement are satisfied (the “*Vesting Date*”).

**Service-Based Requirement:** Your Award will satisfy the Service-Based Requirement (which we refer to as being “service-vested”) according to the following schedule, provided that you have not incurred a Termination of Service prior to each such date:

Period of Continuous Employment or other Service Relationship from Vesting Commencement Date	Portion of Total Award That is Service Vested
On first anniversary of Vesting Commencement Date	25%
On each of February 15, May 15, August 15 and November 15 after the first anniversary of the Vesting Commencement Date	1/16th

[Notwithstanding the foregoing the Service-Based Requirement vesting schedule set forth above is subject to acceleration upon certain events as provided in the offer letter between you and the Company dated] [\_\_\_\_\_] (the “*Offer Letter*”). [For clarity such vesting acceleration does not apply to the Liquidity Event Requirement.]

**Liquidity Event Requirement:** The Liquidity Event Requirement will be satisfied on the first to occur of the following events (each, a “*Liquidity Event*”) on or before January 27, 2025 (the “*Liquidity Event Deadline*”):

- (1) a Change of Control (as defined in the Plan);
- (2) the date of initial listing of any class of the Company’s common stock on a national securities exchange by means of a registration statement on Form S-1 filed by the Company that registers shares of existing capital stock of the Company for resale; and

- (3) the effective date of a registration statement on Form S-1 for the Company's first firm commitment underwritten public offering of any class of its common stock under the Securities Act of 1933, as amended.

**Additional Terms/Acknowledgement:** By accepting the Award, you acknowledge receipt of, and understand and agree to, the Award Notice, the Terms and Conditions and the Plan. You further acknowledge that as of the Grant Date, the Offer Letter, the Award Notice, the Terms and Conditions and the Plan set forth the entire understanding between you and the Company regarding the Award and supersede all prior oral and written agreements on the subject.

This Award Notice and any notices, agreements or other documents related to this Award or your participation in the Plan may be executed in two or more counterparts, each of which will be deemed an original, but all of which together will constitute one and the same instrument. Counterparts may be delivered via facsimile, electronic mail (including pdf or any electronic signature complying with the U.S. federal ESIGN Act of 2000, Uniform Electronic Transactions Act or other applicable law) or other transmission method and any counterpart so delivered will be deemed to have been duly and validly delivered and be valid and effective for all purposes.

<b>MAPLEBEAR INC.</b>	<b>PARTICIPANT</b>
_____	_____
By: _____	[ _____ ]
Its: _____	Taxpayer ID: _____
	Address: _____
	_____

**Attachments:**

Attachment I:	Restricted Stock Award Terms and Conditions
Exhibit A:	Assignment Separate from Certificate
Exhibit B :	Joint Escrow Instructions
Attachment II:	Section 83(b) Election

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ATTACHMENT I

RESTRICTED STOCK AWARD TERMS AND CONDITIONS

2018 EQUITY INCENTIVE PLAN

RESTRICTED STOCK AWARD TERMS AND CONDITIONS

Maplebear Inc. (the “*Company*”) has awarded you, in exchange for your services to the Company, the number of Shares indicated in the Grant Notice (the “*Award*”) pursuant to its 2018 Equity Incentive Plan (the “*Plan*”). The Grant Notice and these Restricted Stock Award Terms and Conditions are collectively referred to as the “*Award Agreement*”. Capitalized terms not explicitly defined in this Agreement but defined in the Plan will have the same meanings given to them in the Plan.

The details of your Award, in addition to those set forth in the Grant Notice and the Plan, are as follows:

**1. Vesting.** Subject to the limitations contained herein, the Shares will vest pursuant to the Vesting Schedule in the Grant Notice. “*Vested Shares*” will mean Shares that have vested in accordance with the Vesting Schedule (i.e., the Service-Based Requirement is met *and* the Liquidity-Event Requirement is met), and “*Unvested Shares*” will mean Shares that have not vested in accordance with the Vesting Schedule.

**2. Number of Shares; Capitalization Adjustments.** The number of Shares subject to your Award may be adjusted from time to time for capitalization adjustments pursuant to Section 14 of the Plan. In the event of any such adjustments, new, substituted or additional securities or other property to which you are entitled by reason of your ownership of the Unvested Shares will be immediately subject to the same vesting requirements and vesting schedule that is applicable to the Shares with respect to which such additional Shares relate, as well as all transfer restrictions contained in this Award Agreement, including the Reacquisition Right and the Right of First Refusal (each as defined below). No fractional shares or rights for fractional shares will be created pursuant to this Section. Any fraction of a share will be rounded down to the nearest whole share.

**3. Securities Law Compliance.** The Shares are not registered under the Securities Act. At this time, the Company has determined that the issuance of the Shares under this Award is exempt from the registration requirements of the Securities Act. If the Company determines at any time that an exemption from the registration requirements of the Securities Act was not available or that the issuance of the Shares otherwise would not comply with any other applicable laws and regulations, then the Company will not be obligated to issue the Shares or may rescind the award to you.

**4. Transfer Restrictions.** In addition to any other limitation on transfer created by the Company’s bylaws and applicable securities laws, you may not Transfer all or any part of the Unvested Shares or any interest in the Unvested Shares while such shares are subject to the Reacquisition Right (as defined below) or continue to be held by the Escrow Agent (as defined below) or by the Company’s transfer agent in restricted book entry form. In the case of Vested Shares, you may not Transfer the Vested Shares or any interest in the Vested Shares except in compliance with this Award Agreement, including without limitation the Right of First Refusal (as defined below), the Company’s bylaws and applicable securities laws. As used in this Award Agreement, the term “*Transfer*” means any sale, encumbrance, pledge, gift or other form of disposition or transfer of shares of Common Stock or any legal or equitable interest therein; *provided, however*, that the term Transfer does not include a transfer of such shares or interests by will or intestacy to your Immediate Family. In such case, the transferee or other recipient will receive and hold the Shares so transferred subject to the provisions of this Award Agreement, and there will be no further transfer of such shares except in accordance with the terms of this Award Agreement. The term “*Immediate Family*” will have the meaning as set forth in Rule 701.

5. **Unvested Share Reacquisition Right.**

**(a) Reacquisition Right. The** Company will automatically reacquire (the “**Reacquisition Right**”) without any payment to you (that is, for zero dollars (\$0)) and without any required action or notice to you some or all Unvested Shares upon the following date(s) as applicable (each, a “**Reacquisition Date**”):

**(i)** Upon the date that is 90 days after your Termination of Service, the Reacquisition Right will apply to all Unvested Shares, *to the extent such Unvested Shares have not met the Service-Based Requirement* as of the date of your Termination of Service (and after applying any vesting acceleration pursuant to the Offer Letter;

**(ii)** Upon the Liquidity Event Deadline, the Reacquisition Right will apply to all Unvested Shares (if any) as of the date of such Liquidity Event Deadline.

**(b)** You hereby agree to take whatever action the Company deems necessary to effectuate the Company’s reacquisition of the Unvested Shares described in 5(a) above. Following such reacquisition, the Company will become the legal and beneficial owner of the Unvested Shares being reacquired and all rights and interests in and related to such shares, and the Company will have the right to transfer to its own name the Unvested Shares being reacquired by the Company without further action by you. Notwithstanding anything to the contrary in this Section or in this Award Agreement, the Company may elect to waive, in its sole discretion, its Reacquisition Right in whole or in part by providing written notice to you (with a copy to the Escrow Agent, as defined below), at any time prior to or on the Reacquisition Date, and the Escrow Agent may then release to you the number of Shares not being reacquired by the Company.

**(c) Corporate Transactions.** To the extent the Reacquisition Right remains in effect following a transaction described in Section 14 of the Plan or a Change of Control, unless otherwise provided by the Board pursuant to the terms of the Plan, it will apply to the new capital stock, cash or other property received in exchange for the Unvested Shares in consummation of the transaction or Change of Control, as applicable, but only to the extent the Unvested Shares were at the time covered by such right.

**(d) Termination of Reacquisition Right.** The Company’s Reacquisition Right will terminate upon the earlier of (i) the Company’s reacquisition in full of the Unvested Shares (or waiver of the Reacquisition Right) and (ii) the time when all remaining outstanding Shares becoming Vested Shares.

**6. Right of First Refusal.** Shares that are received under your Award are subject to any right of first refusal that may be described in the Company’s bylaws in effect at such time the Company elects to exercise its right; *provided, however*, that if there is no right of first refusal described in the Company’s bylaws at such time, the right of first refusal described below (the “**Right of First Refusal**”) will apply. The Right of First Refusal will expire on the first date upon which any security of the Company is listed (or approved for listing) upon notice of issuance on a national securities exchange or quotation system (the “**Listing Date**”).

**(a)** Prior to the Listing Date, you may not validly Transfer any Vested Shares received under the Award, or any interest in such shares, unless such Transfer is made in compliance with the following provisions:

(i) Before there can be a valid Transfer of any Shares or any interest therein, the record holder of the Shares to be transferred (the “Offered Shares”) will give written notice (by registered or certified mail) to the Company (the “ROFR Notice”). Such notice will specify the identity of the proposed transferee, the cash price offered for the Offered Shares by the proposed transferee (or, if the proposed Transfer is one in which the holder will not receive cash, such as an involuntary transfer, gift, donation or pledge, the holder will state that no purchase price is being proposed), and the other terms and conditions of the proposed Transfer. The date such notice is mailed will be hereinafter referred to as the “Notice Date” and the record holder of the Offered Shares will be hereinafter referred to as the “Offeror.”

(ii) For a period of 30 calendar days after the Notice Date, the Company will have the option to exercise its Right of First Refusal and purchase all or any portion of the Offered Shares at the purchase price and on the terms set forth in this Section. In the event that the proposed Transfer is one involving no payment of a purchase price, the purchase price will be deemed to be the Fair Market Value of the Offered Shares as determined in good faith by the Board in its discretion. The Company may exercise its Right of First Refusal by mailing (by registered or certified mail) written notice of exercise of its Right of First Refusal to the Offeror prior to the end of said 30 days.

(iii) The price at which the Company may purchase the Offered Shares pursuant to the exercise of its Right of First Refusal will be the cash price offered for the Offered Shares by the proposed transferee (as set forth in the ROFR Notice), or the Fair Market Value as determined by the Board in the event no purchase price is involved. To the extent consideration other than cash is offered by the proposed transferee, the Company will not be required to pay any additional amounts to the Offeror other than the cash price offered (or the Fair Market Value, if applicable). The Company’s notice of exercise of its Right of First Refusal will be accompanied by full payment for the Offered Shares and, upon such payment by the Company, the Company will acquire full right, title and interest to all of the Offered Shares.

(iv) If, and only if, the Company elects not to exercise its Right of First Refusal as to the Offered Shares, the Transfer proposed in the ROFR Notice may take place; *provided, however*, that such Transfer must, in all respects, be exactly as proposed in said notice except that such Transfer may not take place either before the 10<sup>th</sup> calendar day after the expiration of the 30 day option exercise period or after the 90<sup>th</sup> calendar day after the expiration of the 30 day option exercise period, and if such Transfer has not taken place prior to said 90<sup>th</sup> day, such Transfer may not take place without once again complying with this Section.

(b) None of the shares of Common Stock received under the Award will be transferred on the Company’s books nor will the Company recognize any such Transfer of any such shares or any interest therein unless and until all applicable provisions of this Section have been complied with in all respects. The certificates of stock evidencing Shares received under the Award will bear an appropriate legend referring to the transfer restrictions imposed by this Section.

## 7. Rights as Stockholder.

(a) **General.** Subject to the provisions of this Award Agreement, you will exercise all rights and privileges of a stockholder of the Company with respect to the Shares, including for purposes of exercising any voting rights relating to any Unvested Shares. You agree that any Shares received in respect of the Award will be subject to the market standoff restrictions on transfer set forth in the Plan which shall, if so determined by the Company, also apply in the Company’s initial listing of its common stock on a national securities exchange by means of a registration statement on Form S-1 under the Securities Act (or any successor registration form under the Securities Act subsequently adopted by the Securities and Exchange Commission) filed by the Company with the Securities and Exchange Commission that registers shares of existing capital stock of the Company for resale.

**(b) Dividends.** You will be deemed to be the holder of the Unvested Shares for purposes of receiving any dividends that may be paid with respect to such Shares; *provided, however*, that any dividends or other distributions paid with respect to the Unvested Shares shall be subject to all of the terms and conditions applicable under this Award Agreement to the same extent as the Unvested Shares. For clarity, cash dividends made prior to the vesting of any Unvested Shares will be withheld and paid to you (without interest) only if, when and to the extent, such Shares become Vested Shares.

**8. Waiver of Information Rights.** You hereby acknowledge and agree that, except for such information as required to be delivered to you by the Company pursuant to any other agreement by and between you and the Company, you shall have no right to receive any information from the Company by virtue of your purchase of the Shares, ownership of the Shares, or as a result of you being a holder of record of stock of the Company. Without limiting the foregoing, to the fullest extent permitted by law, you hereby waive your inspection rights under Section 220 of the Delaware General Corporation Law and all such similar information and/or inspection rights that may be provided under the law of any jurisdiction, or any federal, state or foreign regulation, that are, or may become, applicable to the Company, the Company's capital stock or the Shares (the "**Inspection Rights**"). You hereby covenant and agree never to directly or indirectly commence, voluntarily aid in any way, prosecute, assign, transfer, or cause to be commenced any claim, action, cause of action, or other proceeding to pursue or exercise the Inspection Rights.

**9. Restrictive Legends.** All certificates representing the Common Stock issued under your Award will be endorsed with appropriate legends determined by the Company in substantially the following forms (in addition to any other legend that may be required by other agreements between you and the Company):

**(a)** "THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A REACQUISITION RIGHT AND OTHER RESTRICTIONS AND CONDITIONS SET FORTH IN A RESTRICTED STOCK AWARD AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER, OR SUCH HOLDER'S PREDECESSOR IN INTEREST, A COPY OF WHICH IS ON FILE AT THE COMPANY'S PRINCIPAL CORPORATE OFFICES. ANY TRANSFER OR ATTEMPTED TRANSFER OF ANY SHARES SUBJECT TO SUCH RIGHT IS VOID WITHOUT THE PRIOR EXPRESS WRITTEN CONSENT OF THE COMPANY."

**(b)** "THE SHARES REPRESENTED BY THIS CERTIFICATE HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933, AS AMENDED. THEY MAY NOT BE SOLD, OFFERED FOR SALE, PLEDGED OR HYPOTHECATED IN THE ABSENCE OF AN EFFECTIVE REGISTRATION STATEMENT AS TO THE SECURITIES UNDER SAID ACT OR AN OPINION OF COUNSEL SATISFACTORY TO THE COMPANY THAT SUCH REGISTRATION IS NOT REQUIRED."

**(c)** "THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO CERTAIN RIGHTS OF REFUSAL GRANTED TO THE COMPANY AND/OR ITS ASSIGNEE(S) AND ACCORDINGLY MAY NOT BE SOLD, ASSIGNED, TRANSFERRED, ENCUMBERED OR IN ANY MANNER DISPOSED OF EXCEPT IN CONFORMITY WITH THE TERMS OF THE BYLAWS OF THE COMPANY AND/OR A RESTRICTED STOCK AWARD AGREEMENT BETWEEN THE COMPANY AND THE REGISTERED HOLDER, OR SUCH HOLDER'S PREDECESSOR IN INTEREST, A COPY OF WHICH IS ON FILE AT THE COMPANY'S PRINCIPAL CORPORATE OFFICES."

(d) "THE SHARES REPRESENTED BY THIS CERTIFICATE ARE SUBJECT TO A TRANSFER RESTRICTION, AS PROVIDED IN THE BYLAWS OF THE COMPANY."

(e) Any legend required by appropriate blue sky officials.

**10. Withholding Obligations.**

(a) At the time your Award is made, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company or an Affiliate, if any, which arise in connection with your Award (the "**Withholding Taxes**"). The Company may, in its sole discretion, satisfy all or any portion of the Withholding Taxes obligation relating to your Award by any of the following means or by a combination of such means: (i) withholding from any amounts otherwise payable to you by the Company; (ii) causing you to tender a cash payment; (iii) by and so long as the Common Stock is publicly traded on an established securities market, require or permit you to instruct a brokerage firm designated or approved by the Company for such purpose to sell on your behalf a whole number of Shares as the Company determines to be appropriate to generate cash proceeds sufficient to satisfy the Withholding Taxes or (iv) withholding Shares from the Award with a Fair Market Value equal to the amount of such Withholding Taxes; *provided, however*, that the number of such Shares withheld may not exceed the amount necessary to satisfy the Company's required tax withholding obligations using the minimum statutory withholding rates for federal, state, local and foreign tax purposes, including payroll taxes, that are applicable to supplemental taxable income.

(b) Unless the tax withholding obligations of the Company and any Affiliate are satisfied, the Company will have no obligation to issue a certificate for such Shares or release such Shares from any escrow provided for in this Award Agreement.

**11. Tax Consequences.** You agree to review with your own tax advisors the federal, state, local and foreign tax consequences of this investment and the transactions contemplated by this Award. You will rely solely on such advisors and not on any statements or representations of the Company or any of its agents. You understand that you (and not the Company) will be responsible for your own tax liability that may arise as a result of this investment or the transactions contemplated by this Award. You understand that Section 83 of the Code taxes as ordinary income to you the fair market value of the Shares issued to you pursuant to the Award as of the date any restrictions on such shares lapse (that is, as of the date on which part or all of such shares vest). In this context, "restriction" includes the right of the Company to reacquire the Shares pursuant to the Reacquisition Right set forth above. You understand that you may elect to be taxed at the time the Shares are issued to you pursuant to your Award, rather than when and as the Reacquisition Right expires, by filing an election under Section 83(b) of the Code (an "**83(b) Election**") with the Internal Revenue Service within 30 days after the date you acquire Shares pursuant to your Award. Even if the fair market value of the Common Stock at the time of grant of your Award equals the amount paid for the Shares (if anything), the 83(b) Election must be made to avoid income under Section 83(a) in the future. You understand that failure to file such an 83(b) Election in a timely manner may result in adverse tax consequences for you. You acknowledge that the foregoing is only a summary of the effect of U.S. federal income taxation with respect to issuance of the Shares pursuant to your Award, and does not purport to be complete. You further acknowledge that the Company has directed you to seek independent advice regarding the applicable provisions of the Code, the income tax laws of any municipality, state or foreign country in which you may reside, and the tax consequences of your death. You assume all responsibility for filing an 83(b) Election and paying all taxes resulting from such election or the lapse of the restrictions on the Shares. **YOU ACKNOWLEDGE THAT IT IS YOUR OWN RESPONSIBILITY, AND NOT THE COMPANY'S, TO FILE A TIMELY 83(b) ELECTION. THE COMPANY AND ITS LEGAL COUNSEL CANNOT ASSUME RESPONSIBILITY FOR FAILURE TO FILE THE 83(b) ELECTION IN A TIMELY MANNER UNDER ANY CIRCUMSTANCES.**



**12. Severability.** If all or any part of this Award Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Award Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Award Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

**13. Governing Law.** The interpretation, performance and enforcement of this Award Agreement shall be governed by the law of the State of Delaware without regard to that state's conflicts of laws rules.

**14. Notices.** Any notice or request required or permitted hereunder will be given in writing to each of the other parties hereto and will be deemed effectively given on the earlier of (i) the date of personal delivery, including delivery by express courier, or delivery via electronic means, or (ii) the date that is five days after deposit in the United States Post Office (whether or not actually received by the addressee), by registered or certified mail with postage and fees prepaid, addressed to the Company at its primary executive offices, attention: Stock Plan Administrator, and addressed to you at your address as on file with the Company at the time notice is given.

**15. Imposition of Other Requirements.** As a condition to the grant of your Award or to the Company's the issuance of any Shares under this Award, the Company may require you to execute further documents or instruments necessary or desirable in the sole determination of the Company to carry out the purposes or intent of your Award. In addition, you may be required to execute certain customary agreements entered into with the holders of capital stock of the Company, including without limitation a right of first refusal and co-sale agreement, stockholders agreement and a voting agreement.

EXHIBIT A TO

RESTRICTED STOCK AWARD TERMS AND CONDITIONS

ASSIGNMENT SEPARATE FROM CERTIFICATE

**For Value Received** and pursuant to that certain Restricted Stock Award Grant Notice dated \_\_\_\_\_ (the "**Award**"), [\_\_\_\_\_] hereby sells, assigns and transfers unto **Maplebear Inc.** (the "**Company**") \_\_\_\_\_ shares of the Common Stock of the Company, standing in the undersigned's name on the books of the Company represented by Certificate No(s). \_\_\_\_\_ and does hereby irrevocably constitute and appoint the Company's Secretary as attorney-in-fact to transfer the said Common Stock on the books of the Company with full power of substitution in the premises. This Assignment Separate From Certificate may be used only in accordance with and subject to the terms and conditions of the Award, in connection with the reacquisition of shares of Common Stock of the Company issued to the undersigned pursuant to the Award, and only to the extent that such shares remain subject to the Company's Reacquisition Right under the Award.

Dated: \_\_\_\_\_

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**Instructions:** Please do not fill in any blanks other than the "Signature" line and the "Print Name" line.

RESTRICTED STOCK AWARD TERMS AND CONDITIONS

JOINT ESCROW INSTRUCTIONS

Secretary

[\_\_\_\_\_]

[\_\_\_\_\_]

[\_\_\_\_\_] , California [\_\_\_\_\_]

Dear Sir or Madam:

As “**Escrow Agent**” for both Maplebear Inc., a Delaware corporation (the “**Company**”), and the undersigned recipient (“**Recipient**”) of Common Stock of the Company (the “**Common Stock**”), you are hereby authorized and directed to hold the documents delivered to you pursuant to the terms of the Restricted Stock Award Grant Notice (including all attachments and exhibits) dated [\_\_\_\_\_] (the “**Award**”), to which a copy of these Joint Escrow Instructions is attached as Exhibit B to the Restricted Stock Award Terms and Conditions (the “**Agreement**”), in accordance with the following instructions:

1. In the event Recipient ceases to render services to the Company or an affiliate of the Company or upon such other events described in the Agreement that occur during the vesting period set forth in the Grant Notice, the Company or its affiliate or assignee, as applicable, will give to Recipient and you a written notice specifying the number of shares of Common Stock that will be transferred to the Company. Recipient and the Company hereby irrevocably authorize and direct you to close the transaction contemplated by such notice in accordance with the terms of said notice.

2. At the closing you are directed (a) to date any stock assignments necessary for the transfer in question, (b) to fill in the number of shares of Common Stock being transferred, and (c) to deliver the same, together with the certificate evidencing the shares of Common Stock to be transferred, to the Company.

3. Recipient irrevocably authorizes the Company to deposit with you any certificates evidencing shares of Common Stock to be held by you hereunder and any additions and substitutions to said shares of Common Stock as specified in the Grant Notice and the Agreement. Recipient does hereby irrevocably constitute and appoint you as Recipient’s attorney-in-fact and agent for the term of this escrow to execute with respect to such securities and other property all documents of assignment and/or transfer and all stock certificates necessary or appropriate to make all securities negotiable and complete any transaction herein contemplated.

4. This escrow will terminate and the shares of Common Stock held hereunder will be released in full upon the full vesting of the shares of Common Stock in accordance with the vesting schedule set forth in the Grant Notice or upon the earlier return of the shares of Common Stock to the Company pursuant to the Company’s Reacquisition Right (as defined in the Agreement) or other forfeiture condition under the Company’s 2018 Equity Incentive Plan.

5. If at the time of termination of this escrow you should have in your possession any documents, securities, or other property belonging to Recipient, you will deliver all of same to Recipient and will be discharged of all further obligations hereunder; *provided, however*, that if at the time of termination of this escrow you are advised by the Company that the property subject to this escrow is the subject of a pledge or other security agreement, you will deliver all such property to the pledgeholder or other person designated by the Company.

6. Except as otherwise provided in these Joint Escrow Instructions, your duties hereunder may be altered, amended, modified or revoked only by a writing signed by all of the parties hereto.

7. You will be obligated only for the performance of such duties as are specifically set forth herein and may rely and will be protected in relying or refraining from acting on any instrument reasonably believed by you to be genuine and to have been signed or presented by the proper party or parties or their assignees. You will not be personally liable for any act you may do or omit to do hereunder as Escrow Agent or as attorney-in-fact for Recipient while acting in good faith and any act done or omitted by you pursuant to the advice of your own attorneys will be conclusive evidence of such good faith.

8. You are hereby expressly authorized to disregard any and all warnings given by any of the parties hereto or by any other person or corporation, excepting only orders or process of courts of law, and are hereby expressly authorized to comply with and obey orders, judgments or decrees of any court. In case you obey or comply with any such order, judgment or decree of any court, you will not be liable to any of the parties hereto or to any other person, firm or corporation by reason of such compliance, notwithstanding any such order, judgment or decree being subsequently reversed, modified, annulled, set aside, vacated or found to have been entered without jurisdiction.

9. You will not be liable in any respect on account of the identity, authority or rights of the parties executing or delivering or purporting to execute or deliver the Grant Notice, the Agreement or any documents or papers deposited or called for hereunder.

10. You will not be liable for the outlawing of any rights under any statute of limitations with respect to these Joint Escrow Instructions or any documents deposited with you.

11. Your responsibilities as Escrow Agent hereunder will terminate if you cease to be Secretary of the Company or if you resign by written notice to the Company. In the event of any such termination, the Secretary of the Company will automatically become the successor Escrow Agent unless the Company appoints another successor Escrow Agent and Recipient hereby confirms the appointment of such successor as Recipient's attorney-in-fact and agent to the full extent of your appointment.

12. If you reasonably require other or further instruments in connection with these Joint Escrow Instructions or obligations in respect hereto, the necessary parties hereto will join in furnishing such instruments.

13. It is understood and agreed that should any dispute arise with respect to the delivery and/or ownership or right of possession of the securities, you are authorized and directed to retain in your possession without liability to anyone all or any part of said securities until such dispute has been settled either by mutual written agreement of the parties concerned or by a final order, decree or judgment of a court of competent jurisdiction after the time for appeal has expired and no appeal has been perfected, but you will be under no duty whatsoever to institute or defend any such proceedings.

14. Any notice or request required or permitted hereunder will be given in writing to each of the other parties hereto and will be deemed effectively given on the earlier of (i) the date of personal delivery, including delivery by express courier, or delivery via electronic means, or (ii) the date that is five days after deposit in the United States Post Office (whether or not actually received by the addressee), by registered or certified mail with postage and fees prepaid, addressed to each of the other parties hereunto entitled at the following addresses, or at such other addresses as a party may designate by 10 days' advance written notice to each of the other parties hereto:

**Company:** Maplebear Inc.  
50 Beale Street, Suite 600  
San Francisco, California 94105  
Attn: General Counsel / Chief Financial Officer

**Recipient:** \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

**Escrow Agent:** [\_\_\_\_\_] \_\_\_\_\_  
[\_\_\_\_\_] \_\_\_\_\_  
[\_\_\_\_\_] \_\_\_\_\_, California [\_\_\_\_\_] \_\_\_\_\_  
Attn: Corporate Secretary

15. By signing these Joint Escrow Instructions you become a party hereto only for the purpose of said Joint Escrow Instructions; you do not become a party to the Grant Notice or the Agreement.

16. You are entitled to employ such legal counsel, including without limitation Cooley LLP, and other experts as you may deem necessary to advise you in connection with your obligations hereunder. You may rely upon the advice of such counsel, and may pay such counsel reasonable compensation therefor. The Company will be responsible for all fees generated by such legal counsel in connection with your obligations hereunder.

17. This instrument will be binding upon and inure to the benefit of the parties hereto, and their respective successors and permitted assigns. It is understood and agreed that references to “you” or “your” herein refer to the original Escrow Agent and to any and all successor Escrow Agents. It is understood and agreed that the Company may at any time or from time to time assign its rights under the Grant Notice, the Agreement and these Joint Escrow Instructions in whole or in part.

*[Remainder of page intentionally left blank]*

18. These Joint Escrow Instructions will be governed by and interpreted and determined in accordance with the laws of the State of Delaware without regard to that state's conflicts of laws rules. The parties hereby expressly consent to the personal jurisdiction of the state and federal courts located in the county in which the Company has its principal offices for any lawsuit arising from or related to this Agreement.

Very truly yours,

[ \_\_\_\_\_ ]

By \_\_\_\_\_

Title \_\_\_\_\_

**Recipient**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

**Escrow Agent:**

\_\_\_\_\_  
(Signature)

\_\_\_\_\_  
(Print Name)

---

**ATTACHMENT II**

**SECTION 83(B) ELECTION**

## Instructions for Filing Section 83(b) Election

Attached is a form of election under Section 83(b) of the Internal Revenue Code and an accompanying IRS cover letter. Please complete and sign the election and cover letter, then proceed as follows:

- a) Make **three** copies of the completed election form and one copy of the IRS cover letter.
- b) Send the **original** signed election form and cover letter, the copy of the cover letter, and a self-addressed stamped return envelope to the Internal Revenue Service Center where you would otherwise file your tax return. Even if an address for an Internal Revenue Service Center is already included in the forms below, it is your obligation to verify such address. This can be done by searching for the term “where to file” on [www.irs.gov](http://www.irs.gov) or by calling 1 (800) 829-1040.  
  
Sending the election via certified mail, requesting a return receipt, with the certified mail number written on the cover letter is also recommended.
- c) Deliver one copy of the completed election form to the Company.
- d) Applicable state law may require that you attach a copy of the completed election form to your state personal income tax return(s) when you file it for the year (assuming you file a state personal income tax return).  
  
Please consult your personal tax advisor(s) to determine whether or not a copy of this Section 83(b) election should be filed with your state personal income tax return(s).
- e) Retain one copy of the completed election form for your personal permanent records.

Note: An additional copy of the completed election form must be delivered to the transferee (recipient) of the property if the service provider and the transferee are not the same person.

***Please note that the election must be filed with the IRS within 30 days of the date of purchase/grant of the shares. Failure to file within that time will render the election void and you may recognize ordinary taxable income as your vesting restrictions lapse. The Company and its counsel cannot assume responsibility for failure to file the election in a timely manner under any circumstances.***



Department of the Treasury  
 Internal Revenue Service  
 [City, State Zip]<sup>1</sup>[Austin, TX 73301-0215  
 USA]<sup>2</sup>  
 Re: Election Under Section 83(b)

Ladies and Gentlemen:

The undersigned taxpayer hereby elects, pursuant to Section 83(b) of the Internal Revenue Code of 1986, as amended, to include in gross income as compensation for services the excess (if any) of the fair market value of the shares described below over the amount paid for those shares. The following information is supplied in accordance with Treasury Regulation § 1.83-2:

**1. The name, social security number, address of the undersigned, and the taxable year for which this election is being made are:**

Name: \_\_\_\_\_  
 Social Security Number: \_\_\_\_\_  
 Address: \_\_\_\_\_  
 \_\_\_\_\_  
 Taxable year: Calendar year 20\_\_

**2. The property that is the subject of this election:** \_\_\_\_\_ shares of common stock of Maplebear Inc., a Delaware corporation (the "Company").

**3. The property was transferred on:** \_\_\_\_\_, 20\_\_.

**4. The property is subject to the following restrictions:** Some or all of the shares are subject to forfeiture or repurchase at less than their fair market value if the undersigned does not continue to provide services for the Company for a designated period of time. The risk of forfeiture or repurchase lapses over a specified vesting period.

<sup>1</sup> **Note:** Per Treasury Regulation § 1.83-2(c), the Section 83(b) election must be filed with the IRS office where the person otherwise files his or her tax return. Assuming these are individual taxpayers who would file a Form 1040, see <http://www.irs.gov/uac/Where-to-File-Addresses-for--Taxpayers-and--Tax-Professionals-Filing-Form-1040>. Use the address in the row which includes the state in which the service provider lives and in the column entitled "And you ARE NOT enclosing a payment".

<sup>2</sup> **Note:** Per Treasury Regulation § 1.83-2(c), the Section 83(b) election must be filed with the IRS office where the person otherwise files his or her tax return. As of December 2018, if you live in a foreign country or are a dual status alien (foreigners that will have lived both in their home country and the United States during the year in which they make the election) you should send the 83(b) election to Austin, TX 73301-0215. You can verify this is still the correct address at: <http://www.irs.gov/uac/Where-to-File-Addresses-for--Taxpayers-and--Tax-Professionals-Filing-Form-1040>.

5. **The fair market value of the property at the time of transfer (determined without regard to any restriction other than a nonlapse restriction as defined in Treasury Regulation § 1.83-3(h)):** \$[•] per share x [#] shares = \$[•].
6. **For the property transferred, the undersigned paid:** \$[0]
7. **The amount to include in gross income is:** \$[0].

The undersigned taxpayer will file this election with the Internal Revenue Service office with which taxpayer files his or her annual income tax return not later than 30 days after the date of transfer of the property. A copy of the election also will be furnished to the person for whom the services were performed and the transferee of the property. Additionally, the undersigned will include a copy of the election with his or her income tax return for the taxable year in which the property is transferred. The undersigned is the person performing the services in connection with which the property was transferred.

Very truly yours,

---

[ ]

**RETURN SERVICE REQUESTED**

Department of the Treasury  
Internal Revenue Service  
[City, State, ZIP][Austin, TX 73301-0215 USA]

Re: **Election Under Section 83(b) of the Internal Revenue Code**

Dear Sir or Madam:

Enclosed please find an executed form of election under Section 83(b) of the Internal Revenue Code of 1986, as amended, filed with respect to an interest in [ ] shares of common stock of Maplebear Inc.

Also enclosed is a copy of the signed form of election under Section 83(b). Please acknowledge receipt of these materials by marking the copy when received and returning it in the enclosed stamped, self-addressed envelope.

Thank you very much for your assistance.

Very truly yours,

\_\_\_\_\_

[ ]

Enclosures

**MAPLEBEAR INC.  
2023 EQUITY INCENTIVE PLAN**

**ADOPTED BY THE BOARD OF DIRECTORS: AUGUST 23, 2023**

**APPROVED BY THE STOCKHOLDERS: SEPTEMBER 10, 2023**

**EFFECTIVE DATE: \_\_\_\_\_, 2023**

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## 1. GENERAL.

**(a) Successor to and Continuation of 2018 Plan.** The Plan is the successor to and continuation of the 2018 Plan. As of the Effective Time, (i) no additional awards may be granted under the 2018 Plan; (ii) the 2018 Plan's Available Reserve plus any Returning Shares will become available for issuance pursuant to Awards granted under this Plan; and (iii) all outstanding awards granted under the Prior Plans will remain subject to the terms of the applicable Prior Plan (except to the extent such outstanding awards result in Returning Shares that become available for issuance pursuant to Awards granted under this Plan). All Awards granted under this Plan will be subject to the terms of this Plan.

**(b) Plan Purpose.** The Company, by means of the Plan, seeks to secure and retain the services of Employees, Directors and Consultants, to provide incentives for such persons to exert maximum efforts for the success of the Company and any Affiliate and to provide a means by which such persons may be given an opportunity to benefit from increases in value of the Common Stock through the granting of Awards.

**(c) Available Awards.** The Plan provides for the grant of the following Awards: (i) Incentive Stock Options; (ii) Nonstatutory Stock Options; (iii) SARs; (iv) Restricted Stock Awards; (v) RSU Awards; (vi) Performance Awards; and (vii) Other Awards.

**(d) Adoption Date; Effective Time.** The Plan will come into existence on the Adoption Date, but no Award may be granted prior to the Effective Time.

## 2. SHARES SUBJECT TO THE PLAN.

**(a) Share Reserve.** Subject to adjustment in accordance with Section 2(c) and any adjustments as necessary to implement any Capitalization Adjustments, the aggregate number of shares of Common Stock that may be issued pursuant to Awards will not exceed 114,875,120 shares, which number is the sum of: (i) 14,300,000 new shares, plus (ii) the 2018 Plan's Available Reserve; plus, (iii) the number of Returning Shares, if any, as such shares become available from time to time.

In addition, subject to any adjustments as necessary to implement any Capitalization Adjustments, such aggregate number of shares of Common Stock will automatically increase on January 1 of each calendar year for a period of ten years commencing on January 1, 2024 and ending on (and including) January 1, 2033, in an amount equal to 5% of the total number of shares of Common Stock outstanding on December 31 of the preceding calendar year; provided, however that the Board may act prior to January 1<sup>st</sup> of a given calendar year to provide that the increase for such year will be a lesser number of shares of Common Stock.

**(b) Aggregate Incentive Stock Option Limit.** Notwithstanding anything to the contrary in Section 2(a) and subject to any adjustments as necessary to implement any Capitalization Adjustments, the aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options is 344,625,360 shares.

**(c) Share Reserve Operation.**

**(i) Limit Applies to Common Stock Issued Pursuant to Awards.** For clarity, the Share Reserve is a limit on the number of shares of Common Stock that may be issued pursuant to Awards and does not limit the granting of Awards, except that the Company will keep available at all times the number of shares of Common Stock reasonably required to satisfy its obligations to issue shares pursuant to such Awards. Shares may be issued in connection with a merger or acquisition as permitted by, as applicable, Nasdaq Listing Rule 5635(c), NYSE Listed Company Manual Section 303A.08, NYSE American Company Guide Section 711 or other applicable rule, and such issuance will not reduce the number of shares available for issuance under the Plan.

**(ii) Actions that Do Not Constitute Issuance of Common Stock and Do Not Reduce Share Reserve.** The following actions do not result in an issuance of shares under the Plan and accordingly do not reduce the number of shares subject to the Share Reserve and available for issuance under the Plan: (1) the expiration or termination of any portion of an Award without the shares covered by such portion of the Award having been issued; (2) the settlement of any portion of an Award in cash (*i.e.*, the Participant receives cash rather than Common Stock); (3) the withholding of shares that would otherwise be issued by the Company to satisfy the exercise, strike or purchase price of an Award; or (4) the withholding of shares that would otherwise be issued by the Company to satisfy a tax withholding obligation in connection with an Award.

**(iii) Reversion of Previously Issued Shares of Common Stock to Share Reserve.** The following shares of Common Stock previously issued pursuant to an Award and accordingly initially deducted from the Share Reserve will be added back to the Share Reserve and again become available for issuance under the Plan: (1) any shares that are forfeited back to or repurchased by the Company because of a failure to meet a contingency or condition required for the vesting of such shares; (2) any shares that are reacquired by the Company to satisfy the exercise, strike or purchase price of an Award; and (3) any shares that are reacquired by the Company to satisfy a tax withholding obligation in connection with an Award.

**3. ELIGIBILITY AND LIMITATIONS.**

**(a) Eligible Award Recipients.** Subject to the terms of the Plan, Employees, Directors and Consultants are eligible to receive Awards.

**(b) Specific Award Limitations.**

**(i) Limitations on Incentive Stock Option Recipients.** Incentive Stock Options may be granted only to Employees of the Company or a “parent corporation” or “subsidiary corporation” thereof (as such terms are defined in Sections 424(e) and (f) of the Code).

**(ii) Incentive Stock Option \$100,000 Limitation.** To the extent that the aggregate Fair Market Value (determined at the time of grant) of Common Stock with respect to which Incentive Stock Options are exercisable for the first time by any Optionholder during any calendar year (under all plans of the Company and any Affiliates) exceeds \$100,000 (or such

other limit established in the Code) or otherwise does not comply with the rules governing Incentive Stock Options, the Options or portions thereof that exceed such limit (according to the order in which they were granted) or otherwise do not comply with such rules will be treated as Nonstatutory Stock Options, notwithstanding any contrary provision of the applicable Option Agreement(s).

**(iii) Limitations on Incentive Stock Options Granted to Ten Percent Stockholders.** A Ten Percent Stockholder may not be granted an Incentive Stock Option unless (i) the exercise price of such Option is at least 110% of the Fair Market Value on the date of grant of such Option and (ii) the Option is not exercisable after the expiration of five years from the date of grant of such Option.

**(iv) Limitations on Nonstatutory Stock Options and SARs.** Nonstatutory Stock Options and SARs may not be granted to Employees, Directors and Consultants who are providing Continuous Service only to any "parent" of the Company (as such term is defined in Rule 405) unless the stock underlying such Awards is treated as "service recipient stock" under Section 409A because the Awards are granted pursuant to a corporate transaction (such as a spin off transaction) or unless such Awards otherwise comply with the distribution requirements of Section 409A.

**(c) Aggregate Incentive Stock Option Limit.** The aggregate maximum number of shares of Common Stock that may be issued pursuant to the exercise of Incentive Stock Options is the number of shares specified in Section 2(b).

**(d) Non-Employee Director Compensation Limit.** The aggregate value of all compensation granted or paid, as applicable, to any individual for service as a Non-Employee Director with respect to any period commencing on the date of the Company's Annual Meeting of Stockholders for a particular year and ending on the day immediately prior to the date of the Company's Annual Meeting of Stockholders for the next subsequent year (the "**Annual Period**"), including Awards granted and cash fees paid by the Company to such Non-Employee Director, will not exceed \$1,000,000 in total value, calculating the value of any equity awards based on the grant date fair value of such equity awards for financial reporting purposes. The limitation in this Section 3(d) shall apply commencing with the Annual Period that begins on the Company's first Annual Meeting of Stockholders following the Effective Time.

#### **4. OPTIONS AND STOCK APPRECIATION RIGHTS.**

Each Option and SAR will have such terms and conditions as determined by the Board. Each Option will be designated in writing as an Incentive Stock Option or Nonstatutory Stock Option at the time of grant; provided, however, that if an Option is not so designated, then such Option will be a Nonstatutory Stock Option, and the shares purchased upon exercise of each type of Option will be separately accounted for. Each SAR will be denominated in shares of Common Stock equivalents. The terms and conditions of separate Options and SARs need not be identical; provided, however, that each Option Agreement and SAR Agreement will conform (through incorporation of provisions hereof by reference in the Award Agreement or otherwise) to the substance of each of the following provisions:



**(a) Term.** Subject to Section 3(b) regarding Ten Percent Stockholders, no Option or SAR will be exercisable after the expiration of ten years from the date of grant of such Award or such shorter period specified in the Award Agreement.

**(b) Exercise or Strike Price.** Subject to Section 3(b) regarding Ten Percent Stockholders, the exercise or strike price of each Option or SAR will not be less than 100% of the Fair Market Value on the date of grant of such Award. Notwithstanding the foregoing, an Option or SAR may be granted with an exercise or strike price lower than 100% of the Fair Market Value on the date of grant of such Award if such Award is granted pursuant to an assumption of or substitution for another option or stock appreciation right pursuant to a Corporate Transaction and in a manner consistent with the provisions of Sections 409A and, if applicable, 424(a) of the Code.

**(c) Exercise Procedure and Payment of Exercise Price for Options.** In order to exercise an Option, the Participant must provide notice of exercise to the Plan Administrator in accordance with the procedures specified in the Option Agreement or otherwise provided by the Company. The Board has the authority to grant Options that do not permit all of the following methods of payment (or otherwise restrict the ability to use certain methods) and to grant Options that require the consent of the Company to utilize a particular method of payment. The exercise price of an Option may be paid, to the extent permitted by Applicable Law and as determined by the Board, by one or more of the following methods of payment to the extent set forth in the Option Agreement:

**(i)** by cash or check, bank draft or money order payable to the Company;

**(ii)** pursuant to a “cashless exercise” program developed under Regulation T as promulgated by the Federal Reserve Board that, prior to the issuance of the Common Stock subject to the Option, results in either the receipt of cash (or check) by the Company or the receipt of irrevocable instructions to pay the exercise price to the Company from the sales proceeds;

**(iii)** by delivery to the Company (either by actual delivery or attestation) of shares of Common Stock that are already owned by the Participant free and clear of any liens, claims, encumbrances or security interests, with a Fair Market Value on the date of exercise that does not exceed the exercise price, provided that (1) at the time of exercise the Common Stock is publicly traded, (2) any remaining balance of the exercise price not satisfied by such delivery is paid by the Participant in cash or other permitted form of payment, (3) such delivery would not violate any Applicable Law or agreement restricting the redemption of the Common Stock, (4) any certificated shares are endorsed or accompanied by an executed assignment separate from certificate, and (5) such shares have been held by the Participant for any minimum period necessary to avoid adverse accounting treatment as a result of such delivery;

**(iv)** if the Option is a Nonstatutory Stock Option, by a “net exercise” arrangement pursuant to which the Company will reduce the number of shares of Common Stock issuable upon exercise by the largest whole number of shares with a Fair Market Value on the date of exercise that does not exceed the exercise price, provided that (1) such shares used to pay the exercise price will not be exercisable thereafter and (2) any remaining balance of the exercise price not satisfied by such net exercise is paid by the Participant in cash or other permitted form of payment; or

(v) in any other form of consideration that may be acceptable to the Board and permissible under Applicable Law.

**(d) Exercise Procedure and Payment of Appreciation Distribution for SARs.** In order to exercise any SAR, the Participant must provide notice of exercise to the Plan Administrator in accordance with the SAR Agreement. The appreciation distribution payable to a Participant upon the exercise of a SAR will not be greater than an amount equal to the excess of (i) the aggregate Fair Market Value on the date of exercise of a number of shares of Common Stock equal to the number of Common Stock equivalents that are vested and being exercised under such SAR, over (ii) the strike price of such SAR. Such appreciation distribution may be paid to the Participant in the form of Common Stock or cash (or any combination of Common Stock and cash) or in any other form of payment, as determined by the Board and specified in the SAR Agreement.

**(e) Transferability.** Options and SARs may not be transferred to third party financial institutions for value. The Board may impose such additional limitations on the transferability of an Option or SAR as it determines. In the absence of any such determination by the Board, the following restrictions on the transferability of Options and SARs will apply, provided that except as explicitly provided herein, neither an Option nor a SAR may be transferred for consideration and *provided, further*, that if an Option is an Incentive Stock Option, such Option may be deemed to be a Nonstatutory Stock Option as a result of such transfer:

**(i) Restrictions on Transfer.** An Option or SAR will not be transferable, except by will or by the laws of descent and distribution, and will be exercisable during the lifetime of the Participant only by the Participant; provided, however, that the Board may permit transfer of an Option or SAR in a manner that is not prohibited by applicable tax and securities laws upon the Participant's request, including to a trust if the Participant is considered to be the sole beneficial owner of such trust (as determined under Section 671 of the Code and applicable state law) while such Option or SAR is held in such trust, provided that the Participant and the trustee enter into a transfer and other agreements required by the Company.

**(ii) Domestic Relations Orders.** Notwithstanding the foregoing, subject to the execution of transfer documentation in a format acceptable to the Company and subject to the approval of the Board or a duly authorized Officer, an Option or SAR may be transferred pursuant to a domestic relations order.

**(f) Vesting.** The Board may impose such restrictions on or conditions to the vesting and/or exercisability of an Option or SAR as determined by the Board. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, vesting of Options and SARs will cease upon termination of the Participant's Continuous Service.

**(g) Termination of Continuous Service for Cause.** Except as explicitly otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service is terminated for Cause, the Participant's Options and SARs will terminate and be forfeited immediately upon such termination of Continuous Service, and the Participant will be prohibited from exercising any portion (including any vested portion) of such Awards on and after the date of such termination of Continuous Service and the Participant will have no further right, title or interest in such forfeited Award, the shares of Common Stock subject to the forfeited Award, or any consideration in respect of the forfeited Award.

**(h) Post-Termination Exercise Period Following Termination of Continuous Service for Reasons Other than Cause.** Subject to Section 4(i), if a Participant's Continuous Service terminates for any reason other than for Cause, the Participant may exercise his or her Option or SAR to the extent vested, but only within the following period of time or, if applicable, such other period of time provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate; provided, however, that in no event may such Award be exercised after the expiration of its maximum term (as set forth in Section 4(a)):

**(i)** three months following the date of such termination if such termination is a termination without Cause (other than any termination due to the Participant's Disability or death);

**(ii)** 12 months following the date of such termination if such termination is due to the Participant's Disability;

**(iii)** 18 months following the date of such termination if such termination is due to the Participant's death; or

**(iv)** 18 months following the date of the Participant's death if such death occurs following the date of such termination but during the period such Award is otherwise exercisable (as provided in (i) or (ii) above).

Following the date of such termination, to the extent the Participant does not exercise such Award within the applicable Post-Termination Exercise Period (or, if earlier, prior to the expiration of the maximum term of such Award), such unexercised portion of the Award will terminate, and the Participant will have no further right, title or interest in the terminated Award, the shares of Common Stock subject to the terminated Award, or any consideration in respect of the terminated Award.

**(i) Restrictions on Exercise; Extension of Exercisability.** A Participant may not exercise an Option or SAR at any time that the issuance of shares of Common Stock upon such exercise would violate Applicable Law. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates for any reason other than for Cause and, at any time during the last thirty days of the applicable Post-Termination Exercise Period: (i) the exercise of the Participant's Option or SAR would be prohibited solely because the issuance of shares of Common Stock upon such exercise would violate Applicable Law, or (ii) the immediate sale of any shares of Common Stock issued upon such exercise would violate the Company's Trading Policy, then the applicable Post-Termination Exercise Period will be extended to the last day of the calendar month that commences following the date the Award would otherwise expire, with an additional extension of the exercise period to the last day of the next calendar month to apply if any of the foregoing restrictions apply at any time during such extended exercise period, generally without limitation as to the maximum permitted number of extensions); provided, however, that in no event may such Award be exercised after the expiration of its maximum term (as set forth in Section 4(a)).

**(j) Non-Exempt Employees.** No Option or SAR, whether or not vested, granted to an Employee who is a non-exempt employee for purposes of the Fair Labor Standards Act of 1938, as amended, will be first exercisable for any shares of Common Stock until at least six months following the date of grant of such Award. Notwithstanding the foregoing, in accordance with the provisions of the Worker Economic Opportunity Act, any vested portion of such Award may be exercised earlier than six months following the date of grant of such Award in the event of (i) such Participant's death or Disability, (ii) a Corporate Transaction in which such Award is not assumed, continued or substituted, (iii) a Change in Control, or (iv) such Participant's retirement (as such term may be defined in the Award Agreement or another applicable agreement or, in the absence of any such definition, in accordance with the Company's then current employment policies and guidelines). This Section 4(j) is intended to operate so that any income derived by a non-exempt employee in connection with the exercise or vesting of an Option or SAR will be exempt from his or her regular rate of pay.

**(k) Whole Shares.** Options and SARs may be exercised only with respect to whole shares of Common Stock or their equivalents.

#### 5. AWARDS OTHER THAN OPTIONS AND STOCK APPRECIATION RIGHTS.

**(a) Restricted Stock Awards and RSU Awards.** Each Restricted Stock Award and RSU Award will have such terms and conditions as determined by the Board; provided, however, that each Restricted Stock Award Agreement and RSU Award Agreement will conform (through incorporation of the provisions hereof by reference in the Award Agreement or otherwise) to the substance of each of the following provisions:

**(i) Form of Award.**

**(1) RSAs:** To the extent consistent with the Company's Bylaws, at the Board's election, shares of Common Stock subject to a Restricted Stock Award may be (i) held in book entry form subject to the Company's instructions until such shares become vested or any other restrictions lapse, or (ii) evidenced by a certificate, which certificate will be held in such form and manner as determined by the Board. Unless otherwise determined by the Board, a Participant will have voting and other rights as a stockholder of the Company with respect to any shares subject to a Restricted Stock Award.

**(2) RSUs:** A RSU Award represents a Participant's right to be issued on a future date the number of shares of Common Stock that is equal to the number of restricted stock units subject to the RSU Award. As a holder of a RSU Award, a Participant is an unsecured creditor of the Company with respect to the Company's unfunded obligation, if any, to issue shares of Common Stock in settlement of such Award and nothing contained in the Plan or any RSU Agreement, and no action taken pursuant to its provisions, will create or be construed to create a trust of any kind or a fiduciary relationship between a Participant and the Company or an Affiliate or any other person. A Participant will not have voting or any other rights as a stockholder of the Company with respect to any RSU Award (unless and until shares are actually issued in settlement of a vested RSU Award).

**(ii) Consideration.**

**(1) RSA:** A Restricted Stock Award may be granted in consideration for (A) cash or check, bank draft or money order payable to the Company, (B) past services to the Company or an Affiliate, or (C) any other form of consideration (including future services) as the Board may determine and permissible under Applicable Law.

**(2) RSU:** Unless otherwise determined by the Board at the time of grant, a RSU Award will be granted in consideration for the Participant's services to the Company or an Affiliate, such that the Participant will not be required to make any payment to the Company (other than such services) with respect to the grant or vesting of the RSU Award, or the issuance of any shares of Common Stock pursuant to the RSU Award. If, at the time of grant, the Board determines that any consideration must be paid by the Participant (in a form other than the Participant's services to the Company or an Affiliate) upon the issuance of any shares of Common Stock in settlement of the RSU Award, such consideration may be paid in any form of consideration as the Board may determine and permissible under Applicable Law.

**(iii) Vesting.** The Board may impose such restrictions on or conditions to the vesting of a Restricted Stock Award or RSU Award as determined by the Board and which may vary. Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, vesting of Restricted Stock Awards and RSU Awards will cease upon termination of the Participant's Continuous Service.

**(iv) Termination of Continuous Service.** Except as otherwise provided in the Award Agreement or other written agreement between a Participant and the Company or an Affiliate, if a Participant's Continuous Service terminates for any reason, (i) the Company may receive through a forfeiture condition or a repurchase right any or all of the shares of Common Stock held by the Participant under his or her Restricted Stock Award that have not vested as of the date of such termination as set forth in the Restricted Stock Award Agreement and (ii) any portion of his or her RSU Award that has not vested will be forfeited upon such termination and the Participant will have no further right, title or interest in the RSU Award, the shares of Common Stock issuable pursuant to the RSU Award, or any consideration in respect of the RSU Award.

**(v) Dividends and Dividend Equivalents.** Dividends or dividend equivalents may be paid or credited, as applicable, with respect to any shares of Common Stock subject to a Restricted Stock Award or RSU Award, as determined by the Board and specified in the Award Agreement).

**(vi) Settlement of RSU Awards.** A RSU Award may be settled by the issuance of shares of Common Stock or cash (or any combination thereof) or in any other form of payment, as determined by the Board and specified in the RSU Award Agreement. At the time of grant, the Board may determine to impose such restrictions or conditions that delay such delivery to a date following the vesting of the RSU Award.

**(b) Performance Awards.** With respect to any Performance Award, the length of any Performance Period, the Performance Goals to be achieved during the Performance Period, the other terms and conditions of such Award, and the measure of whether and to what degree such Performance Goals have been attained will be determined by the Board.

**(c) Other Awards.** Other forms of Awards valued in whole or in part by reference to, or otherwise based on, Common Stock, including the appreciation in value thereof (e.g., options or stock rights with an exercise price or strike price less than 100% of the Fair Market Value at the time of grant) may be granted either alone or in addition to Awards provided for under Section 4 and the preceding provisions of this Section 5. Subject to the provisions of the Plan, the Board will have sole and complete discretion to determine the persons to whom and the time or times at which such Other Awards will be granted, the number of shares of Common Stock (or the cash equivalent thereof) to be granted pursuant to such Other Awards and all other terms and conditions of such Other Awards.

#### **6. ADJUSTMENTS UPON CHANGES IN COMMON STOCK; OTHER CORPORATE EVENTS.**

**(a) Capitalization Adjustments.** In the event of a Capitalization Adjustment, the Board shall appropriately and proportionately adjust: (i) the class(es) and maximum number of shares of Common Stock subject to the Plan and the maximum number of shares by which the Share Reserve may annually increase pursuant to Section 2(a); (ii) the class(es) and maximum number of shares that may be issued pursuant to the exercise of Incentive Stock Options pursuant to Section 2(a); and (iii) the class(es) and number of securities and exercise price, strike price or purchase price of Common Stock subject to outstanding Awards. The Board shall make such adjustments, and its determination shall be final, binding and conclusive. Notwithstanding the foregoing, no fractional shares or rights for fractional shares of Common Stock shall be created in order to implement any Capitalization Adjustment. The Board shall determine an appropriate equivalent benefit, if any, for any fractional shares or rights to fractional shares that might be created by the adjustments referred to in the preceding provisions of this Section.

**(b) Dissolution or Liquidation.** Except as otherwise provided in the Award Agreement, in the event of a dissolution or liquidation of the Company, all outstanding Awards (other than Awards consisting of vested and outstanding shares of Common Stock not subject to a forfeiture condition or the Company's right of repurchase) will terminate immediately prior to the completion of such dissolution or liquidation, and the shares of Common Stock subject to the Company's repurchase rights or subject to a forfeiture condition may be repurchased or reacquired by the Company notwithstanding the fact that the holder of such Award is providing Continuous Service, provided, however, that the Board may determine to cause some or all Awards to become fully vested, exercisable and/or no longer subject to repurchase or forfeiture (to the extent such Awards have not previously expired or terminated) before the dissolution or liquidation is completed but contingent on its completion.

**(c) Corporate Transaction.** The following provisions will apply to Awards in the event of a Corporate Transaction except as set forth in Section 11, and unless otherwise provided in the instrument evidencing the Award or any other written agreement between the Company or any Affiliate and the Participant or unless otherwise expressly provided by the Board at the time of grant of an Award.

**(i) Awards May Be Assumed.** In the event of a Corporate Transaction, any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue any or all Awards outstanding under the Plan or may substitute similar awards for Awards outstanding under the Plan (including but not limited to, awards to acquire the same consideration paid to the stockholders of the Company pursuant to the Corporate Transaction), and any reacquisition or repurchase rights held by the Company in respect of Common Stock issued pursuant to Awards may be assigned by the Company to the successor of the Company (or the successor's parent company, if any), in connection with such Corporate Transaction. A surviving corporation or acquiring corporation (or its parent) may choose to assume or continue only a portion of an Award or substitute a similar award for only a portion of an Award, or may choose to assume or continue the Awards held by some, but not all Participants. The terms of any assumption, continuation or substitution will be set by the Board.

**(ii) Awards Held by Current Participants.** In the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue such outstanding Awards or substitute similar awards for such outstanding Awards, then with respect to Awards that have not been assumed, continued or substituted and that are held by Participants whose Continuous Service has not terminated prior to the effective time of the Corporate Transaction (referred to as the "**Current Participants**"), the vesting of such Awards (and, with respect to Options and Stock Appreciation Rights, the time when such Awards may be exercised) will be accelerated in full to a date prior to the effective time of such Corporate Transaction (contingent upon the effectiveness of the Corporate Transaction) as the Board determines (or, if the Board does not determine such a date, to the date that is five days prior to the effective time of the Corporate Transaction), and such Awards will terminate if not exercised (if applicable) at or prior to the effective time of the Corporate Transaction, and any reacquisition or repurchase rights held by the Company with respect to such Awards will lapse (contingent upon the effectiveness of the Corporate Transaction). With respect to the vesting of Performance Awards that will accelerate upon the occurrence of a Corporate Transaction pursuant to this subsection (ii) and that have multiple vesting levels depending on the level of performance, unless otherwise provided in the Award Agreement, the vesting of such Performance Awards will accelerate at 100% of the target level upon the occurrence of the Corporate Transaction. With respect to the vesting of Awards that will accelerate upon the occurrence of a Corporate Transaction pursuant to this subsection (ii) and are settled in the form of a cash payment, such cash payment will be made no later than 30 days following the occurrence of the Corporate Transaction.

**(iii) Awards Held by Persons other than Current Participants.** In the event of a Corporate Transaction in which the surviving corporation or acquiring corporation (or its parent company) does not assume or continue such outstanding Awards or substitute similar awards for such outstanding Awards, then with respect to Awards that have not been assumed, continued or substituted and that are held by persons other than Current Participants, such Awards will terminate if not exercised (if applicable) prior to the occurrence of the Corporate Transaction; provided, however, that any reacquisition or repurchase rights held by the Company with respect to such Awards will not terminate and may continue to be exercised notwithstanding the Corporate Transaction.

**(iv) Payment for Awards in Lieu of Exercise.** Notwithstanding the foregoing, in the event an Award will terminate if not exercised prior to the effective time of a Corporate Transaction, the Board may provide, in its sole discretion, that the holder of such Award may not exercise such Award but will receive a payment, in such form as may be determined by the Board, equal in value, at the effective time, to the excess, if any, of (1) the value of the property the Participant would have received upon the exercise of the Award (including, at the discretion of the Board, any unvested portion of such Award), over (2) any exercise price payable by such holder in connection with such exercise.

**(d) Appointment of Stockholder Representative.** As a condition to the receipt of an Award under this Plan, a Participant will be deemed to have agreed that the Award will be subject to the terms of any agreement governing a Corporate Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on the Participant's behalf with respect to any escrow, indemnities and any contingent consideration.

**(e) No Restriction on Right to Undertake Transactions.** The grant of any Award under the Plan and the issuance of shares pursuant to any Award does not affect or restrict in any way the right or power of the Company or the stockholders of the Company to make or authorize any adjustment, recapitalization, reorganization or other change in the Company's capital structure or its business, any merger or consolidation of the Company, any issue of stock or of options, rights or options to purchase stock or of bonds, debentures, preferred or prior preference stocks whose rights are superior to or affect the Common Stock or the rights thereof or which are convertible into or exchangeable for Common Stock, or the dissolution or liquidation of the Company, or any sale or transfer of all or any part of its assets or business, or any other corporate act or proceeding, whether of a similar character or otherwise.

## 7. ADMINISTRATION.

**(a) Administration by Board.** The Board will administer the Plan unless and until the Board delegates administration of the Plan to a Committee or Committees, as provided in subsection (c) below.

**(b) Powers of Board.** The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

**(i)** To determine from time to time (1) which of the persons eligible under the Plan will be granted Awards; (2) when and how each Award will be granted; (3) what type or combination of types of Award will be granted; (4) the provisions of each Award granted (which need not be identical), including the time or times when a person will be permitted to receive an issuance of Common Stock or other payment pursuant to an Award; (5) the number of shares of Common Stock or cash equivalent with respect to which an Award will be granted to each such person; (6) the Fair Market Value applicable to an Award; and (7) the terms of any Performance Award that is not valued in whole or in part by reference to, or otherwise based on, the Common Stock, including the amount of cash payment or other property that may be earned and the timing of payment.



(ii) To construe and interpret the Plan and Awards granted under it, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan or in any Award Agreement, in a manner and to the extent it deems necessary or expedient to make the Plan or Award fully effective.

(iii) To settle all controversies regarding the Plan and Awards granted under it.

(iv) To accelerate the time at which an Award may first be exercised or the time during which an Award or any part thereof will vest, notwithstanding the provisions in the Award Agreement stating the time at which it may first be exercised or the time during which it will vest.

(v) To prohibit the exercise of any Option, SAR or other exercisable Award during a period of up to 30 days prior to the consummation of any pending stock dividend, stock split, combination or exchange of shares, merger, consolidation or other distribution (other than normal cash dividends) of Company assets to stockholders, or any other change affecting the shares of Common Stock or the share price of the Common Stock including any Corporate Transaction, for reasons of administrative convenience.

(vi) To suspend or terminate the Plan at any time. Suspension or termination of the Plan will not Materially Impair rights and obligations under any Award granted while the Plan is in effect except with the written consent of the affected Participant.

(vii) To amend the Plan in any respect the Board deems necessary or advisable; provided, however, that stockholder approval will be required for any amendment to the extent required by Applicable Law. Except as provided above, rights under any Award granted before amendment of the Plan will not be Materially Impaired by any amendment of the Plan unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(viii) To the extent required by Applicable Law, to submit any amendment to the Plan for stockholder approval.

(ix) To approve forms of Award Agreements for use under the Plan and to amend the terms of any one or more Awards, including, but not limited to, amendments to provide terms more favorable to the Participant than previously provided in the Award Agreement, subject to any specified limits in the Plan that are not subject to Board discretion; *provided however*, that, a Participant's rights under any Award will not be Materially Impaired by any such amendment unless (1) the Company requests the consent of the affected Participant, and (2) such Participant consents in writing.

(x) Generally, to exercise such powers and to perform such acts as the Board deems necessary or expedient to promote the best interests of the Company and that are not in conflict with the provisions of the Plan or Awards.

(xi) To adopt such procedures and sub-plans as are necessary or appropriate to permit and facilitate participation in the Plan by, or take advantage of specific tax treatment for Awards granted to, Employees, Directors or Consultants who are foreign nationals or employed outside the United States (provided that Board approval will not be necessary for immaterial modifications to the Plan or any Award Agreement to ensure or facilitate compliance with the laws of the relevant foreign jurisdiction).

(xii) To effect, at any time and from time to time, subject to the consent of any Participant whose Award is Materially Impaired by such action, (1) the reduction of the exercise price (or strike price) of any outstanding Option or SAR; (2) the cancellation of any outstanding Option or SAR and the grant in substitution thereof of (A) a new Option, SAR, Restricted Stock Award, RSU Award or Other Award, under the Plan or another equity plan of the Company, covering the same or a different number of shares of Common Stock, (B) cash and/or (C) other valuable consideration (as determined by the Board); or (3) any other action that is treated as a repricing under generally accepted accounting principles.

**(c) Delegation to Committee.**

**(i) General.** The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration of the Plan is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to another Committee or a subcommittee of the Committee any of the administrative powers the Committee is authorized to exercise (and references in this Plan to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. Each Committee may retain the authority to concurrently administer the Plan with Committee or subcommittee to which it has delegated its authority hereunder and may, at any time, re-vest in such Committee some or all of the powers previously delegated. The Board may retain the authority to concurrently administer the Plan with any Committee and may, at any time, re-vest in the Board some or all of the powers previously delegated.

**(ii) Rule 16b-3 Compliance.** To the extent an Award is intended to qualify for the exemption from Section 16(b) of the Exchange Act that is available under Rule 16b-3 of the Exchange Act, the Award will be granted by the Board or a Committee that consists solely of two or more Non-Employee Directors, as determined under Rule 16b-3(b)(3) of the Exchange Act and thereafter any action establishing or modifying the terms of the Award will be approved by the Board or a Committee meeting such requirements to the extent necessary for such exemption to remain available.

**(d) Effect of Board's Decision.** All determinations, interpretations and constructions made by the Board or any Committee in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

**(e) Delegation to Other Person or Body.** The Board or any Committee may delegate to one or more persons or bodies the authority to do one or more of the following to the extent permitted by Applicable Law: (i) designate recipients, other than Officers, of Awards, provided that no person or body may be delegated authority to grant an Award to themselves; (ii) determine the number of shares of Common Stock subject to such Awards; and (iii) determine the terms of such Awards; *provided, however*, that the Board or Committee action regarding such delegation

will fix the terms of such delegation in accordance with Applicable Law, including without limitation Sections 152 and 157 of the Delaware General Corporation Law. Unless provided otherwise in the Board or Committee action regarding such delegation, each Award granted pursuant to this Section 7(e) will be granted on the applicable form of Award Agreement most recently approved for use by the Board or the Committee, with any modifications necessary to incorporate or reflect the terms of such Award. Notwithstanding anything to the contrary herein, neither the Board nor any Committee may delegate to any person or body (who is not a Director or that is not comprised solely of Directors, respectively) the authority to determine the Fair Market Value of the Common Stock.

## 8. TAX WITHHOLDING

**(a) Withholding Authorization.** As a condition to acceptance of any Award under the Plan, a Participant authorizes withholding from payroll and any other amounts payable to such Participant, and otherwise agrees to make adequate provision for (including), any sums required to satisfy any U.S. federal, state, local and/or foreign tax or social insurance contribution withholding obligations of the Company or an Affiliate, if any, which arise in connection with the exercise, vesting or settlement of such Award, as applicable. Accordingly, a Participant may not be able to exercise an Award even though the Award is vested, and the Company shall have no obligation to issue shares of Common Stock subject to an Award, unless and until such obligations are satisfied.

**(b) Satisfaction of Withholding Obligation.** To the extent permitted by the terms of an Award Agreement, the Company may, in its sole discretion, satisfy any U.S. federal, state, local and/or foreign tax or social insurance withholding obligation relating to an Award by any of the following means or by a combination of such means: (i) causing the Participant to tender a cash payment; (ii) withholding shares of Common Stock from the shares of Common Stock issued or otherwise issuable to the Participant in connection with the Award; (iii) withholding cash from an Award settled in cash; (iv) withholding payment from any amounts otherwise payable to the Participant; (v) by allowing a Participant to effectuate a “cashless exercise” pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board; (vi) allowing the Participant to enter into a “same day sale” commitment with a broker-dealer (including, without limitation, a commitment under a previously established written trading plan that meets the requirements of Rule 10b5-1 under the Exchange Act); or (vii) by such other method as the Board or the Committee may determine, to the extent permissible under Applicable Law.

**(c) No Obligation to Notify or Minimize Taxes; No Liability to Claims.** Except as required by Applicable Law the Company has no duty or obligation to any Participant to advise such holder as to the time or manner of exercising such Award. Furthermore, the Company has no duty or obligation to warn or otherwise advise such holder of a pending termination or expiration of an Award or a possible period in which the Award may not be exercised. The Company has no duty or obligation to minimize the tax consequences of an Award to the holder of such Award and will not be liable to any holder of an Award for any adverse tax consequences to such holder in connection with an Award. As a condition to accepting an Award under the Plan, each Participant (i) agrees to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from such Award or other Company compensation and (ii) acknowledges that such Participant was advised to consult with

his or her own personal tax, financial and other legal advisors regarding the tax consequences of the Award and has either done so or knowingly and voluntarily declined to do so. Additionally, each Participant acknowledges any Option or SAR granted under the Plan is exempt from Section 409A only if the exercise or strike price is at least equal to the "fair market value" of the Common Stock on the date of grant as determined by the Internal Revenue Service and there is no other impermissible deferral of compensation associated with the Award. Additionally, as a condition to accepting an Option or SAR granted under the Plan, each Participant agrees not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the Internal Revenue Service asserts that such exercise price or strike price is less than the "fair market value" of the Common Stock on the date of grant as subsequently determined by the Internal Revenue Service.

**(d) Withholding Indemnification.** As a condition to accepting an Award under the Plan, in the event that the amount of the Company's and/or its Affiliate's withholding obligation in connection with such Award was greater than the amount actually withheld by the Company and/or its Affiliates, each Participant agrees to indemnify and hold the Company and/or its Affiliates harmless from any failure by the Company and/or its Affiliates to withhold the proper amount.

## **9. MISCELLANEOUS.**

**(a) Source of Shares.** The stock issuable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market or otherwise.

**(b) Use of Proceeds from Sales of Common Stock.** Proceeds from the sale of shares of Common Stock pursuant to Awards will constitute general funds of the Company.

**(c) Corporate Action Constituting Grant of Awards.** Corporate action constituting a grant by the Company of an Award to any Participant will be deemed completed as of the date of such corporate action, unless otherwise determined by the Board, regardless of when the instrument, certificate, or letter evidencing the Award is communicated to, or actually received or accepted by, the Participant. In the event that the corporate records (e.g., Board consents, resolutions or minutes) documenting the corporate action approving the grant contain terms (e.g., exercise price, vesting schedule or number of shares) that are inconsistent with those in the Award Agreement or related grant documents as a result of a clerical error in the Award Agreement or related grant documents, the corporate records will control and the Participant will have no legally binding right to the incorrect term in the Award Agreement or related grant documents.

**(d) Stockholder Rights.** No Participant will be deemed to be the holder of, or to have any of the rights of a holder with respect to, any shares of Common Stock subject to such Award unless and until (i) such Participant has satisfied all requirements for exercise of the Award pursuant to its terms, if applicable, and (ii) the issuance of the Common Stock subject to such Award is reflected in the records of the Company.

**(e) No Employment or Other Service Rights.** Nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award granted

pursuant thereto will confer upon any Participant any right to continue to serve the Company or an Affiliate in the capacity in effect at the time the Award was granted or affect the right of the Company or an Affiliate to terminate at will and without regard to any future vesting opportunity that a Participant may have with respect to any Award (i) the employment of an Employee with or without notice and with or without cause, (ii) the service of a Consultant pursuant to the terms of such Consultant's agreement with the Company or an Affiliate, or (iii) the service of a Director pursuant to the Bylaws of the Company or an Affiliate, and any applicable provisions of the corporate law of the state or foreign jurisdiction in which the Company or the Affiliate is incorporated, as the case may be. Further, nothing in the Plan, any Award Agreement or any other instrument executed thereunder or in connection with any Award will constitute any promise or commitment by the Company or an Affiliate regarding the fact or nature of future positions, future work assignments, future compensation or any other term or condition of employment or service or confer any right or benefit under the Award or the Plan unless such right or benefit has specifically accrued under the terms of the Award Agreement and/or Plan.

**(f) Change in Time Commitment.** In the event a Participant's regular level of time commitment in the performance of his or her services for the Company and any Affiliates is reduced (for example, and without limitation, if the Participant is an Employee of the Company and the Employee has a change in status from a full-time Employee to a part-time Employee or takes an extended leave of absence) after the date of grant of any Award to the Participant, the Board may determine, to the extent permitted by Applicable Law, to (i) make a corresponding reduction in the number of shares or cash amount subject to any portion of such Award that is scheduled to vest or become payable after the date of such change in time commitment, and (ii) in lieu of or in combination with such a reduction, extend the vesting or payment schedule applicable to such Award. In the event of any such reduction, the Participant will have no right with respect to any portion of the Award that is so reduced or extended.

**(g) Execution of Additional Documents.** As a condition to accepting an Award under the Plan, the Participant agrees to execute any additional documents or instruments necessary or desirable, as determined in the Plan Administrator's sole discretion, to carry out the purposes or intent of the Award, or facilitate compliance with securities and/or other regulatory requirements, in each case at the Plan Administrator's request.

**(h) Electronic Delivery and Participation.** Any reference herein or in an Award Agreement to a "written" agreement or document will include any agreement or document delivered electronically, filed publicly at [www.sec.gov](http://www.sec.gov) (or any successor website thereto) or posted on the Company's intranet (or other shared electronic medium controlled by the Company to which the Participant has access). By accepting any Award the Participant consents to receive documents by electronic delivery and to participate in the Plan through any on-line electronic system established and maintained by the Plan Administrator or another third party selected by the Plan Administrator. The form of delivery of any Common Stock (e.g., a stock certificate or electronic entry evidencing such shares) shall be determined by the Company.

**(i) Clawback/Recovery.** All Awards granted under the Plan will be subject to recoupment in accordance with any clawback policy that the Company is required to adopt pursuant to the listing standards of any national securities exchange or association on which the Company's securities are listed or as is otherwise required by the Dodd-Frank Wall Street Reform

and Consumer Protection Act or other Applicable Law and any clawback policy that the Company otherwise adopts, to the extent applicable and permissible under Applicable Law. In addition, the Board may impose such other clawback, recovery or recoupment provisions in an Award Agreement as the Board determines necessary or appropriate, including but not limited to a reacquisition right in respect of previously acquired shares of Common Stock or other cash or property upon the occurrence of Cause. No recovery of compensation under such a clawback policy will be an event giving rise to a Participant's right to voluntarily terminate employment upon a "resignation for good reason," or for a "constructive termination" or any similar term under any plan of or agreement with the Company.

**(j) Securities Law Compliance.** A Participant will not be issued any shares in respect of an Award unless either (i) the shares are registered under the Securities Act; or (ii) the Company has determined that such issuance would be exempt from the registration requirements of the Securities Act. Each Award also must comply with other Applicable Law governing the Award, and a Participant will not receive such shares if the Company determines that such receipt would not be in material compliance with Applicable Law.

**(k) Transfer or Assignment of Awards; Issued Shares.** Except as expressly provided in the Plan or the form of Award Agreement, Awards granted under the Plan may not be transferred or assigned by the Participant. After the vested shares subject to an Award have been issued, or in the case of Restricted Stock and similar awards, after the issued shares have vested, the holder of such shares is free to assign, hypothecate, donate, encumber or otherwise dispose of any interest in such shares provided that any such actions are in compliance with the provisions herein, the terms of the Trading Policy and Applicable Law.

**(l) Effect on Other Employee Benefit Plans.** The value of any Award granted under the Plan, as determined upon grant, vesting or settlement, shall not be included as compensation, earnings, salaries, or other similar terms used when calculating any Participant's benefits under any employee benefit plan sponsored by the Company or any Affiliate, except as such plan otherwise expressly provides. The Company expressly reserves its rights to amend, modify, or terminate any of the Company's or any Affiliate's employee benefit plans.

**(m) Deferrals.** To the extent permitted by Applicable Law, the Board, in its sole discretion, may determine that the delivery of Common Stock or the payment of cash, upon the exercise, vesting or settlement of all or a portion of any Award may be deferred and may also establish programs and procedures for deferral elections to be made by Participants. Deferrals by will be made in accordance with the requirements of Section 409A.

**(n) Section 409A.** Unless otherwise expressly provided for in an Award Agreement, the Plan and Award Agreements will be interpreted to the greatest extent possible in a manner that makes the Plan and the Awards granted hereunder exempt from Section 409A, and, to the extent not so exempt, in compliance with the requirements of Section 409A. If the Board determines that any Award granted hereunder is not exempt from and is therefore subject to Section 409A, the Award Agreement evidencing such Award will incorporate the terms and conditions necessary to avoid the consequences specified in Section 409A(a)(1) of the Code, and to the extent an Award Agreement is silent on terms necessary for compliance, such terms are hereby incorporated by reference into the Award Agreement. Notwithstanding anything to the contrary in this Plan (and

unless the Award Agreement specifically provides otherwise), if the shares of Common Stock are publicly traded, and if a Participant holding an Award that constitutes “deferred compensation” under Section 409A is a “specified employee” for purposes of Section 409A, no distribution or payment of any amount that is due because of a “separation from service” (as defined in Section 409A without regard to alternative definitions thereunder) will be issued or paid before the date that is six months and one day following the date of such Participant’s “separation from service” or, if earlier, the date of the Participant’s death, unless such distribution or payment can be made in a manner that complies with Section 409A, and any amounts so deferred will be paid in a lump sum on the day after such six month period elapses, with the balance paid thereafter on the original schedule.

**(o) CHOICE OF LAW.** This Plan and any controversy arising out of or relating to this Plan shall be governed by, and construed in accordance with, the internal laws of the State of Delaware, without regard to conflict of law principles that would result in any application of any law other than the law of the State of Delaware.

#### **10. COVENANTS OF THE COMPANY.**

**(a) Compliance with Law.** The Company will seek to obtain from each regulatory commission or agency, as may be deemed to be necessary, having jurisdiction over the Plan such authority as may be required to grant Awards and to issue and sell shares of Common Stock upon exercise or vesting of the Awards; provided, however, that this undertaking will not require the Company to register under the Securities Act the Plan, any Award or any Common Stock issued or issuable pursuant to any such Award. If, after reasonable efforts and at a reasonable cost, the Company is unable to obtain from any such regulatory commission or agency the authority that counsel for the Company deems necessary or advisable for the lawful issuance and sale of Common Stock under the Plan, the Company will be relieved from any liability for failure to issue and sell Common Stock upon exercise or vesting of such Awards unless and until such authority is obtained. A Participant is not eligible for the grant of an Award or the subsequent issuance of Common Stock pursuant to the Award if such grant or issuance would be in violation of any Applicable Law.

#### **11. ADDITIONAL RULES FOR AWARDS SUBJECT TO SECTION 409A.**

**(a) Application.** Unless the provisions of this Section of the Plan are expressly superseded by the provisions in the form of Award Agreement, the provisions of this Section shall apply and shall supersede anything to the contrary set forth in the Award Agreement for a Non-Exempt Award.

**(b) Non-Exempt Awards Subject to Non-Exempt Severance Arrangements.** To the extent a Non-Exempt Award is subject to Section 409A due to application of a Non-Exempt Severance Arrangement, the following provisions of this subsection (b) apply.

**(i)** If the Non-Exempt Award vests in the ordinary course during the Participant’s Continuous Service in accordance with the vesting schedule set forth in the Award Agreement, and does not accelerate vesting under the terms of a Non-Exempt Severance Arrangement, in no event will the shares be issued in respect of such Non-Exempt Award any later than the later of: (i) December 31<sup>st</sup> of the calendar year that includes the applicable vesting date, or (ii) the 60<sup>th</sup> day that follows the applicable vesting date.

(ii) If vesting of the Non-Exempt Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with the Participant's Separation from Service, and such vesting acceleration provisions were in effect as of the date of grant of the Non-Exempt Award and, therefore, are part of the terms of such Non-Exempt Award as of the date of grant, then the shares will be earlier issued in settlement of such Non-Exempt Award upon the Participant's Separation from Service in accordance with the terms of the Non-Exempt Severance Arrangement, but in no event later than the 60<sup>th</sup> day that follows the date of the Participant's Separation from Service. However, if at the time the shares would otherwise be issued the Participant is subject to the distribution limitations contained in Section 409A applicable to "specified employees," as defined in Section 409A(a)(2)(B)(i) of the Code, such shares shall not be issued before the date that is six months following the date of such Participant's Separation from Service, or, if earlier, the date of the Participant's death that occurs within such six month period.

(iii) If vesting of a Non-Exempt Award accelerates under the terms of a Non-Exempt Severance Arrangement in connection with a Participant's Separation from Service, and such vesting acceleration provisions were not in effect as of the date of grant of the Non-Exempt Award and, therefore, are not a part of the terms of such Non-Exempt Award on the date of grant, then such acceleration of vesting of the Non-Exempt Award shall not accelerate the issuance date of the shares, but the shares shall instead be issued on the same schedule as set forth in the Grant Notice as if they had vested in the ordinary course during the Participant's Continuous Service, notwithstanding the vesting acceleration of the Non-Exempt Award. Such issuance schedule is intended to satisfy the requirements of payment on a specified date or pursuant to a fixed schedule, as provided under Treasury Regulations Section 1.409A-3(a)(4).

**(c) Treatment of Non-Exempt Awards Upon a Corporate Transaction for Employees and Consultants.** The provisions of this subsection (c) shall apply and shall supersede anything to the contrary set forth in the Plan with respect to the permitted treatment of any Non-Exempt Award in connection with a Corporate Transaction if the Participant was either an Employee or Consultant upon the applicable date of grant of the Non-Exempt Award.

**(i) Vested Non-Exempt Awards.** The following provisions shall apply to any Vested Non-Exempt Award in connection with a Corporate Transaction:

**(1)** If the Corporate Transaction is also a Section 409A Change in Control then the Acquiring Entity may not assume, continue or substitute the Vested Non-Exempt Award. Upon the Section 409A Change in Control the settlement of the Vested Non-Exempt Award will automatically be accelerated and the shares will be immediately issued in respect of the Vested Non-Exempt Award. Alternatively, the Company may instead provide that the Participant will receive a cash settlement equal to the Fair Market Value of the shares that would otherwise be issued to the Participant upon the Section 409A Change in Control.



(2) If the Corporate Transaction is not also a Section 409A Change in Control, then the Acquiring Entity must either assume, continue or substitute each Vested Non-Exempt Award. The shares to be issued in respect of the Vested Non-Exempt Award shall be issued to the Participant by the Acquiring Entity on the same schedule that the shares would have been issued to the Participant if the Corporate Transaction had not occurred. In the Acquiring Entity's discretion, in lieu of an issuance of shares, the Acquiring Entity may instead substitute a cash payment on each applicable issuance date, equal to the Fair Market Value of the shares that would otherwise be issued to the Participant on such issuance dates, with the determination of the Fair Market Value of the shares made on the date of the Corporate Transaction.

**(ii) Unvested Non-Exempt Awards.** The following provisions shall apply to any Unvested Non-Exempt Award unless otherwise determined by the Board pursuant to subsection (e) of this Section.

(1) In the event of a Corporate Transaction, the Acquiring Entity shall assume, continue or substitute any Unvested Non-Exempt Award. Unless otherwise determined by the Board, any Unvested Non-Exempt Award will remain subject to the same vesting and forfeiture restrictions that were applicable to the Award prior to the Corporate Transaction. The shares to be issued in respect of any Unvested Non-Exempt Award shall be issued to the Participant by the Acquiring Entity on the same schedule that the shares would have been issued to the Participant if the Corporate Transaction had not occurred. In the Acquiring Entity's discretion, in lieu of an issuance of shares, the Acquiring Entity may instead substitute a cash payment on each applicable issuance date, equal to the Fair Market Value of the shares that would otherwise be issued to the Participant on such issuance dates, with the determination of Fair Market Value of the shares made on the date of the Corporate Transaction.

(2) If the Acquiring Entity will not assume, substitute or continue any Unvested Non-Exempt Award in connection with a Corporate Transaction, then such Award shall automatically terminate and be forfeited upon the Corporate Transaction with no consideration payable to any Participant in respect of such forfeited Unvested Non-Exempt Award. Notwithstanding the foregoing, to the extent permitted and in compliance with the requirements of Section 409A, the Board may in its discretion determine to elect to accelerate the vesting and settlement of the Unvested Non-Exempt Award upon the Corporate Transaction, or instead substitute a cash payment equal to the Fair Market Value of such shares that would otherwise be issued to the Participant, as further provided in subsection (e)(ii) below. In the absence of such discretionary election by the Board, any Unvested Non-Exempt Award shall be forfeited without payment of any consideration to the affected Participants if the Acquiring Entity will not assume, substitute or continue the Unvested Non-Exempt Awards in connection with the Corporate Transaction.

(3) The foregoing treatment shall apply with respect to all Unvested Non-Exempt Awards upon any Corporate Transaction, and regardless of whether or not such Corporate Transaction is also a Section 409A Change in Control.

**(d) Treatment of Non-Exempt Awards Upon a Corporate Transaction for Non-Employee Directors.** The following provisions of this subsection (d) shall apply and shall supersede anything to the contrary that may be set forth in the Plan with respect to the permitted treatment of a Non-Exempt Director Award in connection with a Corporate Transaction.

**(i)** If the Corporate Transaction is also a Section 409A Change in Control then the Acquiring Entity may not assume, continue or substitute the Non-Exempt Director Award. Upon the Section 409A Change in Control the vesting and settlement of any Non-Exempt Director Award will automatically be accelerated and the shares will be immediately issued to the Participant in respect of the Non-Exempt Director Award. Alternatively, the Company may provide that the Participant will instead receive a cash settlement equal to the Fair Market Value of the shares that would otherwise be issued to the Participant upon the Section 409A Change in Control pursuant to the preceding provision.

**(ii)** If the Corporate Transaction is not also a Section 409A Change in Control, then the Acquiring Entity must either assume, continue or substitute the Non-Exempt Director Award. Unless otherwise determined by the Board, the Non-Exempt Director Award will remain subject to the same vesting and forfeiture restrictions that were applicable to the Award prior to the Corporate Transaction. The shares to be issued in respect of the Non-Exempt Director Award shall be issued to the Participant by the Acquiring Entity on the same schedule that the shares would have been issued to the Participant if the Corporate Transaction had not occurred. In the Acquiring Entity's discretion, in lieu of an issuance of shares, the Acquiring Entity may instead substitute a cash payment on each applicable issuance date, equal to the Fair Market Value of the shares that would otherwise be issued to the Participant on such issuance dates, with the determination of Fair Market Value made on the date of the Corporate Transaction.

**(e)** If the RSU Award is a Non-Exempt Award, then the provisions in this Section 11(e) shall apply and supersede anything to the contrary that may be set forth in the Plan or the Award Agreement with respect to the permitted treatment of such Non-Exempt Award:

**(i)** Any exercise by the Board of discretion to accelerate the vesting of a Non-Exempt Award shall not result in any acceleration of the scheduled issuance dates for the shares in respect of the Non-Exempt Award unless earlier issuance of the shares upon the applicable vesting dates would be in compliance with the requirements of Section 409A.

**(ii)** The Company explicitly reserves the right to earlier settle any Non-Exempt Award to the extent permitted and in compliance with the requirements of Section 409A, including pursuant to any of the exemptions available in Treasury Regulations Section 1.409A-3(j)(4)(ix).

**(iii)** To the extent the terms of any Non-Exempt Award provide that it will be settled upon a Change in Control or Corporate Transaction, to the extent it is required for compliance with the requirements of Section 409A, the Change in Control or Corporate Transaction event triggering settlement must also constitute a Section 409A Change in Control. To the extent the terms of a Non-Exempt Award provides that it will be settled upon a termination of employment or termination of Continuous Service, to the extent it is required for compliance with the requirements of Section 409A, the termination event triggering settlement must also constitute a Separation From Service. However, if at the time the shares would otherwise be issued to a Participant in connection with a "separation from service" such Participant is subject

to the distribution limitations contained in Section 409A applicable to “specified employees,” as defined in Section 409A(a)(2)(B)(i) of the Code, such shares shall not be issued before the date that is six months following the date of the Participant’s Separation From Service, or, if earlier, the date of the Participant’s death that occurs within such six month period.

(iv) The provisions in this subsection (e) for delivery of the shares in respect of the settlement of a RSU Award that is a Non-Exempt Award are intended to comply with the requirements of Section 409A so that the delivery of the shares to the Participant in respect of such Non-Exempt Award will not trigger the additional tax imposed under Section 409A, and any ambiguities herein will be so interpreted.

**12. SEVERABILITY.**

If all or any part of the Plan or any Award Agreement is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity shall not invalidate any portion of the Plan or such Award Agreement not declared to be unlawful or invalid. Any Section of the Plan or any Award Agreement (or part of such a Section) so declared to be unlawful or invalid shall, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

**13. TERMINATION OF THE PLAN.**

The Board may suspend or terminate the Plan at any time.

No Incentive Stock Options may be granted after the tenth anniversary of the earlier of: (i) the Adoption Date, or (ii) the date the Plan is approved by the Company’s stockholders.

No Awards may be granted under the Plan while the Plan is suspended or after it is terminated.

#### 14. DEFINITIONS.

As used in the Plan, the following definitions apply to the capitalized terms indicated below:

(a) “**2018 Plan**” means the Maplebear Inc. 2018 Equity Incentive Plan, as it has been amended from time to time.

(b) “**2018 Plan’s Available Reserve**” means the number of shares available for the grant of new awards under the 2018 Plan as of the Effective Time.

(c) “**Acquiring Entity**” means the surviving or acquiring corporation (or its parent company) in connection with a Corporate Transaction.

(d) “**Adoption Date**” means the date the Plan is first approved by the Board or Compensation Committee.

(e) “**Affiliate**” means, at the time of determination, any “parent” or “subsidiary” of the Company as such terms are defined in Rule 405 promulgated under the Securities Act. The Board may determine the time or times at which “parent” or “subsidiary” status is determined within the foregoing definition.

(f) “**Applicable Law**” means shall mean any applicable securities, federal, state, foreign, material local or municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, listing rule, regulation, judicial decision, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body (including under the authority of any applicable self-regulating organization such as the Nasdaq Stock Market, New York Stock Exchange, or the Financial Industry Regulatory Authority).

(g) “**Award**” means any right to receive Common Stock, cash or other property granted under the Plan (including an Incentive Stock Option, a Nonstatutory Stock Option, a Restricted Stock Award, a RSU Award, a SAR, a Performance Award or any Other Award).

(h) “**Award Agreement**” means a written agreement between the Company and a Participant evidencing the terms and conditions of an Award. The Award Agreement generally consists of the Grant Notice and the agreement containing the written summary of the general terms and conditions applicable to the Award and which is provided to a Participant along with the Grant Notice.

(i) “**Board**” means the Board of Directors of the Company (or its designee). Any decision or determination made by the Board shall be a decision or determination that is made in the sole discretion of the Board (or its designee), and such decision or determination shall be final and binding on all Participants.

(j) “**Capitalization Adjustment**” means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Award after the Effective Time without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, reverse stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or any similar equity restructuring transaction, as that term is used in Statement of Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(k) “**Cause**” has the meaning ascribed to such term in any written agreement between the Participant and the Company defining such term and, in the absence of such agreement, such term means, with respect to a Participant, the occurrence of any of the following events: (i) such Participant’s commission of any felony or any crime involving fraud, dishonesty or moral turpitude under the laws of the United States or any state thereof; (ii) such Participant’s attempted commission of, or participation in, a fraud or act of dishonesty against the Company; (iii) such Participant’s material violation of any contract or agreement between the Participant and the Company or of any statutory duty owed to the Company; (iv) such Participant’s failure to comply with any material policy of the Company; (v) such Participant’s unauthorized use or disclosure of the Company’s confidential information or trade secrets; (vi) such Participant’s gross misconduct; (vii) such Participant’s failure or refusal to comply with a material directive from the Board, the Participant’s supervisor or, if applicable, the board of directors of any Affiliate; or (viii) such Participant’s breach of a fiduciary duty to the Company. The determination that a termination of the Participant’s Continuous Service is either for Cause or without Cause will be made by the Board with respect to Participants who are executive officers of the Company and by the Company’s Chief Executive Officer with respect to Participants who are not executive officers of the Company. Any determination by the Company that the Continuous Service of a Participant was terminated with or without Cause for the purposes of outstanding Awards held by such Participant will have no effect upon any determination of the rights or obligations of the Company or such Participant for any other purpose.

(l) “**Change in Control**” or “**Change of Control**” means the occurrence, in a single transaction or in a series of related transactions, of any one or more of the following events; provided, however, to the extent necessary to avoid adverse personal income tax consequences to the Participant in connection with an Award, also constitutes a Section 409A Change in Control:

(i) any Exchange Act Person becomes the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company’s then outstanding securities other than by virtue of a merger, consolidation or similar transaction. Notwithstanding the foregoing, a Change in Control shall not be deemed to occur (A) on account of the acquisition of securities of the Company directly from the Company, (B) on account of the acquisition of securities of the Company by an investor, any affiliate thereof or any other Exchange Act Person that acquires the Company’s securities in a transaction or series of related transactions the primary purpose of which is to obtain financing for the Company through the issuance of equity securities, or (C) solely because the level of Ownership held by any Exchange Act Person (the “**Subject Person**”) exceeds the designated percentage threshold of the outstanding voting securities as a result of a repurchase or other acquisition of voting securities by the Company reducing the number of shares outstanding, provided that if a Change in Control would occur (but for the operation of this sentence) as a result of the acquisition of voting securities by the Company, and after such share acquisition, the Subject Person becomes the Owner of any additional voting securities that, assuming the repurchase or other acquisition had not occurred, increases the percentage of the then outstanding voting securities Owned by the Subject Person over the designated percentage threshold, then a Change in Control shall be deemed to occur;

(ii) there is consummated a merger, consolidation or similar transaction involving (directly or indirectly) the Company and, immediately after the consummation of such merger, consolidation or similar transaction, the stockholders of the Company immediately prior thereto do not Own, directly or indirectly, either (A) outstanding voting securities representing more than 50% of the combined outstanding voting power of the surviving Entity in such merger, consolidation or similar transaction or (B) more than 50% of the combined outstanding voting power of the parent of the surviving Entity in such merger, consolidation or similar transaction, in each case in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Subsidiaries to an Entity, more than 50% of the combined voting power of the voting securities of which are Owned by stockholders of the Company in substantially the same proportions as their Ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; or

(iv) individuals who, on the date the Plan is adopted by the Board, are members of the Board (the “**Incumbent Board**”) cease for any reason to constitute at least a majority of the members of the Board; provided, however, that if the appointment or election (or nomination for election) of any new Board member was approved or recommended by a majority vote of the members of the Incumbent Board then still in office, such new member shall, for purposes of this Plan, be considered as a member of the Incumbent Board.

Notwithstanding the foregoing or any other provision of this Plan, (A) the term Change in Control shall not include a sale of assets, merger or other transaction effected exclusively for the purpose of changing the domicile of the Company, and (B) the definition of Change in Control (or any analogous term) in an individual written agreement between the Company or any Affiliate and the Participant shall supersede the foregoing definition with respect to Awards subject to such agreement; provided, however, that if no definition of Change in Control or any analogous term is set forth in such an individual written agreement, the foregoing definition shall apply.

(m) “**Code**” means the Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(n) “**Committee**” means the Compensation Committee and any other committee of Directors to whom authority has been delegated by the Board or Compensation Committee in accordance with the Plan.

(o) “**Common Stock**” means the common stock of the Company.

(p) “**Company**” means Maplebear Inc., a Delaware corporation.

(q) “**Compensation Committee**” means the Compensation Committee of the Board.

(r) “**Consultant**” means any person, including an advisor, who is (i) engaged by the Company or an Affiliate to render consulting or advisory services and is compensated for such services, or (ii) serving as a member of the board of directors of an Affiliate and is compensated for such services. However, service solely as a Director, or payment of a fee for such service, will not cause a Director to be considered a “Consultant” for purposes of the Plan. Notwithstanding the foregoing, a person is treated as a Consultant under this Plan only if a Form S-8 Registration Statement under the Securities Act is available to register either the offer or the sale of the Company’s securities to such person.

(s) “**Continuous Service**” means that the Participant’s service with the Company or an Affiliate, whether as an Employee, Director or Consultant, is not interrupted or terminated. A change in the capacity in which the Participant renders service to the Company or an Affiliate as an Employee, Director or Consultant or a change in the Entity for which the Participant renders such service, provided that there is no interruption or termination of the Participant’s service with the Company or an Affiliate, will not terminate a Participant’s Continuous Service; provided, however, that if the Entity for which a Participant is rendering services ceases to qualify as an Affiliate, as determined by the Board, such Participant’s Continuous Service will be considered to have terminated on the date such Entity ceases to qualify as an Affiliate. For example, a change in status from an Employee of the Company to a Consultant of an Affiliate or to a Director will not constitute an interruption of Continuous Service. To the extent permitted by law, the Board or the chief executive officer of the Company, in that party’s sole discretion, may determine whether Continuous Service will be considered interrupted in the case of (i) any leave of absence approved by the Board or chief executive officer, including sick leave, military leave or any other personal leave, or (ii) transfers between the Company, an Affiliate, or their successors. Notwithstanding the foregoing, a leave of absence will be treated as Continuous Service for purposes of vesting in an Award only to such extent as may be provided in the Company’s leave of absence policy, in the written terms of any leave of absence agreement or policy applicable to the Participant, or as otherwise required by law. In addition, to the extent required for exemption from or compliance with Section 409A, the determination of whether there has been a termination of Continuous Service will be made, and such term will be construed, in a manner that is consistent with the definition of “separation from service” as defined under Treasury Regulation Section 1.409A-1(h) (without regard to any alternative definition thereunder).

(t) “**Corporate Transaction**” means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board, of the consolidated assets of the Company and its Subsidiaries;

(ii) a sale or other disposition of at least 50% of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

(u) “**Director**” means a member of the Board.

(v) “**determine**” or “**determined**” means as determined by the Board or the Committee (or its designee) in its sole discretion.

(w) “**Disability**” means, with respect to a Participant, such Participant is unable to engage in any substantial gainful activity by reason of any medically determinable physical or mental impairment which can be expected to result in death or which has lasted or can be expected to last for a continuous period of not less than 12 months, as provided in Section 22(e)(3) of the Code, and will be determined by the Board on the basis of such medical evidence as the Board deems warranted under the circumstances.

(x) “**Effective Time**” means the time of effectiveness of a registration statement for an initial public offering of the Company’s common stock through a traditional initial public offering or a direct listing; provided, that this Plan is approved by the Company’s stockholders prior to such time.

(y) “**Employee**” means any person employed by the Company or an Affiliate. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an “Employee” for purposes of the Plan.

(z) “**Employer**” means the Company or the Affiliate of the Company that employs the Participant.

(aa) “**Entity**” means a corporation, partnership, limited liability company or other entity.

(bb) “**Exchange Act**” means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

(cc) “**Exchange Act Person**” means any natural person, Entity or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act), except that “Exchange Act Person” will not include (i) the Company or any Subsidiary of the Company, (ii) any employee benefit plan of the Company or any Subsidiary of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Subsidiary of the Company, (iii) an underwriter temporarily holding securities pursuant to a registered public offering of such securities, (iv) an Entity Owned, directly or indirectly, by the stockholders of the Company in substantially the same proportions as their Ownership of stock of the Company; or (v) any natural person, Entity or “group” (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Time, is the Owner, directly or indirectly, of securities of the Company representing more than 50% of the combined voting power of the Company’s then outstanding securities.



**(dd) “Fair Market Value”** means, as of any date, unless otherwise determined by the Board, the value of the Common Stock (as determined on a per share or aggregate basis, as applicable) determined as follows:

**(i)** If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value will be the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the date of determination, as reported in a source the Board deems reliable.

**(ii)** If there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing selling price on the last preceding date for which such quotation exists.

**(iii)** In the absence of such markets for the Common Stock, or if otherwise determined by the Board, the Fair Market Value will be determined by the Board in good faith and in a manner that complies with Sections 409A and 422 of the Code.

**(ee) “Governmental Body”** means any: (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or regulatory body, or quasi-governmental body of any nature (including any governmental division, department, administrative agency or bureau, commission, authority, instrumentality, official, ministry, fund, foundation, center, organization, unit, body or Entity and any court or other tribunal, and for the avoidance of doubt, any Tax authority) or other body exercising similar powers or authority; or (d) self-regulatory organization (including the Nasdaq Stock Market, New York Stock Exchange, and the Financial Industry Regulatory Authority).

**(ff) “Grant Notice”** means the notice provided to a Participant that he or she has been granted an Award under the Plan and which includes the name of the Participant, the type of Award, the date of grant of the Award, number of shares of Common Stock subject to the Award or potential cash payment right, (if any), the vesting schedule for the Award (if any) and other key terms applicable to the Award.

**(gg) “Incentive Stock Option”** means an option granted pursuant to Section 4 of the Plan that is intended to be, and qualifies as, an “incentive stock option” within the meaning of Section 422 of the Code.

**(hh) “Materially Impair”** means any amendment to the terms of the Award that materially adversely affects the Participant’s rights under the Award. A Participant’s rights under an Award will not be deemed to have been Materially Impaired by any such amendment if the Board, in its sole discretion, determines that the amendment, taken as a whole, does not materially impair the Participant’s rights. For example, the following types of amendments to the terms of an Award do not Materially Impair the Participant’s rights under the Award: (i) imposition of reasonable restrictions on the minimum number of shares subject to an Option that may be

exercised; (ii) to maintain the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (iii) to change the terms of an Incentive Stock Option in a manner that disqualifies, impairs or otherwise affects the qualified status of the Award as an Incentive Stock Option under Section 422 of the Code; (iv) to clarify the manner of exemption from, or to bring the Award into compliance with or qualify it for an exemption from, Section 409A; or (v) to comply with other Applicable Laws.

**(ii) “Non-Employee Director”** means a Director who either (i) is not a current employee or officer of the Company or an Affiliate, does not receive compensation, either directly or indirectly, from the Company or an Affiliate for services rendered as a consultant or in any capacity other than as a Director (except for an amount as to which disclosure would not be required under Item 404(a) of Regulation S-K promulgated pursuant to the Securities Act (“**Regulation S-K**”)), does not possess an interest in any other transaction for which disclosure would be required under Item 404(a) of Regulation S-K, and is not engaged in a business relationship for which disclosure would be required pursuant to Item 404(b) of Regulation S-K; or (ii) is otherwise considered a “non-employee director” for purposes of Rule 16b-3.

**(jj) “Non-Exempt Award”** means any Award that is subject to, and not exempt from, Section 409A, including as the result of (i) a deferral of the issuance of the shares subject to the Award which is elected by the Participant or imposed by the Company, (ii) the terms of any Non-Exempt Severance Agreement.

**(kk) “Non-Exempt Director Award”** means a Non-Exempt Award granted to a Participant who was a Director but not an Employee on the applicable grant date.

**(ll) “Non-Exempt Severance Arrangement”** means a severance arrangement or other agreement between the Participant and the Company that provides for acceleration of vesting of an Award and issuance of the shares in respect of such Award upon the Participant’s termination of employment or separation from service (as such term is defined in Section 409A(a)(2)(A)(i) of the Code (and without regard to any alternative definition thereunder) (“**Separation from Service**”) and such severance benefit does not satisfy the requirements for an exemption from application of Section 409A provided under Treasury Regulations Section 1.409A-1(b)(4), 1.409A-1(b)(9) or otherwise.

**(mm) “Nonstatutory Stock Option”** means any option granted pursuant to Section 4 of the Plan that does not qualify as an Incentive Stock Option.

**(nn) “Officer”** means a person who is an officer of the Company within the meaning of Section 16 of the Exchange Act.

**(oo) “Option”** means an Incentive Stock Option or a Nonstatutory Stock Option to purchase shares of Common Stock granted pursuant to the Plan.

**(pp) “Option Agreement”** means a written agreement between the Company and the Optionholder evidencing the terms and conditions of the Option grant. The Option Agreement includes the Grant Notice for the Option and the agreement containing the written summary of the general terms and conditions applicable to the Option and which is provided to a Participant along with the Grant Notice. Each Option Agreement will be subject to the terms and conditions of the Plan.

**(qq) "Optionholder"** means a person to whom an Option is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Option.

**(rr) "Other Award"** means an award based in whole or in part by reference to the Common Stock which is granted pursuant to the terms and conditions of Section 5(c).

**(ss) "Other Award Agreement"** means a written agreement between the Company and a holder of an Other Award evidencing the terms and conditions of an Other Award grant. Each Other Award Agreement will be subject to the terms and conditions of the Plan.

**(tt) "Own," "Owned," "Owner," "Ownership"** means that a person or Entity will be deemed to "Own," to have "Owned," to be the "Owner" of, or to have acquired "Ownership" of securities if such person or Entity, directly or indirectly, through any contract, arrangement, understanding, relationship or otherwise, has or shares voting power, which includes the power to vote or to direct the voting, with respect to such securities.

**(uu) "Participant"** means an Employee, Director or Consultant to whom an Award is granted pursuant to the Plan or, if applicable, such other person who holds an outstanding Award.

**(vv) "Performance Award"** means an Award that may vest or may be exercised or a cash award that may vest or become earned and paid contingent upon the attainment during a Performance Period of certain Performance Goals and which is granted under the terms and conditions of Section 5(b) pursuant to such terms as are approved by the Board. In addition, to the extent permitted by Applicable Law and set forth in the applicable Award Agreement, the Board may determine that cash or other property may be used in payment of Performance Awards. Performance Awards that are settled in cash or other property are not required to be valued in whole or in part by reference to, or otherwise based on, the Common Stock.

**(ww) "Performance Criteria"** means the one or more criteria that the Board will select for purposes of establishing the Performance Goals for a Performance Period. The Performance Criteria that will be used to establish such Performance Goals may be based on any measure of performance selected by the Board.

**(xx) "Performance Goals"** means, for a Performance Period, the one or more goals established by the Board for the Performance Period based upon the Performance Criteria. Performance Goals may be based on a Company-wide basis, with respect to one or more business units, divisions, Affiliates, or business segments, and in either absolute terms or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by the Board (i) in the Award Agreement at the time the Award is granted or (ii) in such other document setting forth the Performance Goals at the time the Performance Goals are established, the Board will appropriately make adjustments in the method of calculating the attainment of Performance Goals for a Performance Period as follows: (1) to exclude restructuring and/or other nonrecurring charges; (2) to exclude exchange rate effects; (3) to exclude the effects of changes to generally accepted accounting principles; (4) to exclude the effects of any statutory adjustments to corporate tax rates; (5) to exclude the effects of items that

are “unusual” in nature or occur “infrequently” as determined under generally accepted accounting principles; (6) to exclude the dilutive effects of acquisitions or joint ventures; (7) to assume that any business divested by the Company achieved performance objectives at targeted levels during the balance of a Performance Period following such divestiture; (8) to exclude the effect of any change in the outstanding shares of common stock of the Company by reason of any stock dividend or split, stock repurchase, reorganization, recapitalization, merger, consolidation, spin-off, combination or exchange of shares or other similar corporate change, or any distributions to common stockholders other than regular cash dividends; (9) to exclude the effects of stock based compensation and the award of bonuses under the Company’s bonus plans; (10) to exclude costs incurred in connection with potential acquisitions or divestitures that are required to be expensed under generally accepted accounting principles; and (11) to exclude the goodwill and intangible asset impairment charges that are required to be recorded under generally accepted accounting principles. In addition, the Board retains the discretion to reduce or eliminate the compensation or economic benefit due upon attainment of Performance Goals and to define the manner of calculating the Performance Criteria it selects to use for such Performance Period. Partial achievement of the specified criteria may result in the payment or vesting corresponding to the degree of achievement as specified in the Award Agreement or the written terms of a Performance Award.

**(yy) “Performance Period”** means the period of time selected by the Board over which the attainment of one or more Performance Goals will be measured for the purpose of determining a Participant’s right to vesting or exercise of an Award. Performance Periods may be of varying and overlapping duration, at the sole discretion of the Board.

**(zz) “Plan”** means this Maplebear Inc. 2023 Equity Incentive Plan, as amended from time to time.

**(aaa) “Plan Administrator”** means the person, persons, and/or third-party administrator designated by the Company to administer the day to day operations of the Plan and the Company’s other equity incentive programs.

**(bbb) “Post-Termination Exercise Period”** means the period following termination of a Participant’s Continuous Service within which an Option or SAR is exercisable, as specified in Section 4(h).

**(ccc) “Prior Plan”** means any of the 2018 Plan or the Maplebear Inc. 2013 Equity Incentive Plan, as it has been amended from time to time, as applicable.

**(ddd) “Prospectus”** means the document containing the Plan information specified in Section 10(a) of the Securities Act.

**(eee) “Restricted Stock Award”** or **“RSA”** means an Award of shares of Common Stock which is granted pursuant to the terms and conditions of Section 5(a).

**(fff) “Restricted Stock Award Agreement”** means a written agreement between the Company and a holder of a Restricted Stock Award evidencing the terms and conditions of a Restricted Stock Award grant. The Restricted Stock Award Agreement includes the Grant Notice for the Restricted Stock Award and the agreement containing the written summary of the general terms and conditions applicable to the Restricted Stock Award and which is provided to a Participant along with the Grant Notice. Each Restricted Stock Award Agreement will be subject to the terms and conditions of the Plan.

**(ggg) "Returning Shares"** means shares subject to outstanding stock awards granted under the Prior Plans and that following the Effective Time: (A) are not issued because such stock award or any portion thereof expires or otherwise terminates without all of the shares covered by such stock award having been issued; (B) are not issued because such stock award or any portion thereof is settled in cash; (C) are forfeited back to or repurchased by the Company because of the failure to meet a contingency or condition required for the vesting of such shares; (D) are withheld or reacquired to satisfy the exercise, strike or purchase price; or (E) are withheld or reacquired to satisfy a tax withholding obligation.

**(hhh) "RSU Award" or "RSU"** means an Award of restricted stock units representing the right to receive an issuance of shares of Common Stock which is granted pursuant to the terms and conditions of Section 5(a).

**(iii) "RSU Award Agreement"** means a written agreement between the Company and a holder of a RSU Award evidencing the terms and conditions of a RSU Award grant. The RSU Award Agreement includes the Grant Notice for the RSU Award and the agreement containing the written summary of the general terms and conditions applicable to the RSU Award and which is provided to a Participant along with the Grant Notice. Each RSU Award Agreement will be subject to the terms and conditions of the Plan.

**(jjj) "Rule 16b-3"** means Rule 16b-3 promulgated under the Exchange Act or any successor to Rule 16b-3, as in effect from time to time.

**(kkk) "Rule 405"** means Rule 405 promulgated under the Securities Act.

**(lll) "Section 409A"** means Section 409A of the Code and the regulations and other guidance thereunder.

**(mmm) "Section 409A Change in Control"** means a change in the ownership or effective control of the Company, or in the ownership of a substantial portion of the Company's assets, as provided in Section 409A(a)(2)(A)(v) of the Code and Treasury Regulations Section 1.409A-3(i)(5) (without regard to any alternative definition thereunder).

**(nnn) "Securities Act"** means the Securities Act of 1933, as amended.

**(ooo) "Share Reserve"** means the number of shares available for issuance under the Plan as set forth in Section 2(a).

**(ppp) "Stock Appreciation Right" or "SAR"** means a right to receive the appreciation on Common Stock that is granted pursuant to the terms and conditions of Section 4.

**(qqq) "SAR Agreement"** means a written agreement between the Company and a holder of a SAR evidencing the terms and conditions of a SAR grant. The SAR Agreement includes the Grant Notice for the SAR and the agreement containing the written summary of the general terms and conditions applicable to the SAR and which is provided to a Participant along with the Grant Notice. Each SAR Agreement will be subject to the terms and conditions of the Plan.

**(rrr) “Subsidiary”** means, with respect to the Company, (i) any corporation of which more than 50% of the outstanding capital stock having ordinary voting power to elect a majority of the board of directors of such corporation (irrespective of whether, at the time, stock of any other class or classes of such corporation will have or might have voting power by reason of the happening of any contingency) is at the time, directly or indirectly, Owned by the Company, and (ii) any partnership, limited liability company or other entity in which the Company has a direct or indirect interest (whether in the form of voting or participation in profits or capital contribution) of more than 50%.

**(sss) “Ten Percent Stockholder”** means a person who Owns (or is deemed to Own pursuant to Section 424(d) of the Code) stock possessing more than 10% of the total combined voting power of all classes of stock of the Company or any Affiliate.

**(ttt) “Trading Policy”** means the Company’s policy permitting certain individuals to sell Company shares only during certain “window” periods and/or otherwise restricts the ability of certain individuals to transfer or encumber Company shares, as in effect from time to time.

**(uuu) “Unvested Non-Exempt Award”** means the portion of any Non-Exempt Award that had not vested in accordance with its terms upon or prior to the date of any Corporate Transaction.

**(vvv) “Vested Non-Exempt Award”** means the portion of any Non-Exempt Award that had vested in accordance with its terms upon or prior to the date of a Corporate Transaction.

**MAPLEBEAR INC.**  
**STOCK OPTION GRANT NOTICE**  
**(2023 EQUITY INCENTIVE PLAN)**

Maplebear Inc. (the “*Company*”), pursuant to its 2023 Equity Incentive Plan (the “*Plan*”), has granted to you (“*Optionholder*”) an option to purchase the number of shares of the Common Stock on the terms set forth below (the “*Option*”). Your Option is subject to all of the terms and conditions as set forth herein and in the Plan, and the Stock Option Agreement and the Notice of Exercise, all of which are available by logging into your [Charles Schwab] brokerage account and which are incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the Stock Option Agreement shall have the meanings set forth in the Plan or the Stock Option Agreement, as applicable.

Optionholder: \_\_\_\_\_  
Date of Grant: \_\_\_\_\_  
Vesting Commencement Date: \_\_\_\_\_  
Number of Shares of Common Stock Subject to Option: \_\_\_\_\_  
Exercise Price (Per Share): \_\_\_\_\_  
Total Exercise Price: \_\_\_\_\_  
Expiration Date: \_\_\_\_\_

**Type of Grant:** [Incentive Stock Option<sup>1</sup>] OR [Nonstatutory Stock Option]

**Exercise and Vesting Schedule:** Subject to the Optionholder’s Continuous Service through each applicable vesting date, the Option will vest as follows:

[\_\_\_\_\_].

Notwithstanding anything herein to the contrary, in the event that the Optionholder’s Continuous Service terminates due to death, any then-unvested portion of the Option will immediately vest and become exercisable in full.

**Optionholder Acknowledgements:** By your electronic acceptance of the Option via your [Charles Schwab] brokerage account, you understand and agree that:

- The Option is governed by this Stock Option Grant Notice, and the provisions of the Plan and the Stock Option Agreement and the Notice of Exercise, all of which are made a part of this document. Unless otherwise provided in the Plan, this Grant Notice and the Stock Option Agreement (together, the “*Option Agreement*”) may not be modified, amended or revised except in a writing signed by you and a duly authorized officer of the Company.
- [If the Option is an Incentive Stock Option, it (plus other outstanding Incentive Stock Options granted to you) cannot be first *exercisable* for more than \$100,000 in value (measured by exercise price) in any calendar year. Any excess over \$100,000 is a Nonstatutory Stock Option.]
- Copies of the Plan, the Stock Option Agreement and Prospectus for the Plan are available via your [Charles Schwab] brokerage account and may be viewed and printed by you. You consent to receive this Grant Notice, the Plan, the Stock Option Agreement, the Prospectus and any other Plan-related documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.

<sup>1</sup> If this is an Incentive Stock Option, it (plus other outstanding Incentive Stock Options) cannot be first exercisable for more than \$100,000 in value (measured by exercise price) in any calendar year. Any excess over \$100,000 is a Nonstatutory Stock Option.

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- You have read and are familiar with the provisions of the Plan, the Stock Option Agreement, the Notice of Exercise and the Prospectus. In the event of any conflict between the provisions in this Grant Notice, the Option Agreement, the Notice of Exercise, or the Prospectus and the terms of the Plan, the terms of the Plan shall control.
  - The Option Agreement sets forth the entire understanding between you and the Company regarding the acquisition of Common Stock and supersedes all prior oral and written agreements, promises and/or representations on that subject with the exception of other equity awards previously granted to you and any written employment agreement, offer letter, severance agreement, written severance plan or policy, or other written agreement between the Company and you in each case that specifies the terms that should govern this Option.



**MAPLEBEAR INC.**  
**2023 EQUITY INCENTIVE PLAN**  
**STOCK OPTION AGREEMENT**

As reflected by your Stock Option Grant Notice (“**Grant Notice**”) Maplebear Inc. (the “**Company**”) has granted you an option under its 2023 Equity Incentive Plan (the “**Plan**”) to purchase a number of shares of Common Stock at the exercise price indicated in your Grant Notice (the “**Option**”). Capitalized terms not explicitly defined in this Agreement but defined in the Grant Notice or the Plan shall have the meanings set forth in the Grant Notice or Plan, as applicable. The terms of your Option as specified in the Grant Notice and this Stock Option Agreement constitute your Option Agreement.

The general terms and conditions applicable to your Option are as follows:

**1. GOVERNING PLAN DOCUMENT.** Your Option is subject to all the provisions of the Plan, including but not limited to the provisions in:

(a) Section 6 regarding the impact of a Capitalization Adjustment, dissolution, liquidation, or Corporate Transaction on your Option;

and (b) Section 9(e) regarding the Company’s retained rights to terminate your Continuous Service notwithstanding the grant of the Option;

(c) Section 8 regarding the tax consequences of your Option.

Your Option is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the Option Agreement and the provisions of the Plan, the provisions of the Plan shall control.

**2. VESTING.** Your Option will vest as provided in your Grant Notice, subject to the provisions contained herein and the terms of the Plan. Vesting will cease upon the termination of your Continuous Service, provided that if your Continuous Service terminates due to your death, then, as of the date of termination of Continuous Service, the vesting and exercisability of your Option will be accelerated in full.

**3. EXERCISE.**

(a) You may generally exercise the vested portion of your Option for whole shares of Common Stock at any time during its term by delivery of payment of the exercise price and applicable withholding taxes and other required documentation to the Plan Administrator in accordance with the exercise procedures established by the Plan Administrator, which may include an electronic submission. Please review Sections 4(i), 4(j) and 7(b)(v) of the Plan, which may restrict or prohibit your ability to exercise your Option during certain periods.

(b) To the extent permitted by Applicable Law, you may pay your Option exercise price as follows:

(i) cash, check, bank draft or money order;

(ii) pursuant to a “cashless exercise” program as further described in Section 4(c)(ii) of the Plan if at the time of exercise the Common Stock is publicly traded;

(iii) subject to Company and/or Committee consent at the time of exercise, by delivery of previously owned shares of Common Stock as further described in Section 4(c)(iii) of the Plan; or

(iv) subject to Company and/or Committee consent at the time of exercise, if the Option is a Nonstatutory Stock Option, by a “net exercise” arrangement as further described in Section 4(c)(iv) of the Plan.

(c) By accepting your Option, you agree that you will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any shares of Common Stock or other securities of the Company held by you, for a period of 180 days following the effective date of a registration statement of the Company filed under the Securities Act or such longer period as the underwriters or the Company will request to facilitate compliance with FINRA Rule 2241 or any successor or similar rules or regulation (the “**Lock-Up Period**”); provided, however, that nothing contained in this Section 3(c) will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your shares of Common Stock until the end of such period. You also agree that any transferee of any shares of Common Stock (or other securities) of the Company held by you will be bound by this Section 3(c). The underwriters of the Company’s stock are intended third party beneficiaries of this Section 3(c) and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

**4. TERM.** You may not exercise your Option before the commencement of its term or after its term expires. The term of your Option commences on the Date of Grant and expires upon the earliest of the following:

(a) immediately upon the termination of your Continuous Service for Cause;

(b) three months after the termination of your Continuous Service for any reason other than Cause, Disability or death;

(c) 12 months after the termination of your Continuous Service due to your Disability;

(d) 18 months after your death if you die during your Continuous Service;

(e) immediately upon a Corporate Transaction if the Board has determined that the Option will terminate in connection with a Corporate Transaction,

(f) the Expiration Date indicated in your Grant Notice; or

(g) the day before the 10th anniversary of the Date of Grant.

Notwithstanding the foregoing, if you die during the period provided in Section 4(b) or 4(c) above, the term of your Option shall not expire until the earlier of (i) 18 months after your death, (ii) upon any termination of the Option in connection with a Corporate Transaction, (iii) the Expiration Date indicated in your Grant Notice, or (iv) the day before the tenth anniversary of the Date of Grant. Additionally, the Post-Termination Exercise Period of your Option may be extended as provided in Section 4(i) of the Plan.

To obtain the federal income tax advantages associated with an Incentive Stock Option, the Code requires that at all times beginning on the date of grant of your Option and ending on the day three months before the date of your Option's exercise, you must be an employee of the Company or an Affiliate, except in the event of your death or Disability. If the Company provides for the extended exercisability of your Option under certain circumstances for your benefit, your Option will not necessarily be treated as an Incentive Stock Option if you exercise your Option more than three months after the date your employment terminates.

**5. WITHHOLDING OBLIGATIONS.** As further provided in Section 8 of the Plan: (a) you may not exercise your Option unless the applicable tax withholding obligations are satisfied, and (b) at the time you exercise your Option, in whole or in part, or at any time thereafter as requested by the Company, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for (including by means of a "cashless exercise" pursuant to a program developed under Regulation T as promulgated by the Federal Reserve Board to the extent permitted by the Company), any sums required to satisfy the federal, state, local and foreign tax withholding obligations, if any, which arise in connection with the exercise of your Option in accordance with the withholding procedures established by the Company. Accordingly, you may not be able to exercise your Option even though the Option is vested, and the Company shall have no obligation to issue shares of Common Stock subject to your Option, unless and until such obligations are satisfied. In the event that the amount of the Company's withholding obligation in connection with your Option was greater than the amount actually withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

**6. INCENTIVE STOCK OPTION DISPOSITION REQUIREMENT.** If your Option is an Incentive Stock Option, you must notify the Company in writing within 15 days after the date of any disposition of any of the shares of the Common Stock issued upon exercise of your Option that occurs within two years after the date of your Option grant or within one year after such shares of Common Stock are transferred upon exercise of your Option.

**7. TRANSFERABILITY.** Except as otherwise provided in Section 4(e) of the Plan, your Option is not transferable, except by will or by the applicable laws of descent and distribution, and is exercisable during your life only by you.

**8. CORPORATE TRANSACTION.** Your Option is subject to the terms of any agreement governing a Corporate Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on your behalf with respect to any escrow, indemnities and any contingent consideration.

**9. NO LIABILITY FOR TAXES.** As a condition to accepting the Option, you hereby (a) agree to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from the Option or other Company compensation and (b) acknowledge that you were advised to consult with your own personal tax, financial and other legal advisors regarding the tax consequences of the Option and have either done so or knowingly and voluntarily declined to do so. Additionally, you acknowledge that the Option is exempt from Section 409A only if the exercise price is at least equal to the "fair market value" of the Common Stock on the date of grant as determined by the Internal Revenue Service and there is no other impermissible deferral of compensation associated with the Option. Additionally, as a condition to accepting the Option, you agree not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates in the event that the Internal Revenue Service asserts that such exercise is less than the "fair market value" of the Common Stock on the date of grant as subsequently determined by the Internal Revenue Service.

**10. SEVERABILITY.** If any part of this Option Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Option Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Option Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid

**11. OTHER DOCUMENTS.** You hereby acknowledge receipt of or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Prospectus. In addition, you acknowledge receipt of the Company's Trading Policy.

**12. QUESTIONS.** If you have questions regarding these or any other terms and conditions applicable to your Option, including a summary of the applicable federal income tax consequences please see the Prospectus.

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**MAPLEBEAR INC.**  
**(2023 EQUITY INCENTIVE PLAN)**  
**NOTICE OF EXERCISE**

Maplebear Inc.  
50 Beale Street, Suite 600  
San Francisco, California 94105

Date of Exercise: \_\_\_\_\_

This constitutes notice to Maplebear Inc. (the “**Company**”) that I elect to purchase the below number of shares of Common Stock of the Company (the “**Shares**”) by exercising my Option for the price set forth below. Capitalized terms not explicitly defined in this Notice of Exercise but defined in the Grant Notice, Option Agreement or 2023 Equity Incentive Plan (the “**Plan**”) shall have the meanings set forth in the Grant Notice, Option Agreement or Plan, as applicable. Use of certain payment methods is subject to Company and/or Committee consent and certain additional requirements set forth in the Option Agreement and the Plan.

Type of option (check one):	Incentive <input type="checkbox"/>	Nonstatutory <input type="checkbox"/>
Date of Grant:	_____	
Number of Shares as to which Option is exercised:	_____	
Certificates to be issued in name of:	_____	
Total exercise price:	\$ _____	
Cash, check, bank draft or money order delivered herewith:	\$ _____	
Value of _____ Shares delivered herewith:	\$ _____	
Regulation T Program (cashless exercise)	\$ _____	
Value of _____ Shares pursuant to net exercise:	\$ _____	

By this exercise, I agree (i) to provide such additional documents as you may require pursuant to the terms of the Plan, (ii) to satisfy the tax withholding obligations, if any, relating to the exercise of this Option as set forth in the Option Agreement, and (iii) if this exercise relates to an incentive stock option, to notify you in writing within 15 days after the date of any disposition of any of the Shares issued upon exercise of this Option that occurs within two years after the Date of Grant or within one year after such Shares are issued upon exercise of this Option.

I further agree that I will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any shares of Common Stock or other securities of the Company that I hold, for a period of 180 days following the effective date of a registration statement of the Company filed under the Securities Act or such longer period as the underwriters or the Company will request to facilitate compliance with FINRA Rule 2241 or any successor or similar rules or regulation (the "**Lock-Up Period**"); *provided, however*, that nothing contained in this paragraph will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. I further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. I further agree that in order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to shares of Common Stock that I hold until the end of such period. I also agree that any transferee of any shares of Common Stock (or other securities) of the Company that I hold will be bound by this paragraph. The underwriters of the Company's stock are intended third party beneficiaries of this paragraph and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

Very truly yours,

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**MAPLEBEAR INC.**  
**RSU AWARD GRANT NOTICE**  
**(2023 EQUITY INCENTIVE PLAN)**

Maplebear Inc. (the “**Company**”) has awarded to you (the “**Participant**”) the number of restricted stock units specified and on the terms set forth below in consideration of your services (the “**RSU Award**”). Your RSU Award is subject to all of the terms and conditions as set forth herein and in the Company’s 2023 Equity Incentive Plan (the “**Plan**”) and the Award Agreement (the “**Agreement**”), which are available by logging into your [Charles Schwab] brokerage account and which are incorporated herein in their entirety. Capitalized terms not explicitly defined herein but defined in the Plan or the Agreement shall have the meanings set forth in the Plan or the Agreement.

Participant: \_\_\_\_\_  
Date of Grant: \_\_\_\_\_  
Vesting Commencement Date: \_\_\_\_\_  
Number of Restricted Stock Units: \_\_\_\_\_

**Vesting Schedule:** Subject to the Participant’s Continuous Service through each applicable vesting date, the RSU Award will vest as follows:

[\_\_\_\_\_].

Notwithstanding anything herein to the contrary, in the event that the Participant’s Continuous Service terminates due to death, any then-unvested portion of the RSU Award will immediately vest in full.

**Issuance Schedule:** One share of Common Stock will be issued for each restricted stock unit which vests at the time set forth in Section 6 of the Agreement.

**Participant Acknowledgements:** By your electronic acceptance of the RSU Award via your [Charles Schwab] brokerage account, you understand and agree that:

- The RSU Award is governed by this RSU Award Grant Notice (the “**Grant Notice**”), and the provisions of the Plan and the Agreement, all of which are made a part of this document. Unless otherwise provided in the Plan, this Grant Notice and the Agreement (together, the “**RSU Award Agreement**”) may not be modified, amended or revised except in a writing signed by you and a duly authorized officer of the Company.
- Copies of the Plan, the Agreement and Prospectus for the Plan are available via your [Charles Schwab] brokerage account and may be viewed and printed by you. You consent to receive this Grant Notice, the Plan, the Agreement, the Prospectus and any other Plan-related documents by electronic delivery and to participate in the Plan through an on-line or electronic system established and maintained by the Company or another third party designated by the Company.
- You have read and are familiar with the provisions of the Plan, the RSU Award Agreement and the Prospectus. In the event of any conflict between the provisions in the RSU Award Agreement, or the Prospectus and the terms of the Plan, the terms of the Plan shall control.
- The RSU Award Agreement sets forth the entire understanding between you and the Company regarding the acquisition of Common Stock and supersedes all prior oral and written agreements, promises and/or representations on that subject with the exception of: (i) other equity awards previously granted to you, and (ii) any written employment agreement, offer letter, severance agreement, written severance plan or policy, or other written agreement between the Company and you in each case that specifies the terms that should govern this RSU Award.

**MAPLEBEAR INC.**  
**2023 EQUITY INCENTIVE PLAN**

**RSU AWARD AGREEMENT**

As reflected by your Restricted Stock Unit Grant Notice (“**Grant Notice**”), Maplebear Inc. (the “**Company**”) has granted you a RSU Award under its 2023 Equity Incentive Plan (the “**Plan**”) for the number of restricted stock units as indicated in your Grant Notice (the “**RSU Award**”). The terms of your RSU Award as specified in this Award Agreement for your RSU Award (the “**Agreement**”) and the Grant Notice constitute your “**RSU Award Agreement**”. Defined terms not explicitly defined in this Agreement but defined in the Grant Notice or the Plan shall have the same definitions as in the Grant Notice or Plan, as applicable.

The general terms applicable to your RSU Award are as follows:

**13. GOVERNING PLAN DOCUMENT.** Your RSU Award is subject to all the provisions of the Plan, including but not limited to the provisions in:

(a) Section 6 of the Plan regarding the impact of a Capitalization Adjustment, dissolution, liquidation, or Corporate Transaction on your RSU Award;

(b) Section 9(e) of the Plan regarding the Company’s retained rights to terminate your Continuous Service notwithstanding the grant of the RSU Award; and

(c) Section 8 of the Plan regarding the tax consequences of your RSU Award.

Your RSU Award is further subject to all interpretations, amendments, rules and regulations, which may from time to time be promulgated and adopted pursuant to the Plan. In the event of any conflict between the RSU Award Agreement and the provisions of the Plan, the provisions of the Plan shall control.

**14. GRANT OF THE RSU AWARD.** This RSU Award represents your right to be issued on a future date the number of shares of the Company’s Common Stock that is equal to the number of restricted stock units indicated in the Grant Notice as modified to reflect any Capitalization Adjustment and subject to your satisfaction of the vesting conditions set forth therein (the “**Restricted Stock Units**”). Any additional Restricted Stock Units that become subject to the RSU Award pursuant to Capitalization Adjustments as set forth in the Plan and the provisions of Section 4 below, if any, shall be subject, in a manner determined by the Board, to the same forfeiture restrictions, restrictions on transferability, and time and manner of delivery as applicable to the other Restricted Stock Units covered by your RSU Award.

**15. VESTING.** Your Restricted Stock Units will vest, if at all, in accordance with the vesting schedule provided in the Grant Notice, subject to the provisions contained herein and the terms of the Plan. Vesting will cease upon the termination of your Continuous Service. Notwithstanding the foregoing, if your Continuous Service terminates due to your death, then, as of the date of your termination of Continuous Service, the Award will become fully vested and the shares of Common Stock will be issued to you as set forth in Section 6.



**16. DIVIDENDS.** You may become entitled to receive payments equal to any cash dividends and other distributions paid with respect to a corresponding number of shares of Common Stock to be issued in respect of the Restricted Stock Units covered by your RSU Award. Any such dividends or distributions shall be subject to the same forfeiture restrictions as apply to the Restricted Stock Units and shall be paid at the same time that the corresponding shares are issued in respect of your vested Restricted Stock Units, provided, however that to the extent any such dividends or distributions are paid in shares of Common Stock, then you will automatically be granted a corresponding number of additional Restricted Stock Units subject to the RSU Award (the “**Dividend Units**”), and further provided that such Dividend Units shall be subject to the same forfeiture restrictions and restrictions on transferability, and same timing requirements for issuance of shares, as apply to the Restricted Stock Units subject to the RSU Award with respect to which the Dividend Units relate.

**17. WITHHOLDING OBLIGATIONS.** As further provided in Section 8 of the Plan, you hereby authorize withholding from payroll and any other amounts payable to you, and otherwise agree to make adequate provision for, any sums required to satisfy the federal, state, local and foreign tax withholding obligations, if any, which arise in connection with your RSU Award (the “**Withholding Obligation**”) in accordance with the withholding procedures established by the Company. Unless the Withholding Obligation is satisfied, the Company shall have no obligation to deliver to you any Common Stock in respect of the RSU Award. In the event the Withholding Obligation of the Company arises prior to the delivery to you of Common Stock or it is determined after the delivery of Common Stock to you that the amount of the Withholding Obligation was greater than the amount withheld by the Company, you agree to indemnify and hold the Company harmless from any failure by the Company to withhold the proper amount.

**18. DATE OF ISSUANCE.**

(a) The issuance of shares in respect of the Restricted Stock Units is intended to comply with Treasury Regulations Section 1.409A-1(b)(4) and will be construed and administered in such a manner. Subject to the satisfaction of the Withholding Obligation, if any, in the event one or more Restricted Stock Units vests, the Company shall issue to you one (1) share of Common Stock for each Restricted Stock Unit (subject to any adjustment under Section 4 above, and subject to any different provisions in the Grant Notice) that vests on the applicable vesting date(s) or on a later date as determined by the Company but in no event later than the Issuance Deadline (as defined below).

(b) In addition, the following provisions shall apply to the extent applicable at a vesting date when shares of Common Stock are registered under the Securities Act, unless otherwise determined by the Company. If:

(i) the applicable vest date does not occur (1) during an “open window period” applicable to you, as determined by the Company in accordance with the Company’s then-effective policy on trading in Company securities, or (2) on a date when you are otherwise permitted to sell shares of Common Stock on an established stock exchange or stock market (including but not limited to under a previously established written trading plan that meets the requirements of Rule 10b5-1 under the Exchange Act and was entered into in compliance with the Company’s policies (a “**10b5-1 Arrangement**”) or under such other policy expressly approved by the Company), and

(ii) either (1) a Withholding Obligation does not apply, or (2) the Company decides, prior to the applicable vest date, (A) not to satisfy the Withholding Obligation by withholding shares of Common Stock from the shares otherwise due to you under this Award, and (B) not to permit you to enter into a “same day sale” commitment with a broker-dealer (including but not limited to a commitment under a 10b5-1 Arrangement) and (C) not to permit you to pay your Withholding Obligation in cash,

then the shares that would otherwise be issued to you on the applicable vest date will not be delivered on such applicable vest date and will instead be delivered on the first business day when you are not prohibited from selling shares of the Company’s Common Stock in the open public market or on such other date determined by the Company, but in no event later than the Issuance Deadline.

The “**Issuance Deadline**” means (a) December 31 of the calendar year in which the applicable vest date occurs (that is, the last day of your taxable year in which the applicable vest date occurs), or (b) if and only if permitted in a manner that complies with Treasury Regulations Section 1.409A-1(b)(4), no later than the date that is the 15th day of the third calendar month of the applicable year following the year in which the shares of Common Stock issuable as a result of the applicable vest date under this Award are no longer subject to a “substantial risk of forfeiture” within the meaning of Treasury Regulations Section 1.409A-1(d).

(c) To the extent the RSU Award is a Non-Exempt RSU Award, the provisions of Section 11 of the Plan shall apply.

**19. LOCK-UP PERIOD.** By accepting your RSU Award, you agree that you will not sell, dispose of, transfer, make any short sale of, grant any option for the purchase of, or enter into any hedging or similar transaction with the same economic effect as a sale with respect to any shares of Common Stock or other securities of the Company held by you, for a period of one hundred eighty (180) days following the effective date of a registration statement of the Company filed under the Securities Act or such longer period as the underwriters or the Company will request to facilitate compliance with FINRA Rule 2241 or any successor or similar rules or regulation (the “**Lock-Up Period**”); *provided, however*, that nothing contained in this Section 7 will prevent the exercise of a repurchase option, if any, in favor of the Company during the Lock-Up Period. You further agree to execute and deliver such other agreements as may be reasonably requested by the Company or the underwriters that are consistent with the foregoing or that are necessary to give further effect thereto. In order to enforce the foregoing covenant, the Company may impose stop-transfer instructions with respect to your shares of Common Stock until the end of such period. You also agree that any transferee of any shares of Common Stock (or other securities) of the Company held by you will be bound by this Section 7. The underwriters of the Company’s stock are intended third party beneficiaries of this Section 7 and will have the right, power and authority to enforce the provisions hereof as though they were a party hereto.

**20. TRANSFERABILITY.** Except as otherwise provided in the Plan, your RSU Award is not transferable, except by will or by the applicable laws of descent and distribution.

**21. CORPORATE TRANSACTION.** Your RSU Award is subject to the terms of any agreement governing a Corporate Transaction involving the Company, including, without limitation, a provision for the appointment of a stockholder representative that is authorized to act on your behalf with respect to any escrow, indemnities and any contingent consideration.

**22. NO LIABILITY FOR TAXES.** As a condition to accepting the RSU Award, you hereby (a) agree to not make any claim against the Company, or any of its Officers, Directors, Employees or Affiliates related to tax liabilities arising from the RSU Award or other Company compensation and (b) acknowledge that you were advised to consult with your own personal tax, financial and other legal advisors regarding the tax consequences of the RSU Award and have either done so or knowingly and voluntarily declined to do so.

**23. SEVERABILITY.** If any part of this Agreement or the Plan is declared by any court or governmental authority to be unlawful or invalid, such unlawfulness or invalidity will not invalidate any portion of this Agreement or the Plan not declared to be unlawful or invalid. Any Section of this Agreement (or part of such a Section) so declared to be unlawful or invalid will, if possible, be construed in a manner which will give effect to the terms of such Section or part of a Section to the fullest extent possible while remaining lawful and valid.

**24. OTHER DOCUMENTS.** You hereby acknowledge receipt of or the right to receive a document providing the information required by Rule 428(b)(1) promulgated under the Securities Act, which includes the Prospectus. In addition, you acknowledge receipt of the Company's Trading Policy.

**25. QUESTIONS.** If you have questions regarding these or any other terms and conditions applicable to your RSU Award, including a summary of the applicable federal income tax consequences please see the Prospectus.

## MAPLEBEAR INC.

## 2023 EMPLOYEE STOCK PURCHASE PLAN

ADOPTED BY THE BOARD OF DIRECTORS: AUGUST 23, 2023

APPROVED BY THE STOCKHOLDERS: SEPTEMBER 10, 2023

EFFECTIVE DATE: \_\_\_\_\_, 2023

**1. GENERAL; PURPOSE.**

(a) The Plan provides a means by which Eligible Employees of the Company and certain designated Related Corporations may be given an opportunity to purchase shares of Common Stock. The Plan permits the Company to grant a series of Purchase Rights to Eligible Employees under an Employee Stock Purchase Plan. In addition, the Plan permits the Company to grant a series of Purchase Rights to Eligible Employees that do not meet the requirements of an Employee Stock Purchase Plan.

(b) The Plan includes two components: a 423 Component and a Non-423 Component. The Company intends (but makes no undertaking or representation to maintain) the 423 Component to qualify as an Employee Stock Purchase Plan. The provisions of the 423 Component, accordingly, will be construed in a manner that is consistent with the requirements of Section 423 of the Code. Except as otherwise provided in the Plan or determined by the Board, the Non-423 Component will operate and be administered in the same manner as the 423 Component.

(c) The Company, by means of the Plan, seeks to retain the services of such Employees, to secure and retain the services of new Employees and to provide incentives for such persons to exert maximum efforts for the success of the Company and its Related Corporations.

**2. ADMINISTRATION.**

(a) The Board or the Committee will administer the Plan. References herein to the Board shall be deemed to refer to the Committee except where context dictates otherwise.

(b) The Board will have the power, subject to, and within the limitations of, the express provisions of the Plan:

(i) To determine how and when Purchase Rights will be granted and the provisions of each Offering (which need not be identical).

(ii) To designate from time to time (A) which Related Corporations of the Company will be eligible to participate in the Plan, (B) whether such Related Corporations will participate in the 423 Component or the Non-423 Component, and (C) to the extent that the Company makes separate Offerings under the 423 Component, in which Offering the Related Corporations in the 423 Component will participate.

(iii) To construe and interpret the Plan and Purchase Rights, and to establish, amend and revoke rules and regulations for its administration. The Board, in the exercise of this power, may correct any defect, omission or inconsistency in the Plan, in a manner and to the extent it deems necessary or expedient to make the Plan fully effective.

(iv) To settle all controversies regarding the Plan and Purchase Rights granted under the Plan.

(v) To suspend or terminate the Plan at any time as provided in Section .

(vi) To amend the Plan at any time as provided in Section .

(vii) Generally, to exercise such powers and to perform such acts as it deems necessary or expedient to promote the best interests of the Company and its Related Corporations and to carry out the intent that the Plan be treated as an Employee Stock Purchase Plan with respect to the 423 Component.

(viii) To adopt such rules, procedures and sub-plans as are necessary or appropriate to permit or facilitate participation in the Plan by Employees who are foreign nationals or employed or located outside the United States. Without limiting the generality of, and consistent with, the foregoing, the Board specifically is authorized to adopt rules, procedures, and sub-plans regarding, without limitation, eligibility to participate in the Plan, the definition of eligible "earnings," handling and making of Contributions, establishment of bank or trust accounts to hold Contributions, payment of interest, conversion of local currency, obligations to pay payroll tax, determination of beneficiary designation requirements, withholding procedures and handling of share issuances, any of which may vary according to applicable requirements, and which, if applicable to a Related Corporation designated for participation in the Non-423 Component, do not have to comply with the requirements of Section 423 of the Code.

(c) The Board may delegate some or all of the administration of the Plan to a Committee or Committees. If administration is delegated to a Committee, the Committee will have, in connection with the administration of the Plan, the powers theretofore possessed by the Board that have been delegated to the Committee, including the power to delegate to a subcommittee any of the administrative powers the Committee is authorized to exercise (and references in this Plan and any Offering Document to the Board will thereafter be to the Committee or subcommittee), subject, however, to such resolutions, not inconsistent with the provisions of the Plan, as may be adopted from time to time by the Board. The Board may retain the authority to concurrently administer the Plan with the Committee and may, at any time, revert in the Board some or all of the powers previously delegated. Whether or not the Board has delegated administration of the Plan to a Committee, the Board will have the final power to determine all questions of policy and expediency that may arise in the administration of the Plan.

(d) All determinations, interpretations and constructions made by the Board in good faith will not be subject to review by any person and will be final, binding and conclusive on all persons.

### 3. SHARES OF COMMON STOCK SUBJECT TO THE PLAN.

(a) Subject to the provisions of Section 11(a) relating to Capitalization Adjustments, the maximum number of shares of Common Stock that may be issued under the Plan will not exceed 7,000,000 shares of Common Stock, plus the number of shares of Common Stock that are automatically added on January 1<sup>st</sup> of each calendar year for a period of up to ten years, commencing on January 1, 2024 and ending on (and including) January 1, 2033, in an amount equal to the lesser of (i) one percent (1%) of the total number of shares of Common Stock outstanding on December 31<sup>st</sup> of the preceding calendar year, and (ii) 7,000,000 shares of Common Stock. Notwithstanding the foregoing, the Board may act prior to the first day of any calendar year to provide that there will be no January 1<sup>st</sup> increase in the share reserve for such calendar year or that the increase in the share reserve for such calendar year will be a lesser number of shares of Common Stock than would otherwise occur pursuant to the preceding sentence. For the avoidance of doubt, up to the maximum number of shares of Common Stock reserved under this Section 3(a) may be used to satisfy purchases of Common Stock under the 423 Component and any remaining portion of such maximum number of shares may be used to satisfy purchases of Common Stock under the Non-423 Component.

(b) If any Purchase Right granted under the Plan terminates without having been exercised in full, the shares of Common Stock not purchased under such Purchase Right will again become available for issuance under the Plan.

(c) The stock purchasable under the Plan will be shares of authorized but unissued or reacquired Common Stock, including shares repurchased by the Company on the open market.

#### **4. GRANT OF PURCHASE RIGHTS; OFFERING.**

(a) The Board may from time to time grant or provide for the grant of Purchase Rights to Eligible Employees under an Offering (consisting of one or more Purchase Periods) on an Offering Date or Offering Dates selected by the Board. Each Offering will be in such form and will contain such terms and conditions as the Board will deem appropriate, and, with respect to the 423 Component, will comply with the requirement of Section 423(b)(5) of the Code that all Employees granted Purchase Rights will have the same rights and privileges. The terms and conditions of an Offering shall be incorporated by reference into the Plan and treated as part of the Plan. The provisions of separate Offerings need not be identical, but each Offering will include (through incorporation of the provisions of this Plan by reference in the document comprising the Offering or otherwise) the period during which the Offering will be effective, which period will not exceed 27 months beginning with the Offering Date, and the substance of the provisions contained in Sections through , inclusive.

(b) If a Participant has more than one Purchase Right outstanding under the Plan, unless he or she otherwise indicates in forms delivered to the Company: (i) each form will apply to all of his or her Purchase Rights under the Plan, and (ii) a Purchase Right with a lower exercise price (or an earlier-granted Purchase Right, if different Purchase Rights have identical exercise prices) will be exercised to the fullest possible extent before a Purchase Right with a higher exercise price (or a later-granted Purchase Right if different Purchase Rights have identical exercise prices) will be exercised.

(c) The Board will have the discretion to structure an Offering so that if the Fair Market Value of a share of Common Stock on the first Trading Day of a new Purchase Period within that Offering is less than or equal to the Fair Market Value of a share of Common Stock on the Offering Date for that Offering, then (i) that Offering will terminate immediately as of that first Trading Day, and (ii) the Participants in such terminated Offering will be automatically enrolled in a new Offering beginning on the first Trading Day of such new Purchase Period.

#### **5. ELIGIBILITY.**

(a) Purchase Rights may be granted only to Employees of the Company or, as the Board may designate in accordance with Section , to Employees of a Related Corporation. Except as provided in Section or as required by Applicable Law, an Employee will not be eligible to be granted Purchase Rights unless, on the Offering Date, the Employee has been in the employ of the Company or the Related Corporation, as the case may be, for such continuous period preceding such Offering Date as the Board may require, but in no event will the required period of continuous employment be equal to or greater than two years. In addition, the Board may (unless prohibited by law) provide that no Employee will be eligible to be granted Purchase Rights under the Plan unless, on the Offering Date, such Employee's customary employment with the Company or the Related Corporation is more than 20 hours per week and more than five months per calendar year or such other criteria as the Board may determine consistent with

Section 423 of the Code with respect to the 423 Component. The Board may also exclude from participation in the Plan or any Offering Employees who are "highly compensated employees" (within the meaning of Section 423(b)(4)(D) of the Code) of the Company or a Related Corporation or a subset of such highly compensated employees.

**(b)** The Board may provide that each person who, during the course of an Offering, first becomes an Eligible Employee will, on a date or dates specified in the Offering which coincides with the day on which such person becomes an Eligible Employee or which occurs thereafter, receive a Purchase Right under that Offering, which Purchase Right will thereafter be deemed to be a part of that Offering. Such Purchase Right will have the same characteristics as any Purchase Rights originally granted under that Offering, as described herein, except that:

**(i)** the date on which such Purchase Right is granted will be the "Offering Date" of such Purchase Right for all purposes, including determination of the exercise price of such Purchase Right;

**(ii)** the period of the Offering with respect to such Purchase Right will begin on its Offering Date and end coincident with the end of such Offering; and

**(iii)** the Board may provide that if such person first becomes an Eligible Employee within a specified period of time before the end of the Offering, he or she will not receive any Purchase Right under that Offering.

**(c)** No Employee will be eligible for the grant of any Purchase Rights if, immediately after any such Purchase Rights are granted, such Employee owns stock possessing five percent or more of the total combined voting power or value of all classes of stock of the Company or of any Related Corporation. For purposes of this Section, the rules of Section 424(d) of the Code will apply in determining the stock ownership of any Employee, and stock which such Employee may purchase under all outstanding Purchase Rights and options will be treated as stock owned by such Employee.

**(d)** As specified by Section 423(b)(8) of the Code, an Eligible Employee may be granted Purchase Rights only if such Purchase Rights, together with any other rights granted under all Employee Stock Purchase Plans of the Company and any Related Corporations, do not permit such Eligible Employee's rights to purchase stock of the Company or any Related Corporation to accrue at a rate which, when aggregated, exceeds US \$25,000 of Fair Market Value of such stock (determined at the time such rights are granted, and which, with respect to the Plan, will be determined as of their respective Offering Dates) for each calendar year in which such rights are outstanding at any time.

**(e)** Officers of the Company and any designated Related Corporation, if they are otherwise Eligible Employees, will be eligible to participate in Offerings under the Plan. Notwithstanding the foregoing, the Board may (unless prohibited by law) provide in an Offering that Employees who are highly compensated Employees within the meaning of Section 423(b)(4)(D) of the Code will not be eligible to participate.

**(f)** Notwithstanding anything in this Section 5 to the contrary, in the case of an Offering under the Non-423 Component, an Eligible Employee (or group of Eligible Employees) may be excluded from participation in the Plan or an Offering if the Board has determined, in its sole discretion, that participation of such Eligible Employee(s) is not advisable or practical for any reason.

**6. PURCHASE RIGHTS; PURCHASE PRICE.**

(a) On each Offering Date, each Eligible Employee, pursuant to an Offering made under the Plan, will be granted a Purchase Right to purchase up to that number of shares of Common Stock purchasable either with a percentage or with a maximum dollar amount, as designated by the Board, but in either case not exceeding 15% of such Employee's earnings (as defined by the Board in each Offering) during the period that begins on the Offering Date (or such later date as the Board determines for a particular Offering) and ends on the date stated in the Offering, which date will be no later than the end of the Offering.

(b) The Board will establish one or more Purchase Dates during an Offering on which Purchase Rights granted for that Offering will be exercised and shares of Common Stock will be purchased in accordance with such Offering.

(c) In connection with each Offering made under the Plan, the Board may specify (i) a maximum number of shares of Common Stock that may be purchased by any Participant on any Purchase Date during such Offering, (ii) a maximum aggregate number of shares of Common Stock that may be purchased by all Participants pursuant to such Offering and/or (iii) a maximum aggregate number of shares of Common Stock that may be purchased by all Participants on any Purchase Date under the Offering. If the aggregate purchase of shares of Common Stock issuable upon exercise of Purchase Rights granted under the Offering would exceed any such maximum aggregate number, then, in the absence of any Board action otherwise, a pro rata (based on each Participant's accumulated Contributions) allocation of the shares of Common Stock (rounded down to the nearest whole share) available will be made in as nearly a uniform manner as will be practicable and equitable.

(d) The purchase price of shares of Common Stock acquired pursuant to Purchase Rights will be not less than the lesser of:

(i) an amount equal to 85% of the Fair Market Value of the shares of Common Stock on the Offering Date; or

(ii) an amount equal to 85% of the Fair Market Value of the shares of Common Stock on the applicable Purchase Date.

**7. PARTICIPATION; WITHDRAWAL; TERMINATION.**

(a) An Eligible Employee may elect to participate in an Offering and authorize payroll deductions as the means of making Contributions by completing and delivering to the Company, within the time specified in the Offering, an enrollment form provided by the Company. The enrollment form will specify the amount of Contributions not to exceed the maximum amount specified by the Board. Each Participant's Contributions will be credited to a bookkeeping account for such Participant under the Plan and will be deposited with the general funds of the Company except where Applicable Law requires that Contributions be deposited with a third party. If permitted in the Offering, a Participant may begin such Contributions with the first payroll occurring on or after the Offering Date (or, in the case of a payroll date that occurs after the end of the prior Offering but before the Offering Date of the next new Offering, Contributions from such payroll will be included in the new Offering). If permitted in the Offering, a Participant may thereafter reduce (including to zero) or increase his or her Contributions. If required under Applicable Law or if specifically provided in the Offering, in addition to or instead of making Contributions by payroll deductions, a Participant may make Contributions through the payment by cash, check or wire transfer prior to a Purchase Date.



(b) During an Offering, a Participant may cease making Contributions and withdraw from the Offering by delivering to the Company a withdrawal form provided by the Company. The Company may impose a deadline before a Purchase Date for withdrawing. Upon such withdrawal, such Participant's Purchase Right in that Offering will immediately terminate and the Company will distribute as soon as practicable to such Participant all of his or her accumulated but unused Contributions and such Participant's Purchase Right in that Offering shall thereupon terminate. A Participant's withdrawal from that Offering will have no effect upon his or her eligibility to participate in any other Offerings under the Plan, but such Participant will be required to deliver a new enrollment form to participate in subsequent Offerings.

(c) Unless otherwise required by Applicable Law, Purchase Rights granted pursuant to any Offering under the Plan will terminate immediately if the Participant either (i) is no longer an Employee for any reason or for no reason (subject to any post-employment participation period required by law) or (ii) is otherwise no longer eligible to participate. The Company will distribute as soon as practicable to such individual all of his or her accumulated but unused Contributions.

(d) Unless otherwise determined by the Board, a Participant whose employment transfers or whose employment terminates with an immediate rehire (with no break in service) by or between the Company and a Related Corporation that has been designated for participation in the Plan will not be treated as having terminated employment for purposes of participating in the Plan or an Offering; however, if a Participant transfers from an Offering under the 423 Component to an Offering under the Non-423 Component, the exercise of the Participant's Purchase Right will be qualified under the 423 Component only to the extent such exercise complies with Section 423 of the Code. If a Participant transfers from an Offering under the Non-423 Component to an Offering under the 423 Component, the exercise of the Purchase Right will remain non-qualified under the Non-423 Component. The Board may establish different and additional rules governing transfers between separate Offerings within the 423 Component and between Offerings under the 423 Component and Offerings under the Non-423 Component.

(e) During a Participant's lifetime, Purchase Rights will be exercisable only by such Participant. Purchase Rights are not transferable by a Participant, except by will, by the laws of descent and distribution, or, if permitted by the Company, by a beneficiary designation as described in Section .

(f) Unless otherwise specified in the Offering or as required by Applicable Law, the Company will have no obligation to pay interest on Contributions.

## **8. EXERCISE OF PURCHASE RIGHTS.**

(a) On each Purchase Date, each Participant's accumulated Contributions will be applied to the purchase of shares of Common Stock, up to the maximum number of shares of Common Stock permitted by the Plan and the applicable Offering, at the purchase price specified in the Offering. No fractional shares will be issued unless specifically provided for in the Offering.

(b) Unless otherwise provided in the Offering, if any amount of accumulated Contributions remains in a Participant's account after the purchase of shares of Common Stock on the final Purchase Date of an Offering, then such remaining amount will not roll over to the next Offering and will instead be distributed in full to such Participant after the final Purchase Date of such Offering without interest (unless otherwise required by Applicable Law).

(c) No Purchase Rights may be exercised to any extent unless the shares of Common Stock to be issued upon such exercise under the Plan are covered by an effective registration statement pursuant to the Securities Act and the Plan is in material compliance with all applicable U.S. federal and state, foreign and other securities, exchange control and other laws applicable to the Plan. If on a Purchase Date the shares of Common Stock are not so registered or the Plan is not in such compliance, no Purchase Rights will be exercised on such Purchase Date, and the Purchase Date will be delayed until the shares of Common Stock are subject to such an effective registration statement and the Plan is in material compliance, except that the Purchase Date will in no event be more than 27 months from the Offering Date. If, on the Purchase Date, as delayed to the maximum extent permissible, the shares of Common Stock are not registered and the Plan is not in material compliance with all Applicable Laws, as determined by the Company in its sole discretion, no Purchase Rights will be exercised and all accumulated but unused Contributions will be distributed to the Participants without interest (unless the payment of interest is otherwise required by Applicable Law).

#### **9. COVENANTS OF THE COMPANY.**

The Company will seek to obtain from each U.S. federal or state, foreign or other regulatory commission or agency having jurisdiction over the Plan such authority as may be required to grant Purchase Rights and issue and sell shares of Common Stock thereunder unless the Company determines, in its sole discretion, that doing so would cause the Company to incur costs that are unreasonable. If, after commercially reasonable efforts, the Company is unable to obtain the authority that counsel for the Company deems necessary for the grant of Purchase Rights or the lawful issuance and sale of Common Stock under the Plan, and at a commercially reasonable cost, the Company will be relieved from any liability for failure to grant Purchase Rights and/or to issue and sell Common Stock upon exercise of such Purchase Rights.

#### **10. DESIGNATION OF BENEFICIARY.**

(a) The Company may, but is not obligated to, permit a Participant to submit a form designating a beneficiary who will receive any shares of Common Stock and/or Contributions from the Participant's account under the Plan if the Participant dies before such shares and/or Contributions are delivered to the Participant. The Company may, but is not obligated to, permit the Participant to change such designation of beneficiary. Any such designation and/or change must be on a form approved by the Company.

(b) If a Participant dies, and in the absence of a valid beneficiary designation, the Company will deliver any shares of Common Stock and/or Contributions to the executor or administrator of the estate of the Participant. If no executor or administrator has been appointed (to the knowledge of the Company), the Company, in its sole discretion, may deliver such shares of Common Stock and/or Contributions, without interest (unless the payment of interest is otherwise required by Applicable Law), to the Participant's spouse, dependents or relatives, or if no spouse, dependent or relative is known to the Company, then to such other person as the Company may designate.

#### **11. ADJUSTMENTS UPON CHANGES IN COMMON STOCK; CORPORATE TRANSACTIONS.**

(a) In the event of a Capitalization Adjustment, the Board will appropriately and proportionately adjust: (i) the class(es) and maximum number of securities subject to the Plan pursuant to Section , (ii) the class(es) and maximum number of securities by which the share reserve is to increase automatically each year pursuant to Section , (iii) the class(es) and number of securities subject to, and the purchase price applicable to outstanding Offerings and Purchase Rights, and (iv) the class(es) and number of securities that are the subject of the purchase limits under each ongoing Offering. The Board will make these adjustments, and its determination will be final, binding and conclusive.

(b) In the event of a Corporate Transaction, then: (i) any surviving corporation or acquiring corporation (or the surviving or acquiring corporation's parent company) may assume or continue outstanding Purchase Rights or may substitute similar rights (including a right to acquire the same consideration paid to the stockholders in the Corporate Transaction) for outstanding Purchase Rights, or (ii) if any surviving or acquiring corporation (or its parent company) does not assume or continue such Purchase Rights or does not substitute similar rights for such Purchase Rights, then the Participants' accumulated Contributions will be used to purchase shares of Common Stock (rounded down to the nearest whole share) within ten business days prior to the Corporate Transaction under the outstanding Purchase Rights, and the Purchase Rights will terminate immediately after such purchase.

## **12. AMENDMENT, TERMINATION OR SUSPENSION OF THE PLAN.**

(a) The Board may amend the Plan at any time in any respect the Board deems necessary or advisable. However, except as provided in Section relating to Capitalization Adjustments, stockholder approval will be required for any amendment of the Plan for which stockholder approval is required by Applicable Law.

(b) The Board may suspend or terminate the Plan at any time. No Purchase Rights may be granted under the Plan while the Plan is suspended or after it is terminated.

Any benefits, privileges, entitlements and obligations under any outstanding Purchase Rights granted before an amendment, suspension or termination of the Plan will not be materially impaired by any such amendment, suspension or termination except (i) with the consent of the person to whom such Purchase Rights were granted, (ii) as necessary to comply with any laws, listing requirements, or governmental regulations (including, without limitation, the provisions of Section 423 of the Code and the regulations and other interpretive guidance issued thereunder relating to Employee Stock Purchase Plans) including without limitation any such regulations or other guidance that may be issued or amended after the date the Plan is adopted by the Board, or (iii) as necessary to obtain or maintain favorable tax, listing, or regulatory treatment. To be clear, the Board may amend outstanding Purchase Rights without a Participant's consent if such amendment is necessary to ensure that the Purchase Right and/or the Plan complies with the requirements of Section 423 of the Code with respect to the 423 Component or with respect to other Applicable Laws. Notwithstanding anything in the Plan or any Offering Document to the contrary, the Board will be entitled to: (i) establish the exchange ratio applicable to amounts withheld in a currency other than U.S. dollars; (ii) permit Contributions in excess of the amount designated by a Participant in order to adjust for mistakes in the Company's processing of properly completed Contribution elections; (iii) establish reasonable waiting and adjustment periods and/or accounting and crediting procedures to ensure that amounts applied toward the purchase of Common Stock for each Participant properly correspond with amounts withheld from the Participant's Contributions; (iv) amend any outstanding Purchase Rights or clarify any ambiguities regarding the terms of any Offering to enable the Purchase Rights to qualify under and/or comply with Section 423 of the Code with respect to the 423 Component; and (v) establish other limitations or procedures as the Board determines in its sole discretion advisable that are consistent with the Plan. The actions of the Board pursuant to this paragraph will not be considered to alter or impair any Purchase Rights granted under an Offering as they are part of the initial terms of each Offering and the Purchase Rights granted under each Offering.

## **13. TAX QUALIFICATION; TAX WITHHOLDING.**

(a) Although the Company may endeavor to (i) qualify a Purchase Right for special tax treatment under the laws of the United States or jurisdictions outside of the United States or (ii) avoid adverse tax treatment, the Company makes no representation to that effect and expressly disavows any covenant to maintain special or to avoid unfavorable tax treatment, notwithstanding anything to the contrary in this Plan. The Company will be unconstrained in its corporate activities without regard to the potential negative tax impact on Participants.

(b) Each Participant will make arrangements, satisfactory to the Company and any applicable Related Corporation, to enable the Company or the Related Corporation to fulfill any withholding obligation for Tax-Related Items. Without limitation to the foregoing, in the Company's sole discretion and subject to Applicable Law, such withholding obligation may be satisfied in whole or in part by (i) withholding from the Participant's salary or any other cash payment due to the Participant from the Company or a Related Corporation; (ii) withholding from the proceeds of the sale of shares of Common Stock acquired under the Plan, either through a voluntary sale or a mandatory sale arranged by the Company; or (iii) any other method deemed acceptable by the Board.

**14. EFFECTIVE DATE OF PLAN.**

The Plan will become effective immediately prior to and contingent upon the Effective Date. No Purchase Rights will be exercised unless and until the Plan has been approved by the stockholders of the Company, which approval must be within 12 months before or after the date the Plan is adopted (or if required under Section 12(a) above, materially amended) by the Board.

**15. MISCELLANEOUS PROVISIONS.**

(a) Proceeds from the sale of shares of Common Stock pursuant to Purchase Rights will constitute general funds of the Company.

(b) A Participant will not be deemed to be the holder of, or to have any of the rights of a holder with respect to, shares of Common Stock subject to Purchase Rights unless and until the Participant's shares of Common Stock acquired upon exercise of Purchase Rights are recorded in the books of the Company (or its transfer agent).

(c) The Plan and Offering do not constitute an employment contract. Nothing in the Plan or in the Offering will in any way alter the at will nature of a Participant's employment, if applicable, or be deemed to create in any way whatsoever any obligation on the part of any Participant to continue in the employ of the Company or a Related Corporation, or on the part of the Company or a Related Corporation to continue the employment of a Participant.

(d) The provisions of the Plan will be governed by the laws of the State of Delaware without resort to that state's conflicts of laws rules.

(e) If any particular provision of the Plan is found to be invalid or otherwise unenforceable, such provision will not affect the other provisions of the Plan, but the Plan will be construed in all respects as if such invalid provision were omitted.

(f) If any provision of the Plan does not comply with Applicable Law, such provision shall be construed in such a manner as to comply with Applicable Law.

## 16. DEFINITIONS.

As used in the Plan, the following definitions will apply to the capitalized terms indicated below:

(a) “**423 Component**” means the part of the Plan, which excludes the Non-423 Component, pursuant to which Purchase Rights that satisfy the requirements for an Employee Stock Purchase Plan may be granted to Eligible Employees.

(b) “**Applicable Law**” means shall mean any applicable securities, federal, state, foreign, material local or municipal or other law, statute, constitution, principle of common law, resolution, ordinance, code, edict, decree, rule, listing rule, regulation, judicial decision, ruling or requirement issued, enacted, adopted, promulgated, implemented or otherwise put into effect by or under the authority of any Governmental Body (or under the authority of the Nasdaq Stock Market, New York Stock Exchange or the Financial Industry Regulatory Authority).

(c) “**Board**” means the Board of Directors of the Company.

(d) “**Capitalization Adjustment**” means any change that is made in, or other events that occur with respect to, the Common Stock subject to the Plan or subject to any Purchase Right after the date the Plan is adopted by the Board without the receipt of consideration by the Company through merger, consolidation, reorganization, recapitalization, reincorporation, stock dividend, dividend in property other than cash, large nonrecurring cash dividend, stock split, liquidating dividend, combination of shares, exchange of shares, change in corporate structure or other similar equity restructuring transaction, as that term is used in Financial Accounting Standards Board Accounting Standards Codification Topic 718 (or any successor thereto). Notwithstanding the foregoing, the conversion of any convertible securities of the Company will not be treated as a Capitalization Adjustment.

(e) “**Code**” means the U.S. Internal Revenue Code of 1986, as amended, including any applicable regulations and guidance thereunder.

(f) “**Committee**” means a committee of one or more members of the Board to whom authority has been delegated by the Board in accordance with Section 2(c).

(g) “**Common Stock**” means the common stock of the Company.

(h) “**Company**” means Maplebear Inc., a Delaware corporation.

(i) “**Contributions**” means the payroll deductions and other additional payments specifically provided for in the Offering that a Participant contributes to fund the exercise of a Purchase Right. A Participant may make additional payments into his or her account if specifically provided for in the Offering, and then only if the Participant has not already had the maximum permitted amount withheld during the Offering through payroll deductions.

(j) “**Corporate Transaction**” means the consummation, in a single transaction or in a series of related transactions, of any one or more of the following events:

(i) a sale or other disposition of all or substantially all, as determined by the Board in its sole discretion, of the consolidated assets of the Company and its subsidiaries;

(ii) a sale or other disposition of more than 50% of the outstanding securities of the Company;

(iii) a merger, consolidation or similar transaction following which the Company is not the surviving corporation; or

(iv) a merger, consolidation or similar transaction following which the Company is the surviving corporation but the shares of Common Stock outstanding immediately preceding the merger, consolidation or similar transaction are converted or exchanged by virtue of the merger, consolidation or similar transaction into other property, whether in the form of securities, cash or otherwise.

(k) “**Director**” means a member of the Board.

(l) “**Effective Date**” means the effective date of a registration statement for an initial public offering of the Common Stock through a traditional initial public offering or a direct listing; provided, that this Plan is approved by the Company’s stockholders prior to such date.

(m) “**Eligible Employee**” means an Employee who meets the requirements set forth in the document(s) governing the Offering for eligibility to participate in the Offering, provided that such Employee also meets the requirements for eligibility to participate set forth in the Plan.

(n) “**Employee**” means any person, including an Officer or Director, who is “employed” for purposes of Section 423(b)(4) of the Code by the Company or a Related Corporation. However, service solely as a Director, or payment of a fee for such services, will not cause a Director to be considered an “Employee” for purposes of the Plan.

(o) “**Employee Stock Purchase Plan**” means a plan that grants Purchase Rights intended to be options issued under an “employee stock purchase plan,” as that term is defined in Section 423(b) of the Code.

(p) “**Exchange Act**” means the U.S. Securities Exchange Act of 1934, as amended and the rules and regulations promulgated thereunder.

(q) “**Fair Market Value**” means, as of any date, the value of the Common Stock determined as follows:

(i) If the Common Stock is listed on any established stock exchange or traded on any established market, the Fair Market Value of a share of Common Stock will be, unless otherwise determined by the Board, the closing sales price for such stock as quoted on such exchange or market (or the exchange or market with the greatest volume of trading in the Common Stock) on the date of determination, as reported in such source as the Board deems reliable. Unless otherwise provided by the Board, if there is no closing sales price for the Common Stock on the date of determination, then the Fair Market Value will be the closing sales price on the last preceding date for which such quotation exists.

(ii) In the absence of such markets for the Common Stock, the Fair Market Value will be determined by the Board in good faith in compliance with Applicable Laws and regulations and in a manner that complies with Section 409A of the Code.

(iii) Notwithstanding the foregoing, (a) for any Offering that commences on the Listing Date, the Fair Market Value of the shares of Common Stock on the Offering Date will be the closing sales price for such stock as quoted on the applicable stock exchange on the Listing Date, as reported in such source as the Board deems reliable, or (b) for any Offering that commences on the date of the underwriting agreement between the Company and the underwriters managing the initial public offering of the Common Stock, pursuant to which the Common Stock is priced for the initial public offering, the Fair Market Value of the shares of Common Stock on the Offering Date will be the price per share at which shares are first sold to the public in the Company’s initial public offering as specified in the final prospectus for that initial public offering.

(r) “**Governmental Body**” means any: (a) nation, state, commonwealth, province, territory, county, municipality, district or other jurisdiction of any nature; (b) federal, state, local, municipal, foreign or other government; (c) governmental or regulatory body, or quasi-governmental body of any nature (including any governmental division, department, administrative agency or bureau, commission, authority, instrumentality, official, ministry, fund, foundation, center, organization, unit, body or entity and any court or other tribunal, and for the avoidance of doubt, any tax authority) or other body exercising similar powers or authority; or (d) self-regulatory organization (including the Nasdaq Stock Market, New York Stock Exchange and the Financial Industry Regulatory Authority).

(s) “**Listing Date**” means the date that the Common Stock is first traded on the Nasdaq Stock Market.

(t) “**Non-423 Component**” means the part of the Plan, which excludes the 423 Component, pursuant to which Purchase Rights that are not intended to satisfy the requirements for an Employee Stock Purchase Plan may be granted to Eligible Employees.

(u) “**Offering**” means the grant to Eligible Employees of Purchase Rights, with the exercise of those Purchase Rights automatically occurring at the end of one or more Purchase Periods. The terms and conditions of an Offering will generally be set forth in the “**Offering Document**” approved by the Board for that Offering.

(v) “**Offering Date**” means a date selected by the Board for an Offering to commence.

(w) “**Officer**” means a person who is an officer of the Company or a Related Corporation within the meaning of Section 16 of the Exchange Act.

(x) “**Participant**” means an Eligible Employee who holds an outstanding Purchase Right.

(y) “**Plan**” means this Maplebear Inc. 2023 Employee Stock Purchase Plan, as amended from time to time, including both the 423 Component and the Non-423 Component (to the extent applicable).

(z) “**Purchase Date**” means one or more dates during an Offering selected by the Board on which Purchase Rights will be exercised and on which purchases of shares of Common Stock will be carried out in accordance with such Offering.

(aa) “**Purchase Period**” means a period of time specified within an Offering, generally beginning on the Offering Date or on the first Trading Day following a Purchase Date, and ending on a Purchase Date. An Offering may consist of one or more Purchase Periods.

(bb) “**Purchase Right**” means an option to purchase shares of Common Stock granted pursuant to the Plan.

(cc) “**Related Corporation**” means any “parent corporation” or “subsidiary corporation” of the Company whether now or subsequently established, as those terms are defined in Sections 424(e) and (f), respectively, of the Code.

(dd) “**Securities Act**” means the U.S. Securities Act of 1933, as amended.

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**(ee) “Tax-Related Items”** means any income tax, social insurance, payroll tax, fringe benefit tax, payment on account or other tax-related items arising out of or in relation to a Participant’s participation in the Plan, including, but not limited to, the exercise of a Purchase Right and the receipt of shares of Common Stock or the sale or other disposition of shares of Common Stock acquired under the Plan.

**(ff) “Trading Day”** means any day on which the exchange(s) or market(s) on which shares of Common Stock are listed, including but not limited to the New York Stock Exchange, Nasdaq Global Select Market, the Nasdaq Global Market, the Nasdaq Capital Market or any successors thereto, is open for trading.



**SUBSIDIARIES OF MAPLEBEAR INC.**

Name of Subsidiary

SBOT Technologies LLC

Jurisdiction of Organization

Delaware

## CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the use in this Amendment No.1 to the Registration Statement on Form S-1 of Maplebear Inc. DBA Instacart of our report dated March 17, 2023 relating to the financial statements of Maplebear Inc. DBA Instacart, which appears in this Registration Statement. We also consent to the reference to us under the heading "Experts" in such Registration Statement.

/s/ PricewaterhouseCoopers LLP  
San Francisco, California  
September 11, 2023

## Calculation of Filing Fee Table

**Form S-1**  
(Form Type)

**Maplebear Inc.**  
(Exact Name of Registrant as Specified in its Charter)

Table 1: Newly Registered Securities

	Security Type	Security Class Title	Fee Calculation Rule	Amount Registered <sup>(1)</sup>	Proposed Maximum Offering Price Per Unit	Maximum Aggregate Offering Price <sup>(1)</sup>	Fee Rate	Amount of Registration Fee
Fees to Be Paid	Equity	Common Stock, par value \$0.0001 per share	457(a)	25,300,000	\$28.00	\$708,400,000	0.0001102	\$78,065.68
Fees Previously Paid	Equity	Common Stock, par value \$0.0001 per share	457(o)	—	—	\$100,000,000	0.0001102	\$11,020
		<b>Total Offering Amounts</b>				\$708,400,000		\$78,065.68
		<b>Total Fees Previously Paid</b>						\$11,020
		<b>Total Fee Offsets</b>						—
		<b>Net Fee Due</b>						\$67,045.68

(1) Includes 3,300,000 additional shares of common stock that the underwriters have the option to purchase.