As filed with the Securities and Exchange Commission on February 26, 2021.

Registration No. 333-

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

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

ACV Auctions Inc.
(Exact name of Registrant as specified in its charter)

Delaware	7389	47-2415221
(State or other jurisdiction of incorporation or organization)	(Primary Standard Industrial Classification Code Number)	(I.R.S. Employer Identification Number)

640 Ellicott Street, #321
Buffalo, New York 14203
(512) 632-1200
(Address, including zip code, and telephone number, including area code, of Registrant's principal executive offices)

George Chamoun
Chief Executive Officer
ACV Auctions Inc.
640 Ellicott Street, #321
Buffalo, New York 14203
(512) 632-1200
(Name, address, including zip code, and telephone number, including area code, of agent for service)

Copies to:

Nicole Brookshire Alan Hambelton Shauna Bracher Cooley LLP 55 Hudson Yards New York, New York 10001 (212) 479-6000	William Zerella Chief Financial Officer ACV Auctions Inc. 640 Ellicott Street, #321 Buffalo, New York 14203 (512) 632-1200	Richard D. Truesdell, Jr. Pedro J. Bermeo Davis Polk & Wardwell LLP 450 Lexington Avenue New York, New York 10017 (212) 450-4000

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, please check the following box and list the Securities Act registration statement number of the earlier effective registration statement for the same offering. ☐

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

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

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

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

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

CALCULATION OF REGISTRATION FEE

Title of each Class of Securities to be Registered	Proposed Maximum Aggregate Offering Price(1)(2)	Amount of Registration Fee
Class A common stock, par value $0.001 per share	$100,000,000	$10,910

(1) Estimated solely for the purpose of calculating the registration fee in accordance with Rule 457(o) of the Securities Act of 1933, as amended.
(2) Includes the aggregate offering price of additional shares that the underwriters have the option to purchase.

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

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The information in this preliminary prospectus is not complete and may be changed. We and the selling stockholders may not sell these securities 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 February 26, 2021

Shares

CLASS A COMMON STOCK

This is an initial public offering of shares of Class A common stock of ACV Auctions Inc. We are offering shares of our Class A common stock.

Prior to this offering, there has been no public market for our Class A common stock. It is currently estimated that the initial public offering price for our Class A common stock will be between $ and $ per share. We have applied to list our Class A common stock on the The Nasdaq Stock Market under the symbol "ACVA."

Following this offering, we will have two classes of common stock: Class A common stock and Class B common stock. The rights of the holders of Class A common stock and Class B common stock will be identical, except with respect to voting, conversion and transfer rights. Each share of Class A common stock will be entitled to one vote. Each share of Class B common stock will be entitled to ten votes and may be converted at any time into one share of Class A common stock. All shares of our capital stock outstanding immediately prior to this offering, including all shares held by our executive officers, directors and their respective affiliates, and all shares issuable upon the conversion of our outstanding convertible preferred stock, will be reclassified into shares of our Class B common stock immediately prior to the completion of this offering. Each share of Class B common stock will automatically convert into one share of Class A common stock upon any sale or transfer thereof, subject to certain exceptions. In addition, all shares of Class B common stock will automatically convert into shares of Class A common stock in certain circumstances, including the earlier to occur of (1) the first trading day that the outstanding shares of Class B common stock represent, in the aggregate, less than 5.0% of the then outstanding Class A and Class B common stock or (2) the tenth anniversary of this offering. See "Description of Capital Stock— Class A Common Stock and Class B Common Stock." The holders of our outstanding Class B common stock will hold approximately % of the voting power of our outstanding capital stock immediately following this offering, assuming no exercise of the underwriters' option to purchase shares of Class A common stock to cover over-allotments.

We are an "emerging growth company" as defined under the federal securities laws and, as such, we have elected to comply with certain reduced reporting requirements for this prospectus and may elect to do so in future filings.

Investing in our Class A common stock involves risks. See "Risk Factors" beginning on page 19 to read about factors you should consider before buying our Class A common stock.

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

	Per Share	Total
Initial public offering price	$	$
Underwriting discounts and commissions(1)	$	$
Proceeds, before expenses, to ACV Auctions Inc.	$	$
Proceeds, before expenses, to the selling stockholders	$	$

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

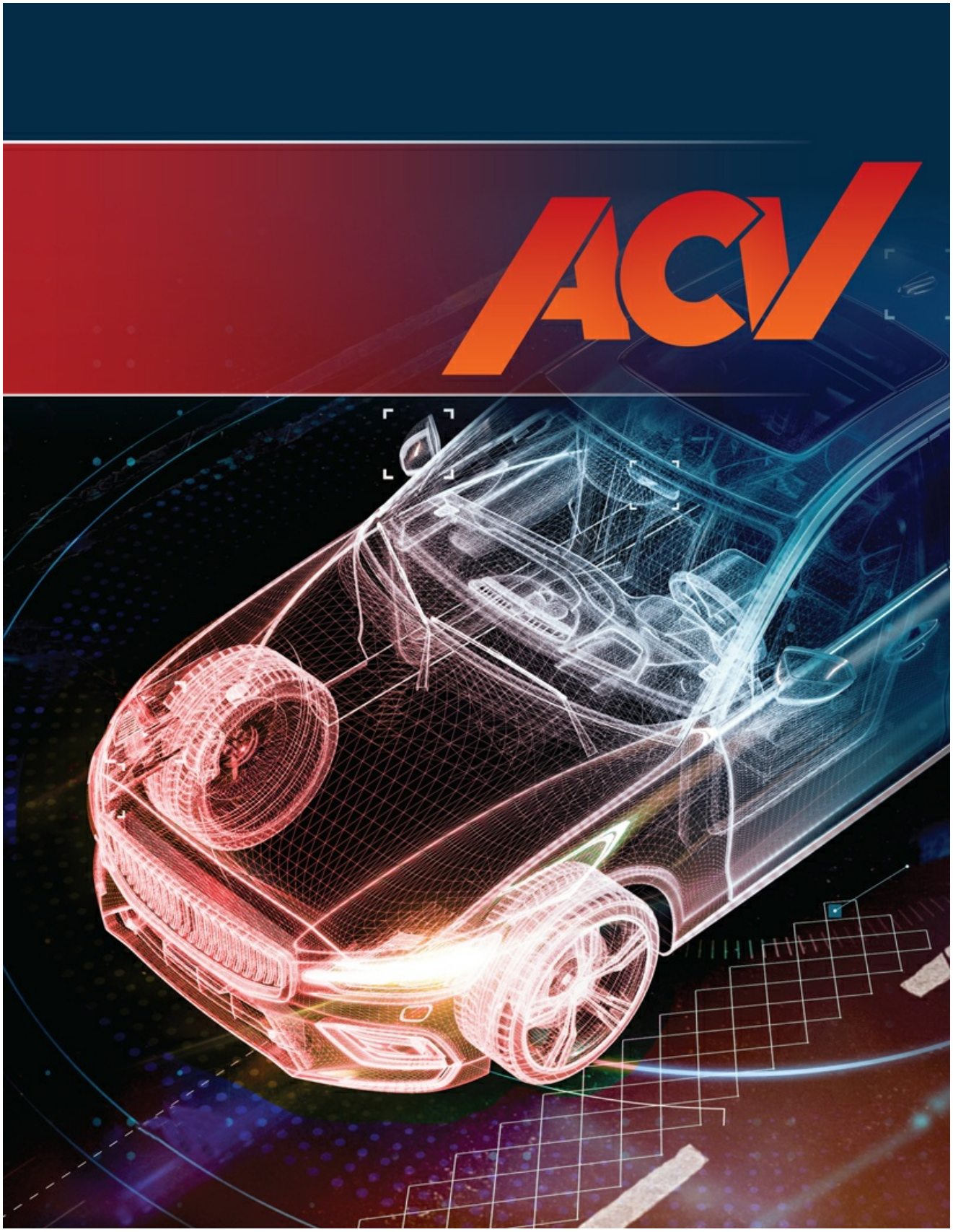
The selling stockholders identified in this prospectus have granted the underwriters an option for a period of 30 days to purchase up to an additional shares of Class A common stock at the initial public offering price less the underwriting discounts and commissions. We will not receive any of the proceeds from the sale of any shares of Class A common stock by the selling stockholders upon any such exercise.

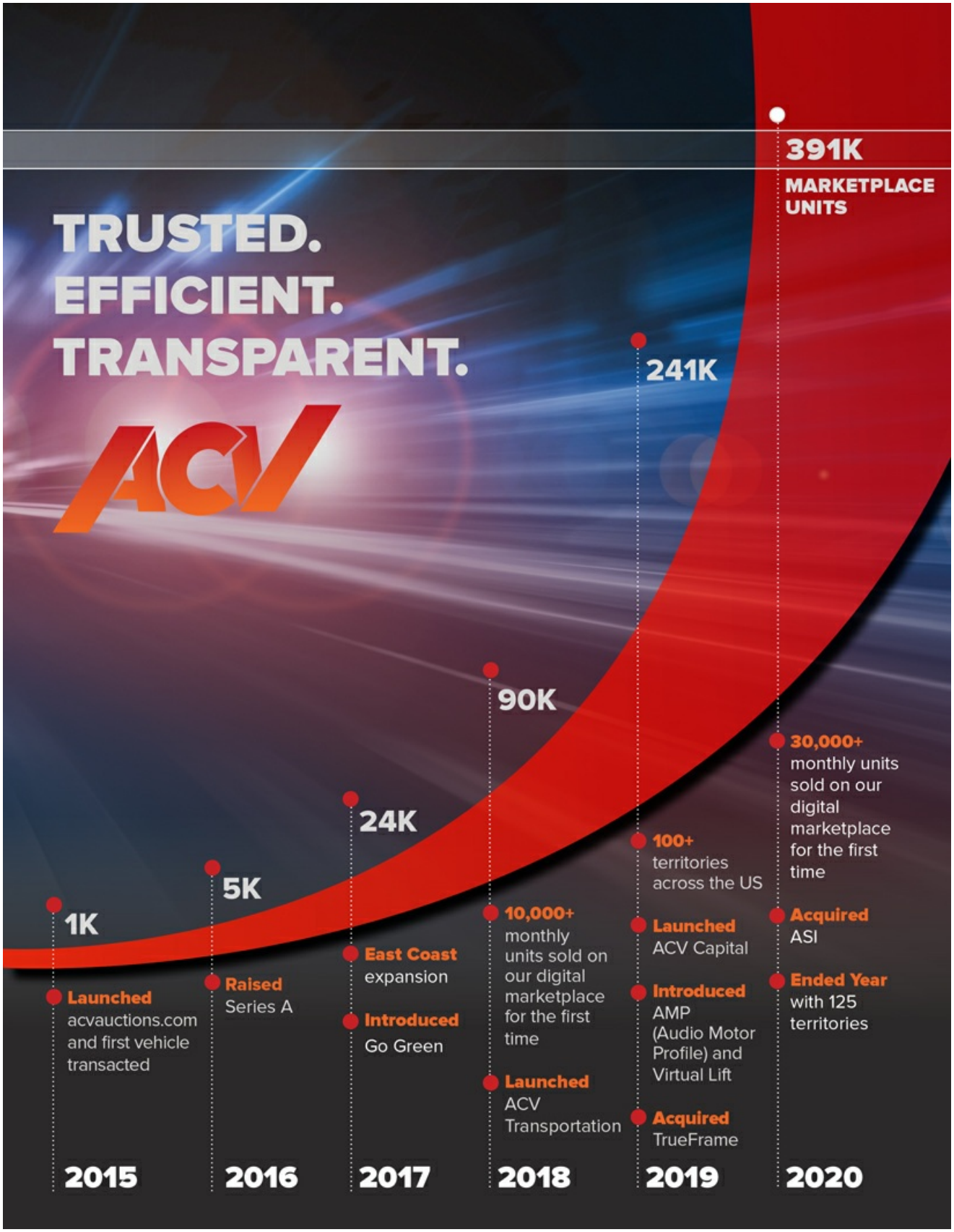
The underwriters expect to deliver the shares of Class A common stock to purchasers on , 2021.

Goldman Sachs & Co. LLC **J.P. Morgan** **Citigroup** **BofA Securities** **Jefferies**

Canaccord Genuity **Guggenheim Securities** **JMP Securities** **Piper Sandler** **Raymond James**

Prospectus dated , 2021.


ACV


TRUSTED.
EFFICIENT.
TRANSPARENT.
ACV
391K
MARKETPLACE UNITS
241K
90K
24K
5K
1K
30,000+ monthly units sold on our digital marketplace for the first time
Acquired ASI
Ended Year with 125 territories
100+ territories across the US
Launched ACV Capital
Introduced AMP (Audio Motor Profile) and Virtual Lift
Acquired TrueFrame
10,000+ monthly units sold on our digital marketplace for the first time
Launched ACV Transportation
East Coast expansion
Introduced Go Green
Raised Series A
Launched acvauctions.com and first vehicle transacted
2015
2016
2017
2018
2019
2020

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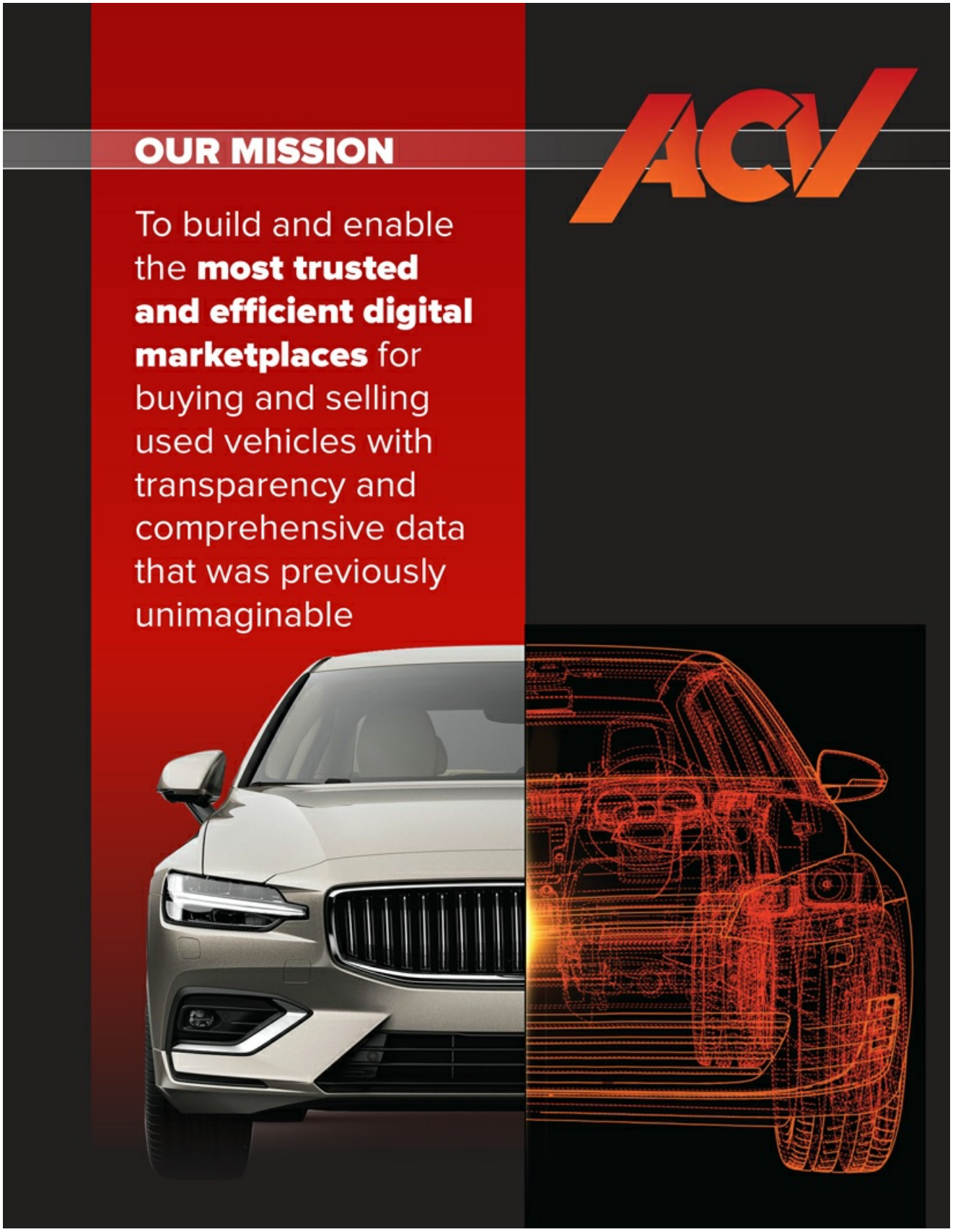


ACV
AT A GLANCE
391K+
MARKETPLACE UNITS
16K+
MARKETPLACE PARTICIPANTS
$3B+
2020 MARKETPLACE GMV
$208M
2020 REVENUE
95%
2020 YOY REVENUE GROWTH
All data is as of December 31, 2020
1. Our net loss was $(77.2)M and $(41.0)M for the years ended December 31, 2019 and 2020, respectively
2. See "Management's Discussion and Analysis of Financial Condition and Results of Operations" for additional information on Marketplace Units, Marketplace Participants and Marketplace GMV

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Prospectus

Through and including , 2021 (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.

Neither we, the selling stockholders nor any of the underwriters have authorized anyone to provide any information or to make any representations other than those contained in this prospectus or in any free writing prospectuses we have prepared. Neither we, the selling stockholders nor any of the underwriters take responsibility for, or can provide any 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 Class A common stock only under circumstances and in jurisdictions where offers and sales are permitted. The information contained in this prospectus is accurate only as of the date of this prospectus, regardless of the time of delivery of this prospectus or of any sale of our Class A common stock.

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

“ACV Auctions,” the ACV logo, “True360” and our other registered and common law trade names, trademarks and service marks are the property of ACV Auctions Inc. or our subsidiaries. All other trademarks, trade names and service marks appearing in this prospectus are the property of their respective owners. Solely for convenience, the trademarks and trade names in this prospectus may be referred to without the ® and ™ symbols, but such references should not be construed as any indicator that their respective owners will not assert their rights thereto.

References in this prospectus to ACV as an “auction” are meant to reflect a potential customer’s understanding of the term since customers may see ACV as an alternative to a traditional auto auction, and are not intended for any other purpose.

PROSPECTUS SUMMARY

This summary highlights selected information contained elsewhere in this prospectus. This summary does not contain all of the information you should consider before investing in our Class A common stock. You should read this entire prospectus carefully, including the sections titled "Risk Factors," "Management's Discussion and Analysis of Financial Condition and Results of Operations," "Business," 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 "ACV Auctions," "ACV," the "company," "we," "our," "us" or similar terms refer to ACV Auctions Inc. and its subsidiaries.

Our Mission

Our mission is to build and enable the most trusted and efficient digital marketplaces for buying and selling used vehicles with transparency and comprehensive data that was previously unimaginable.

Our Company

We provide a vibrant digital marketplace for wholesale vehicle transactions and data services that offer transparent and accurate vehicle information to our customers. Our platform leverages data insights and technology to power our digital marketplace and data services, enabling our dealers and commercial partners to buy, sell, and value vehicles with confidence and efficiency. We strive to solve the challenges that the used automotive industry has faced for generations and provide powerful technology-enabled capabilities to our dealers and commercial partners who fulfill a critical role in the automotive ecosystem. Since inception, we have facilitated over 750,000 wholesale transactions between over 21,000 of our dealers and commercial partners. We help dealers source and manage inventory and accurately price their vehicles as well as process payments, transfer titles and manage arbitrations, and finance and transport vehicles. Our platform encompasses:

- ***Digital Marketplace***. Connects buyers and sellers of wholesale vehicles in an intuitive and efficient manner. Our core marketplace offering is a 20-minute live auction which facilitates instant transactions of wholesale vehicles, and is accessible across multiple platforms including mobile apps, web, and directly through API integration. We also offer transportation, financing and assurance services to facilitate the entire transaction journey.
- ***Data Services***. Offer insights into the condition and value of used vehicles for transactions both on and off our marketplace and help dealers, their end consumers, and commercial partners make more informed decisions to transact with confidence and efficiency.
- ***Data and Technology***. Underpins everything we do, and powers our vehicle inspections, comprehensive vehicle intelligence reports, digital marketplace, and operations automation platform.

The U.S. automotive market is a large and complex industry with an estimated 78 million units sold in 2019, generating approximately $1.7 trillion in sales between retail and wholesale markets. Our primary business focuses on the wholesale market, a key channel for used inventory acquisition and disposition for dealers and commercial consignors. In the wholesale market, there are an estimated 22 million used vehicles that are bought and sold annually, generating over $230 billion in sales and representing approximately 14% of the total U.S. automotive market and approximately 27% of all units

sold. There are approximately 9 million dealer wholesale units that are transacted in the wholesale marketplace annually.[1] We believe there are an additional approximately 5 million dealer wholesale units in the market that are transacted annually outside of established wholesale channels through direct dealer-to-dealer sales. There are also approximately 8 million units in the commercial wholesale market, sourced mainly through off-rental, off-lease, and repossessions.[2] Traditional auctions play a major role in the wholesale market, which we estimate account for 50% of wholesale transactions, while the remaining transactions are completed directly or through an intermediary outside of a traditional auction.[3] Even though many aspects of the automotive industry, such as retail sales and marketing, have adapted to embrace digitization, the wholesale market has been slower to transition and continues to be characterized by significant time wasted, high costs, limited vehicle and condition data, and distrust among buyers and sellers.

We power our marketplace with technology-driven products and value-added services that address the entire transaction journey, ranging from pre-inspection scheduling to post-auction services including title transferability verification, payment processing, financing, and transportation, and facilitate transactions both on and off our marketplace. Our comprehensive suite of services include ACV Transportation, ACV Capital, and our Go Green assurance, which help create a seamless and frictionless buying and selling experience for our customers to further enhance our digital marketplace. We also provide data services to our customers for use outside of our marketplace. Our True360 Reports are used by dealers and commercial partners to provide transparent vehicle information to potential buyers, including dealers as well as consumers. We believe the data and technology services enabled by our platform can bring value to the entire automotive industry and transform both wholesale and retail markets.

Our platform benefits from a virtuous cycle driven by our scaled, digital marketplace and the data and technology we leverage every day. More buyers and sellers engaging on our marketplace drives greater liquidity and greater vehicle selection, which leads to an overall better marketplace experience. This leads to greater scale, driving more vehicle and market data that helps grow our data and technology moat. As we collect more vehicle and market data, we are able to provide greater efficiency to buyers and sellers through more products, which in turn drives greater marketplace supply and scale. For example, our data and technology enables economies of scale that improve our value-added transportation and financing services. As we continue to grow and offer more comprehensive and efficient services, our customers can further benefit from a more streamlined, simple, and consistent experience across the full used vehicle lifecycle. These reinforcing flywheel effects continuously improve our scaled, digital marketplace, and data and technology and data for our customers, resulting in growth for our platform.

Since first going live with our offering in 2015, we have expanded from our first territory in Buffalo, New York to 125 territories, covering a substantial majority of all dealer locations within the continental United States. For the year ended December 31, 2020, 391,466 Marketplace Units were sold on our marketplace, representing a total Marketplace GMV of $3.3 billion, up 62.1% and 86.2%, respectively, from the same period in 2019. We generate revenue from auction fees charged to customers for transacting on our digital marketplace and we also generate revenue from the sale of value-added and data services such as ACV Transportation, ACV Capital, Go Green assurance, and True360 Reports. Because our definition of Marketplace Units does not include vehicles inspected but not sold on our digital marketplace, Marketplace GMV does not represent revenue earned by us. For the year ended December 31, 2020, we generated revenue of $208.4 million, up 95.0% from the same period in

1 Cox Automotive, Industry Insights 2021
2 Cox Automotive, Industry Insights 2021
3 Manheim, Used Car Market Report, 2017

2019, a net loss of $41.0 million and Adjusted EBITDA of $(30.8) million compared to a net loss of $77.2 million and Adjusted EBITDA of $(76.4) million for the same period in 2019. We continue to invest in growth to scale our company responsibly and drive towards profitability. See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Operating and Financial Metrics" for additional information on Marketplace Units, Marketplace GMV, and Adjusted EBITDA.

Our Industry

- ***The U.S. Automotive Market is Large.*** The U.S. automotive market is a large industry with over 78 million units sold, generating approximately $1.7 trillion in sales between retail and wholesale markets in 2019. The retail market includes sales from dealers to consumers and peer-to-peer transactions. Within the retail market, dealers sold approximately 17 million new vehicles and approximately 29 million used vehicles to consumers in 2019, while peer-to-peer transactions accounted for the sale of approximately 11 million used vehicles. The wholesale market is comprised of dealer wholesale and commercial wholesale, and provides a key channel for used inventory acquisition and disposition for dealers and commercial consignors. There are an estimated 22 million used vehicles that are bought and sold in the wholesale market, generating over $230 billion in sales and representing approximately 14% of the total U.S. automotive market. See the section titled "Business—Our Industry" for additional information and citation.
- ***The Used Automotive Market is Highly Fragmented.*** The U.S. used automotive market is highly fragmented with over 50,000 independent and franchise dealers who sell used vehicles. The top 100 used vehicle dealers make up less than 10% of the used automotive market and the largest used vehicle dealer has less than 2% of the market.[4]
- ***The Wholesale Auction Market is Complex***. Traditional auctions play a major role in the wholesale market, accounting for an estimated 50% of wholesale transactions, while the remaining transactions are completed directly or through an intermediary outside of a traditional auction.[5] While most traditional auctions have evolved over time to offer online buying in the form of hybrid auctions, they lack a fully digital experience and remain constrained by the inefficiencies and operational complexities of in-person physical auctions.
- ***Online Penetration in the U.S. Wholesale Market is Still in Early Stages.*** While dealers are getting increasingly comfortable with buying online, wholesale vehicle online penetration is still in early stages, lagging the consumer automotive market. We expect more dealers to use online solutions to source and manage their inventory in order to maximize cost-efficiency and productivity.
- ***The Used Vehicle Market is Growing and Resilient.*** U.S. consumers have exhibited resilient vehicle ownership trends, with approximately 290 million registered vehicles on the road projected for 2020, compared to 270 million in 2017. Consumers also show increasing receptivity to purchasing used vehicles. For example, in 2019, 64% of consumers in the market for a vehicle considered buying a used vehicle, up from 59% in 2017.[6] In addition to enduring consumer demand, the used vehicle industry has shown resilience through recessionary markets and other challenging economic cycles. In fact, from 2007 to 2009, new car transactions decreased by 35%, compared to just 14% for used cars.[7]

4 Automotive News, Top 100 Retailers Ranked by Used-Vehicle Sales, April 2019
5 Manheim, Used Car Market Report, 2017
6 National Independent Automobile Dealers Association, Used Car Industry Report, 2019
7 Bureau of Transportation Statistics, New and Used Passenger Car Sales and Leases, December 2019

Our Opportunity

There are an estimated 22 million wholesale units that are transacted in the United States. Based on our average fee per unit sold in 2020 of $494, we estimate there is a total addressable market opportunity of $10.7 billion for our core auction marketplace offering, including transportation services. We believe that our digital marketplace addresses the limitations of traditional and hybrid auctions, and enables us to be successful in attracting dealers and commercial partners, including those who have historically not relied on auctions for inventory management.

We have built a robust digital marketplace and data-driven platform that can also address similar dealer challenges across the global wholesale market. While we are currently focused on the U.S. used vehicle market, which represents 36% of the global market,[8] we believe the international opportunity is at least as large.

As we continue to scale our platform and invest in our business, we expect that our total addressable market will expand with the additional value-added marketplace and data services we provide to dealers and commercial partners. For example, in 2019, there were approximately 29 million vehicles sold by dealers to consumers,[9] and we believe this represents a significant opportunity for our True360 Reports.

We are actively assessing opportunities to expand internationally and various expansion modes, including organic growth, partnerships and acquisitions. We are initially focused on expansion into Canada, but we plan to assess global expansion opportunities in the future. Based on our international strategy and our research into the Canadian market, we believe we may enter Canada in 2022 or possibly earlier. However, we intend to selectively evaluate potential opportunities for international expansion and cannot make any assurances as to timing. International expansion will come with various corresponding challenges, including new competitors and additional regulatory and legal obligations. International expansion will necessitate that we invest in additional sales, engineering, and administrative personnel, as well as incur additional costs associated with new compliance burdens.

Dealer Challenges

Independent and franchise dealers fulfill a critical role in the automotive industry ecosystem and are the main source of used vehicles for the retail and wholesale markets. Dealers bring ease and convenience to the consumer vehicle buying process, including local availability of vehicles, servicing, and financing. Dealers face a significant number of pain points that oftentimes challenge their ability to run their businesses efficiently and profitably.

8 Technavio, Global Used Car Market 2020-2024, Technavio U.S. Used Car Market 2020-2024
9 National Independent Automobile Dealers Association, Used Car Industry Report, 2020

Inefficiencies in the Traditional and Hybrid Auction Processes

- Significant time wasted
- Costly process from uncertain appraisals, missed retail sales opportunities, and transport
- Traditional auction services have not been built to enable a fully digital experience

Difficulty Effectively Sourcing and Selling Inventory

- Limited reach to source inventory and difficulty finding the right vehicle
- Turning wholesale inventory quickly and at the right price is challenging

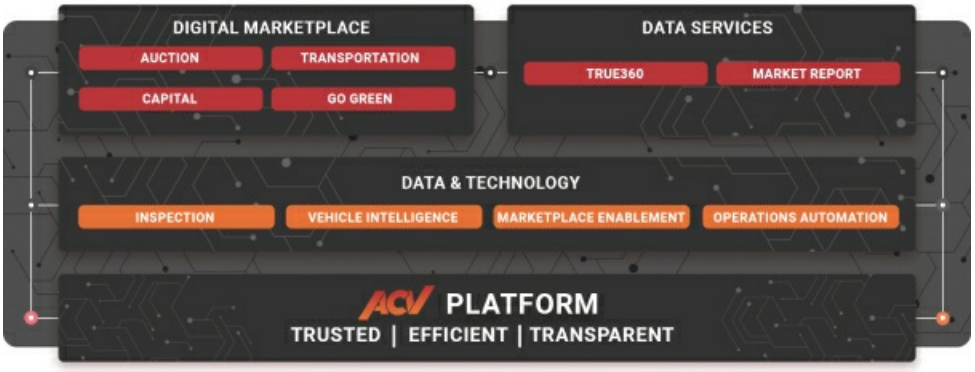
Inability to Fully Assess Vehicle Condition

- Evaluating vehicle condition is complicated due to lack of consistent and unbiased information
- Disputes and mistakes are frequent and can often lead to costly reconditioning or unpredictable arbitration outcomes

Lack of Pricing Guidance

- Every vehicle is unique
- Pricing strategies vary and determining the right price is challenging

Our Platform



Our platform leverages data and technology to power our digital marketplace and data services, enabling our dealers and commercial partners to buy, sell, and value vehicles with confidence and efficiency. Our digital marketplace offerings include our core auction offering and value-added services, ACV Transportation, ACV Capital, and our Go Green assurance. Our data services provide insights into the condition and value of used vehicles for transactions both on and off our marketplace. Our data and technology platform includes inspection, vehicle intelligence, marketplace enablement, and operations automation.

Digital Marketplace

- **Auction**. Our core offering is our online auction, which facilitates instant transactions of wholesale vehicles.
- **ACV Transportation**. Through our nationwide network of carrier partners, our technology platform, and dedicated service teams, we move vehicles both locally and long-haul in a cost-efficient and timely manner.
- **ACV Capital**. We offer short-term inventory financing for buyers to purchase vehicles on our digital marketplace. Our financing product includes straightforward pricing, allowing our customers to know their inventory costs upfront.
- **Go Green**. We provide the seller with an assurance against claims related to defects in the vehicle which we did not identify in our condition report and otherwise may have exposed the seller to loss as a result of arbitration with the buyer.

Data Services

- **True360 Report**. We provide proprietary, vehicle-specific intelligence, including cosmetic and structural vehicle assessments that can be integrated into leading vehicle history report providers.
- **ACV Market Report**. We provide transaction data and condition reports for comparable used vehicles, including pricing data from third-party sources.

Data and Technology

- **Inspection**
  - ***Condition Report.*** Our platform enables thorough, comprehensive inspections and reports that feature approximately 100 details such as cosmetic irregularities including paint quality, as well as structural assessments that identify prior repairs or existing damages.
  - ***Virtual Lift.*** We offer a high definition look at a vehicle's undercarriage without having to put the vehicle on a lift through Virtual Lift.
  - ***AMP.*** We allow for the clear recording and immediate sharing of a vehicle's engine sound through our Audio Motor Profile, or AMP, solution.
- **Vehicle Intelligence**. Our platform is fueled by the data we collect through our proprietary technology, inspections, and activity on our marketplace, as well as third-party market data.
- **Marketplace Enablement**
  - ***MyACV.*** We provide an application that serves as our customers' gateway to our platform through our mobile app, website, or directly leveraging our application programming interfaces, or APIs.
  - ***Private Auction.*** Our recently launched private auction offering powers private sales for dealer groups, permitting the customization of participants, schedule and duration, bidding, purchasing, and pricing rules.

- **Operations Automation**. Investments in our technology platform have unlocked process workflow optimization and automation for pre- and post-auction services.

Value Proposition to Our Customers

Our competitive advantages are driven by our ability to enable trust, transparency, and confidence in an industry that has historically lacked these qualities. Our aim is to provide a streamlined, simple and consistent experience for our customers so they are able to shift their focus to the upstream parts of their businesses that matter most.

We Provide Unbiased Accuracy and Transparency

- We provide detailed condition information and comprehensive vehicle intelligence that help our customers make the best decisions
- Transparent, third-party objectivity is at our core
- We provide insights into actual vehicle value

We Provide a Quick and Efficient Channel for Sourcing and Selling Inventory

- We believe we provide the fastest means to liquidity at scale for dealers and commercial partners in the wholesale marketplace
- We eliminate the time requirements associated with traditional auctions

We Hold Ourselves Accountable and Responsible

- We are partners to our customers
- Our data and technology help increase buyer confidence and decrease disputes, and bring ease to the arbitration process

We Drive Deeper Insights through Data Aggregation to Value Vehicles Better and Optimize our Marketplace Experience

- We grow our data repository from a multitude of interactions across the entire transaction journey, from pre-inspection scheduling to post-auction services

We Provide a Holistic Solution for Wholesale Vehicle Acquisition and Disposition

- We handle every step of the process
- We reduce the complexity of logistics
- We have financing options that our dealers need

We Supplement Our Digital Platform with Dedicated Account Management and Customer Service

- While we are committed to digitizing the wholesale vehicle auction process, we recognize that some steps still require the human touch to maximize the trust and transparency

- We focus on the highest quality customer service which helps win and keep customers long-term

Why We Win

- **Transparent, Digital Approach Unlocks a More Efficient Market** . Our digital marketplace and comprehensive suite of products and services provides greater access to trusted inventory and speed to liquidity for our dealers and commercial partners. We pioneered what we believe to be the wholesale market's first seller assurance service, Go Green, which provides the seller with an assurance against claims of defects in the vehicle that are not disclosed in our condition report and which otherwise may have exposed the seller to loss as a result of arbitration with the vehicle buyer. We believe our approach instills more confidence for our customers to transact digitally and we enable transactions that may not have happened in the traditional auction process.
- **Industry Leading Digital Marketplace with Significant Scale** . The power of our platform is evidenced through our scale and growth. In 2020, we had 16,215 active Marketplace Participants generating $3.3 billion Marketplace GMV through our marketplace, which increased by 29.6% and 86.2%, respectively, from the prior year. Our digital marketplace provides sellers with an efficient channel to wholesale their vehicles and access to thousands of dealers nationwide, and provides buyers with a real-time view of extensive vehicle inventory, all at the touch of a button. As of December 31, 2020, our territory managers and VCIs operated across 125 territories. We believe our ability to build vibrant local and regional networks of Marketplace Participants, combined with our nationwide coverage, creates a strong competitive advantage.
- **Comprehensive Suite of Products and Services Deepening Relationships with Our Customers** . We offer a comprehensive suite of products and services that help create a seamless experience and remove the friction and pain points associated with the traditional wholesale process. Through services such as ACV Transportation and ACV Capital, we help our customers manage the entire transaction journey on our platform.
- **Growing Technology and Data Moat** . Our growing repository of data enables transparent, comprehensive, and accurate vehicle information that our customers can trust, powering more efficient and frictionless vehicle transactions both on and off our marketplace. Through the connection of hundreds of discrete data points collected along the entire used vehicle transaction journey, we improve existing products and react dynamically to our customers' needs.
- **Attractive Territory Cohort Economics** . As our territories mature and scale, territory-level economics tend to improve driven by more cost-efficient operations and greater customer affinity for our offerings. As we reach greater scale and higher levels of density in a territory, we typically experience lower inspection cost per vehicle and better overall economics per transaction.
- **Mission-Driven Culture and Proven Team** . We believe the happiness of our teammates leads to successful business operations, and comes from learning and engaging in fulfilling work, which results in ample professional growth opportunities. Additionally, we represent the successful creation of an entrepreneurial ecosystem in our hometown, and our success enables us to attract some of the best talent in the region and across the country. Our

leadership team is composed of seasoned executives with demonstrated track records of scaling businesses across auto, consumer, and marketplace companies.

Our Growth Strategies

- **Increase the Number of Marketplace Participants on Our Platform** . We believe there are significant opportunities to continue to grow the number of dealers and commercial partners on our platform. We intend to attract new dealers and commercial partners with targeted sales and marketing efforts focused on educating potential Marketplace Participants as to the benefits of our offerings.
- **Drive Greater Share of Wholesale Transactions with Existing Customers** . While our industry leading digital marketplace has and will continue to enable us to grow the number of dealers on our platform over time, we believe that we have room to increase the number of wholesale transactions from existing customers. Additionally, in providing inspection services for our commercial partners with True360 Reports we expect a growing number of commercial consignors to utilize our digital marketplace and data services in the future.
- **Introduce New Products**. We plan to leverage our extensive data and technology capabilities to continue to introduce new and complementary products and services. One area of focus is the development of data-powered products that enable our customers to buy and sell used vehicles more effectively in a hyper digital world, and help fuel growth across dealer wholesale, commercial wholesale, and consumer-to-dealer channels. Additionally, we are focused on discovering new products that will continue to power our pricing engine and complement our market reports.
- **Pursue Targeted Acquisitions**. We believe that the complexity of the automotive industry provides substantial opportunity for investment to strengthen our competitive moat.
- **Expand Internationally**. The U.S. used vehicle market represents approximately 36% of the global market. [10] By leveraging our data and technology platform and our go-to-market expertise developed in the United States, we plan to thoughtfully expand to new countries and offer services that we believe best suit the needs of those markets.

Competition

We mainly compete with large, national offline vehicle auction companies, such as Manheim, a subsidiary of Cox Enterprises, Inc., and KAR Auction Services. The offline vehicle auction market in North America is largely consolidated, with Manheim and KAR Auction Services serving as large players in the market, accounting for an estimated 70% of the wholesale auction market. Both of these traditional offline vehicle auction companies are expanding into the online channel and have launched online auctions in connection with their physical auctions. We also compete with a number of smaller digital auction companies, as well as smaller chains of auctions and independent auctions.

Risk Factors Summary

We have a limited operating history, and have experienced net losses in each annual period since inception. We are not certain whether or when we will achieve or maintain profitability in the future. Our future success depends on our ability to compete successfully and to successfully adapt to

10 Technavio, Global Used Car Market 2020–2024, U.S. Used Car Market 2020–2024

industry changes over time. For these and other reasons described more fully in the section titled “Risk Factors” below, we may not be able to realize the full benefits of our strengths or be able to successfully execute all or part of our strategy. Accordingly, before investing in our Class A common stock, you should consider our prospects in light of the costs, uncertainties and difficulties frequently encountered by companies in a similar stage of development or industry as ours. Some of the more significant challenges include the following:

- Our recent, rapid growth may not be indicative of our future growth.
- We have a history of operating losses and we may not achieve or maintain profitability in the future.
- We have a limited operating history, and our future results of operations may fluctuate significantly due to a wide range of factors, which makes it difficult to forecast our future results of operations.
- Our ability to expand our products and services may be limited, which could negatively impact our growth rate, revenue and financial performance.
- We participate in a highly competitive industry, and pressure from existing and new companies may adversely affect our business and results of operations.
- Our business is sensitive to changes in the prices of used vehicles.
- Decreases in the supply of used vehicles coming to the wholesale market may impact sales volumes, which may adversely affect our revenue and profitability.
- The loss of sellers could adversely affect our results of operations and financial position, and an inability to increase our sources of vehicle supply could adversely affect our growth rates.
- We may experience seasonal and other fluctuations in our quarterly results of operations, which may not fully reflect the underlying performance of our business.
- Prospective purchasers of vehicles may choose not to shop online, which would prevent us from growing our business.
- Failure to properly and accurately inspect the condition of vehicles sold through our marketplace, or to deal effectively with fraudulent activities on our platform, could harm our business.
- Our operations and employees face risks related to health crises, such as the ongoing COVID-19 pandemic, that could adversely affect our financial condition and operating results.
- General business and economic conditions, and risks related to the larger automotive ecosystem, including customer demand, could reduce auto sales and profitability, which may harm our business.
- We may not properly leverage or make the appropriate investment in technology advancements, which could result in the loss of any sustainable competitive advantage in products, services and processes.
- We rely on third-party technology and information systems to complete critical business functions and such reliance may negatively impact our business.
- A significant disruption in service of, or other performance or reliability issues with, our platform could damage our reputation and result in a loss of customers, which could harm our brand or our business.

- Failure to adequately obtain, maintain, protect and enforce our intellectual property rights, including our technology and confidential information, could harm our business.
- We operate in highly regulated industries and either are or may be subject to a wide range of federal, state and local laws and regulations and our failure to comply with these laws and regulations may force us to change our operations or harm our business.
- We previously identified a material weakness in our internal control over financial reporting, and if we are unable to achieve and maintain effective internal control over financial reporting, the accuracy and timing of our financial reporting may be adversely affected.

Corporate Information

We were incorporated in Delaware in December 2014. Our principal executive offices are located at 640 Ellicott Street, #321, Buffalo, New York 14203, and our telephone number is (800) 553-4070. Our website address is www.acvauctions.com. 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.

Implications of Being an Emerging Growth Company

We are an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, or the JOBS Act. We may take advantage of certain exemptions from various public company reporting requirements, including not being required to have our internal control over financial reporting audited by our independent registered public accounting firm under Section 404 of the Sarbanes-Oxley Act of 2002, or the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements and exemptions from the requirements of holding a non-binding advisory vote on executive compensation and any golden parachute payments. We may take advantage of these exemptions for up to five years or until we are no longer an emerging growth company, whichever is earlier. In addition, the JOBS Act provides that an "emerging growth company" can delay adopting new or revised accounting standards until those standards apply to private companies. We have elected to use the extended transition period under the JOBS Act. Accordingly, our financial statements may not be comparable to the financial statements of public companies that comply with such new or revised accounting standards.

THE OFFERING

Class A common stock offered by us	shares
Option to purchase additional shares of Class A common stock offered by the selling stockholders	shares
Class A common stock to be outstanding after this offering	shares (shares if the option to purchase additional shares from the selling stockholders is exercised in full)
Class B common stock to be outstanding after this offering	shares (shares if the option to purchase additional shares from the selling stockholders is exercised in full)
Total Class A common stock and Class B common stock to be outstanding after this offering	shares
Use of proceeds	We estimate that our net proceeds from the sale of our Class A common stock that we are offering will be approximately $ million, assuming an initial public offering price of $ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any proceeds from the sale of shares of our Class A common stock by the selling stockholders. The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our Class A common stock and facilitate our future access to the capital markets. As of the date of this prospectus, we cannot specify with certainty all of the particular uses for the net proceeds to us from this offering. However, we currently intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses and capital expenditures. We may also use a portion of the net proceeds to acquire complementary businesses, products, services or technologies. However, we do not have agreements or commitments to enter into any acquisitions at this time. See the section titled “Use of Proceeds” for additional information.

Voting rights	Following this offering, we will have two classes of common stock: Class A common stock and Class B common stock. Class A common stock will be entitled to one vote per share and Class B common stock will be entitled to ten votes per share. Each share of Class B common stock will automatically convert into one share of Class A common stock upon any sale or transfer thereof, subject to certain exceptions. In addition, all shares of Class B common stock will automatically convert into shares of Class A common stock in certain circumstances, including on the earlier to occur of (1) the first trading day that the outstanding shares of Class B common stock represent, in the aggregate, less than 5.0% of the then outstanding Class A and Class B common stock or (2) the tenth anniversary of this offering. Holders of Class A common stock and Class B common stock will generally vote together as a single class, unless otherwise required by law or our amended and restated certificate of incorporation that will be in effect upon the completion of this offering. The holders of our outstanding Class B common stock will hold approximately % of the voting power of our outstanding capital stock following this offering (or % of the voting power of our outstanding capital stock following this offering if the underwriters exercise their option in full to purchase additional shares of Class A common stock from the selling stockholders to cover over-allotments) and will have the ability to control the outcome of matters submitted to our stockholders for approval, including the election of our directors and the approval of any change in control transaction. See the sections titled “Principal and Selling Stockholders” and “Description of Capital Stock” for additional information.
Selling stockholders; concentration of ownership	The selling stockholders identified in this prospectus have granted the underwriters an option to purchase shares of Class A common stock. Following this offering, the holders of our outstanding Class B common stock will hold approximately % of our outstanding capital stock and control approximately % of the voting power of our outstanding capital stock (or % of our outstanding capital stock and % of the voting power of the total voting power of our outstanding capital stock following this offering if

	the underwriters exercise their option in full to purchase additional shares of Class A common stock from the selling stockholders to cover over-allotments), and our executive officers, directors and stockholders holding more than 5% of our outstanding shares, together with their affiliates, will hold, in the aggregate, approximately % of our outstanding capital stock and control approximately % of the voting power of our outstanding capital stock (or % of our outstanding capital stock and % of the voting power of the total voting power of our outstanding capital stock following this offering if the underwriters exercise their option in full to purchase additional shares of Class A common stock from the selling stockholders to cover over-allotments), without giving effect to any purchases that these holders may make through our directed share program or otherwise in this offering. See the section titled "Principal and Selling Stockholders" for additional information.
Directed share program	At our request, the underwriters have reserved for sale, at the initial public offering price per share, up to 5% of the shares of Class A common stock offered by this prospectus to certain individuals, including our directors, employees and certain friends and family of ACV identified by our directors and management, through a directed share program. Any shares purchased in the directed share program will not be subject to a lock-up restriction, except in the case of shares purchased by any director or executive officer. The number of shares of Class A 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 Class A common stock offered under this prospectus. See the section titled "Underwriting."
Risk factors	You should carefully read the section titled "Risk Factors" beginning on page 19 and the other information included in this prospectus for a discussion of facts that you should consider before deciding to invest in shares of our Class A common stock.
Proposed Nasdaq Stock Market trading symbol	"ACVA"

The number of shares of Class A common stock and Class B common stock that will be outstanding after this offering is based on no shares of Class A common stock outstanding as of December 31, 2020 and 275,202,619 shares of Class B common stock outstanding as of December 31, 2020, and excludes:

- 19,866,836 shares of Class B common stock issuable on the exercise of stock options outstanding as of December 31, 2020 under our 2015 Long-Term Incentive Plan, or 2015 Plan, with a weighted-average exercise price of $1.08 per share;
- 1,267,400 shares of Class B common stock issuable on the exercise of stock options granted subsequent to December 31, 2020 under our 2015 Plan, with a weighted-average exercise price of $4.05 per share;
- 500,000 shares of Class B common stock issuable upon the vesting and settlement of restricted stock units, or RSUs, outstanding as of December 31, 2020 under our 2015 Plan;
- 3,792,472 shares of Class B common stock issuable upon the vesting and settlement of RSUs granted subsequent to December 31, 2020 under our 2015 Plan;
- shares of Class A common stock reserved for future issuance under our 2021 Equity Incentive Plan, or 2021 Plan, plus any future increases in the number of shares of Class A common stock reserved for issuance thereunder, as more fully described in the section titled "Executive Compensation—Employee Benefit Plans"; and
- shares of Class A common stock reserved for issuance under our 2021 Employee Stock Purchase Plan, or ESPP, plus any future increases in the number of shares of Class A common stock reserved for issuance thereunder, as more fully described in the section titled "Executive Compensation—Employee Benefit Plans."

In addition, unless we specifically state otherwise, the information in this prospectus assumes:

- a -for- stock split of our common stock and convertible preferred stock to be effected prior to the completion of this offering;
- the filing of our amended and restated certificate of incorporation and the effectiveness of our amended and restated bylaws, each of which will occur immediately prior to the completion of this offering;
- the reclassification of our outstanding common stock into an equal number of shares of our Class B common stock and the authorization of our Class A common stock, each of which will occur immediately prior to the completion of this offering;
- the automatic conversion of all outstanding shares of convertible preferred stock into an aggregate of 230,538,501 shares of Class B common stock, which will occur immediately prior to the completion of this offering;
- no exercise of the underwriters' option to purchase up to an additional shares of Class A common stock from the selling stockholders in this offering; and
- no exercise of the outstanding stock options or settlement of the outstanding RSUs described above.

SUMMARY CONSOLIDATED FINANCIAL AND OTHER DATA

The summary consolidated statements of operations data for the years ended December 31, 2019 and 2020 and the summary consolidated balance sheet data as of December 31, 2020 have been derived from our audited consolidated financial statements included elsewhere in this prospectus. The consolidated statement of operations data for the year ended December 31, 2018 has been derived from our audited financial statements not included in this prospectus. You should read the consolidated financial data set forth below in conjunction with our audited consolidated financial statements and the accompanying notes and the information in the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" included elsewhere in this prospectus. Our historical results are not necessarily indicative of the results to be expected for any period in the future.

	Year Ended December 31,		
	2018	2019	2020
	(in thousands, except share and per share data)		
Consolidated Statements of Operations Data:			
Revenue:			
Marketplace and service revenue	$ 29,247	$ 87,750	$ 173,120
Customer assurance revenue	6,289	19,097	35,237
Total revenue	35,536	106,847	208,357
Operating expenses:			
Marketplace and service cost of revenue (excluding depreciation and amortization) (1)	15,840	65,962	83,553
Customer assurance cost of revenue (excluding depreciation and amortization)	5,680	16,816	29,496
Operations and technology (1)	15,613	39,626	64,998
Selling, general and administrative (1)	34,257	62,439	64,882
Depreciation and amortization	271	1,286	6,075
Total operating expenses	71,661	186,129	249,004
Loss from operations	(36,125)	(79,282)	(40,647)
Other income (expense):			
Interest income	362	2,093	748
Interest expense	—	—	(633)
Total other income (expense)	362	2,093	115
Loss before income taxes	(35,763)	(77,189)	(40,532)
Provision for income taxes	11	27	489
Net loss	(35,774)	(77,216)	(41,021)
Loss per share, basic and diluted (2)	$ (1.02)	$ (2.10)	$ (0.95)
Weighted-average shares used to compute loss per share, basic and diluted (2)	34,944,521	36,740,501	43,193,019
Pro forma loss per share, basic and diluted (2)			
Weighted-average shares used to compute pro forma loss per share, basic and diluted (2)			

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

	Year Ended December 31,		
	2018	2019	2020
	(in thousands)		
Marketplace and service cost of revenue (excluding depreciation and amortization)	$ 6	$ 11	$ 56
Operations and technology	63	172	864
Selling, general and administrative	7,150	815	4,785
Stock-based compensation expense	$ 7,219	$ 998	$ 5,705

(2) See Note 17 to our consolidated financial statements included elsewhere in this prospectus for an explanation of the calculations of our basic and diluted (loss) per share attributable to common stockholders, pro forma (loss) per share attributable to common stockholders and the weighted-average number of shares used in the computation of the per share amounts.

	As of December 31, 2020		
	Actual	Pro Forma(1)	Pro Forma As Adjusted(2) (3)
	(in thousands)		
Consolidated Balance Sheet Data:			
Cash and cash equivalents	$ 233,725	$	$
Working capital(4)	187,704		
Total assets	404,550		
Total liabilities	177,910		
Convertible preferred stock	366,332		
Total stockholders' (deficit) equity	(139,692)		

(1) The pro forma consolidated balance sheet data gives effect to (a) the reclassification of our outstanding common stock into an equal number of shares of Class B common stock, (b) the automatic conversion of all outstanding shares of convertible preferred stock into an aggregate of 230,538,501 shares of Class B common stock and (c) the filing and effectiveness of our amended and restated certificate of incorporation, each of which will occur immediately prior to the completion of this offering.

(2) The pro forma as adjusted consolidated balance sheet data gives effect to (a) the items described in footnote (1) above and (b) our receipt of estimated net proceeds from the sale of shares of Class A common stock that we are offering at an assumed initial public offering price of $ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

(3) A $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) each of cash and cash equivalents, working capital, total assets, and total stockholders' (deficit) equity by $ million, assuming that the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting the estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1,000,000 shares in the number of shares of Class A common stock offered by us would increase (decrease) each of cash and cash equivalents, working capital, total assets and total stockholders' (deficit) equity by $ million, assuming the assumed initial public offering price of $ per share of Class A common stock remains the same, and after deducting the estimated underwriting discounts and commissions.

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

Key Operating and Financial Metrics

	Year Ended December 31,		
	2018	2019	2020
Marketplace Units(1)	90,128	241,477	391,466
Marketplace GMV(1)	$ 635 million	$ 1.8 billion	$ 3.3 billion
Marketplace Participants(1)	5,882	12,514	16,215
Adjusted EBITDA(1) (2)	$ (28.6) million	$ (76.4) million	$ (30.8) million

(1) See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Operating and Financial Metrics" included elsewhere in this prospectus for our definitions of these metrics.

(2) We calculate Adjusted EBITDA as net loss, adjusted to exclude: (a) depreciation and amortization; (b) stock-based compensation expense; (c) interest (income) expense; and (d) other (income) expense, net. Adjusted EBITDA is a financial measure is not calculated in accordance with generally accepted accounting principles in the United States. See section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations —Non-GAAP Financial Measures" for more information, including the limitations of such measure and a reconciliation of Adjusted EBITDA to net loss.

RISK FACTORS

This offering and an investment in our Class A common stock involve a high degree of risk. You should carefully consider the risks described below, together with the financial and other information contained in this prospectus, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes, before you decide to purchase shares of our Class A common stock. If any of the following risks or additional risks and uncertainties not presently known to us or that we currently believe to be immaterial actually occurs, our business, financial condition, results of operations and prospects could be materially and adversely affected. Unless otherwise indicated, references in these risk factors to our business being harmed will include harm to our business, reputation, brand, financial condition, results of operations, and prospects. As a result, the trading price of our Class A common stock could decline and you could lose all or part of your investment in our Class A common stock.

Risks Related to Our Growth and Capital Requirements

Our recent, rapid growth may not be indicative of our future growth.

Our revenue was $106.8 million and $208.4 million for the years ended December 31, 2019 and 2020, respectively. You should not rely on the revenue growth of any prior period as an indication of our future performance. Even if our revenue continues to increase, we expect that our revenue growth rate will decline in the future as a result of a variety of factors, including the maturation of our business, increased competition, changes to technology, a decrease in the growth of our overall market or our failure, for any reason, to continue to take advantage of growth opportunities. Overall growth of our revenue depends on a number of additional factors, including our ability to:

- increase the number of customers transacting on or through our platform, as well as increase the use of our products and services from new or existing customers;
- further enhance the quality of our platform and value-added products and services, introduce high quality new products and services on our platform, and develop technology related thereto;
- price our products and services effectively so that we are able to attract new customers and expand transactions through our existing customers;
- effectively grow the size of our workforce to address demand for our products and services over time;
- successfully identify and acquire or invest in businesses, products or technologies that we believe could complement or expand our platform;
- successfully achieve our marketing goals and increase awareness of our brand; and
- successfully compete with our competitors.

We may not successfully accomplish any of these objectives, and as a result, it is difficult for us to forecast our future results of operations. If the assumptions that we use to plan our business are incorrect or change in reaction to changes in our market, or if we are unable to maintain consistent revenue or revenue growth, our stock price could be volatile, and it may be difficult to achieve and maintain profitability.

Our business has grown rapidly as new customers have begun to trust and use our online platform and value-added products and services as a new way to buy and sell their vehicles to other dealers. However, our business is relatively new and has operated at substantial scale for only a

limited period of time. Given this limited history, it is difficult to predict whether we will be able to maintain or grow our business. Our historical revenue or revenue growth should not be considered indicative of our future performance. We have encountered, and will continue to encounter, risks and difficulties frequently experienced by growing companies in rapidly changing industries, including difficulties in our ability to achieve market acceptance of our platform, products and services and attract customers, as well as increasing competition and increasing expenses as we continue to grow our business. We also expect that our business will evolve in ways that may be difficult to predict. For example, over time our investments that are intended to drive new customer traffic to our platform may be less productive than expected. In the event of this or any other adverse developments, our continued success will depend on our ability to successfully adjust our strategy to meet changing market dynamics. If we are unable to do so, our business may be harmed.

In addition, as a result of the ongoing COVID-19 pandemic, our operating results in 2020 may not be indicative of our future performance. Beginning in March 2020, our customers' operations were initially significantly disrupted in certain jurisdictions, causing a temporary significant decrease in activity on our online marketplace. Our operating results were initially negatively impacted by the COVID-19 pandemic at the end of the first quarter and the beginning of the second quarter of 2020. This initial negative disruption began to subside in May 2020 as the demand for used vehicles on a national level began to outpace supply, leading to higher used vehicle valuations and a higher percentage of successful auctions, and as dealers and commercial partners looked to an online marketplace to transact remotely. These market and industry trends combined with the strength of our service offerings drove favorable operating results. You should not rely on our financial performance for any period of 2020 as an indication of our future performance. Moreover, we cannot predict how the COVID-19 pandemic will continue to develop, whether and to what extent government regulations or other restrictions may impact our operations or those of our customers, or whether or to what extent the COVID-19 pandemic or the effects thereof may have longer term unanticipated impacts on our business.

Our recent, rapid growth has placed and may continue to place significant demands on our management and our operational and financial resources. We have experienced significant growth in the number of customers on our platform as well as the amount of data that we analyze. We have hired and expect to continue hiring additional personnel to support our rapid growth. Our organizational structure is becoming more complex as we add staff, and we will need to continue to improve our operational, financial and management controls as well as our reporting systems and procedures. This will require significant capital expenditures and the allocation of valuable management resources to grow and adapt in these areas without undermining our corporate culture of teamwork. If we cannot manage our growth effectively to maintain the quality and efficiency of our customers' experience, our business may be harmed.

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

We have experienced net losses in each annual period since inception. We generated a net loss of $77.2 million and $41.0 million for the years ended December 31, 2019 and 2020, respectively. As of December 31, 2020, we had an accumulated deficit of $167.0 million. While we have experienced significant revenue growth in recent periods, we are not certain whether or when we will obtain a high enough volume of revenue to sustain or increase our growth or achieve or maintain profitability in the future. We also expect our costs and expenses to increase in future periods, which could negatively affect our future results of operations if our revenue does not increase sufficiently to cover increased costs. In particular, we intend to continue to expend substantial financial and other resources on:

- our online platform, including systems architecture, scalability, availability, performance and security;

- the development of new products and services, as well as investments in further optimizing our existing products and services;
- our sales organization, operations teams, and customer support teams to engage our existing and prospective customers, increase usage by existing customers, drive adoption of our products, expand use cases and integrations and support international expansion;
- acquisitions or strategic investments;
- expansion into new territories, including in markets outside of the United States;
- increased headcount; and
- general administration, including increased legal and accounting expenses associated with being a public company.

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

We have a limited operating history, and our future results of operations may fluctuate significantly due to a wide range of factors, which makes it difficult to forecast our future results of operations.

We commenced operations in 2014. As a result of our limited operating history, our ability to accurately forecast our future results of operations is limited and subject to a number of uncertainties, including our ability to plan for and model future growth. Our revenue and results of operations have historically varied from period to period, and we expect that they will continue to do so; therefore, our historical revenue growth should not be considered indicative of our future performance. Further, in future periods, our revenue growth could slow or our revenue could decline for a number of reasons, many of which are outside of our control, including:

- the level of demand for our online marketplace and our value-added products and services, including fluctuation in our business due to the impact of COVID-19;
- our ability to retain existing customers, as well as our ability to increase sales of our full platform of products and services to existing customers;
- growth rates and variations in the revenue mix of our marketplace and inspection products and services offerings;
- the timing and growth of our business, in particular through our hiring of new employees and expansion into additional markets;
- changes in our business model;
- the timing of our adoption of new or revised accounting pronouncements applicable to public companies and the impact on our results of operations;
- the introduction of new products and services and enhancement of existing products and services by existing competitors or new entrants into our market, and changes in pricing offered by us or our competitors;
- network outages, security breaches, technical difficulties or interruptions with our platform;
- changes in the growth rate of the markets in which we compete;

- changes in customers' budgets;
- seasonal variations related to sales and marketing and other activities;
- our ability to control costs, including our operating expenses;
- our ability to recruit, train and retain our inspectors;
- the perception of our business and brand among our customer base;
- unforeseen litigation and actual or alleged intellectual property infringement, misappropriation or other violation;
- fluctuations in our effective tax rate; and
- general economic and political conditions, as well as economic conditions specifically affecting the automotive industry.

Any one of these or other factors discussed elsewhere in this prospectus or the cumulative effect of some of these factors may result in fluctuations in our revenue and operating results, meaning that quarter-to-quarter comparisons of our revenue, results of operations and cash flows may not necessarily be indicative of our future performance and may cause us to miss our guidance and analyst expectations and may cause the price of our Class A common stock to decline.

We have also encountered, and will continue to encounter, other risks and uncertainties frequently experienced by growing companies in rapidly changing industries, such as the risks and uncertainties described in this prospectus. If our assumptions regarding these risks and uncertainties and our future revenue growth are incorrect or change, including as a result of changes driven by developments related to the ongoing COVID-19 pandemic, or if we do not address these risks successfully, our operating and financial results could differ materially from our expectations, and our business may be harmed.

We may require additional debt and equity capital to pursue our business objectives and respond to business opportunities, challenges or unforeseen circumstances. If such capital is not available to us, our business may be harmed.

We may require additional capital to pursue our business objectives and respond to business opportunities, challenges or unforeseen circumstances, including to develop new products or services or further improve existing products and services, expand our geographical footprint, enhance our operating infrastructure, increase our marketing and sales expenditures to improve our brand awareness, and acquire complementary businesses and technologies. Accordingly, we may need to engage in equity or debt financings to secure additional funds. However, additional funds may not be available when we need them, on terms that are acceptable to us, or at all. Moreover, any debt financing that we secure in the future could involve restrictive covenants, which may make it more difficult for us to operate our business, obtain additional capital and to pursue business opportunities. Volatility in the credit markets may also have an adverse effect on our ability to obtain debt financing. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution, and any new equity securities we issue could have rights, preferences and privileges superior to those of holders of our Class A common stock. If we are unable to obtain adequate financing or financing on terms satisfactory to us when we require it, we may be forced to obtain financing on undesirable terms or our ability to continue to pursue our business objectives and to respond to business opportunities, challenges or unforeseen circumstances could be significantly limited, and our business, results of operations and financial condition may be harmed.

Risks Related to Our Business, Our Brand and Our Industry

Our ability to expand our products and services may be limited, which could negatively impact our growth rate, revenue and financial performance.

Currently, our platform consists of our digital marketplace, including our auction and value-added services, ACV Capital and ACV Transportation, Go Green assurance and data services, including our True360 and ACV Market reports, and data and technology, including our inspection services. If we introduce new products and services or expand existing offerings on our platform, we may incur losses or otherwise fail to enter these markets successfully. Our expansion into these markets may place us in competitive and regulatory environments with which we are unfamiliar and involve various risks, including the need to invest significant resources to familiarize ourselves with such frameworks and the possibility that returns on such investments may not be achieved for several years, if at all. In attempting to establish new offerings, we expect to incur significant expenses and face various other challenges, such as expanding our engineering team, sales team and management personnel to cover these markets and complying with complicated regulations that apply to these markets. In addition, we may not successfully demonstrate the value of these value-added products and services to customers, and failure to do so would compromise our ability to successfully expand into these additional revenue streams. Any of these risks, if realized, may harm our business, results of operations and financial condition.

We participate in a highly competitive industry, and pressure from existing and new companies may adversely affect our business and results of operations.

We mainly compete with large, national offline vehicle auction companies, such as Manheim, a subsidiary of Cox Enterprises, Inc., and KAR Auction Services. The offline vehicle auction market in North America is largely consolidated, with Manheim and KAR Auction Services serving as large players in the market. Both of these traditional offline vehicle auction companies are expanding into the online channel and have launched online auctions in connection with their physical auctions, including Manheim Express and TradeRev/BacklotCars (KAR Auction Services' mobile application). We also compete with a number of smaller digital auction companies. In addition, we compete with smaller chains of auctions and independent auctions. Our dealers also compete on vehicles that may go to peer-to-peer online marketplaces such as Facebook, Craigslist, eBay Motors and Nextdoor.com.

Our future success also depends on our ability to respond to evolving industry trends, changes in customer requirements and new technologies. If new industry trends take hold, the automotive remarketing industry's economics could significantly change, and we may need to incur additional costs or otherwise alter our business model to adapt to these changes. Some of our competitors have much greater financial and marketing resources than we have, may be able to respond more quickly to evolving industry dynamics and changes in customer requirements or may be able to devote greater resources to the development, promotion and sale of new or emerging services and technologies. Our ability to successfully grow through investments in the area of emerging opportunities depends on many factors, including advancements in technology, regulatory changes and other factors that are difficult to predict. If we are unable to compete successfully or to successfully adapt to industry changes, our business may be harmed.

Our business is sensitive to changes in the prices of used vehicles.

Any significant changes in retail prices for new or used vehicles could harm our business. For example, if retail prices for used vehicles rise relative to retail prices for new vehicles, it could make buying a new vehicle more attractive to consumers than buying a used vehicle, which could result in reduced used vehicle wholesale sales and adversely impact our business, results of operations and

financial condition. Used vehicle prices may affect the volume of vehicles entered for sale in our marketplace and the demand for those used vehicles, the fee revenue per unit, and our ability to retain customers. When used vehicle prices are high, used vehicle dealers may retail more of their trade-in vehicles on their own rather than selling them through our marketplace. Additionally, manufacturer incentives, including financing, could contribute to narrowing the price gap between new and used vehicles.

Our business depends on growing the share of wholesale transactions from existing customers, and the failure to do so would have a material adverse effect on our business, financial condition and results of operations.

Our business depends on our ability to grow the share of wholesale transactions from existing customers, increasing the number of wholesale transactions they conduct on our platform. Our customers have no obligation to conduct a minimum number of transactions on our platform or to continue using our platform over time. In order for us to maintain or improve our results of operations, it is important that our customers continue using our platform and increase the share of wholesale transactions which they complete on our platform. We cannot accurately predict whether we will grow the share of wholesale transactions from existing customers. The volume of transactions from existing customers may decline or fluctuate as a result of a number of factors, including business strength or weakness of our customers, customer satisfaction with our platform and other offerings, our fees, the capabilities and fees of our competitors or the effects of global economic conditions. These factors may also be exacerbated if, consistent with our growth strategy, our customer base continues to grow to encompass larger enterprises, which may also require more sophisticated and costly sales efforts. If our customers do not continue to use our digital marketplace or purchase additional services from us, our revenue may decline and our business, financial condition and results of operations may be harmed.

Decreases in the supply of used vehicles coming to the wholesale market may impact sales volumes, which may adversely affect our revenue and profitability.

Decreases in the supply of used vehicles coming to the wholesale market could reduce the number of vehicles sold through our marketplace. The number of new and used vehicles that are purchased or leased by consumers affects the supply of vehicles coming to auction in future periods. For example, an erosion of retail demand for new and used vehicles could cause lenders to reduce originations of new loans and leases, and lead to manufacturing capacity reductions by automakers selling vehicles in the United States. Capacity reductions could depress the number of vehicles coming to the wholesale market in the future in the future and could lead to reduced numbers of vehicles from various suppliers, negatively impacting auction volumes. If the supply of used vehicles coming to the wholesale market declines, our revenue and profitability may be harmed.

The loss of sellers could adversely affect our results of operations and financial position, and an inability to increase our sources of vehicle supply could adversely affect our growth rates.

Vehicle sellers may cease to use our marketplace in particular markets from time to time, or may choose to sell some of their vehicles through other auction companies with which we compete, which could affect our revenue in the markets in which such sellers are based. There can be no assurance that our existing customers will continue to sell their vehicles through our marketplace. Furthermore, there can be no assurance that we will be able to obtain new vehicle sellers as customers or that we will be able to retain our existing supply of used vehicles. In addition, a failure to increase our sources of vehicle supply could adversely affect our earnings and revenue growth rates.

We may experience seasonal and other fluctuations in our quarterly results of operations, which may not fully reflect the underlying performance of our business.

Our quarterly results of operations, including our revenue, net loss and cash flow have in the past varied, and we expect will in the future vary, significantly based in part on, among other things, vehicle-buying patterns. Vehicle sales typically peak late in the first calendar quarter, with the lowest relative level of industry vehicle sales occurring in the fourth calendar quarter. This seasonality historically corresponds with the timing of income tax refunds, which can provide a primary source of funds for customers' payments on used vehicle purchases. Used vehicle pricing is also impacted by seasonality, with used vehicles depreciating at a faster rate in the last two quarters of each year and a slower rate in the first two quarters of each year.

Other factors that may cause our quarterly results to fluctuate include, without limitation:

- our ability to attract new customers;
- our ability to generate revenue from our value-added products and services;
- changes in the competitive dynamics of our industry;
- the regulatory environment;
- expenses associated with unforeseen quality issues;
- macroeconomic conditions, including, for example, conditions created by the COVID-19 pandemic which led to favorable operating results for us in the third quarter of 2020;
- seasonality of the automotive industry; and
- litigation or other claims against us.

In addition, a significant portion of our expenses are fixed and do not vary proportionately with fluctuations in revenue. As a result of these seasonal fluctuations, our results in any quarter may not be indicative of the results we may achieve in any subsequent quarter or for the full year, and period-to-period comparisons of our results of operations may not be meaningful.

Prospective purchasers of vehicles may choose not to shop online, which would prevent us from growing our business.

Our success will depend, in part, on our ability to attract additional customers who have historically purchased vehicles through physical auctions, which accounted for an estimated 50% of wholesale transactions in 2019. If we fail to convince potential customers who have historically purchased vehicles entirely or primarily through physical auctions to use our digital marketplace, we may not be able to grow at the rate we expect and our business may suffer. Furthermore, we may have to incur significantly higher and more sustained advertising and promotional expenditures or offer more incentives than we currently anticipate in order to attract additional buyers to our platform and convert them into participants on our online auction marketplace. Specific factors that could prevent participants from transacting on our platform include:

- concerns about buying vehicles without the ability to physically examine such vehicles;
- pricing that does not meet the expectations of our auction participants;
- delayed deliveries;
- real or perceived concerns about the quality of our inspection reports;
- inconvenience with returning or exchanging vehicles purchased online;
- concerns about the security of online transactions and the privacy of personal information; and
- usability, functionality and features of our platform.

If the online market for vehicles does not continue to develop and grow, our business will not grow and our business, financial condition and results of operations could be materially adversely affected.

Failure to properly and accurately inspect the condition of vehicles sold through our marketplace, or to deal effectively with fraudulent activities on our platform, could harm our business.

We face risks with respect to the condition of vehicles sold through our marketplace. We are engaged to inspect the majority of vehicles sold through our marketplace. We periodically receive complaints from buyers and sellers who believe our inspection reports are not consistent with the condition of the relevant vehicle sold through our marketplace. While our arbitration policy provides that we make no representations or guarantees regarding any vehicles sold through our marketplace, if our inspection reports are found to be inaccurate or otherwise fail to disclose material defects with vehicles, we risk diminished customer confidence in and use of our services. In addition, buyers may be entitled in certain circumstances to cancellation of their purchase, which could reduce the amount of revenue we earn from the relevant sale.

In addition, through our Go Green assurance, we offer sellers an assurance with regard to our vehicle inspection services with increased protection from the provisions of our arbitration policy. When a seller elects to use our Go Green program, we are obligated to stand behind the quality of our inspection services and related inspection report. In situations where we conclude that a buyer has made a valid arbitration claim with respect to inadequate or omitted disclosures of defects in an inspection report, we must make the remedy directly to the buyer on the seller's behalf. If we fail to provide accurate inspection reports for a large number of sellers using our Go Green assurance program, the resulting payment obligations to the buyer may adversely affect our business, results of operations and financial condition. Under the Go Green assurance program, we have the opportunity to resell the vehicle if the original transaction is unwound due to errors in the inspection report. However, the second buyer may only be willing to pay a lower price for the vehicle than the first buyer, and we bear the risk of loss for such resale as well, which may adversely affect our results of operations and financial condition.

In addition, we face risks with respect to fraudulent activities on our platform, including the sale of illegally-acquired vehicles through our auction marketplace, the unauthorized entry into and use of our platform by persons who do not meet our criteria and standards, and participation of buyers in our auctions who have no intention to pay. For example, we have previously received complaints from a small number of buyers who purchased vehicles which were later determined to have been stolen. In addition, allegations of fraudulent activity on our auction marketplace, even if untrue, may adversely impact our reputation and our ability to attract new customers and retain current customers.

Although we have implemented measures designed to detect and reduce the occurrence of fraudulent activities on our platform and combat bad customer experiences, there can be no assurance that these measures will be effective in combating fraudulent transactions or improving overall satisfaction among sellers, buyers, and other participants. Additional measures to address fraud could negatively affect the attractiveness of our services to buyers or sellers, resulting in a reduction in the ability to attract new customers or retain current customers. Any actual or alleged future fraudulent activity may damage our reputation, or diminish the value of our brand name, either of which could adversely impact our business, results of operations and financial condition.

If the quality of our customer experience, our reputation or our brand were negatively affected, our business, results of operations and financial condition may be harmed.

Our business model is primarily based on our ability to enable customers to buy and sell used vehicles through our marketplace in a seamless, transparent and hassle-free transaction. If our

customers fail to perceive us as a trusted brand with a strong reputation and high standards, or if an event occurs that damages our reputation or our brand, it could adversely affect customer demand and adversely affect our business, results of operations and financial condition. Even the perception of a decrease in the quality of our customer experience or brand could impact results. Our high rate of growth makes maintaining the quality of our customer experience more difficult.

Complaints or negative publicity about our business practices, inspection quality, compliance with applicable laws and regulations, data privacy and security or other aspects of our business, especially on blogs and social media websites, could diminish customer confidence in our platform and adversely affect our brand, irrespective of their validity. The growing use of social media increases the speed with which information and opinions can be shared and thus the speed with which our reputation can be damaged. If we fail to correct or mitigate misinformation or negative information about us, our platform, our customer experience, our brand or any aspect of our business, including information spread through social media or traditional media channels, it may harm our business, results of operations and financial condition.

We rely on third-party carriers to transport vehicles throughout the United States and are subject to business risks and costs associated with such carriers and with the transportation industry, many of which are out of our control.

We rely on third-party carriers to transport vehicles sold through our marketplace to our customers. As a result, we are exposed to risks associated with the transportation industry such as weather, traffic patterns, local and federal regulations, vehicular crashes, gasoline prices and lack of reliability of many independent carriers. Our third-party carriers who deliver vehicles to our customers could adversely affect the customer experience if they do not perform to our standards of timeliness and care while handling the vehicles, which may harm our business.

Our future growth and profitability relies on the effectiveness and efficiency of our sales and marketing efforts, and these efforts may not be successful.

We rely on our sales and marketing organization to increase brand visibility among dealers and attract potential customers. Sales and marketing expenses are and will continue to be a significant component of our operating expenses, and there can be no assurance that we will achieve a meaningful return on investment on such expenditures, particularly as we expand our operations into new geographic areas. We continue to evolve our marketing strategies and no assurance can be given that we will be successful in developing effective messages and in achieving efficiency in our sales and marketing expenditures.

Our marketing initiatives aim to drive brand awareness and engagement among dealers in order to position us as the trusted online wholesale marketplace. We acquire new dealers through a variety of marketing channels including social media, search engine optimization and brand-oriented marketing campaigns, and we have expanded our in-house marketing significantly in recent years. Future growth and profitability will depend in part on the cost and efficiency of our promotional advertising and marketing programs and related expenditures, including our ability to create greater awareness of our platform and brand name, to appropriately plan for future expenditures and to drive the promotion of our platform. If we are unable to recover our marketing costs through increases in customer traffic and incremental sales, or if our marketing campaigns are not successful or are terminated, our growth may suffer and our business may be harmed.

We bear settlement risk for vehicles sold through our auctions.

We bear settlement risk in connection with sales made through our platform. We settle transactions among buyers and sellers using our marketplace, and as a result, the value of each

vehicle sold passes through our balance sheet. Since revenue for vehicles does not include the gross sales proceeds, failure to collect the receivables in full may result in a net loss up to the gross sales proceeds on a per vehicle basis in addition to any expenses incurred to collect the receivables and to provide the services associated with the vehicle. If we are unable to collect payments on a large number of vehicles, the resulting costs of unwinding the transaction and decreased fee revenue may adversely affect our results of operations and financial condition.

Acquisitions, strategic investments, partnerships, 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, results of operations and financial condition.

We have in the past and may in the future seek to acquire or invest in businesses, joint ventures, products and platform capabilities, or technologies that we believe could complement or expand our services and platform capabilities, enhance our technical capabilities, or otherwise offer growth opportunities. Further, our anticipated proceeds from this offering increase the likelihood that we will devote resources to exploring larger and more complex acquisitions and investments than we have previously attempted. Any such acquisition or investment may divert the attention of management and cause us to incur various expenses in identifying, investigating and pursuing suitable opportunities, whether or not the transactions are completed, and may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, products and platform capabilities, personnel or operations of any acquired companies, particularly if the key personnel of an acquired company choose not to work for us, their software is not easily adapted to work with our platform, or we have difficulty retaining the customers of any acquired business due to changes in ownership, management or otherwise. These transactions may also disrupt our business, divert our resources, and require significant management attention that would otherwise be available for development of our existing business. Any such transactions that we are able to complete may not result in any synergies or other benefits we had expected to achieve, which could result in impairment charges that could be substantial. In addition, we may not be able to find and identify desirable acquisition targets or business opportunities or be successful in entering into an agreement with any particular strategic partner. These transactions could also result in dilutive issuances of equity securities or the incurrence of debt, which could adversely affect our results of operations. In addition, if the resulting business from such a transaction fails to meet our expectations, our business, results of operations and financial condition may be harmed or we may be exposed to unknown risks or liabilities.

Our insurance may not provide adequate levels of coverage against claims.

We believe that we maintain insurance customary for businesses of our size and type. However, there are types of losses we may incur that cannot be insured against or that we believe are not economically reasonable to insure. Moreover, any loss incurred could exceed policy limits and policy payments made to us may not be made on a timely basis. For example, insurance we maintain against liability claims may not continue to be available on terms acceptable to us and such coverage may not be adequate to cover the types of liabilities actually incurred. A successful claim brought against us, if not fully covered by available insurance coverage, may harm our business.

We depend on key personnel to operate our business, and if we are unable to retain, attract and integrate qualified personnel, our ability to develop and successfully grow our business could be harmed.

We believe our success has depended, and continues to depend, on the efforts and talents of our executives and employees. Our future success depends on our continuing ability to attract, develop, motivate and retain highly qualified and skilled employees. Qualified individuals are in high demand,

and we may incur significant costs to attract and retain them. In addition, the loss of any of our key employees or senior management could adversely affect our ability to execute our business plan and strategy, and we may not be able to find adequate replacements on a timely basis, or at all. Our executive officers and other employees are at-will employees, which means they may terminate their employment relationship with us at any time, and their knowledge of our business and industry would be extremely difficult to replace. We may not be able to retain the services of any members of our senior management or other key employees. If we do not succeed in attracting well-qualified employees or retaining and motivating existing employees, our business may be harmed.

Risks Related to Socioeconomic Factors

Our operations and employees face risks related to health crises, such as the ongoing COVID-19 pandemic, that could adversely affect our financial condition and operating results.

In connection with the COVID-19 pandemic, governments have implemented significant measures, including closures, quarantines, travel restrictions and other social distancing directives, intended to control the spread of the virus. Companies have also taken precautions, such as requiring employees to work remotely, imposing travel restrictions and temporarily closing businesses. In response to the risks posed by the COVID-19 pandemic and to comply with applicable governmental orders, we have asked almost all of our office-based employees to work from home. In addition, we have introduced stringent new health and safety requirements for our inspectors out in the field, including use of personal protective equipment, limited travel between states, and mandatory social distancing. These and other operational changes we have implemented may negatively impact productivity and disrupt our business. We may also take further actions that alter our operations as may be required by applicable government authorities or that we determine are in the best interests of our employees.

To the extent that these restrictions remain in place, additional prevention and mitigation measures are implemented in the future, or there is uncertainty about the effectiveness of these or any other measures to contain or treat COVID-19, there is likely to be an adverse impact on global economic conditions and customer confidence and spending, which could materially and adversely affect our operations as well as our relationships with partners and customers and demand for used cars. Our car dealership customers' operations were initially significantly disrupted in certain jurisdictions, causing a temporary significant decrease in activity on our online marketplace. While at this time we are working to manage and mitigate potential disruptions to our operations, and we have experienced increases in demand as compared to prior periods following the initial disruption caused by the COVID-19 pandemic, the fluid nature of the pandemic and uncertainties regarding the related economic impact are likely to result in sustained market turmoil, which may harm our business, results of operations and financial condition. We cannot predict how the COVID-19 pandemic will continue to develop, whether and to what extent government regulations or other restrictions may impact our operations or those of our customers, or whether or to what extent the COVID-19 pandemic or the effects thereof may have longer term unanticipated impacts on our business, and you should not rely on our financial performance for any period of 2020 as an indication of our future performance.

Significant disruptions of global financial markets would reduce our ability to access capital, which could in the future negatively affect our liquidity. For example, our customers may be unable fulfill their obligations to us in a timely manner or at all, and to the extent our customers' operations have been and continue to be negatively impacted, they may delay payments to us, reduce their willingness to sell or purchase vehicles through our marketplace or elect not to use our platform at all. As a result, the COVID-19 pandemic may have an adverse impact on our revenue in the near term.

The extent of COVID-19's effect on our operational and financial performance will depend on future developments, including the duration, spread and intensity of the pandemic, all of which are

uncertain and difficult to predict considering the rapidly evolving landscape. As a result, it is not currently possible to ascertain the overall impact of COVID-19 on our business. However, if the pandemic continues to persist as a severe worldwide health crisis, the disease may harm our business, and may also have the effect of heightening many of the other risks described in this “Risk Factors” section.

General business and economic conditions, and risks related to the larger automotive ecosystem, including customer demand, could reduce auto sales and profitability, which may harm our business.

Our business is affected by general business and economic conditions. The global economy often experiences periods of instability, and this volatility could increase our exposure to several risks. We are dependent on the supply of used vehicles in the wholesale market, and our financial performance depends, in part, on conditions in the automotive industry. During past global economic downturns, there has been an erosion of retail demand for new and used vehicles that, together with other factors such as financial market instability, led many lenders to reduce originations of new loans and leases and led to significant manufacturing capacity reductions by automakers selling vehicles in the United States and Canada. Capacity reductions could depress the number of vehicles that become part of the wholesale market in the future and could lead to reduced numbers of vehicles from various suppliers, negatively impacting our volumes. In addition, weak growth in or declining new vehicle sales negatively impacts used vehicle trade-ins to dealers and wholesale volumes. These factors could adversely affect our revenue and profitability.

In addition, we may experience a decrease in demand for used vehicles from buyers due to factors including the lack of availability of consumer credit and declines in consumer spending and consumer confidence. Adverse credit conditions also affect the ability of dealers to secure financing to purchase used vehicles on the wholesale market, which further negatively affects buyer demand. In addition, a reduction in the number of franchised and independent used car dealers may reduce dealer demand for used vehicles.

Consumer purchases of new and used vehicles may also be adversely affected by economic conditions such as employment levels, wage and salary levels, trends in consumer confidence and spending, reductions in consumer net worth, interest rates, inflation, the availability of consumer credit and taxation policies. Consumer purchases in general may decline during recessions, periods of prolonged declines in the equity markets or housing markets and periods when disposable income and perceptions of consumer wealth are lower. Changes to U.S. federal tax policy may negatively affect consumer spending.

In addition, the market for used vehicles may be impacted by the significant, and likely accelerating, changes to the broader automotive industry, which may render our existing or future business model or our auction marketplace and value-added products and services less competitive, unmarketable or obsolete. For example, technology is currently being developed to produce automated, driverless vehicles that could reduce the demand for, or replace, traditional vehicles, including the used vehicles that are sold through our marketplace. Additionally, ride-hailing and ride-sharing services are becoming increasingly popular as a means of transportation and may decrease consumer demand for the used vehicles, particularly as urbanization increases. To the extent retail and rental car company demand for new and used vehicles decreases, negatively impacting our volumes, our results of operations and financial position could be materially and adversely affected.

Dealer closures or consolidations could reduce demand for our products, which may decrease our revenue. In the past, the number of U.S. dealers has declined due to dealership closures and consolidations as a result of varying factors, such as increased competitive pressure from online vehicle retailers and global economic downturns. When dealers consolidate, the services they

previously purchased separately are often purchased by the combined entity in a lesser quantity or for a lower aggregate price than before, leading to volume compression and loss of revenue. Further dealership consolidations or closures could reduce the aggregate demand for our platform and value-added products and services. If dealership closures and consolidations occur in the future, our business may be harmed.

Additionally, due to high fragmentation in the dealer industry, a small number of interested parties have significant influence over the industry. These parties include state and national dealership associations, state regulators, car manufacturers, consumer groups, independent dealers, and consolidated dealer groups. If and to the extent these parties believe that dealerships should not enter into or maintain business with us, this belief could become shared by dealerships and we may lose a number of our paying dealers.

Our business is subject to the risk of natural disasters, adverse weather events and other catastrophic events, and to interruption by manmade problems such as terrorism.

Our business is vulnerable to damage or interruption from earthquakes, fires, floods, power losses, telecommunications failures, terrorist attacks, acts of war, global pandemics, adverse weather events, human errors, infrastructure failures and similar events. For example, the United States experienced record snowfalls affecting millions of people in early 2021, which temporarily adversely affected our operations. The third-party systems and operations on which we rely are subject to similar risks. For example, we rely on FedEx in order to ship and deliver titles in connection with vehicle sales through our marketplace, and the disruption to FedEx's service as a result of a natural disaster could have an adverse effect on our business, financial condition and operating results. Acts of terrorism could also cause disruptions in our businesses, consumer demand or the economy as a whole. We may not have sufficient protection or recovery plans in some circumstances, such as if a natural disaster affects main transportation routes for the delivery of vehicles. Any such disruptions could negatively affect our ability to run our business, which could have an adverse effect on our business, financial condition and operating results.

Risks Related to Information Technology and Intellectual Property

We may not properly leverage or make the appropriate investment in technology advancements, which could result in the loss of any sustainable competitive advantage in products, services and processes.

Our business is dependent on our data-driven platform. Robust information technology systems, platforms and products are critical to our operating environment, digital online products and competitive position. Understanding technology innovation is necessary to retain our competitive advantage. We may not be successful in developing, acquiring or implementing new data-driven products and services which are competitive and responsive to the needs of our customers. We might lack sufficient resources to continue to make the significant investments in information technology to compete with our competitors. Certain information technology initiatives that management considers important to our long-term success will require capital investment, have significant risks associated with their execution, and could take several years to implement. We may not be able to develop or implement these initiatives in a cost-effective, timely manner or at all. There can be no assurance that others will not acquire similar or superior technologies sooner than we do or that we will acquire technologies on an exclusive basis or at a significant price advantage. If we do not accurately predict, prepare and respond to new kinds of technology innovations, market developments and changing customer needs, our business may be harmed.

If we are unable to adequately address our customers' increasing reliance on technology or provide a compelling vehicle search experience to customers through both our web and mobile platforms, the number of connections between buying and selling dealers using our marketplace may decline and our business, results of operations and financial condition may be harmed.

As dealers increasingly use technology-based services, including our marketplace and other offerings, our success will depend, in part, on our ability to provide customers with a robust and user-friendly experience on our platform. Given a greater focus on technology in the automotive industry, our future success depends in part on our ability to provide enhanced functionality for dealers who use the web and mobile devices to purchase used vehicles and increase the number of transactions with us that are completed by those dealers. Our ability to provide a compelling user experience, both on the web and through mobile devices, is subject to a number of factors, including:

- our ability to maintain an attractive marketplace for our customers;
- our ability to continue to innovate and introduce products for our marketplace;
- our ability to launch new products that are effective and have a high degree of customer engagement;
- our ability to maintain the compatibility of our mobile application with operating systems, such as iOS and Android, and with popular mobile devices running such operating systems; and
- our ability to access a sufficient amount of data to enable us to provide relevant information to customers, including pricing information and accurate vehicle details which inform our inspection reports.

If use of our web and mobile marketplace is not accepted by the dealer industry, our business may be harmed.

In addition, if we fail to continue to provide a compelling user experience to our customers, the number of connections between buying and selling dealers facilitated through our marketplace could decline, which in turn could lead dealers to stop listing their inventory in our marketplace or cause buyers to look outside our platform for their wholesale purchases. If dealers stop listing their inventory in our marketplace, we may not be able to maintain and grow our customer traffic, which may cause other dealers to stop using our marketplace. This reduction in the number of dealers using our marketplace would likely adversely affect our marketplace and our business, results of operations and financial condition.

We rely on third-party technology and information systems to complete critical business functions and such reliance may negatively impact our business.

We rely on third-party technology for certain critical business functions that help us deliver our products and services and operate our business. Our business is dependent on the integrity, security and efficient operation of these systems and technologies. Our systems and operations or those of our third-party vendors and partners could be exposed to damage or interruption from, among other things, fire, natural disaster, power loss, telecommunications failure, unauthorized entry, computer viruses, denial-of-service attacks, acts of terrorism, human error, vandalism or sabotage, financial insolvency, bankruptcy and similar events. The failure of these systems to perform as designed, the failure to maintain or update these systems as necessary, the failure of these systems to comply with applicable law, the vulnerability of these systems to security breaches or attacks or the inability to enhance our information technology capabilities, and our inability to find suitable alternatives could disrupt our operations and harm our business.

A significant disruption in service of, or other performance or reliability issues with, our platform could damage our reputation and result in a loss of customers, which could harm our brand or our business.

Our brand, reputation and ability to attract customers depend on the reliable performance of our platform and the supporting systems, technology and infrastructure. We may experience significant interruptions to our systems in the future. Interruptions in these systems, whether due to system failures, programming or configuration errors, bugs, vulnerabilities, computer viruses, physical or electronic break-ins or similar events, could affect the availability of our inventory on our platform and prevent or inhibit the ability of customers to access our platform. Problems with the reliability or security of our systems could harm our reputation, result in a loss of customers and result in additional costs.

Problems faced by our third-party web-hosting providers, including AWS and Google Cloud, could inhibit the functionality of our platform. For example, our third-party web-hosting providers could close their facilities without adequate notice or suffer interruptions in service caused by cyber-attacks, natural disasters or other phenomena. Disruption of their services could cause our website to be inoperable and could harm our business. Any financial difficulties, up to and including bankruptcy, faced by our third-party web-hosting providers or any of the service providers with whom they contract may have negative effects on our business, the nature and extent of which are difficult to predict. In addition, if our third-party web-hosting providers are unable to keep up with our growing capacity needs, our business may be harmed.

Any errors, defects, disruptions, or other performance or reliability problems with our platform could interrupt our customers' access to our inventory and our access to data that drives our operations, which could harm our reputation and have an adverse effect on our business, financial condition, and operating results.

We are subject to stringent and changing privacy and data security laws, regulations and standards related to data privacy and security.

There are numerous federal, state and local laws regarding privacy and the collection, processing, storing, sharing, disclosing, using and protecting of personal information and other data, the scope of which are changing, subject to differing interpretations, and which may be costly to comply with, inconsistent between jurisdictions or conflicting with other rules. In addition, if we expand into international markets, we will be subject to a new range of detailed and complex laws regarding privacy and the collection, processing, storing, sharing, disclosing, using and protecting of personal information and other data. We must also comply with operating rules and standards imposed by industry organizations such as the National Automated Clearing House Association and the Payment Card Industry Security Standards Council. Additionally, we are also subject to specific contractual requirements contained in third-party agreements governing our use and protection of personal information and other data. We generally comply with industry standards and are subject to the terms of our privacy policies and the privacy- and security-related obligations to third parties. We strive to comply with applicable laws, policies, legal obligations and industry codes of conduct and operating rules and standards relating to privacy and data protection, to the extent possible. However, it is possible that these obligations may be interpreted and applied in new ways or in a manner that is inconsistent from one jurisdiction to another and may conflict with other rules or our practices. Additionally, new regulations could be enacted with which we are not familiar. Any failure or perceived failure by us to comply with our privacy policies, our privacy-related obligations to customers or other third parties, or our privacy-related legal obligations or any compromise of security that results in the unauthorized release or transfer of sensitive information, which may include personally identifiable information or other customer data, may result in governmental enforcement actions, including fines or orders requiring that we change our practices, claims for damages by affected individuals, or litigation or public statements against us by consumer advocacy groups or others and could cause customers and

vendors to lose trust in us, which may harm our business. Additionally, if vendors, developers or other third parties that we work with violate applicable laws or our policies, such violations may also put customers' or vendors' information at risk and could in turn harm our business. Even if we are not determined to have violated these laws or other obligations, government investigations into these issues typically require the expenditure of significant resources and generate negative publicity.

Privacy and data security regulation in the United States is rapidly evolving. For example, California recently enacted the California Consumer Privacy Act, or CCPA, which became effective January 1, 2020. The CCPA gives California residents expanded rights to access and require deletion of their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is used. The CCPA provides for civil penalties for violations, as well as a private right of action for certain data breaches, which is expected to increase the volume and success of class action and other data breach litigation. In addition, on November 3, 2020, California voters approved a new privacy law, the California Privacy Rights Act, or CPRA, which significantly modifies the CCPA, including by expanding consumers' rights with respect to certain personal information and creating a new state agency to oversee implementation and enforcement efforts. Many of the CPRA's provisions will become effective on January 1, 2023. Other states are considering the enactment of similar laws, and there is also discussion in Congress of a new comprehensive federal data protection and privacy law to which we likely would be subject if it is enacted. The effects of the CCPA, and other similar state or federal laws, are potentially significant and may require us to modify our data processing practices and policies, incur substantial compliance costs and subject us to increased potential liability.

Additionally, we are subject to the terms of our privacy policies, privacy-related disclosures, and contractual and other privacy-related obligations to our customers and other third parties. Any failure or perceived failure by us or third parties we work with to comply with these policies, disclosures, and obligations to customers or other third parties, or industry oversight organizations, or privacy or data security laws may result in governmental or regulatory investigations, enforcement actions, regulatory or other fines, orders requiring that we change our practices, criminal compliance orders, claims for damages by affected individuals or litigation or public statements against us by consumer advocacy groups or others, and could cause customers to lose trust in us. Any of the foregoing could be costly and have an adverse effect on our business, financial condition, and operating results.

Government regulation of the internet and ecommerce is evolving, and unfavorable changes or failure by us to comply with these regulations could harm our business.

We are subject to general business regulations and laws, as well as regulations and laws specifically governing the internet and ecommerce. Existing and future regulations and laws could impede the growth of the internet, ecommerce or mobile commerce. These regulations and laws may involve taxes, tariffs, privacy and data security, anti-spam, pricing, content protection, electronic contracts and communications, mobile communications, consumer protection, information reporting requirements, unencumbered internet access to our platform, the design and operation of websites and internet neutrality. It is not clear how existing laws governing issues such as property ownership, licensing, sales and other taxes, and consumer privacy apply to the internet as the vast majority of these laws were adopted prior to the advent of the internet and do not contemplate or address the unique issues raised by the internet or ecommerce. It is possible that general business regulations and laws, or those specifically governing the internet or ecommerce, may be interpreted and applied in a manner that is inconsistent from one market segment to another and may conflict with other rules or our practices. For example, federal, state and local regulation regarding privacy, data protection and information security has become more significant, and laws such as the CCPA may increase our costs of compliance. We cannot be sure that our practices have complied, comply or will comply fully with all such laws and regulations. The enactment of new laws and regulations or the interpretation of existing laws and regulations in an unfavorable way may affect the operation of our

business, directly or indirectly, which could result in substantial regulatory compliance costs, civil or criminal penalties, including fines, adverse publicity, decreased revenue and increased expenses.

It may be costly for us to comply with any of these laws or regulations, and any failure, or perceived failure, by us to comply with any of these laws or regulations could result in damage to our reputation, a loss in business and proceedings or actions against us by governmental entities or others. Any such proceeding or action could hurt our reputation, force us to spend significant amounts in defense of these proceedings, distract our management, increase our costs of doing business, decrease the use of our sites by customers and suppliers and result in the imposition of monetary liability. We also may be contractually liable to indemnify and hold harmless third parties from the costs or consequences of non-compliance with any such laws or regulations. Adverse legal or regulatory developments could substantially harm our business, our ability to attract new customers may be adversely affected, and we may not be able to maintain or grow our revenue and expand our business as anticipated. Any of the foregoing could have an adverse effect on our business, financial condition, and operating results.

If the security of the personal information that we or our vendors collect, store, use or process is compromised or is otherwise accessed without authorization, or if we fail to comply with our commitments, assurances or other obligations regarding the privacy and security of such information, our reputation may be harmed and we may be exposed to liability and loss of business.

Our platform allows for the storage and transmission of our customers' proprietary or confidential information, which may include personally identifiable information. We may use third-party service providers and subprocessors to help us deliver services, including payment services, to our customers. These vendors may store or process personal information or payment card information, on our behalf.

Cyberattacks and other malicious internet-based activity continue to increase. In addition to traditional computer "hackers," malicious code (such as viruses and worms), employee theft or misuse and denial-of-service attacks, sophisticated nation-state and nation-state supported actors now engage in attacks (including advanced persistent threat intrusions). We may also be the subject of phishing attacks, viruses, denial-of-service attacks, malware installation, server malfunction, software or hardware failures, loss of data or other computer assets, adware or other similar issues. While we have security measures in place designed to protect customer information and prevent data loss and other security breaches, there can be no assurance that our security measures or those of our third-party service providers that store or otherwise process certain of our and our customers' data on our behalf will be effective in protecting against unauthorized access to our platform or our or our customers' information, particularly given that our ability to monitor our third-party service providers' data security is limited. The techniques used to sabotage or to obtain unauthorized access to our platform, systems, networks or physical facilities in which data is stored or through which data is transmitted change frequently and often are not identified until they are launched against a target, and we may be unable to implement adequate preventative measures or stop security breaches while they are occurring. The recovery systems, security protocols, network protection mechanisms and other security measures that we have integrated into our platform, systems, networks and physical facilities, which are designed to protect against, detect and minimize security breaches, may not be adequate to prevent or detect service interruption, system failure or data loss. Our platform, systems, networks, and physical facilities could be breached or personal information could be otherwise compromised due to employee, contractor or customer error, negligence or malfeasance, if, for example, third parties attempt to fraudulently induce our employees, contractors or our customers to disclose information or user names or passwords, or otherwise compromise the security of our platform, networks, systems and physical facilities. Third parties may also exploit vulnerabilities in, or obtain unauthorized access to, platforms, systems, networks or physical facilities utilized by our vendors.

We are required to comply with laws, rules and regulations that require us to maintain the security of personal information. We have contractual and legal obligations to notify relevant stakeholders of security breaches. We operate in an industry that is prone to cyber-attacks. Failure to prevent or mitigate cyber-attacks could result in the unauthorized access to personal information. Most jurisdictions have enacted laws requiring companies to notify individuals, regulatory authorities, and others of security breaches involving certain types of data. In addition, our agreements with certain customers and partners may require us to notify them in the event of a security breach. Such mandatory disclosures are costly, could lead to negative publicity, may cause our customers to lose confidence in the effectiveness of our security measures and require us to expend significant capital and other resources to respond to or alleviate problems caused by the actual or perceived security breach.

A security breach may cause us to breach customer contracts. Our agreements with certain customers may require us to use industry-standard or reasonable measures to safeguard personal information. We also may be subject to laws that require us to use industry-standard or reasonable security measures to safeguard personal information. A security breach could lead to claims by our customers or other relevant stakeholders that we have failed to comply with such legal or contractual obligations. As a result, we could be subject to legal action or our customers could end their relationships with us. There can be no assurance that the limitations of liability in our contracts would be enforceable or adequate or would otherwise protect us from liabilities or damages.

Further, security compromises experienced by our customers with respect to data hosted on our platform, even if caused by the customer's own misuse or negligence, may lead to public disclosures, which could harm our reputation, erode customer confidence in the effectiveness of our security measures, negatively impact our ability to attract new customers, or cause existing customers to elect not to renew their subscriptions with us. We may be subject to indemnity demands, regulatory proceedings, audits, penalties or litigation based on our customers' misuse of our platform with respect to such sensitive information and defending against such litigation and otherwise addressing such matters may be expensive, cause distraction and result in us incurring liability, all of which may harm our business.

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

While we maintain general liability insurance coverage and coverage for errors or omissions, we cannot assure you that such coverage will be adequate or otherwise protect us from liabilities or damages with respect to claims alleging compromises of personal data or that such coverage will continue to be available on acceptable terms or at all. The successful assertion of one or more large claims against us that exceeds our available insurance coverage, or results in changes to our insurance policies (including premium increases or the imposition of large deductible or co-insurance requirements), could have an adverse effect on our business. In addition, we cannot be sure that our existing insurance coverage and coverage for errors and omissions will continue to be available on acceptable terms or that our insurers will not deny coverage as to any future claim.

Failure to adequately obtain, maintain, protect and enforce our intellectual property rights, including our technology and confidential information, could harm our business.

The protection of intellectual property, including our brand, technology, confidential information and other proprietary rights, is crucial to the success of our business. We rely on a combination of trademark, trade secret, patent, and copyright law, as well as contractual restrictions, to protect our intellectual property. While it is our policy to protect and defend our rights to our intellectual property, monitoring unauthorized use of our intellectual property is difficult and costly, and we cannot predict whether steps taken by us to protect our intellectual property will be adequate to prevent infringement, misappropriation, dilution or other violations of our intellectual property rights. We also cannot guarantee that any measures we take to protect our intellectual property will offer us any meaningful protection or competitive advantage, or that others will not reverse-engineer our technology or independently develop technology that has the same or similar functionality as our technology. Unauthorized parties may also attempt to copy or obtain and use our technology to develop competing solutions, and policing unauthorized use of our technology and intellectual property rights may be difficult and may not be effective. Any of our intellectual property rights could be challenged or invalidated, and any litigation to enforce or defend our intellectual property rights could be costly, divert attention of management and may not ultimately be resolved in our favor. Additionally, uncertainty may result from changes to intellectual property legislation and from interpretations of intellectual property laws by applicable courts and agencies.

As part of our efforts to protect our intellectual property, technology and confidential information, a majority of our employees and consultants have entered into confidentiality and assignment of inventions agreements, and we also require certain third parties to enter into nondisclosure agreements. However, we may fail to enter into such agreements with all applicable parties, and such agreements may also not effectively grant all necessary rights to any inventions that may have been developed by our employees and consultants. In addition, such agreements may not effectively prevent misappropriation or unauthorized use or disclosure of our trade secrets, confidential information, intellectual property or technology and may not provide an adequate remedy in the event of unauthorized use or disclosure of our trade secrets, confidential information, intellectual property or technology. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy aspects of our website features, software and functionality or obtain and use information that we consider proprietary. Changes in the law or adverse court rulings may also negatively affect our ability to prevent others from using our technology.

We are currently the registrant of various domain names. The regulation of domain names in the United States is subject to change. Regulatory bodies could establish additional top-level domains, appoint additional domain name registrars or modify the requirements for holding domain names. As a result, we may not be able to acquire or maintain domain names that are important for our business.

While software can, in some cases, be protected under copyright law, we have chosen not to register any copyrights in our proprietary software, and instead, primarily rely on unregistered copyrights to protect our proprietary software. In order to bring a copyright infringement lawsuit in the United States, the copyright must be registered. Accordingly, the remedies and damages available to us for unauthorized use of our software may be limited. Our trade secrets, know-how and other proprietary materials may be revealed to the public or our competitors or independently developed by our competitors and no longer provide protection for the related technology. Enforcing a claim that a third party illegally disclosed or obtained and is using any of our internally developed information or technology may be difficult, expensive and time-consuming, and the outcome is unpredictable. Furthermore, our trade secrets, know-how and other proprietary materials may be revealed to the public or our competitors or independently developed by our competitors and no longer provide protection for the related technology. Any of the foregoing could have an adverse effect on our business, financial condition, and operating results.

If we are not able to maintain, enhance and protect our reputation and brand recognition through the maintenance and protection of trademarks, our business will be harmed.

We have certain trademarks that are important to our business, such as the ACV Auctions trademark, the ACV Auctions logo and the True360 trademark. If we fail to adequately protect or enforce our rights under these trademarks, we may lose the ability to use those trademarks or to prevent others from using them, which could adversely harm our reputation and our business. While we have secured registration of several of our trademarks in the United States, and are actively seeking additional registrations in the United States and Canada, it is possible that others may assert senior rights to similar trademarks, in the United States and internationally, and seek to prevent our use and registration of our trademarks in certain jurisdictions. Our pending trademark or service mark applications may not result in such marks being registered, and we may not be able to use these trademarks or service marks to commercialize our technologies in the relevant jurisdictions.

Our registered or unregistered trademarks or service marks may be challenged, infringed, circumvented, diluted, declared generic, lapsed or determined to be infringing on or dilutive of other marks. We may not be able to protect our rights in these trademarks and service marks, which we need in order to build name recognition with partners and customers. If we are unable to establish name recognition based on our trademarks and service marks, we may not be able to compete effectively and our brand recognition, reputation, business, financial condition, and operating results may be adversely affected.

Third parties may initiate legal proceedings alleging that we are infringing, misappropriating or otherwise violating their intellectual property rights, the outcome of which would be uncertain and could have a material adverse effect on our business, financial condition and operating results.

Our commercial success depends on our ability to develop and commercialize our products and services and use our internally developed technology without infringing the intellectual property or proprietary rights of third parties. Intellectual property disputes can be costly to defend and may cause our business, operating results and financial condition to suffer. Whether merited or not, we, our partners or parties indemnified by us may face claims of infringement, misappropriation or other violation of third-party intellectual property that could interfere with our ability to market, promote and sell our brands, products and services. Such claims may be made by competitors seeking to obtain a competitive advantage or by other parties. Additionally, in recent years, individuals and groups have begun purchasing intellectual property assets for the purpose of making such claims and attempting to extract settlements from companies like ours. It may be necessary for us to initiate litigation to defend ourselves in order to determine the scope, enforceability, validity or ownership of third-party intellectual property or proprietary rights, or to establish our respective rights. We may not be able to successfully settle or otherwise resolve such adversarial proceedings or litigation. If we are unable to successfully settle future claims on terms acceptable to us we may be required to engage in or to continue claims, regardless of whether such claims have merit, that can be time-consuming, divert management's attention and financial resources and be costly to evaluate and defend. The result of any such litigation is difficult to predict and may require us to stop commercializing or using our technology, obtain licenses, modify our platform, services and technology while we develop non-infringing substitutes or incur substantial damages, settlement costs or face a temporary or permanent injunction prohibiting us from marketing or providing the affected products and services. If we require a third-party license, it may not be available on reasonable terms or at all, and we may have to pay substantial royalties and upfront or ongoing fees, or grant cross-licenses to our own intellectual property rights. Such licenses may also be non-exclusive, which could allow competitors and other parties to use the subject technology in competition with us. We may also have to redesign our platform, services and technology so they do not infringe, misappropriate or otherwise violate third-party intellectual property rights, which

may not be possible or may require substantial monetary expenditures and time, during which our technology may not be available for commercialization or use. Even if we have an agreement to indemnify us against such costs, the indemnifying party may be unable to uphold its contractual obligations. If we cannot or do not obtain a third-party license to the infringed technology at all, license the technology on reasonable terms or obtain similar technology from another source, our revenue and earnings could be adversely impacted.

From time to time, we may be subject to legal proceedings and claims in the ordinary course of business with respect to intellectual property. Some third parties may be able to sustain the costs of complex litigation more effectively than we can because they have substantially greater resources. Even if resolved in our favor, litigation or other legal proceedings relating to intellectual property claims may cause us to incur significant expenses, and could distract our technical and management personnel from their normal responsibilities. In addition, there could be public announcements of the results of hearings, motions or other interim proceedings or developments, and if securities analysts or investors perceive these results to be negative, it could have a material adverse effect on the price of our Class A common stock. Moreover, any uncertainties resulting from the initiation and continuation of any legal proceedings could have a material adverse effect on our ability to raise the funds necessary to continue our operations. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

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

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

In addition, while it is our policy to require our employees and contractors who may be involved in the creation or development of intellectual property on our behalf to execute agreements assigning such intellectual property to us, we may be unsuccessful in having all such employees and contractors execute such an agreement. The assignment of intellectual property may not be self-executing or the assignment agreement may be breached, and we may be forced to bring claims against third parties or defend claims that they may bring against us to determine the ownership of what we regard as our intellectual property. Any of the foregoing could have a material adverse effect on our business, financial condition and results of operations.

Our use of "open source" software could adversely affect our ability to offer our products and services and subject us to possible litigation.

We use open source software in connection with our products and services. Companies that incorporate open source software into their technologies have, from time to time, faced claims challenging the use of open source software, the ownership of software that such companies believed to be open source and/or compliance with open source license terms. As a result, we could be subject to suits by parties claiming ownership of what we believe to be open source software or claiming noncompliance with open source licensing terms. Some open source software licenses require users who distribute or make available across a network software and services that include open source software to publicly disclose all or part of the source code to such software and/or make available any

derivative works of the open source code, which could include valuable proprietary code, on unfavorable terms or at no cost. While we monitor the use of open source software and try to ensure that none is used in a manner that would require us to disclose our internally developed source code, including that of our platform, or that would otherwise breach the terms of an open source agreement, such use could inadvertently occur, in part because open source license terms are often ambiguous and may not have been tested in a court of law, resulting in a dearth of guidance regarding the proper legal interpretation of such licenses. In addition to risks related to license requirements, use of certain open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on the origin of software which, thus, may contain security vulnerabilities or infringing or broken code. Use of open source software may also present additional security risks because the public availability of such software may make it easier for hackers and other third parties to determine how to compromise our platform. Any of the foregoing, including a requirement to publicly disclose our internally developed source code or pay damages for breach of contract, could have a material adverse effect on our business, financial condition and results of operations and could help our competitors develop services that are similar to or better than ours.

We rely on third-party providers to perform payment-related services on our behalf, and the failure of such third-parties to adequately perform such services or comply with applicable laws could harm our business.

We rely on third-party service providers to perform services related to payment processing, identity verification and fraud analysis and detection. As a result, we are subject to a number of risks related to our dependence on third-party service providers. If any or some of these service providers fail to perform adequately or if any such service provider were to terminate or modify its relationship with us unexpectedly, it could negatively impact our buyers' ability to pay for some services, drive customers away from our services, result in potential legal liability or heightened risk, and harm our business. In addition, we and our third-party service providers may experience service outages from time to time that could adversely impact payments made on our platform. Additionally, any unexpected termination or modification of those third-party services could lead to a lapse in the effectiveness of certain fraud prevention and detection tools.

Our third-party service providers may increase the fees they charge us in the future, which would increase our operating expenses. This could, in turn, require us to increase the fees we charge to customers and cause some customers to reduce their use of our marketplace or to leave our platform altogether.

Payments are governed by complex and continuously evolving laws and regulations that are subject to change and vary across different jurisdictions in the United States. Any failure or claim of failure on our part or the part of our third-party service providers to comply with applicable laws and regulations relating to payments could require us to expend significant resources, result in liabilities, limit or preclude our ability to enter certain markets and harm our reputation.

Risks Related to Government Regulation and Litigation

We operate in highly regulated industries and either are or may be subject to a wide range of federal, state and local laws and regulations and our failure to comply with these laws and regulations may force us to change our operations or harm our business.

The industry in which we operate is and will continue to be subject to extensive U.S. federal, state and local laws and regulations. The wholesale, financing and transportation of used vehicles are regulated by the states in which we operate and by the U.S. federal government. These laws can vary

significantly from state to state. In addition, we are subject to regulations and laws specifically governing the internet and ecommerce and the collection, storage, processing, transfer and other use of personal information and other customer data. We are also subject to federal and state laws, such as the Equal Credit Opportunity Act and prohibitions against unfair or deceptive acts or practices. The federal governmental agencies that regulate our business and have the authority to enforce such regulations and laws against us include the U.S. Federal Trade Commission, the U.S. Department of Transportation, the U.S. Occupational Health and Safety Administration, the U.S. Department of Justice and the U.S. Federal Communications Commission. We are subject to regulation by individual state financial regulatory agencies. We also are subject to audit by such state regulatory authorities. Additionally, we may be subject to regulation by individual state dealer licensing authorities and state consumer protection agencies.

The wholesale sale of used vehicles through our platform and financing offerings may be subject to state and local licensing requirements. Despite our belief that we are not subject to the licensing requirements of such jurisdictions, regulators of jurisdictions in which our customers reside for which we do not have a dealer or financing license could require that we obtain a license or otherwise comply with various state regulations. Regulators may seek to impose punitive fines for operating without a license or demand we seek a license in those jurisdictions, any of which may inhibit our ability to do business in those jurisdictions, increase our operating expenses and adversely affect our financial condition and results of operations.

In addition to these laws and regulations, our facilities and business operations are subject to a wide array of federal, state and local laws and regulations relating to occupational health and safety, and other broadly applicable business regulations. We also are subject to laws and regulations involving taxes, privacy and data security, anti-spam, content protection, electronic contracts and communications, mobile communications, unencumbered internet access to our platform, the design and operation of websites and internet neutrality.

After the completion of this offering, we will also be subject to laws and regulations affecting public companies, including securities laws and exchange listing rules. The violation of any of these laws or regulations could result in administrative, civil or criminal penalties or in a cease-and-desist order against our business operations, any of which could damage our reputation and adversely affect our business. We have incurred and will continue to incur capital and operating expenses and other costs to comply with these laws and regulations.

The foregoing description of laws and regulations to which we are or may be subject is not exhaustive, and the regulatory framework governing our operations is subject to evolving interpretations and continuous change. Moreover, if we expand into additional jurisdictions, we will be subject to an increased variety of new and complex laws and regulations.

We are, and may in the future be, subject to legal proceedings in the ordinary course of our business. If the outcomes of these proceedings are adverse to us, it could have an adverse effect on our business.

We are subject to various litigation matters from time to time, the outcomes of which could harm our business. Claims arising out of actual or alleged violations of law could be asserted against us by individuals, either individually or through class actions, by governmental entities in civil or criminal investigations and proceedings or by other entities. These claims could be asserted under a variety of laws, including but not limited to intellectual property laws, privacy laws, labor and employment laws, securities laws and employee benefit laws. These actions could expose us to adverse publicity and to substantial monetary damages and legal defense costs, injunctive relief and criminal and civil fines and penalties, including but not limited to suspension or revocation of licenses to conduct business.

Furthermore, defending ourselves against these claims may require us to expend substantial financial resources and divert management's attention, which could adversely impact our business, results of operations and financial condition. See "Business—Legal Proceedings."

We may be limited in our ability to utilize, or may not be able to utilize, net operating loss carryforwards to reduce our future tax liability.

Our net operating loss carryforwards, or NOLs, and certain other tax attributes could expire unused and be unavailable to offset future income tax liabilities because of their limited duration or because of restrictions under U.S. tax law. Our NOLs generated in tax years beginning before January 1, 2018 are only permitted to be carried forward for 20 taxable years under applicable U.S. federal tax law. As of December 31, 2020, we had U.S. federal and state NOLs of $147.4 million and $118.2 million, respectively. Of the U.S. federal NOLs, $12.3 million will expire beginning in the year 2035 and $135.1 million will carry forward indefinitely.

Under the Tax Cuts and Jobs Act, or the Tax Act, federal NOLs generated in tax years beginning after December 31, 2017 may be carried forward indefinitely. Under the Coronavirus Aid, Relief, and Economic Security Act, or the CARES Act, NOLs arising in tax years beginning after December 31, 2017 and before January 1, 2021 may be carried back for five years prior to such loss. The deductibility of federal NOLs, particularly for tax years beginning after December 31, 2020, may be limited. It is uncertain if and to what extent various states will conform to the Tax Act or the CARES Act.

In addition, our NOLs and tax credit carryforwards are subject to limitations under the Internal Revenue Code of 1986, as amended, or the Code, and similar state tax laws as well as review and possible adjustment by the Internal Revenue Service and state tax authorities. Under Sections 382 and 383 of the Code, if a corporation undergoes an "ownership change" (generally defined as a cumulative change in the corporation's ownership by "5-percent stockholders" that exceeds 50 percentage points over a rolling three-year period), the corporation's ability to use its pre-change NOLs and certain other pre-change tax attributes to offset its post-change income and taxes may be limited. Similar rules may apply under state tax laws. We have not determined whether any such limitations apply to our business. If our ability to utilize those NOLs and tax credit carryforwards becomes limited by an "ownership change" as described above, it may not be able to utilize a material portion of our NOLs and certain other tax attributes, which could adversely affect our cash flows and results of operations.

Risks Related to Being a Public Company

We will incur increased costs as a result of operating as a public company, and our management will be required to devote substantial time to compliance with our public company responsibilities and corporate governance practices.

As a public company, we will incur significant finance, legal, accounting and other expenses, including director and officer liability insurance, that we did not incur as a private company, which we expect to further increase after we are no longer an "emerging growth company." The Sarbanes-Oxley Act, the Dodd-Frank Wall Street Reform and Consumer Protection Act, the listing requirements of The Nasdaq Stock Market, and other applicable securities rules and regulations impose various requirements on public companies. Our management and other personnel devote a substantial amount of time to compliance with these requirements. Moreover, these rules and regulations will increase our legal and financial compliance costs and will make some activities more time-consuming and costly. We cannot predict or estimate the amount of additional costs we will incur as a public company or the specific timing of such costs.

Pursuant to Section 404 of the Sarbanes-Oxley Act, or Section 404, we will be required to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting for the fiscal year ending December 31, 2022. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. 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 first annual report required to be filed with the Securities and Exchange Commission, or SEC, following the date we are no longer an emerging growth company. To prepare for eventual compliance with Section 404, we will be engaged in a 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 currently do not have an internal audit group, and 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.

We previously identified a material weakness in our internal control over financial reporting, and if we are unable to achieve and maintain effective internal control over financial reporting, the accuracy and timing of our financial reporting may be adversely affected.

Prior to this offering, we were a private company with limited accounting personnel and other resources with which to address our internal controls and procedures. In connection with the audit of our financial statements for the year ended December 31, 2018, we identified a material weakness in our internal control over financial reporting. A “material weakness” is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of our annual or interim financial statements will not be prevented or detected on a timely basis.

We determined that we had a material weakness due to the misapplication of generally accepted accounting principles, or GAAP, in the United States as it relates to revenue recognition for our Go Green assurance offering and certain stock-based compensation charges associated with deemed employee compensation in connection with a secondary offering. As a result, there were certain post-close adjustments that were required that were material to the 2018 financial statements. To address this material weakness, we hired our Chief Financial Officer and additional accounting personnel, implemented process level and management review controls and consulted third-party service providers to assist with certain technical accounting matters.

We can give no assurance that this material weakness will not reoccur or that additional material weaknesses in our internal control over financial reporting will not be identified in the future. Our failure to implement and maintain effective internal control over financial reporting could result in errors in our financial statements that could result in a restatement of our financial statements, cause us to fail to meet our reporting obligations.

As a public company, we will be required to further design, document and test our internal controls over financial reporting to comply with Section 404. We cannot be certain that additional material weaknesses and control deficiencies will not be discovered in the future. If material weaknesses or control deficiencies occur in the future, we may be unable to report our financial results accurately on a timely basis or help prevent fraud, which could cause our reported financial results to be materially misstated and result in the loss of investor confidence or delisting and cause the market price of our common stock to decline. If we have material weaknesses in the future, it could affect the financial results that we report or create a perception that those financial results do not fairly state our

financial position or results of operations. Either of those events could have an adverse effect on the value of our common stock.

Further, even if we conclude that our internal control over financial reporting provides reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with GAAP, because of its inherent limitations, internal control over financial reporting may not prevent or detect fraud or misstatements. Failure to implement required new or improved controls, or difficulties encountered in their implementation, could harm our results of operations or cause us to fail to meet our future reporting obligations.

We are an "emerging growth company," and we cannot be certain if the reduced reporting and disclosure requirements applicable to emerging growth companies will make our Class A common stock less attractive to investors.

We are an "emerging growth company," as defined in the JOBS Act, and we may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not "emerging growth companies," including the auditor attestation requirements of Section 404, reduced disclosure obligations regarding executive compensation in our periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and stockholder approval of any golden parachute payments not previously approved. Pursuant to Section 107 of the JOBS Act, as an emerging growth company, we have elected to use the extended transition period for complying with new or revised accounting standards until those standards would otherwise apply to private companies. As a result, our consolidated financial statements may not be comparable to the financial statements of issuers who are required to comply with the effective dates for new or revised accounting standards that are applicable to public companies, which may make our Class A common stock less attractive to investors. In addition, if we cease to be an emerging growth company, we will no longer be able to use the extended transition period for complying with new or revised accounting standards.

We will remain an emerging growth company until the earliest of: (1) the last day of the fiscal year following the fifth anniversary of this offering; (2) the last day of the first fiscal year in which our annual gross revenue is $1.07 billion or more; (3) the date on which we have, during the previous rolling three-year period, issued more than $1 billion in non-convertible debt securities; and (4) the last day of the fiscal year in which the market value of our Class A common stock held by non-affiliates exceeded $700 million as of June 30 of such fiscal year.

We cannot predict if investors will find our Class A common stock less attractive if we choose to rely on these exemptions. For example, if we do not adopt a new or revised accounting standard, our future results of operations may not be as comparable to the results of operations of certain other companies in our industry that adopted such standards. If some investors find our Class A common stock less attractive as a result, there may be a less active trading market for our Class A common stock, and our stock price may be more volatile.

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

The dual class structure of our common stock will have the effect of concentrating voting control with our executive officers, directors and their affiliates, which will limit your ability to influence the outcome of important decisions.

Our Class B common stock has ten votes per share and our Class A common stock, which is the stock we are offering in this offering, has one vote per share. Our existing stockholders, all of which

hold shares of Class B common stock, will collectively beneficially own shares representing approximately % of the voting power of our outstanding capital stock following the completion of this offering. Our directors and executive officers and their affiliates will collectively beneficially own, in the aggregate, shares representing approximately % of the voting power of our outstanding capital stock immediately following the completion of this offering (or % if the underwriters' option to purchase additional shares of Class A common stock from the selling stockholders to cover over-allotments is exercised in full), based on the number of shares outstanding as of December 31, 2020 and without giving effect to any purchases that these holders may make through our directed share program or otherwise in this offering. As a result, the holders of our Class B common stock will be able to exercise considerable influence over matters requiring stockholder approval, including the election of directors and approval of significant corporate transactions, such as a merger or other sale of our company or our assets, even if their stock holdings represent less than 50% of the aggregate outstanding shares of our capital stock. This concentration of ownership will limit the ability of other stockholders to influence corporate matters and may cause us to make strategic decisions that could involve risks to you or that may not be aligned with your interests. This control may adversely affect the market price of our Class A common stock.

Further, future transfers by holders of our Class B common stock will generally result in those shares converting into shares of our Class A common stock, subject to limited exceptions, such as certain transfers effected for tax or estate planning purposes. The conversion of shares of our Class B common stock into shares of our Class A common stock will have the effect, over time, of increasing the relative voting power of those holders of Class B common stock who retain their shares in the long term.

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

We cannot predict whether our dual class structure, combined with the concentrated control of our stockholders who held our capital stock prior to the completion of this offering, including our executive officers, employees and directors and their affiliates, will result in a lower or more volatile market price of our Class A common stock or in adverse publicity or other adverse consequences. For example, certain index providers have announced restrictions on including companies with multiple class share structures in certain of their indexes. In July 2017, FTSE Russell and Standard & Poor's announced that they would cease to allow most newly public companies utilizing dual or multi-class capital structures to be included in their indices. Under the announced policies, our dual class capital structure would make us ineligible for inclusion in any of these indices. Given the sustained flow of investment funds into passive strategies that seek to track certain indexes, exclusion from stock indexes would likely preclude investment by many of these funds and could make our Class A common stock less attractive to other investors. As a result, the market price of our Class A common stock could be adversely affected.

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

We will have broad discretion in the application of the net proceeds that we receive from this offering, 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, our ultimate use may vary substantially from our currently intended use. Investors will need to rely upon the judgment of our management with respect to the use of such proceeds. Pending use, we may invest the net proceeds that we receive from this offering in short-term, investment-grade, interest-bearing securities, such as money market accounts, certificates of deposit, commercial paper, and guaranteed obligations of the U.S. government 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, results of operations and financial condition could be harmed, and the market price of our Class A common stock could decline.

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

The initial public offering price of our Class A 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 Class A common stock in this offering, you will suffer immediate dilution of $ per share, representing the difference between our pro forma as adjusted net tangible book value per share after giving effect to the sale of Class A common stock in this offering and the initial public offering price of $ per share, which is the midpoint of the price range set forth on the cover of this prospectus. See the section titled "Dilution."

Our stock price may be volatile, and the value of our Class A common stock may decline.

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

- actual or anticipated fluctuations in our financial condition or results of operations;
- variance in our financial performance from expectations of securities analysts;
- changes in our projected operating and financial results;
- announcements by us or our competitors of significant business developments, acquisitions, or new offerings;
- announcements or concerns regarding real or perceived quality or health issues with our products or similar products of our competitors;
- adoption of new regulations applicable to the food industry or the expectations concerning future regulatory developments;
- our involvement in litigation;
- future sales of our Class A common stock by us or our stockholders, as well as the anticipation of lock-up releases;
- changes in senior management or key personnel;
- the trading volume of our Class A common stock;
- changes in the anticipated future size and growth rate of our market; and
- general economic and market conditions.

Broad market and industry fluctuations, as well as general economic, political, regulatory, and market conditions, may also negatively impact the market price of our Class A common stock.

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

No public market for our Class A common stock currently exists. An active public trading market for our Class A common stock may not develop following the completion of this offering or, if developed, it may not be sustained. The lack of an active market may impair your ability to sell your

shares at the time you wish to sell them or at a price that you consider reasonable. The lack of an active market may also reduce the fair value of your shares. An inactive market may also impair our ability to raise capital to continue to fund operations by selling shares and may impair our ability to acquire other companies by using our shares as consideration.

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

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

All of our directors and officers, the selling stockholders and the holders of substantially all of our stock and securities convertible into our capital stock are subject to lock-up agreements that restrict their ability to offer, sell, contract to sell, pledge, grant any option to purchase, make any short sale or otherwise dispose of any of our shares of common stock, any options or warrants to purchase any of our shares of common stock or any securities convertible into or exchangeable for or that represent the right to receive shares of our common stock for 180 days from the date of this prospectus, or the restricted period, subject to certain exceptions; provided that such restricted period will end with respect to 25% of the shares subject to each lock-up agreement if at any time after we have filed our first quarterly report on Form 10-Q, the last reported closing price of our Class A common stock is at least 33% greater than the initial public offering price of our Class A common stock for 10 out of any 15 consecutive trading days ending on or after the date of the filing of our first quarterly report on Form 10-Q; and provided further that if such release were to occur within nine trading days of a regularly scheduled trading black-out period, the above referenced early expiration period will instead be the second trading day immediately following the expiration of such trading black-out period. In addition, with respect to shares not released as a result of such early release, if 180 days after the date of this prospectus occurs within nine trading days of a regularly scheduled trading black-out period, the restricted period will expire on the tenth trading day immediately preceding the commencement of such trading black-out period. Goldman Sachs & Co. LLC may, in its sole discretion, permit our stockholders who are subject to these lock-up agreements to sell shares prior to the expiration of the lock-up agreements, subject to applicable notice requirements. If not earlier released, all of the shares of Class A common stock sold in this offering will become eligible for sale upon expiration of the 180th day lock-up period, except for any shares held by our affiliates as defined in Rule 144 under the Securities Act of 1933, or the Securities Act.

In addition, there were 19,866,836 shares of Class B common stock issuable upon the exercise of options and 500,000 shares of Class B common stock issuable upon the vesting of restricted stock units, or RSUs, outstanding as of December 31, 2020. We intend to register all of the shares of Class A common stock and Class B common stock issuable upon exercise or vesting of outstanding options or RSUs, respectively, or other equity incentives we may grant in the future, for public resale under the Securities Act. The shares of Class A common stock will become eligible for sale in the public market to the extent such options are exercised, subject to the lock-up agreements described above and compliance with applicable securities laws.

Further, based on shares outstanding as of December 31, 2020, holders of approximately shares, or % of our capital stock after the completion of this offering, will have rights,

subject to some conditions, 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.

Our issuance of additional capital stock in connection with financings, acquisitions, investments, our equity incentive plans or otherwise will dilute all other stockholders.

We expect to issue additional capital stock in the future that will result in dilution to all other stockholders. We expect to grant equity awards to employees, directors and consultants under our equity incentive plans. We may also raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in companies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our Class A common stock to decline.

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

The market price and trading volume of our Class A common stock following the completion of this offering will be heavily influenced by the way analysts interpret our financial information and other disclosures. We do not have control over these analysts. If few securities analysts commence coverage of us, or if industry analysts cease coverage of us, our stock price would be negatively affected. If securities or industry analysts do not publish research or reports about our business, downgrade our Class A common stock, or publish negative reports about our business, our stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our Class A common stock could decrease, which might cause our stock price to decline and could decrease the trading volume of our Class A common stock.

We do not intend to pay dividends for the foreseeable future and, as a result, your ability to achieve a return on your investment will depend on appreciation in the price of our Class A common stock.

While we have previously paid cash dividends on our capital stock, we do not intend to pay any cash dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our board of directors. Accordingly, you may need to rely on sales of our Class A common stock after price appreciation, which may never occur, as the only way to realize any future gains on your investment.

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

Provisions in our amended and restated certificate of incorporation and amended and restated bylaws, as they will be in effect upon the completion of this offering, may have the effect of delaying or preventing a change of control or changes in our management. Our amended and restated certificate of incorporation and amended and restated bylaws will include provisions that:

- authorize our board of directors to issue, without further action by the stockholders, shares of undesignated preferred stock with terms, rights, and preferences determined by our board of directors that may be senior to our Class A common stock;
- require that any action to be taken by our stockholders be effected at a duly called annual or special meeting and not by written consent;

- specify that special meetings of our stockholders can be called only by our board of directors, the chairperson of our board of directors, or our chief executive officer;
- establish an advance notice procedure for stockholder proposals to be brought before an annual meeting, including proposed nominations of persons for election to our board of directors;
- establish that our board of directors is divided into three classes, with each class serving three-year staggered terms;
- prohibit cumulative voting in the election of directors;
- provide that our directors may be removed for cause only upon the vote of at least 66 2⁄3% of our outstanding shares of voting stock;
- provide that vacancies on our board of directors may be filled only by a majority of directors then in office, even though less than a quorum; and
- require the approval of our board of directors or the holders of at least 66 2⁄3% of our outstanding shares of voting stock to amend our bylaws and certain provisions of our certificate of incorporation.

These provisions may frustrate or prevent any attempts by our stockholders to replace or remove our current management by making it more difficult for stockholders to replace members of our board of directors, which is responsible for appointing the members of our management. In addition, because we are incorporated in Delaware, we are governed by the provisions of Section 203 of the Delaware General Corporation Law, which generally, subject to certain exceptions, prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any "interested" stockholder for a period of three years following the date on which the stockholder became an "interested" stockholder. Any of the foregoing provisions could limit the price that investors might be willing to pay in the future for shares of our Class A common stock, and they could deter potential acquirers of our company, thereby reducing the likelihood that you would receive a premium for your shares of our Class A common stock in an acquisition.

Our amended and restated certificate of incorporation provides 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 upon the completion 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 claim or cause of action brought on our behalf;
- any claim or cause of action asserting a breach of fiduciary duty;
- any claim or cause of action against us arising under the Delaware General Corporation Law;
- any claim or cause of action arising under or seeking to interpret our amended and restated certificate of incorporation, or our amended and restated bylaws; and
- any claim or cause of action against us that is governed by the internal affairs doctrine.

The provisions would not apply to suits brought to enforce a duty or liability created by the Securities Exchange Act of 1934, 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 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 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.

While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions. In such instance, we would expect to vigorously assert the validity and enforceability of the exclusive forum provisions of our amended and restated certificate of incorporation. This may require significant additional costs associated with resolving such action in other jurisdictions and there can be no assurance that the provisions will be enforced by a court in those other jurisdictions.

These exclusive forum provisions may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, or other employees, which may discourage lawsuits against us and our directors, officers and other employees. If a court were to find either exclusive-forum provision in our amended and restated certificate of incorporation to be inapplicable or unenforceable in an action, we may incur further significant additional costs associated with resolving the dispute in other jurisdictions, all of which could seriously harm our business.

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,” “will” or “would” or the negative of these words or other similar terms or expressions. These forward-looking statements include, but are not limited to, statements concerning the following:

- our expectations regarding our revenue, cost of revenue, operating expenses and other operating results, including our key metrics;
- our ability to effectively manage our growth;
- our ability to grow the number of Marketplace Participants on our platform;
- our ability to acquire new customers and successfully retain existing customers and capture a greater share of wholesale transactions from our existing customers;
- our ability to increase usage of our platform and generate revenue from our value-added services;
- anticipated trends, growth rates, and challenges in our business and in the markets in which we operate;
- our ability to achieve or sustain our profitability;
- future investments in our business, our anticipated capital expenditures and our estimates regarding our capital requirements;
- the costs and success of our marketing efforts, and our ability to promote our brand;
- our reliance on key personnel and our ability to identify, recruit and retain skilled personnel;
- our ability to obtain, maintain, protect and enforce our intellectual property rights and any costs associated therewith;
- the effect of COVID-19 or other public health crises on our business and the global economy;
- our ability to compete effectively with existing competitors and new market entrants;
- our ability to expand internationally;
- our ability to identify and complete acquisitions that complement and expand our reach and platform;
- 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 other jurisdictions where we elect to do business; and
- the growth rates of the markets in which we compete.

You should not rely on forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this prospectus primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition and operating results. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled “Risk

Factors" and elsewhere in this prospectus. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time, and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this prospectus. The results, events and circumstances reflected in the forward-looking statements may not be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

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

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

MARKET, INDUSTRY AND OTHER DATA

This prospectus contains statistical data, estimates and forecasts that are based on independent industry publications or other publicly available information, as well as other information based on our internal sources. While we believe the industry and market data included in this prospectus are reliable and are based on reasonable assumptions, these data involve many assumptions and limitations, and you are cautioned not to give undue weight to these estimates. We have not independently verified the accuracy or completeness of the data contained in these industry publications and other publicly available information. 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 sections titled “Risk Factors” and “Special Note Regarding Forward-Looking Statements.” Among other items, certain of the market research included in this prospectus was published prior to the outbreak of the COVID-19 pandemic and did not anticipate the virus or the impact it has caused on our industry. We have utilized this pre-pandemic market research in the absence of updated sources. These and other factors could cause results to differ materially from those expressed in the projections and estimates made by the independent third parties and us.

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

- Automotive News, Top 100 Retailers Ranked by Used-Vehicle Sales, April 2019;
- Bureau of Transportation Statistics, New and Used Passenger Car Sales and Leases, December 2019;
- Cox Automotive, Industry Insights 2021;
- Hedges & Company, U.S. Vehicle Registration Statistics, November 2020;
- IAA, Investor Presentation, November 2020;
- iSeeCars, Used Car Sales Study, 2020;
- J.D. Power, COVID-19 Used Update, May 2020;
- J.D. Power Valuation Services, June 2020;
- Manheim, Used Car Market Report, 2017;
- National Automobile Dealers Association, Average Dealership Profile, 2019;
- National Automobile Dealers Association, Mid Year Report, 2020;
- National Independent Automobile Dealers Association, Used Car Industry Report, 2019;
- National Independent Automobile Dealers Association, Used Car Industry Report, 2020; and
- Technavio, Global Used Car Market 2020–2024, U.S. Used Car Market 2020–2024.

Certain statistical information in this prospectus is also based on a 2020 survey we conducted of independent and franchise dealers, which we refer to as our 2020 ACV Survey. Each of the dealers was, at the time of response, a user of our platform and services.

Unless otherwise noted, in this prospectus we cite a source the first time a statement relying upon that source is made, and do not include citations subsequently when that statement is repeated.

USE OF PROCEEDS

We estimate that we will receive net proceeds from this offering of approximately $ million based on an assumed initial public offering price of $ per share of Class A common stock, the midpoint of the estimated price range set forth on the cover page of this prospectus, after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us. We will not receive any of the proceeds from the sale of Class A common stock in this offering by the selling stockholders identified in this prospectus in the event that the underwriters exercise their option to purchase additional shares.

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share of Class A common stock, the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1,000,000 shares in the number of shares of Class A common stock offered by us would increase (decrease) the net proceeds to us from this offering by approximately $ million, assuming the assumed initial public offering price of $ per share of Class A common stock remains the same, and after deducting estimated underwriting discounts and commissions.

The principal purposes of this offering are to increase our capitalization and financial flexibility, create a public market for our Class A common stock and facilitate our future access to the capital markets. As of the date of this prospectus, we cannot specify with certainty all of the particular uses for the net proceeds we receive from this offering. However, we currently intend to use the net proceeds we receive from this offering for general corporate purposes, including working capital, operating expenses and capital expenditures. We may also use a portion of the net proceeds we receive from this offering to acquire complementary businesses, products, services or technologies. However, we do not have agreements or commitments to enter into any acquisitions at this time.

We will have broad discretion over how to use the net proceeds we receive from this offering. We intend to invest the net proceeds we receive from this offering that are not used as described above in investment-grade, interest-bearing instruments.

DIVIDEND POLICY

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

CAPITALIZATION

The following table sets forth our cash and cash equivalents and capitalization as of December 31, 2020:

- on an actual basis;
- on a pro forma basis, giving effect to (1) the reclassification of our common stock into an equal number of shares of Class B common stock, (2) the automatic conversion of all outstanding shares of convertible preferred stock into an aggregate of 230,538,501 shares of Class B common stock and (3) the filing and effectiveness of our amended and restated certificate of incorporation, each of which will occur immediately prior to the completion of this offering; and
- on a pro forma as adjusted basis, giving effect to (1) the pro forma adjustments described above and (2) our receipt of $ million in estimated net proceeds from the sale of shares of Class A common stock that we are offering at an assumed initial public offering price of $ per share, the midpoint of the price range set forth on the cover page of this prospectus, after deducting the estimated underwriting discounts and commissions and estimated offering expenses payable by us.

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

	December 31, 2020		
	Actual	Pro Forma	Pro Forma As Adjusted
	(in thousands, except share and per share amounts)		
Cash and cash equivalents	$ 233,725	$ 233,725	$
Convertible preferred stock, $0.001 par value, 230,538,501 shares authorized, 230,538,501 shares issued and outstanding, actual, and no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	366,332		
Stockholders’ (deficit) equity:			
Preferred stock, $0.001 par value, no shares authorized, issued, and outstanding, actual, and shares authorized, no shares issued and outstanding, pro forma and pro forma as adjusted	—		
Common stock, $0.001 par value, 311,100,000 authorized, 44,664,118 shares issued and outstanding, actual, and no shares authorized, issued and outstanding, pro forma and pro forma as adjusted	45		
Class A common stock, $0.001 par value, no shares authorized, issued and outstanding, actual, shares authorized and no shares issued and outstanding, pro forma, shares authorized and shares issued and outstanding, pro forma as adjusted	—		
Class B common stock, $0.001 par value, no shares authorized, issued and outstanding, actual, shares authorized and shares issued and outstanding, pro forma and pro forma as adjusted	—		
Additional paid-in capital	27,299		
Accumulated deficit	(166,979)		
Accumulated other comprehensive loss	(57)		
Total stockholders’ (deficit) equity	$ (139,692)	$	$
Total capitalization	$ 226,640	$	$

A $1.00 increase (decrease) in the assumed initial public offering price of $ per share of Class A common stock, the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) each of our pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' (deficit) equity and total capitalization by approximately $ million, assuming the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1,000,000 shares in the number of shares of Class A common stock offered by us would increase (decrease) each of our pro forma as adjusted cash and cash equivalents, additional paid-in capital, total stockholders' (deficit) equity and total capitalization by approximately $ million, assuming the assumed initial public offering price of $ per share of Class A common stock remains the same, and after deducting estimated underwriting discounts and commissions.

The number of shares of Class A common stock and Class B common stock that will be outstanding after this offering is based on no shares of Class A common stock outstanding and 275,202,619 shares of Class B common stock outstanding as of December 31, 2020, and excludes:

- 19,866,836 shares of Class B common stock issuable on the exercise of stock options outstanding as of December 31, 2020 under our 2015 Plan, with a weighted-average exercise price of $1.08 per share;
- 1,267,400 shares of Class B common stock issuable on the exercise of stock options granted subsequent to December 31, 2020 under our 2015 Plan, with a weighted-average exercise price of $4.05 per share;
- 500,000 shares of Class B common stock issuable upon the vesting and settlement of RSUs outstanding as of December 31, 2020 under our 2015 Plan;
- 3,792,472 shares of Class B common stock issuable upon the vesting and settlement of RSUs granted subsequent to December 31, 2020 under our 2015 Plan;
- shares of Class A common stock reserved for future issuance under our 2021 Plan, plus any future increases in the number of shares of Class A common stock reserved for issuance thereunder, as more fully described in the section titled "Executive Compensation—Employee Benefit Plans"; and
- shares of Class A common stock reserved for issuance under our ESPP, plus any future increases in the number of shares of Class A common stock reserved for issuance thereunder, as more fully described in the section titled "Executive Compensation—Employee Benefit Plans."

DILUTION

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

Our pro forma net tangible book value as of December 31, 2020 was $ million, or $ per share of common stock. Our 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 our shares of common stock outstanding as of December 31, 2020, after giving effect to the automatic conversion of all outstanding shares of convertible preferred stock into an aggregate of 230,538,501 shares of Class B common stock immediately prior to the completion of this offering.

After giving effect to the sale by us of shares of Class A common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, and after deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us, our pro forma as adjusted net tangible book value as of December 31, 2020 would have been $ million, or $ per share. This amount represents an immediate increase in pro forma as adjusted net tangible book value of $ per share to our existing stockholders and an immediate dilution of $ per share to new investors purchasing Class A common stock in this offering. We determine dilution by subtracting the pro forma as adjusted net tangible book value per share after this offering from the initial public offering price per share paid by investors purchasing Class A common stock in this offering. The following table illustrates this dilution on a per share basis:

Assumed initial public offering price per share		$
Historical net tangible book value per share as of December 31, 2020		
Increase per share attributable to the pro forma adjustments described above		
Pro forma net tangible book value per share as of December 31, 2020	$	
Increase in pro forma as adjusted net tangible book value per share attributable to new investors purchasing shares in this offering		
Pro forma as adjusted net tangible book value per share after giving effect to this offering		
Dilution per share to new investors in this offering		$

The dilution information discussed above is illustrative only and may change based on the actual initial public offering price and other terms of this offering. A $1.00 increase (decrease) in the assumed initial public offering price of $ per share of Class A common stock, the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) our pro forma as adjusted net tangible book value per share after this offering by $ per share and increase (decrease) the immediate dilution to new investors by $ per share, in each case assuming the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same, and after deducting estimated underwriting discounts and commissions. Similarly, each increase of 1,000,000 shares in the number of shares of Class A common stock offered by us would increase our pro forma as adjusted net tangible book value by approximately $ per share and decrease the dilution to new investors by approximately $ per share, and each decrease of 1,000,000 shares in the number of shares of Class A common stock offered by us would decrease our pro forma as adjusted net tangible book value by approximately $ per share and increase the dilution to new investors by approximately $ per share, in each case assuming the assumed initial public offering price of $ per share of Class A common stock remains the same, and after deducting estimated underwriting discounts and commissions.

The following table summarizes, as of December 31, 2020, on a pro forma as adjusted basis as described above, the number of shares of our Class A common stock, the total consideration and the average price per share (1) paid to us by existing stockholders and (2) to be paid by new investors acquiring our Class A common stock in this offering at an assumed initial public offering price of $ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, before deducting estimated underwriting discounts and commissions and estimated offering expenses payable by us.

	Shares Purchased		Total Consideration		Average Price Per Share
	Number	Percent	Amount	Percent	
Existing stockholders		%		%	$
New investors					
Totals		100.0%	$	100.0%	

Each $1.00 increase (decrease) in the assumed initial public offering price of $ per share, the midpoint of the estimated price range set forth on the cover page of this prospectus, would increase (decrease) the total consideration paid by new investors and total consideration paid by all stockholders by approximately $ million, assuming that the number of shares of Class A common stock offered by us, as set forth on the cover page of this prospectus, remains the same and after deducting estimated underwriting discounts and commissions. Similarly, each increase (decrease) of 1,000,000 shares in the number of shares of Class A common stock offered by us would increase (decrease) the total consideration paid by new investors and total consideration paid by all stockholders by $ million, assuming the assumed initial public offering price of $ per share of Class A common stock remains the same, and after deducting estimated underwriting discounts and commissions.

The number of shares of Class A common stock and Class B common stock that will be outstanding after this offering is based on no shares of Class A common stock and 275,202,619 shares of Class B common stock outstanding as of December 31, 2020, and excludes:

- 19,866,836 shares of Class B common stock issuable on the exercise of stock options outstanding as of December 31, 2020 under our 2015 Plan, with a weighted-average exercise price of $1.08 per share;
- 1,267,400 shares of Class B common stock issuable on the exercise of stock options granted subsequent to December 31, 2020 under our 2015 Plan, with a weighted-average exercise price of $4.05 per share;
- 500,000 shares of Class B common stock issuable upon the vesting and settlement of RSUs outstanding as of December 31, 2020 under our 2015 Plan;
- 3,792,472 shares of Class B common stock issuable upon the vesting and settlement of RSUs granted subsequent to December 31, 2020 under our 2015 Plan;
- shares of Class A common stock reserved for future issuance under our 2021 Plan, plus any future increases in the number of shares of Class A common stock reserved for issuance thereunder, as more fully described in the section titled “Executive Compensation—Employee Benefit Plans”; and
- shares of Class A common stock reserved for issuance under our ESPP, plus any future increases in the number of shares of Class A common stock reserved for issuance thereunder, as more fully described in the section titled “Executive Compensation—Employee Benefit Plans.”

To the extent that any outstanding options or RSUs are exercised or settled, respectively, or new options or RSUs are issued under our stock-based compensation plans, or that we issue additional shares of capital stock in the future, there will be further dilution to investors participating in this offering. If all outstanding options and RSUs under our 2015 Plan as of December 31, 2020 were exercised or settled, respectively, then our existing stockholders, including the holders of these options and RSUs, would own %, and our new investors would own %, of the total number of shares of our capital stock outstanding following the completion of this offering.

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 the related notes and other financial information included elsewhere in this prospectus. Some of the information contained in this discussion and analysis or set forth elsewhere in this prospectus, including information with respect to our plans and strategy for our business, includes forward-looking statements that involve risks and uncertainties. You should review the "Risk Factors" section of this prospectus for a discussion of important factors that could cause actual results to differ materially from the results described in or implied by the forward-looking statements contained in the following discussion and analysis.

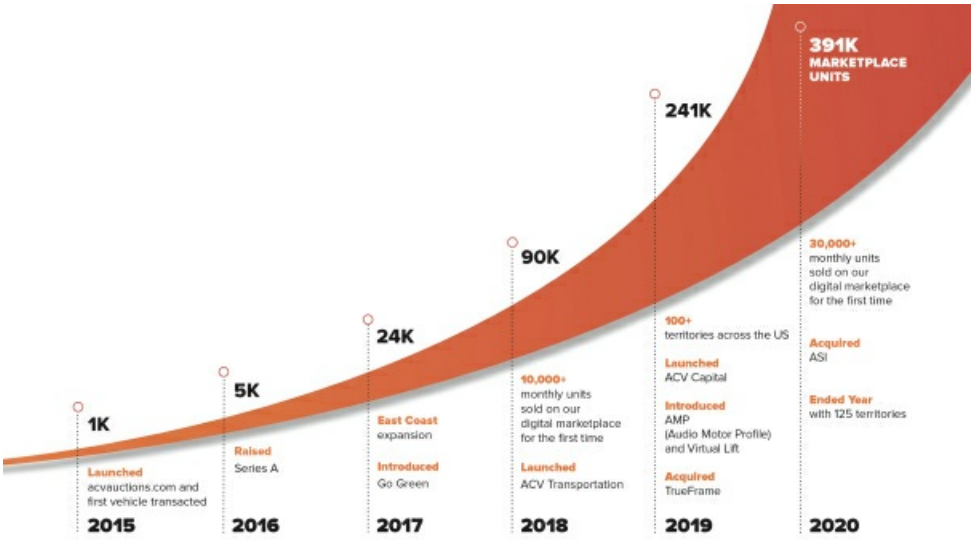
Overview

Our mission is to build and enable the most trusted and efficient digital marketplace for buying and selling used vehicles with transparency and comprehensive data that was previously unimaginable.

We provide a highly efficient and vibrant digital marketplace for wholesale vehicle transactions and data services that offer transparent and accurate vehicle information to our customers. Our platform leverages data insights and technology to power our digital marketplace and data services, enabling our dealers and commercial partners to buy, sell, and value vehicles with confidence and efficiency. We strive to solve the challenges that the used automotive industry has faced for generations and provide powerful technology-enabled capabilities to our dealers and commercial partners who fulfill a critical role in the automotive ecosystem. Since inception, we have facilitated over 750,000 wholesale transactions between over 21,000 of our dealers and commercial partners. We help dealers source and manage inventory and accurately price their vehicles as well as process payments, transfer titles, manage arbitrations, and finance and transport vehicles. Our platform encompasses:

- ***Digital Marketplace*.** Connects buyers and sellers of wholesale vehicles in an intuitive and efficient manner. Our core marketplace offering is a 20-minute live auction, which facilitates instant transactions of wholesale vehicles, and is available across multiple platforms including mobile apps, desktop, and directly through API integration. We also offer transportation and financing services to facilitate the entire transaction journey.
- ***Data Services*.** Offer insights into the condition and value of used vehicles for transactions both on and off our marketplace and help dealers, their end consumers, and commercial partners make more informed decisions and transact with confidence and efficiency.
- ***Data and Technology*.** Underpins everything we do, and powers our vehicle inspections, comprehensive vehicle intelligence reports, digital marketplace, and operations automation.

Since first going live with our offering in 2015, we have expanded from our first territory in Buffalo, New York to 125 territories as of December 31, 2020. As we have expanded our geographic footprint, our marketplace has scaled significantly, with Marketplace GMV growing from $22.9 million to $3.3 billion and Marketplace Participants from 4,995 to 16,215 between 2016 and 2020, respectively. See the section titled "—Key Operating and Financial Metrics" for additional information on Marketplace GMV and Marketplace Units.



We have historically generated the majority of our revenue from our digital marketplace where we earn auction and ancillary fees from both buyers and sellers in each case only upon a successful auction. Buyer auction fees are variable based on the price of the vehicle, while seller auction fees include a fixed auction fee and an optional fee for the elective condition report associated with the vehicle. We also earn ancillary fees through additional value-added services to buyers and sellers in connection with the auction. These value-added services currently include:

- ***ACV Transportation.*** Through our nationwide network of carrier partners, our technology platform, and dedicated service teams, we move vehicles both locally and long-haul in a cost efficient and timely manner.
- ***ACV Capital.*** We offer short-term inventory financing for buyers to purchase vehicles on our digital marketplace. Our financing product includes straightforward pricing, allowing our customers to know their inventory costs upfront.
- ***Go Green.*** We provide the seller with an assurance against claims related to defects in the vehicle that we did not identify in our condition report and otherwise may have exposed the seller to loss as a result of arbitration with the buyer.

For ACV Transportation, we earn a fee from the buyer that varies depending on the distance traveled for the vehicle transported. For ACV Capital, our fee varies based on the amount and term of the inventory financing provided to the buyer. We charge a fixed fee for our Go Green assurance on a per vehicle basis if the seller is enrolled in the service.

We continue to innovate and build on our platform to provide a full suite of offerings for dealers and commercial consignors in the used vehicle market. In 2019, we began to generate data services revenue through our True360 Reports, which expanded our proprietary, vehicle specific intelligence, including cosmetic and structural assessments and vehicle history. We charge a fixed fee for True360 Reports on a per vehicle basis. Dealers utilize our True360 Reports to make wholesale and retail transaction decisions with confidence both on and off our marketplace. In 2020, through our acquisition of ASI, we extended this offering to serve commercial partners as well who use True360 Reports to better price and sell their used vehicle inventory.

Our customers include participants on our marketplace and purchasers of our data services. Certain dealers and commercial partners purchase our True360 Report in connection with vehicle assessments and transactions that do not occur on our marketplace. Our dealer customers include a majority of the top 100 used vehicle dealers in the United States. For the year ended December 31, 2020, we had 16,215 Marketplace Participants, up from 12,514 for the year ended December 31, 2019. See the section titled "—Key Operating and Financial Metrics" for additional information on Marketplace Participants.

For the year ended December 31, 2020, 391,466 Marketplace Units were sold on our marketplace, representing a total Marketplace GMV of $3.3 billion, an increase of 62.1% and 86.2%, respectively, from the same period in 2019. For the year ended December 31, 2020, we generated total revenue of $208.4 million, an increase of 95.0% from the same period in 2019, a net loss of $41.0 million and Adjusted EBITDA of $(30.8) million compared to a net loss of $77.2 million and Adjusted EBITDA of $(76.4) million for the same period in 2019. We continue to invest in growth to scale our company responsibly and drive towards profitability. See the section titled "—Key Operating and Financial Metrics" for additional information on Marketplace Units, Marketplace GMV and Adjusted EBITDA.

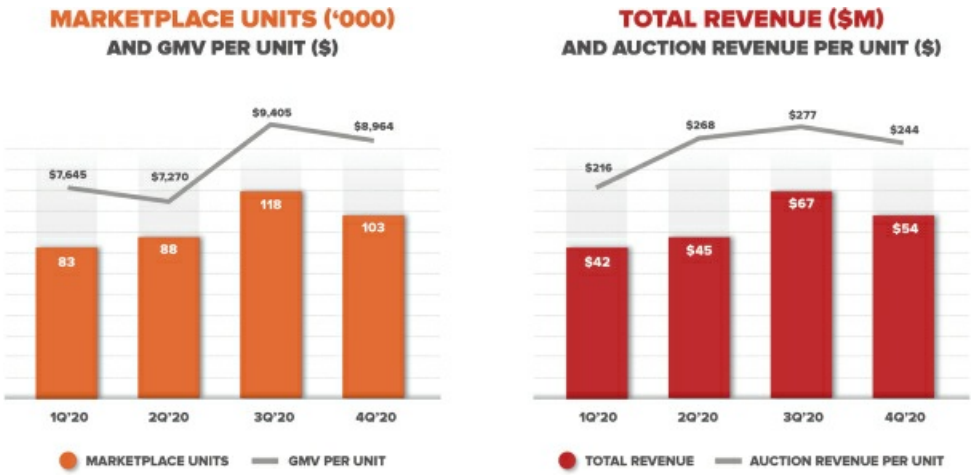
Impact of COVID-19 on Our Business

Overview

Beginning in March 2020, our business and operations began to experience the effects of the worldwide COVID-19 pandemic. Initially, COVID-19 significantly disrupted the operations of our customers, most of whom are automotive dealers who sell both new and used vehicles to consumers in physical dealership stores. As a result of the COVID-19 pandemic, governments in many of jurisdictions in which we operate instituted shelter-in-place orders, forcing many physical automotive dealership stores to close in March and April and cutting off consumer foot traffic, which led to a decline in overall vehicle sales to consumers. In the United States, retail automotive sales for used vehicles declined by 38%[11] year over year in April 2020.

11 iSeeCars, Used Car Sales Study, 2020

The slowdown in the retail sales of used vehicles subsequently impacted the market for wholesale automotive transactions. Wholesale is one of the most common supply sources through which dealers acquire used vehicle inventory to sell retail. With a sudden decline in retail sales of these dealerships, dealers' demand for wholesale transactions also decreased sharply. In addition, most automotive wholesale transactions in the United States are conducted through physical or hybrid auctions that still require physical operations, and shelter-in-place orders forced these traditional auctions to temporarily shut down operations. According to J.D. Power, in April 2020 automotive wholesale auction sales in the United States decreased by 49% sequentially compared to the prior month of March 2020 and by 66% compared to April 2019.[12]



Negative trends in transaction volume driven by COVID began to be observed near the end of the first quarter of 2020. For the month ended March 31, 2020, our Marketplace Units decreased 20% month-over-month. This decline accelerated early in the second quarter; in the month ended April 30, 2020, Marketplace Units were down approximately 29% month-over-month. In addition to declining transaction volumes, because supply of wholesale vehicles exceeded the market demand during these months, we saw the average sales price per unit decline by over 31% from the month ended February 29, 2020 to the month ended April 30, 2020.

This initial disruption began to subside in May 2020 as the demand for used vehicles on a national level began to outpace supply, leading to higher used vehicle valuations and a higher percentage of successful auctions on our marketplace. By June 2020, within 9 weeks of the trough levels seen in April 2020, automotive wholesale auction sales had rebounded to 80% of pre-COVID-19 levels.[13] Moreover, an increasing number of dealers and commercial partners looked to a fully digital marketplace to transact remotely as traditional, in-person wholesale auctions continued to experience COVID-19-related disruptions and faced challenges in restoring normal operations.

As a result, starting in May 2020, our marketplace activity rebounded strongly to reach levels higher than the months of January and February 2020 prior to the impact of COVID-19. For the month ended May 31, 2020, both our Marketplace Units and our revenue approximately doubled compared to the month ended April 30, 2020. Driven by both higher demand for used vehicles leading to less

12 J.D. Power, COVID-19 Used Update, May 2020
13 J.D. Power Valuation Services, June 2020

discounting and increased overall valuations, the average sale price of our Marketplace Unit, and subsequently our auction revenue per unit, also increased starting in May 2020 and reached peak levels in August 2020. As supply constraints began to ease and the demand and supply for used vehicles reached a better equilibrium in the fourth quarter of 2020, the growth in our transaction volume and revenue normalized. In the fourth quarter of 2020, Marketplace Units and total revenue represented strong year-over-year growth of 37% and 52%, respectively, but were down by 13% and 20% respectively, compared to the peak levels in the third quarter of 2020.

Adjusted EBITDA

In March and April of 2020, we implemented a temporary reduction in workforce and closure of certain territories to reduce our costs in light of the meaningful disruption we saw across our customer base and the significant decrease in our marketplace activity. These cost reduction measures, combined with the strong recovery in our marketplace activity towards the second half of the second quarter of 2020, amplified operating leverage in our business. This improved our Adjusted EBITDA in the second quarter of 2020, driving smaller Adjusted EBITDA losses of $1.5 million compared to Adjusted EBITDA losses of $24.4 million in the first quarter of 2020. In the third quarter of 2020, our profitability continued to improve to achieve positive $3.3 million of Adjusted EBITDA, driven by the continued strength in our marketplace activity, a higher percentage of vehicles listed for sale successfully selling on the marketplace, and increased operating leverage.

We cannot predict how the pandemic will continue to develop, whether and to what extent government regulations or other restrictions may impact our operations or those of our customers, or whether and to what extent the pandemic or the effects thereof may have longer term unanticipated impacts on our business.

Our Business Model

We believe dealers and commercial consignors can benefit from our digital marketplace and comprehensive suite of services to buy and sell their vehicles, due to the inefficiencies and operational complexities that exist in the traditional wholesale auction market. Our business model is based on shared success and we only generate buyer and seller auction and ancillary fees in the case of a successful auction.

For any auction transaction on our marketplace, we generate auction fees from both buyers and sellers. Buyer auction fees are variable based on the price of the vehicle while seller auction fees include a fixed auction fee and a fee for the condition report associated with the vehicle. In 2018, 2019 and 2020, we generated $19.0, $49.2 and $99.2 million of revenue, respectively, from such auction fees. In 2018, 2019 and 2020, we incurred $3.1, $8.2 and $11.1 million, respectively, of expenses attributable to the cost of generating auction marketplace revenue.

Below describes a typical live auction on our digital marketplace within any of our 125 territories:

- An inspector is dispatched to the dealer’s lot and produces a condition report on each vehicle the dealer would like to offer for sale, including undercarriage pictures using Virtual Lift, an audio recording of the engine using AMP, and details of any accident history.
- This condition report is then uploaded to our marketplace by the inspector and the selling dealer is given the opportunity to review the condition report before determining whether to launch the auction and set a reserve price.
- Buyers are typically notified of a pending auction based on their filter preferences.

- Once the auction commences buyers bid on the vehicle during a 20-minute auction and a final price is determined based on the highest bid with respect to the vehicle.
- Upon completion of the auction, title of the vehicle is transferred to the successful buyer, and that buyer pays the sale price of the vehicle as well as the buyer auction fee on our marketplace. We keep the buyer auction fee and transfer the sale value of the vehicle, after deducting the seller auction fee, to the seller.

We also earn ancillary fees through additional value-added services to buyers and sellers in connection with the auction:

- Certain buyers use ACV Transportation to enable delivery of the vehicle purchased, and we collect a fee from such buyers upon completion of the auction. The fee varies depending on the distance traveled for the vehicle transported.
- Certain other buyers, who we have pre-approved, use ACV Capital to obtain financing for their purchases, after which the buyer repays the loan with interest. Our fee varies based on the amount and the term of financing provided to the buyer.
- For sellers who have enrolled in the service, we collect a fixed Go Green fee on a per vehicle basis simultaneously with the auction fee, which provides an assurance on the price of the vehicle for the seller. In the event the buyer challenges the accuracy of the condition report through arbitration and we determine the claim is valid, we will bear the cost to the buyer to remediate the defect or find a new buyer on the seller's behalf in the event the auction is cancelled.

We scale our platform through a territory model by employing a multi-pronged go-to-market strategy to establish and expand our relationships with dealers and commercial partners. Each territory we build is cultivated by a dedicated team, including territory managers, vehicle condition inspectors, and other operations staff, who target and onboard dealers to achieve an appropriate balance of buyers and sellers and to encourage local vibrancy in the marketplace. As customers experience success on our platform and awareness for our digital marketplace increases, we focus on growing our revenue and scale within a territory by bringing more customers onto our platform, increasing our share of their wholesale transactions and selling them additional value-added and data services. We have expanded from our first territory in Buffalo, New York in 2015 to 125 territories today. We have a demonstrated history of growing transaction volume on our digital marketplace within territories over time, driven by growth from both the addition of new customers and the expansion of relationships with existing customers.

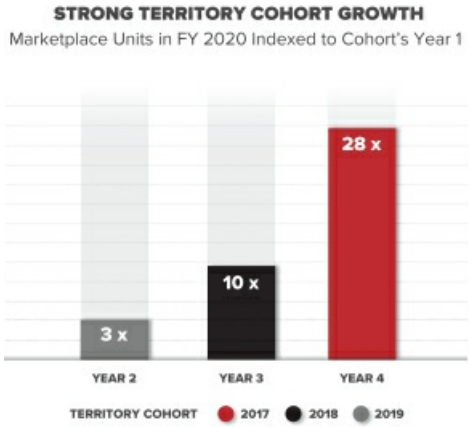
Attractive Unit Economics and Cohort Trends

Improved Unit Economics as Territories Mature and Scale

We typically experience improving operational efficiency in our territories as they mature and scale. At the launch of a new territory, we incur a certain amount of costs to establish presence, which are largely fixed costs in nature. These costs include adding a territory manager and a team of our vehicle condition inspectors, or VCIs, who carry out inspections on our customers' lots, help drive stronger relationships with our customers and increase their use of our platform. As our territories mature and scale, territory-level economics tend to improve driven by more cost-efficient operations and greater customer affinity for our offerings.

This cost structure allows us to support strong transaction growth without significant incremental fixed costs as territories mature. The chart below shows Marketplace Units transacted in the 12 months ended December 31, 2020 across three cohorts of territories indexed to the cohort's first year, each representing different levels of maturity. A cohort refers to all territories launched during a given period. The comparison

of a cohort's transaction volume in 2020 to its volume in the initial year of launch demonstrates substantial unit growth to date. For example, the cohort of territories launched in 2019 saw its Marketplace Units grow by nearly three times between 2019, its year of launch, and 2020. An older cohort composed of territories launched in 2017 saw its Marketplace Units grow by over 28 times between 2017 and 2020.

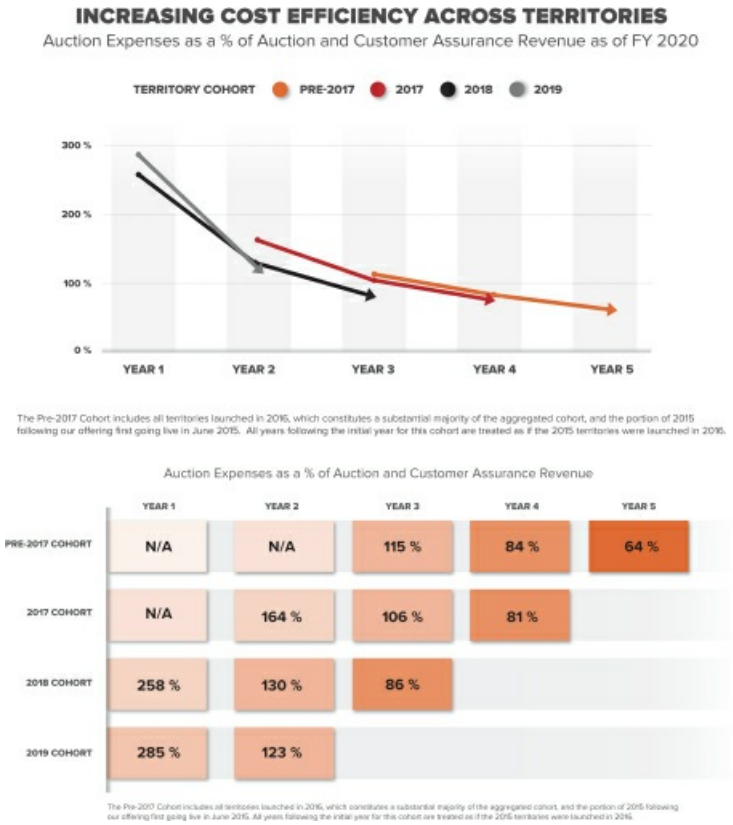


As our territories reach greater scale and higher levels of network density, we typically achieve lower inspection costs per vehicle and improved overall economics per transaction. To assess operational efficiency at the territory level, we examine our auction expenses as a percentage of our auction revenue. Auction expenses consist of all auction-related costs, including Go Green arbitration and auction related processing costs, expenses related to auction operations and wholesale inspections, and field sales, among others, but excluding corporate overhead. Auction revenue consists of auction and customer assurance revenue but excludes revenue from ACV Transportation and ACV Capital.

The table below shows total auction revenue and auction expenses incurred in the 12 months ended December 31, 2020 across three individual territories launched in different years, each representing different levels of maturity. For example, in Territory A, which was launched in 2018, our auction expenses accounted for 88% of our auction revenue in 2020, the third year since its launch. However, in Territory C, which was launched in 2016 and is more mature, auction expense accounted for 62% of auction revenue in 2020. These operational efficiencies translate to superior economics per Marketplace Unit. The difference between auction revenue per unit and auction expenses per unit was $38 for the three-year old Territory A, compared to $131 for the five-year old Territory C.

	Territory A	Territory B	Territory C
INCEPTION YEAR	2018	2017	2016
YEARS SINCE INCEPTION	3	4	5
AUCTION UNITS IN FY 2020	4,010	5,585	13,143
AUCTION UNITS GROWTH SINCE INCEPTION	3.5 x	5.7 x	7.5 x
AUCTION REVENUE	$1.2M	$1.8M	$4.5M
PER UNIT	$311	$315	$342
AUCTION EXPENSES	$1.0M	$1.4M	$2.8M
PER UNIT	$273	$256	$211
AUCTION EXPENSES AS % OF AUCTION REVENUE	88 %	81 %	62 %
UNIT ECONOMICS	$38	$59	$131

The improving operational efficiency demonstrated by these case studies is consistent across all our territory cohorts. While auction expenses exceed auction revenue in the early years after we enter a new territory, as territories scale and mature we typically achieve improved operating leverage, and auction revenues typically exceed auction expenses after the third or fourth year after we have entered a territory. For example, our 2018 territory cohort's auction expenses amounted to 258% of auction revenue in year one but by year three, expenses decreased to 86% of revenue. We also benefit from our continuously growing repository of data, greater liquidity and brand awareness nationwide, which has allowed our newer cohorts to achieve operating leverage faster than older cohorts.

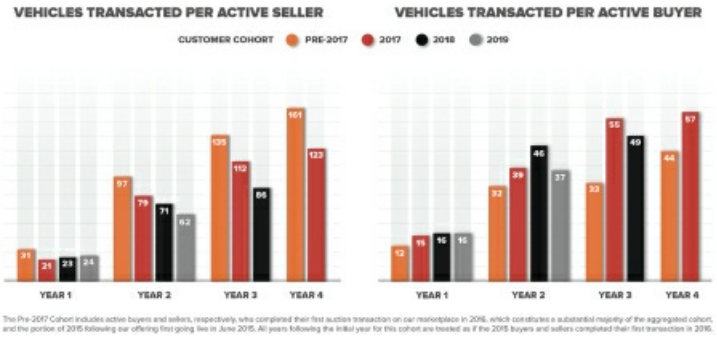


Marketplace Participants Exhibit Increasing Engagement and Spend over Time.

Our success relies in part on our ability to grow our share of wholesale transactions from existing customers and drive greater engagement on our digital marketplace. We evaluate this trend by tracking annual customer cohorts, defined as buyers or sellers who completed their first auction transaction on our marketplace in a specific year.

For example, sellers in our 2017 cohort sold an average of 21 vehicles in 2017. The sellers that continued to remain on our platform sold an increasing number of vehicles in subsequent years, selling an average of 79 vehicles in 2018, 112 vehicles in 2019, and 123 vehicles in 2020. We observe a similar trend with our buyers. Buyers in our 2017 cohort purchased an average of 15 vehicles in 2017 compared to 39 in 2018, 55 in 2019, and 57 vehicles in 2020. We look at such increases in buyer and seller engagement as an indicator of the strength of our marketplace and improving customer satisfaction.

While we view trends in vehicles transacted per customer as an indicator of the strength of our marketplace, the number of customers within a cohort can vary significantly. For example, the 2019 cohort had approximately 7 times as many sellers as the 2017 cohort in their respective first year. The 2017 seller cohort is also concentrated in a smaller number of territories in a more condensed geographic area as compared to the 2019 cohort. While all of our seller cohorts have demonstrated robust growth in transactions per active seller, the larger and more geographically diverse cohorts, like the 2019 cohort, tend to have lower rates of growth when compared to smaller, more condensed cohorts, like the 2017 cohort. Additionally, we have historically had more buyers than sellers on our marketplace, which contributes to a lower number of average vehicles transacted per active buyer relative to active seller.



Key Operating and Financial Metrics

We regularly monitor a number of operating and financial metrics in order to measure our current performance and estimate our future performance. Our business metrics may be calculated in a manner different than similar business metrics used by other companies.

	Year Ended December 31,	
	2019	2020
Marketplace Units	241,477	391,466
Marketplace GMV	$ 1.8 billion	$ 3.3 billion
Marketplace Participants	12,514	16,215
Adjusted EBITDA	$ (76.4) million	$ (30.8) million

Marketplace Units

Marketplace Units is a key indicator of our potential for growth in Marketplace GMV and revenue. It demonstrates the overall engagement of our customers on the ACV platform, the vibrancy of our digital marketplace and our market share of wholesale transactions in the United States. We define Marketplace Units as the number of vehicles transacted on our digital marketplace within the applicable period. Marketplace Units transacted includes any vehicle that successfully reaches sold status, even if the auction is subsequently unwound, meaning the buyer or seller does not complete the transaction. These instances have been immaterial to date. Marketplace Units exclude vehicles that were inspected by ACV, but not sold on our digital marketplace. Marketplace Units have increased over time as we have expanded our territory coverage, added new Marketplace Participants and increased our share of wholesale transactions from existing customers. Since we only earn auction and ancillary fees in the case of a successful auction, Marketplace Units will remain a critical driver of our revenue growth.

Marketplace GMV

Marketplace GMV is primarily driven by the volume and dollar value of Marketplace Units transacted on our digital marketplace. We believe that Marketplace GMV acts as an indicator of the success of our marketplace, signaling satisfaction of dealers and buyers on our marketplace, and the health, scale, and growth of our business. We define Marketplace GMV as the total dollar value of vehicles transacted through our digital marketplace within the applicable period, excluding any auction and ancillary fees. Because our definition of Marketplace Units does not include vehicles inspected but not sold on our digital marketplace, GMV does not represent revenue earned by us. We expect that Marketplace GMV will continue to grow as Marketplace Units grow, though at a varying rate within a given applicable period, as Marketplace GMV is also impacted by the value of each vehicle transacted.

Marketplace Participants

We monitor the growth in Marketplace Participants as it promotes a more vibrant and healthy marketplace by expanding the selection of vehicles and buyer demand on our digital marketplace. We define Marketplace Participants as dealers or commercial partners with a unique customer ID that have transacted at least once in the last 12 months as either a buyer or seller on our digital marketplace. For the year ended December 31, 2020 our largest seller accounted for less than 0.6% of the Marketplace Units transacted on our digital marketplace. Marketplace Participants include independent and franchise dealers buying and selling on our marketplace, as well as commercial partners, consisting of commercial leasing companies, rental car companies, bank or other finance companies, who use our marketplace to sell their inventory. We believe that our growth in Marketplace Participants over time has been driven by the value proposition of our offerings, and our sales and marketing success, including our ability to attract new dealers and commercial partners to our digital marketplace. Based on our existing territory coverage, we believe that we have significant opportunity to continue to increase the number of Marketplace Participants.

Adjusted EBITDA

Adjusted EBITDA is a performance measure that we use to assess our operating performance and the operating leverage in our business. We define Adjusted EBITDA as net income (loss), adjusted to exclude: depreciation and amortization, stock-based compensation expense, interest expense (income), other expense (income), provision for income taxes, and other one-time, non-recurring items, when applicable. We monitor Adjusted EBITDA as a non-GAAP financial measure to supplement the financial information we present in accordance with generally accepted accounting principles, or GAAP, to provide investors with additional information regarding our financial results. For further explanation of the uses and limitations of this measure and a reconciliation of our Adjusted EBITDA to the most directly comparable GAAP measure, net loss, please see "—Non-GAAP Financial Measures."

We expect Adjusted EBITDA to fluctuate in the near term as we continue to invest in our business and improve over the long term as we achieve greater scale in our business and efficiencies in our operating expenses.

Non-GAAP Financial Measures

We report our financial results in accordance with GAAP. However, management believes that Adjusted EBITDA, a non-GAAP financial measure, provides investors with additional useful information in evaluating our performance.

Adjusted EBITDA is a financial measure that is not required by or presented in accordance with GAAP. We believe that Adjusted EBITDA, when taken together with our financial results presented in

accordance with GAAP, provides meaningful supplemental information regarding our operating performance and facilitates internal comparisons of our historical operating performance on a more consistent basis by excluding certain items that may not be indicative of our business, results of operations or outlook. In particular, we believe that the use of Adjusted EBITDA is helpful to our investors as it is a measure used by management in assessing the health of our business and evaluating our operating performance, as well as for internal planning and forecasting purposes.

Adjusted EBITDA is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. Some of these limitations include that: (i) it does not properly reflect capital commitments to be paid in the future; (ii) although depreciation and amortization are non-cash charges, the underlying assets may need to be replaced and Adjusted EBITDA does not reflect these capital expenditures; (iii) it does not consider the impact of stock-based compensation expense; (iv) it does not reflect other non-operating expenses, including interest expense; (v) it does not consider the impact of any contingent consideration liability valuation adjustments and (vi) it does not reflect tax payments that may represent a reduction in cash available to us. In addition, our use of Adjusted EBITDA may not be comparable to similarly titled measures of other companies because they may not calculate Adjusted EBITDA in the same manner, limiting its usefulness as a comparative measure. Because of these limitations, when evaluating our performance, you should consider Adjusted EBITDA alongside other financial measures, including our net income and other results stated in accordance with GAAP.

The following table presents a reconciliation of Adjusted EBITDA to net loss, the most directly comparable financial measure stated in accordance with GAAP, for the periods presented:

	Year Ended December 31,	
	2019	2020
	(in thousands)	
Adjusted EBITDA Reconciliation		
Net loss	$ (77,216)	$ (41,021)
Depreciation and amortization	1,839	7,244
Stock-based compensation	998	5,705
Interest (income) expense	(2,093)	(115)
Provision for income taxes	27	489
Other (income) expense, net	23	(3,054)
Adjusted EBITDA	$ (76,422)	$ (30,752)

Factors Affecting Our Performance

We believe that the growth and future success of our business depend on many factors. While each of these factors presents significant opportunities for our business, they also pose important challenges that we must successfully address in order to sustain our growth, improve our results of operations, and increase profitability.

Increasing Marketplace Units

Increasing Marketplace Units is a key driver of our revenue growth. The transparency, efficiency and vibrancy of our marketplace is critical to our ability to grow our share of wholesale transactions from existing customers and attract new buyers and sellers to our digital marketplace. There are an estimated 22 million used vehicles in the wholesale market sold by dealers or commercial consignors

through auctions and private sales directly between dealers compared to 391,466 Marketplace Units sold through our digital marketplace in 2020. Failure to increase the number of Marketplace Units would adversely affect our revenue growth, operating results, and the overall health of our marketplace.

Grow Our Share of Wholesale Transactions from Existing Customers

Our success depends in part on our ability to grow our share of wholesale transactions from existing customers, increasing their engagement and spend on our platform. For example, buyers who completed their first auction transaction on our marketplace in 2017 purchased an average of 15 vehicles in 2017. The buyers in this cohort who continued to remain on our platform purchased an increasing number of vehicles in subsequent years, purchasing an average of 39 vehicles in 2018, 55 in 2019, and 57 in 2020. We remain in the early stages of penetrating our Marketplace Participants' total number of wholesale transactions. As of December 31, 2020, we had 16,215 Marketplace Participants on our platform compared to the over 50,000 automotive dealers in the United States, while 391,466 Marketplace Units were transacted on our marketplace for the year ended December 31, 2020 compared to the estimated 22 million used vehicles that are bought and sold in the wholesale market each year. As we continue to invest in eliminating key risks of uncertainty related to the auction process through our trusted and efficient digital marketplace, we expect that we will capture an increasing share of transactions from our existing Marketplace Participants. Our ability to increase share from existing customers will depend on a number of factors, including our customers' satisfaction with our platform, competition, pricing and overall changes in our customers' engagement levels.

Add New Marketplace Participants

We believe we have a significant opportunity to add new Marketplace Participants. There are over 50,000 automotive dealers in the United States and as of December 31, 2020, we had 16,215 Marketplace Participants. We estimate that our 125 existing territories cover a substantial majority of all dealership locations within the continental United States. As we expand our presence within our existing territories, we are able to drive increased liquidity and greater vehicle selection, which in turn improves our ability to attract new Marketplace Participants. Additionally, we intend to add more commercial consignors to our digital marketplace and capture a greater share of the approximately 8 million vehicles in the wholesale market that are sold to dealers by commercial consignors through auctions and private sales.

Our ability to attract new Marketplace Participants will depend on a number of factors including: the ability of our sales team to onboard dealers and commercial consignors onto our platform and ensure their satisfaction, the ability of our territory managers to build awareness of our brand, the ability of our VCIs to cultivate relationships with our customers in their respective territories, and the effectiveness of our marketing efforts.

Grow Awareness for Our Offerings and Brand

Wholesale vehicle online penetration is just beginning, lagging the consumer automotive market, and we expect more dealers and commercial partners to source and manage their inventory online. As the digitization of the wholesale automotive market accelerates, we believe that our digital marketplace is well positioned to capture a disproportionate share of that growth. We plan to use targeted sales and marketing efforts to educate potential Marketplace Participants as to the benefits of our offerings and drive adoption of our platform. Our ability to grow awareness of our offerings and brand depend on a number of factors, including:

- ***Secure Trusted Supply.*** The more trusted supply on our marketplace, the more buyers we can attract to our platform.

- ***Deepen Relationships with Dealers and Commercial Partners.*** We have a team of over 740 VCIs who work on our customers' lots to not only provide inspection services, but also to develop strong client relationships and ensure the highest quality service.
- ***Drive Customer Loyalty.*** Our loyal customers and referrals serve as a highly effective customer acquisition tool, and help drive our growth in a given territory.
- ***Grow Brand Awareness.*** We plan to invest in promoting our brand by targeted marketing spend and increase customer awareness in the territories in which we operate.

Our future success is dependent on our ability to successfully grow our market presence and market and sell existing and new products to both new and existing customers.

Grow Value-Added and Data Services

We plan to continue to drive customer adoption of our existing value-added and data services and introduce new and complementary products. Our ability to drive higher attachment rates of existing value-added services, such as ACV Transportation and ACV Capital, will help grow our revenue. In 2019 we launched our financing arm, ACV Capital, in an industry where auction floorplanning is a critical element of sourcing and managing dealer's inventory.[14] We also plan to drive customer adoption of our data services such as our True360 Reports that bring transparency and offer insights into the condition and value of used vehicles. These data services enable our customers to make more informed inventory management decisions both on and off our digital marketplace. In addition, we will continue to focus on developing new products and services that enhance our platform in areas including new data-powered products. Our ability to drive customer adoption of these products and services is dependent on the pricing of our products, the offerings of our competitors and the effectiveness of our marketing efforts.

Investment in Growth

We are actively investing in our business. In order to support our future growth and expanded product offerings, we expect this investment to continue. We anticipate that our operating expenses will increase as we continue to build our sales and marketing efforts, expand our employee base and invest in our technology development. The investments we make in our platform are designed to grow our revenue opportunity and to improve our operating results in the long term, but these investments could also delay our ability to achieve profitability or reduce our profitability in the near term. Our success is dependent on making value-generative investments that support our future growth.

Used Car Demand

Our success depends in part on sufficient demand for used vehicles. Our recent growth has coincided with an increase in consumer demand for used vehicles. For example, in 2019, 64% of consumers in the market for a vehicle considered buying a used vehicle, up from 59% in 2017. In addition to enduring consumer demand, the used vehicle industry has shown resilience through recessionary markets and other challenging economic cycles. In fact, from 2007 to 2009, new car transactions decreased by 35%, compared to just 14% for used cars.[15]

Used vehicle sales are also seasonal. Sales typically peak late in the first calendar quarter and early in the second quarter, with the lowest relative level of industry vehicle sales occurring in the fourth calendar quarter. Due to our rapid growth since launch, our sales patterns to date have not been entirely reflective of the general seasonality of the used vehicle market, but we expect this to normalize

14 National Independent Automobile Dealers Association, Used Car Industry Report, 2020
15 Bureau of Transportation Statistics, New and Used Passenger Car Sales and Leases, December 2020

as our business matures. Seasonality also impacts used vehicle pricing, with used vehicles depreciating at a faster rate in the last two quarters of each year and a slower rate in the first two quarters of each year. We may experience seasonal and other fluctuations in our quarterly results of operations, which may not fully reflect the underlying performance of our business. See the section titled "—Seasonality" for additional information on the impacts of seasonality on our business.

Components of Results of Operations

Revenue

Marketplace and Service Revenue

We have historically generated the majority of our revenue from our digital marketplace where we earn auction and ancillary fees from both buyers and sellers, in each case only upon a successful auction. Our marketplace and service revenue consists principally of revenue earned from facilitating auctions and arranging for the transportation of vehicles purchased in such auctions.

We act as an agent when facilitating a vehicle auction through the marketplace. Auction and related fees charged to the buyer and seller are reported as revenue on a net basis, excluding the price of the auctioned vehicle in the transaction.

We act as a principal when arranging for the transportation of vehicles purchased on the marketplace and leverage our network of third-party transportation carriers to secure the arrangement. Transportation fees charged to the buyer are reported on a gross basis.

We also generate data services revenue through our True360 reports and offer short-term, inventory financing to eligible customers purchasing vehicles through the marketplace, which has been immaterial to date.

Customer Assurance Revenue

We also generate revenue by providing our Go Green assurance to sellers on the condition of certain vehicles sold on the marketplace, which is considered a guarantee under GAAP. This assurance option is only available for sellers who have enrolled in the service on qualifying vehicles for which we have prepared the vehicle condition report. Customer assurance revenue also includes revenue from other price guarantee products offered to sellers. Customer assurance revenue is measured based upon the fair value of the Go Green assurance that we provide. We expect the fair value per vehicle assured to decrease over time as we continue to improve the quality of our inspection product, which in turn reduces the costs of satisfying such assurance.

Operating Expenses

Marketplace and Service Cost of Revenue

Marketplace and service cost of revenue consists of third-party transportation carrier costs, titles shipping costs, customer support, website hosting costs, inspection costs related to data services and various other costs. These costs include salaries, benefits, bonuses and related stock-based compensation expenses, which we refer to as personnel-related expenses. We expect our marketplace and service cost of revenue to continue to increase as we continue to scale our business and introduce new product and service offerings.

Customer Assurance Cost of Revenue

Customer assurance cost of revenue consists of the costs related to satisfying claims against the vehicle condition guarantees, and other price guarantees. We expect that our customer assurance cost

of revenue will increase in absolute dollars as our business grows, particularly as we provide guarantees on an increasing number of vehicles.

Operations and Technology

Operations and technology expense consists of costs for wholesale auction inspections, personnel costs related to payments and titles processing, transportation processing, product and engineering and other general operations and technology expenses. These costs include personnel-related expenses and other allocated facility and office costs. We expect that our operations and technology expense will increase in absolute dollars as our business grows, particularly as we incur additional costs related to continued investments in our marketplace, transportation capabilities and other technologies.

Selling, General and Administrative

Selling, general and administrative expense consists of costs resulting from sales, accounting, finance, legal, marketing, human resources, executive, and other administrative activities. These costs include personnel-related expenses, legal and other professional services expenses and other allocated facility and office costs. Also included in selling, general and administrative expense is advertising and marketing costs to promote our services.

Following the completion of this offering, we expect to incur additional expenses as a result of operating as a public company, including costs to comply with the rules and regulations applicable to companies listed on a national securities exchange, costs related to compliance and reporting obligations, and increased expenses for insurance, investor relations and professional services. We expect that our selling, general and administrative expense will increase in absolute dollars as our business grows. However, we expect that our selling, general and administrative expense will decrease as a percentage of our revenue as our revenue grows over the longer term.

Depreciation and Amortization

Depreciation and amortization expense consists of depreciation of fixed assets, and amortization of acquired intangible assets and internal-use software.

Other Income (Expense)

Other income (expense) consists primarily of interest income earned on our cash and cash equivalents.

Provision for Income Taxes

Provision for income taxes consists of U.S. federal, state and foreign income taxes.

Results of Operations

The following table sets forth our consolidated statements of operations data for the periods presented:

	Year Ended December 31,	
	2019	2020
	(in thousands)	
Revenue:		
Marketplace and service revenue	$ 87,750	$ 173,120
Customer assurance revenue	19,097	35,237
Revenue	106,847	208,357
Operating expenses:		
Marketplace and service cost of revenue (excluding depreciation & amortization)	65,962	83,553
Customer assurance cost of revenue (excluding depreciation & amortization)	16,816	29,496
Operations and technology	39,626	64,998
Selling, general, and administrative	62,439	64,882
Depreciation and amortization	1,286	6,075
Total operating expenses	186,129	249,004
Loss from operations	(79,282)	(40,647)
Other income (expense):		
Interest income	2,093	748
Interest expense	—	(633)
Total other income (expense)	2,093	115
Loss before income taxes	(77,189)	(40,532)
Provision for income taxes	27	489
Net loss	$ (77,216)	$ (41,021)

The following table sets forth our consolidated statements of comprehensive loss for the periods presented:

	Year Ended December 31,	
	2019	2020
	(in thousands)	
Net loss	$ (77,216)	$ (41,021)
Other comprehensive loss:		
Foreign currency translation loss	(1)	(56)
Comprehensive loss	$ (77,217)	$ (41,077)

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

	Year Ended December 31,			
	2019		2020	
	Amount	% of Revenue	Amount	% of Revenue
	(in thousands)			
Revenue:				
Marketplace and service revenue	$ 87,750	82%	$173,120	83%
Customer assurance revenue	19,097	18%	35,237	17%
Revenue	106,847	100%	208,357	100%
Operating expenses:				
Marketplace and service cost of revenue (excluding depreciation & amortization)	65,962	62%	83,553	40%
Customer assurance cost of revenue (excluding depreciation & amortization)	16,816	16%	29,496	14%
Operations and technology	39,626	37%	64,998	31%
Selling, general, and administrative	62,439	58%	64,882	31%
Depreciation and amortization	1,286	1%	6,075	3%
Total operating expenses	186,129	174%	249,004	120%
Loss from operations	(79,282)	(74)%	(40,647)	(20)%
Other Income:				
Interest income	2,093	2%	748	—%
Interest expense	—	—%	(633)	—%
Total other income	2,093	2%	115	—%
Loss before income taxes	(77,189)	(72)%	(40,532)	(19)%
Provision for income taxes	27	—%	489	—%
Net loss	$ (77,216)	(72)%	$ (41,021)	(20)%

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

Revenue

Marketplace and Service Revenue

	Year Ended December 31,		$	
	2019	2020	Change	% Change
	(in thousands)			
Marketplace and service revenue	$87,750	$173,120	$85,370	97%

Marketplace and service revenue was $173.1 million for the year ended December 31, 2020, compared to $87.8 million for the year ended December 31, 2019. The increase of $85.4 million, or 97%, was primarily driven by an increase in auction marketplace revenue earned from our buyers and sellers, as well as an increase in revenue earned from arranging for the transportation of vehicles to buyers, data and other service revenue. Revenue increases were primarily volume-driven as a result of the expansion of our marketplace platform across the United States and a deeper penetration of markets where we do business. For the year ended December 31, 2020, auction marketplace revenue increased to $99.2 million from $49.2 million in the year ended December 31, 2019, and transportation, data and other services revenue increased to $73.9 million from $38.6 million.

Customer Assurance Revenue

	Year Ended December 31,		$ Change	% Change
	2019	2020		
	(in thousands)			
Customer assurance revenue	$19,097	$35,237	$16,140	85%

Customer assurance revenue was $35.2 million for the year ended December 31, 2020, compared to $19.1 million for the year ended December 31, 2019. The increase of $16.1 million, or 85%, primarily consisted of an increase in revenue generated from Go Green assurance offerings sold to the seller in marketplace transactions. Revenue increases were primarily volume-driven as a result of the expansion of our marketplace platform across the United States and a deeper penetration of markets where we do business.

Operating Expenses

Marketplace and Service Cost of Revenue

	Year Ended December 31,		$ Change	% Change
	2019	2020		
	(in thousands)			
Marketplace and service cost of revenue (excluding depreciation & amortization)	$65,962	$83,553	$17,591	27%
Percentage of revenue	62%	40%		

Marketplace and service cost of revenue was $83.6 million for the year ended December 31, 2020, compared to $66.0 million for the year ended December 31, 2019. The increase of $17.6 million, or 27%, primarily consisted of an increase in the cost of generating auction marketplace revenue and an increase attributable to the cost of generating transportation, data and other services revenue, which were primarily due to increased sales volume. For the year ended December 31, 2020, total costs attributable to generating auction marketplace revenue increased to $11.1 million from $8.2 million in the year ended December 31, 2019 and total cost of generating transportation, data and other services revenue increased to $72.5 million from $57.8 million. Direct and allocated personnel-related costs included in auction marketplace cost of revenue increased to $4.2 million for the year ended December 31, 2020 from $3.1 million in the year ended December 31, 2019, and direct and allocated personnel-related costs included in transportation, data and other services increased to $9.9 million from $0.1 million.

Customer Assurance Cost of Revenue

	Year Ended December 31,		$ Change	% Change
	2019	2020		
	(in thousands)			
Customer assurance cost of revenue (excluding depreciation & amortization)	$16,816	$29,496	$12,680	75%
Percentage of revenue	16%	14%		

Customer assurance cost of revenue was $29.5 million for the year ended December 31, 2020, compared to $16.8 million for the year ended December 31, 2019. The increase of $12.7 million, or 75%, primarily consisted of costs attributable to our Go Green and other assurance offerings, and was

primarily driven by increased sales volume. For the year ended December 31, 2020, Go Green assurance cost of revenue increased to $27.1 million from $16.3 million in the year ended December 31, 2019, and other assurance cost of revenue increased to $2.4 million from $0.5 million.

Operations and Technology Expenses

	Year Ended December 31,		$ Change	% Change
	2019	2020		
	(in thousands)			
Operations and technology	$39,626	$64,998	$25,372	64%
Percentage of revenue	37%	31%		

Operations and technology expenses were $65.0 million for the year ended December 31, 2020, compared to $39.6 million for the year ended December 31, 2019. The increase of $25.4 million, or 64%, primarily consisted of an increase in personnel related costs, software and technology, and facilities and other expenses. For the year ended December 31, 2020 compared to the year ended December 31, 2019, personnel-related costs increased to $55.2 million from $32.3 million as a result of increased headcount, software and technology expenses increased to $6.3 million from $4.3 million as a result of continued investment in our technology infrastructure, facility and office expenses increased to $3.0 million from $2.8 million, and other expenses increased to $0.5 million from $0.2 million, all inclusive of direct and allocated expenses.

Selling, General, and Administrative Expenses

	Year Ended December 31,		$ Change	% Change
	2019	2020		
	(in thousands)			
Selling, general, and administrative	$62,439	$64,882	$ 2,443	4%
Percentage of revenue	58%	31%		

Selling, general, and administrative expenses were $64.9 million for the year ended December 31, 2020, compared to $62.4 million in for the year ended December 31, 2019. The increase of $2.5 million, or 4%, primarily consisted of increases in personnel-related costs, software and technology expenses and facility and office expenses, offset by a decrease in advertising and marketing expenses. For the year ended December 31, 2020 compared to December 31, 2019, personnel related costs increased to $56.3 million from $54.0 million due to increased headcount, software and technology expenses increased to $1.4 million from $0.4 million as a result of continued investment in our technology infrastructure, facility and office expenses increased to $1.6 million from $1.0 million and advertising and marketing decreased to $2.0 million from $3.4 million, all inclusive of direct and allocated expenses. Other expenses remained consistent at $3.6 million year over year.

Depreciation and Amortization

	Year Ended December 31,		$ Change	% Change
	2019	2020		
	(in thousands)			
Depreciation and amortization	$1,286	$6,075	$ 4,789	372%
Percentage of revenue	1%	3%		

Depreciation and amortization costs were $6.1 million for the year ended December 31, 2020, compared to $1.3 million for the year ended December 31, 2019. For the year ended December 31,

2020, depreciation increased to $1.7 million from $0.8 million in the year ended December 31, 2019, amortization of capitalized internal-use software costs increased to $1.4 million from $0.4 million and amortization of acquired intangible assets increased to $3.0 million from $0.1 million.

Interest Income

	Year Ended December 31,		$ Change	% Change
	2019	2020		
	(in thousands)			
Interest income	$2,093	$748	$ (1,345)	(64)%
Percentage of revenue	2%	—%		

Interest income decreased to $0.7 million for the year ended December 31, 2020 from $2.1 million for the year ended December 31, 2019.

Interest Expense

	Year Ended December 31,		$ Change	% Change
	2019	2020		
	(in thousands)			
Interest expense	$—	$(633)	$ (633)	—%
Percentage of revenue	—%	—%		

Interest expense on revolving lines of credit was $0.6 million for the year ended December 31, 2020. No interest expense recorded for the year ended December 31, 2019.

Provision for Income Taxes

	Year Ended December 31,		$ Change	% Change
	2019	2020		
	(in thousands)			
Provision for income taxes	$ 27	$ 489	$ 462	1711%
Percentage of revenue	—%	—%		

Provision for income taxes was $0.5 million for the year ended December 31, 2020, compared to less than $0.1 million for the year ended December 31, 2019 due to a $0.4 million non-cash tax charge related to changes in our long-term deferred tax liability for indefinite lived intangibles that are not available to offset certain deferred tax assets.

Quarterly Results of Operations

The following table sets forth our unaudited condensed consolidated statement of operations data for each of the last eight fiscal quarters in the period ended December 31, 2020. The unaudited quarterly consolidated statements of operations data set forth below have been prepared on a basis consistent with our audited consolidated financial statements included elsewhere in this prospectus and include, in the opinion of management, all normal recurring adjustments necessary for the fair statement of the results of operations for the periods presented. Our historical quarterly results are not necessarily indicative of the results that may be expected in any future period. The following quarterly financial data should be read in conjunction with our audited consolidated financial statements and the related notes and other financial information included elsewhere in this prospectus.

	Three Months Ended							
	March 31, 2019	June 30, 2019	September 30, 2019	December 31, 2019	March 31, 2020	June 30, 2020	September 30, 2020	December 31, 2020
Revenue:								
Marketplace and service revenue	$ 14,882	$ 18,773	$ 25,486	$ 28,609	$ 34,596	$ 38,310	$ 56,367	$ 43,847
Customer assurance revenue	2,820	3,294	6,330	6,653	7,641	6,587	11,093	9,916
Revenue	17,702	22,067	31,816	35,262	42,237	44,897	67,460	53,763
Operating expenses:								
Marketplace and service cost of revenue (excluding depreciation & amortization)	9,663	12,455	21,677	22,167	21,607	15,323	25,064	21,559
Customer assurance cost of revenue (excluding depreciation & amortization)	2,806	2,890	5,105	6,015	7,280	4,654	8,765	8,797
Operations and technology	7,108	8,715	10,919	12,884	16,946	13,875	16,792	17,385
Selling, general, and administrative	12,322	14,046	17,264	18,807	23,071	13,891	11,639	16,281
Depreciation and amortization	146	281	347	512	1,209	1,463	1,665	1,738
Total operating expenses	32,045	38,387	55,312	60,385	70,113	49,206	63,925	65,760
Income (loss) from operations	(14,343)	(16,320)	(23,496)	(25,123)	(27,876)	(4,309)	3,535	(11,997)
Other Income:								
Interest income	464	524	454	651	509	141	69	29
Interest expense	—	—	—	—	(111)	(180)	(159)	(183)
Total other income (expense)	464	524	454	651	398	(39)	(90)	(154)
Income (loss) before income taxes	(13,879)	(15,796)	(23,042)	(24,472)	(27,478)	(4,348)	3,445	(12,151)
Provision for income taxes	5	7	7	8	47	48	286	108
Net income (loss)	$ (13,884)	$ (15,803)	$ (23,049)	$ (24,480)	$ (27,525)	$ (4,396)	$ 3,159	(12,259)
Weighted average common shares outstanding								
Basic	35,893,328	36,060,637	36,880,710	38,101,522	42,394,575	42,739,824	43,485,676	44,138,395
Diluted	35,893,328	36,060,637	36,880,710	38,101,522	42,394,575	42,739,824	278,481,753	44,138,395
Net income (loss) per common share								
Basic	$ (0.39)	$ (0.44)	$ (0.62)	$ (0.64)	$ (0.65)	$ (0.10)	$ 0.07	$ (0.28)
Diluted	$ (0.39)	$ (0.44)	$ (0.62)	$ (0.64)	$ (0.65)	$ (0.10)	$ 0.01	$ (0.28)

Quarterly Revenue Trends

Our revenues have generally increased sequentially in each quarter presented due to increased sales volume resulting from the expansion of our marketplace platform across the United States and a deeper penetration of markets where we do business. Revenues were initially negatively impacted by the COVID-19 pandemic at the end of the first quarter of 2020 continuing into the beginning of the second quarter of 2020. This initial disruption began to subside later in the second and third quarters of 2020 as the demand for used vehicles on a national level began to outpace supply, leading to higher used vehicle valuations and a higher percentage of successful auctions, and as dealers and commercial partners looked to an online marketplace to transact remotely. Strong used vehicle demand continued through the third quarter of 2020, leading to robust sales volume, less discounting and increased overall used vehicle valuations, the average sale price of our Marketplace Unit, and ultimately our auction revenue per unit. The decrease in revenue during the fourth quarter of 2020 is indicative of stabilizing trends in used vehicle demand as well as the seasonality of traditional vehicle-buying patterns across the industry, in which the lowest relative level of industry vehicle sales occur in the fourth calendar quarter of the year. Please see "—Impact of COVID-19 on Our Business" for a further discussion of COVID-related impacts.

Quarterly Operating Expense Trends

Our quarterly cost of revenue has generally increased sequentially in each period presented, primarily driven by overall volume increases on our marketplace and in our other offerings, including increases in personnel costs to support volume increases for other services. In the second quarter of 2020, our operating expenses generally benefited from a temporary reduction in workforce and closure of territories to reduce our costs in light of the meaningful disruption we saw across our customer base and the significant decrease in our marketplace activity towards the end of the first quarter of 2020 due to the COVID-19 pandemic. In the fourth quarter 2020, further declines in cost of revenue were correlated with revenue decreases over the same period. The general increases in selling, general and administrative operating expenses are primarily personnel-related and are the result of headcount additions to support our business growth including costs incurred in preparation of becoming a public company.

Liquidity and Capital Resources

We have financed operations since our inception primarily through our marketplace revenue and the net proceeds we have received from sales of equity securities as further detailed below. As of December 31, 2020, our principal sources of liquidity were cash and cash equivalents totaling $233.7 million. We believe that our existing cash and cash equivalents and cash flow from operations will be sufficient to support working capital and capital expenditure requirements for at least the next 12 months. Our future capital requirements will depend on many factors, including volume of sales with existing customers, expansion of sales and marketing activities to acquire new customers, timing and extent of spending to support development efforts and introduction of new and enhanced services. We may, in the future, enter into arrangements to acquire or invest in complementary businesses, products, and technologies. We may be required to seek additional equity or debt financing. In the event that we require additional financing, we may not be able to raise such financing on terms acceptable to us or at all. If we are unable to raise additional capital or generate cash flows necessary to expand our operations and invest in continued innovation, we may not be able to compete successfully, which would harm our business, operations and financial condition.

A substantial amount of our working capital is generated from the payments received for services which we provide. We settle transactions among buyers and sellers using the marketplace, and as a

result the value of the vehicles passes through our balance sheet. Because our receivables typically have been, on average, settled faster than our payables, our cash position at each balance sheet date has been bolstered by marketplace float. Changes in working capital vary from quarter-to-quarter as a result of the timing of collections and disbursements of funds related to auctions held near period end.

Our Debt Arrangements

We currently have a revolving credit facility with Credit Suisse AG, New York Branch, our 2019 Revolver, which we entered into in December 2019.

One of our wholly-owned indirect subsidiaries, ACV Capital Funding LLC is the borrower under the 2019 Revolver, which provides for a revolving line of credit in the aggregate amount of up to $50.0 million, with borrowing availability subject to a borrowing base calculated as a percentage of ACV Capital Funding LLC's eligible receivables. The 2019 Revolver is secured by the borrowing base of eligible receivables. In addition, we entered into a separate indemnity agreement in connection with the 2019 Revolver under which we provided an unsecured guaranty of (a) 10% of the outstanding loans under the 2019 Revolver at the time of any event of default and (b) any losses, damages or other expenses incurred by the lenders under the 2019 Revolver, payable in the event of certain specified acts by ACV Capital Funding LLC. The interest rate on any outstanding borrowings will be at LIBOR plus 5.00%, subject to a LIBOR floor of 1.00%, and interest payments are payable monthly. The 2019 Revolver has a maturity date of June 20, 2022. The 2019 Revolver also contains customary covenants that limit ACV Capital Funding LLC's ability to enter into indebtedness, make distributions and make investments, among other restrictions.

The 2019 Revolver contains a liquidity covenant based on cash on hand, a tangible net worth covenant based on ACV Capital's consolidated net worth, a tangible net worth covenant based on the our consolidated net worth, a leverage covenant based on our consolidated leverage and certain other financial covenants tied to ACV Capital's eligible receivables.

We were in compliance with all such applicable covenants as of December 31, 2020, and believe we are in compliance as of the date of this prospectus. As of December 31, 2020, we had $4.8 million drawn down under the 2019 Revolver.

Cash Flows from Operating, Investing, and Financing Activities

The following table shows a summary of our cash flows for the periods presented:

	Year Ended December 31,	
	2019	2020
	(in thousands)	
Net cash provided by (used in) operating activities	$ (72,460)	$ 10,368
Net cash used in investing activities	(24,681)	(19,673)
Net cash provided by financing activities	161,526	60,755
Net increase in cash and equivalents	$ 64,385	$ 51,450

Operating Activities

Our largest source of operating cash is cash collection from auction fees earned on our marketplace services. Our primary uses of cash from operating activities are for personnel expenses, marketing expenses and overhead expenses. Before 2020, we had generated negative operating cash flows and had supplemented working capital requirements through net proceeds from the sale of equity securities.

In the year ended December 31, 2020, net cash provided by operating activities of $10.4 million was primarily related to our net loss of $41.0 million, adjusted for net cash inflows of $35.4 million due to changes in our operating assets and liabilities, and for non-cash charges of $16.0 million. Non-cash charges primarily consisted of bad debt expense, stock-based compensation, and depreciation and amortization of property and equipment, partially offset by contingent gains. The change in operating assets and liabilities were the result of a $29.2 million increase in accounts receivable and $6.4 million increase in other operating assets, which were offset by a $66.2 million increase in accounts payable and a $4.8 million increase in other current and non-current liabilities.

In the year ended December 31, 2019, net cash used in operating activities of $72.5 million was primarily related to our net loss of $77.2 million, adjusted for net cash outflows of $1.3 million due to changes in our operating assets and liabilities, and for non-cash charges of $6.0 million. Non-cash charges primarily consisted of bad debt expense, stock-based compensation, and depreciation and amortization of property and equipment. The change in operating assets and liabilities were the result of a $52.0 million increase in accounts receivable and $2.4 million increase in other operating assets, which were partially offset by a $46.4 million increase in accounts payable and a $6.7 million increase in other current liabilities.

Investing Activities

In the year ended December 31, 2020, net cash used in investing activities was $19.7 million, primarily related to the acquisition of a business, capital expenditures to purchase property and equipment to support remote work and field operations, along with capitalized software development costs, and increases in financing receivables.

In the year ended December 31, 2019, net cash used in investing activities was $24.7 million, primarily related to the acquisition of a business, capital expenditures to purchase property and equipment to support additional office space and site operations, along with capitalized software development costs, and increases in financing receivables.

Financing Activities

In the year ended December 31, 2020, net cash provided by financing activities was $60.8 million and was primarily the result of proceeds from the issuance of preferred stock and long-term debt. This was partially offset by $2.7 million of payments for other financing costs and repayments toward long term debt.

In the year ended December 31, 2019 net cash provided by financing activities was $161.5 million and was primarily the result of proceeds from the issuance of preferred stock. This amount was partially offset by payment of $0.8 million for debt issuance costs.

Contractual Obligations and Commitments

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

	Payments Due by Period			
	Total	Less than 1 year	1 to 3 years	More than 3 years
		(in thousands)		
Operating lease commitments	$2,281	$ 878	$ 1,403	$ —
Long-term debt obligations	4,832	—	4,832	—
Other promissory notes	2,799	—	2,799	—
Total contractual obligations	$9,912	$ 878	$ 9,034	$ —

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

Seasonality

The volume of vehicles sold through our auctions generally fluctuates from quarter to quarter. This seasonality is caused by several factors, including holidays, weather, the seasonality of the retail market for used vehicles and the timing of federal tax returns, which affects the demand side of the auction industry. As a result, revenue and operating expenses related to volume will fluctuate accordingly on a quarterly basis. In the fourth quarter, we typically experience lower used vehicle auction volume as well as additional costs associated with the holidays.

Off-Balance Sheet Arrangements

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

Quantitative and Qualitative Disclosures about Market Risk

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily the result of fluctuations in interest rates.

Interest Rate Risk

We had cash and cash equivalents of $233.7 million as of December 31, 2020, which consisted of interest-bearing investments with maturities of three months or less. Interest-earning instruments carry a degree of interest rate risk. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. We had borrowings from banks of $4.8 million as of December 31, 2020. The interest rate paid on these borrowings is variable, indexed to LIBOR. A hypothetical 10% change in interest rates would not result in a material impact on our consolidated financial statements.

Critical Accounting Policies and Estimates

We believe that the following accounting policies involve a high degree of judgment and complexity. Accordingly, these are the policies we believe are the most critical to aid in fully understanding and evaluating our consolidated financial condition and results of our operations. See note 1 to our consolidated financial statements appearing elsewhere in this prospectus for a description of our other significant accounting policies. The preparation of our consolidated financial statements in conformity with GAAP requires us to make estimates and judgments that affect the amounts reported in those financial statements and accompanying notes. Although we believe that the estimates we use are reasonable, due to the inherent uncertainty involved in making those estimates, actual results reported in future periods could differ from those estimates.

Revenue Recognition

We generate revenue from contracts with customers. Revenue is recognized when control of the promised services is transferred to customers in an amount that reflects the consideration that we expect to receive in exchange for those services. Determining whether performance obligations should be accounted for separately or combined may require significant judgment. For each performance obligation within a contract, we evaluate whether we act as the principal or as an agent. When we act as the principal, revenue is recognized in the gross amount of the consideration received from the customer recognized at the point in time the services are completed. When we act as the agent, revenue is recognized net of the consideration due to a third party at the point in time when the services are provided.

In contracts with multiple performance obligations, we allocate the transaction price to each distinct performance obligation proportionately based on the estimated stand-alone selling price, or SSP, of each performance obligation. We use an observable price to determine the SSP for each performance obligation. Where observable prices are not available, an expected cost-plus margin approach is used. We then determine how the services are transferred to the customer to determine the timing of revenue recognition.

From time to time we provide promotions and incentives to buyers and sellers in various forms including discounts on fees, credits and rebates. Promotions and incentives which are consideration payable to a customer are recognized as a reduction of revenue when revenue is recognized.

Commissions paid to sales representatives and related payroll taxes are considered costs to obtain a contract. Financial Accounting Standard Board Accounting Standards Codification, or ASC, Topic 340, Other Assets and Deferred Costs, requires costs to obtain a contract with a customer within the scope of Accounting Standards Update No. 2014-09, Topic 606, Revenue from Contracts with Customers, or ASC 606, to be capitalized and amortized over the period of benefit. We have elected the practical expedient available under ASC 340-40-25-4 to immediately expense the incremental cost of obtaining a contract when the underlying related asset would have been amortized over one year or less.

We have utilized the practical expedient available under ASC 606-10-50-14 and do not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less.

Stock-Based Compensation

We use the fair value recognition provisions of ASC Topic 718, *Compensation – Stock Compensation*. The estimated fair value of each common stock option award is calculated on the date of grant using the Black-Scholes option pricing model. Application of the Black-Scholes option pricing model requires significant judgment, and involves the use of subjective assumptions including:

- ***Expected Term***—The expected term represents the period that the stock-based awards are expected to be outstanding. As we do not have sufficient historical experience for determining the expected term of the stock option awards granted, the simplified method was used to determine the expected term for awards issued to employees.
- ***Risk-Free Interest Rate***—The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the date of grant for zero-coupon U.S. Treasury constant maturity notes with terms approximately equal to the stock-based awards' expected term.
- ***Expected Volatility***—Since we are privately held and do not have a trading history of common stock, the expected volatility is derived in part from the average historical stock volatilities of the

common stock of several public companies considered to be comparable to us over a period equivalent to the expected term of the stock-based awards.

- ***Dividend Rate***—The expected dividend rate is zero as we have not paid and do not anticipate paying any dividends in the foreseeable future.
- ***Fair Value of Common Stock***—Because our common stock is not yet publicly traded, we must estimate the fair value of the common stock. Our board of directors, with input from management, considers numerous objective and subjective factors to determine the fair value of our common stock at each meeting in which awards are approved.

Valuations of the common stock performed by a third-party valuation specialist are in accordance with the guidance outlined in the American Institute of Certified Public Accountants' Accounting and Valuation Guide, Valuation of Privately Held Company Equity Securities Issued as Compensation. Factors taken into consideration in assessing the fair value of our common stock include but are not limited to: (i) the results of contemporaneous independent third-party valuations of our common stock; (ii) the prices, rights, preferences, and privileges of our convertible preferred stock relative to those of our common stock; (iii) the likelihood and timing of achieving a qualifying event such as an initial public offering or sale of ACV given prevailing market conditions; (iv) actual operating and financial results; and (v) precedent transactions involving our shares.

We measure all stock options and other stock-based awards granted to employees, directors, consultants and other nonemployees based on the fair value on the date of the grant. The options vest based on a graded scale over the stated vesting period, and compensation expense is recognized based on their grant date fair value on a straight-line basis over the vesting period. Forfeitures are recognized as they occur.

The fair value of restricted stock awards and restricted stock units are determined based on the estimated market price of our common stock on the grant date. The awards and units vest over time and compensation expense is recognized based on their grant fair value ratably over the vesting period.

For valuations after the completion of this offering, the board of directors will determine the fair value of the common stock underlying our stock-based awards 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.

We classify stock-based compensation expense in our Consolidated Statement of Operations in the same way the payroll costs or service payments are classified for the related stock-based award recipient.

Goodwill and Intangible Assets

Goodwill represents the excess of the aggregate purchase price paid over the fair value of the net tangible and intangible assets acquired. Intangible assets that are not considered to have an indefinite useful life are amortized over their useful lives. We evaluate the estimated remaining useful lives of purchased intangible assets and whether events or changes in circumstances warrant a revision to the remaining period of amortization. Goodwill is not amortized, but rather is subject to an impairment test.

We evaluate goodwill for impairment annually as one singular reporting unit on October 1 or more frequently when an event occurs or circumstances change that indicates the carrying value may not be recoverable. Our policy is to first perform a qualitative assessment to determine whether it is more likely or not that the reporting unit's carrying value is less than its fair value, indicating the potential for

goodwill impairment. If the reporting unit fails the qualitative test, then we proceed with a quantitative test. We then determine whether the reporting unit fair value is less than its carrying amount, and if it is, we recognize a goodwill impairment equal to the difference between the carrying amount of the reporting unit and its fair value, not to exceed the carrying amount of goodwill.

Recently Adopted Accounting Pronouncements

See note 1 to our consolidated financial statements included elsewhere in this prospectus for more information on our recently adopted accounting pronouncements.

Emerging Growth Company Status

We are an emerging growth company, as defined in the Jumpstart Our Business Startups, or the JOBS Act. The JOBS Act provides that an emerging growth company can take advantage of an extended transition period for complying with new or revised accounting standards. This provision allows an emerging growth company to delay the adoption of some accounting standards until those standards would otherwise apply to private companies. We have elected to use the extended transition period under the JOBS Act for the adoption of certain accounting standards until the earlier of the date we (1) are no longer an emerging growth company or (2) affirmatively and irrevocably opt out of the extended transition period provided in the JOBS Act. As a result, our financial statements may not be comparable to companies that comply with new or revised accounting pronouncements as of public company effective dates.

LETTER FROM GEORGE CHAMOUN, CHIEF EXECUTIVE OFFICER

ACV has come a long way - from a single desk in a Buffalo, NY incubator just six years ago to a national presence in 125 territories across the country. In 2020, over $3 billion in gross merchandise value was transacted on our marketplace, and we are just getting started.

Used vehicles are extremely complex; each vehicle has its own story. I originally became involved with the company as an angel investor and then joined as CEO because I believed ACV would reimagine the industry. One simple analogy helped me understand the massive opportunity. Can you imagine buying a diamond online without knowing its cut, color, clarity, and carat weight? The same challenge needs to be solved when a dealer or consumer buys a used vehicle online.

ACV is focused on bringing trust and transparency to the entire used vehicle industry. Our best-in-class digital marketplace and data services enable our dealers and commercial partners to buy and sell used vehicles more effectively and efficiently. We are delivering data and technology services that power our competitive differentiation.

Our founders created ACV from first-hand dealer experience, where they identified the opportunity and had the conviction to change the industry. Today, the drive to transform the industry is embodied within every single teammate at ACV; we are passionate innovators. I am proud to lead ACV and believe we have built the best team and culture to deliver our long-term vision.

We see a massive opportunity for us to transform the industry

Our industry continues to be plagued by wasted time, high costs, limited vehicle and condition data, and distrust among buyers and sellers. We are built to solve this. We are committed to leading the industry's evolution with transparency powered by data, technology and a world class team.

There are an estimated 22 million used vehicles bought and sold in the US wholesale market annually, generating over $230 billion in sales and representing approximately 27% of all units sold.

Traditional auctions currently play a major role in the wholesale market. We estimate that 50% of wholesale transactions occur through traditional auctions; the remaining transactions are completed directly or through an intermediary outside of a traditional auction. While many aspects of the automotive industry, such as retail sales and marketing, are adapting to embrace digital solutions, the wholesale market has been slower to evolve. We are seeing dealers become increasingly comfortable with transacting online, and we expect more dealers to use online solutions to source and manage their inventory.

In 2020, we transacted nearly 400,000 vehicles, establishing lasting relationships with over 16,000 marketplace participants, composed of independent and franchise dealers and commercial partners. This represents less than 2% of the total wholesale opportunity in the United States. We expect to further penetrate the US market and also see significant future opportunity to bring trust and transparency worldwide to the entire used vehicle market.

ACV is on a deliberate path to offer the most trusted and transparent digital marketplaces within a data enabled platform to transact all things that move. Our significant scale, combined with our expanding suite of products and technologies and growing data moat, set the foundation for sustained growth. We are not focused on short-term profit; we are transforming a massive analog industry and aiming for long-term market leadership.

We are revolutionizing the status quo

We are digitally native by design, placing us in a powerful position to challenge our industry's previous status quo. Everything we do is underpinned by data and technology. Data fuels our competitive edge, gives our customers more confidence in transacting, and helps drive our customers' businesses.

Our digital marketplace connects buyers and sellers locally, regionally and nationally, enabling them to buy and sell vehicles more quickly and efficiently. We enhance our marketplace with technology-driven products and value-added services that address the entire used vehicle journey. Our data and technology solutions provide deep insights into vehicle condition, and vehicle value, to best serve our dealers and commercial partners.

With hundreds of discrete data points captured along the entire used vehicle transaction journey, we continue to improve our products and services, and we seek to anticipate our customers' needs. Our back-end technology, which leverages machine learning to reduce manual processes, enables our services and operations to become more streamlined and efficient.

We believe that our people and relationships define our culture

Our "people first" mindset drives everything we do, including how we recruit, develop and retain world class talent, how we work together, and how we work with our dealers and commercial partners. We respect and listen to one another, and we apply this same genuine care to our relationships with our dealers and commercial partners. Our dealers and commercial partners are more than just our customers; they collaborate with us and provide invaluable input to our platform. Our team is trained to build long-term relationships, and our approach is centered around a mantra of "calm persistence" as a means for all team members to stay focused on the long game.

We would not be where we are today without the dedicated hard work and creativity of our people, our partnerships with our dealers and commercial partners, and the support and encouragement from our shareholders.

We remain true to our beliefs

We will continue to invest in our people and culture.

We will continue to keep the needs of our dealers and commercial partners at the center of our decision-making.

We will continue to pursue sustainable growth, which includes our investment in training, tools, technology and our product roadmap.

We will continue to innovate and expand the breadth of our marketplace and data offerings, both organically and through targeted acquisitions.

We will continue to deliver on our mission to bring transparency, trust and efficiency to the markets we serve.

Join us on our journey.

George Chamoun
CEO, ACV

BUSINESS

Overview

Our mission is to build and enable the most trusted and efficient digital marketplaces for buying and selling used vehicles with transparency and comprehensive data that was previously unimaginable.

We provide a vibrant digital marketplace for wholesale vehicle transactions and data services that offer transparent and accurate vehicle information to our customers. Our platform leverages data insights and technology to power our digital marketplace and data services, enabling our dealers and commercial partners to buy, sell, and value vehicles with confidence and efficiency. We strive to solve the challenges that the used automotive industry has faced for generations and provide powerful technology-enabled capabilities to our dealers and commercial partners who fulfill a critical role in the automotive ecosystem. Since inception, we have facilitated over 750,000 wholesale transactions between over 21,000 of our dealers and commercial partners. We help dealers source and manage inventory and accurately price their vehicles as well as process payments, transfer titles and manage arbitrations, and finance and transport vehicles. Our platform encompasses:

- ***Digital Marketplace.*** Connects buyers and sellers of wholesale vehicles in an intuitive and efficient manner. Our core marketplace offering is a 20-minute live auction which facilitates instant transactions of wholesale vehicles, and is accessible across multiple platforms including mobile apps, web, and directly through API integration. We also offer transportation, financing and assurance services to facilitate the entire transaction journey.
- ***Data Services.*** Offer insights into the condition and value of used vehicles for transactions both on and off our marketplace and help dealers, their end consumers, and commercial partners make more informed decisions to transact with confidence and efficiency.
- ***Data and Technology.*** Underpins everything we do, and powers our vehicle inspections, comprehensive vehicle intelligence reports, digital marketplace, and operations automation platform.

The U.S. automotive market is a large and complex industry with an estimated 78 million units sold in 2019, generating approximately $1.7 trillion in sales between retail and wholesale markets. Our primary business focuses on the wholesale market, a key channel for used inventory acquisition and disposition for dealers and commercial consignors. In the wholesale market, there are an estimated 22 million used vehicles that are bought and sold annually, generating over $230 billion in sales and representing approximately 14% of the total U.S. automotive market and approximately 27% of all units sold. There are approximately 9 million dealer wholesale units that are transacted in the wholesale marketplace annually.[16] We believe there are an additional approximately 5 million dealer wholesale units in the market that are transacted annually outside of established wholesale channels through direct dealer-to-dealer sales. There are also approximately 8 million units in the commercial wholesale market, sourced mainly through off-rental, off-lease, and repossessions.[17] Traditional auctions play a major role in the wholesale market, which we estimate account for 50% of wholesale transactions, while the remaining transactions are completed directly or through an intermediary outside of a traditional auction.[18] Even though many aspects of the automotive industry, such as retail sales and marketing, have adapted to embrace digitization, the wholesale market has been slower to transition and continues to be characterized by significant time wasted, high costs, limited vehicle and condition data, and distrust among buyers and sellers.

16 Cox Automotive, Industry Insights 2021
17 Cox Automotive, Industry Insights 2021
18 Manheim, Used Car Market Report, 2017

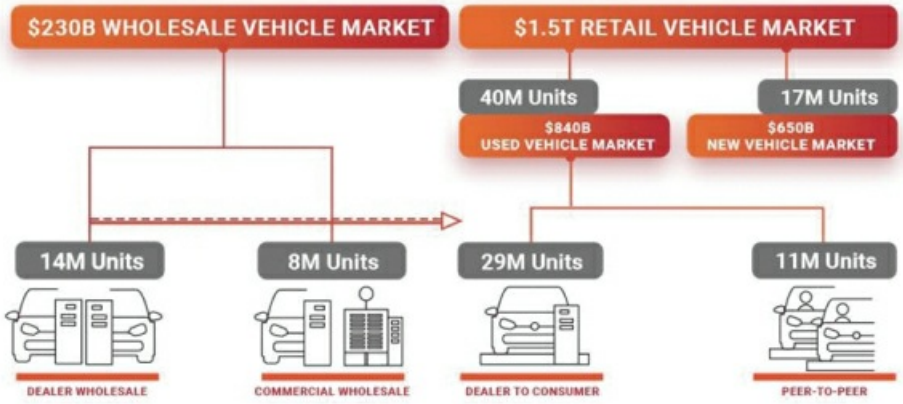
We power our marketplace with technology-driven products and value-added services that address the entire transaction journey, ranging from pre-inspection scheduling to post-auction services including title transferability verification, payment processing, financing, and transportation, and facilitate transactions both on and off our marketplace. Our comprehensive suite of services include ACV Transportation, ACV Capital, and our Go Green assurance, which help create a seamless and frictionless buying and selling experience for our customers to further enhance our digital marketplace. We also provide data services to our customers for use outside of our marketplace. Our True360 Reports are used by dealers and commercial partners to provide transparent vehicle information to potential buyers, including dealers as well as consumers. We believe the data and technology services enabled by our platform can bring value to the entire automotive industry and transform both wholesale and retail markets.

Our platform benefits from a virtuous cycle driven by our scaled, digital marketplace and the data and technology we leverage every day. More buyers and sellers engaging on our marketplace drives greater liquidity and greater vehicle selection, which leads to an overall better marketplace experience. This leads to greater scale, driving more vehicle and market data that helps grow our data and technology moat. As we collect more vehicle and market data, we are able to provide greater efficiency to buyers and sellers through more products, which in turn drives greater marketplace supply and scale. For example, our data and technology enables economies of scale that improve our value-added transportation and financing services. As we continue to grow and offer more comprehensive and efficient services, our customers can further benefit from a more streamlined, simple, and consistent experience across the full used vehicle lifecycle. These reinforcing flywheel effects continuously improve our scaled, digital marketplace, and data and technology for our customers, resulting in growth for our platform.

Since first going live with our offering in 2015, we have expanded from our first territory in Buffalo, New York to 125 territories, covering a substantial majority of all dealer locations within the continental United States. For the year ended December 31, 2020, 391,466 Marketplace Units were sold on our marketplace, representing a total Marketplace GMV of $3.3 billion, up 62.1% and 86.2%, respectively, from the same period in 2019. We generate revenue from auction fees charged to customers for transacting on our digital marketplace and we also generate revenue from the sale of value-added and data services such as ACV Transportation, ACV Capital, Go Green assurance, and True360 Reports. For the year ended December 31, 2020, we generated revenue of $208.4 million, up 95.0% from the same period in 2019, a net loss of $41.0 million and Adjusted EBITDA of $(30.8) million compared to a net loss of $77.2 million and Adjusted EBITDA of $(76.4) million for the same period in 2019. We continue to invest in growth to scale our company responsibly and drive towards profitability. See the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Operating and Financial Metrics” for additional information on Marketplace Units Marketplace GMV, and Adjusted EBITDA.

Our Industry

The U.S. Automotive Market is Large



The U.S. automotive market is a large industry with over 78 million units sold, generating approximately $1.7 trillion in sales between retail and wholesale markets in 2019.

The retail market includes sales from dealers to consumers and peer-to-peer transactions. Within the retail market, dealers sold approximately 17 million new vehicles and approximately 29 million used vehicles to consumers in 2019, while peer-to-peer transactions accounted for the sale of approximately 11 million used vehicles.[19] The overall retail market generated approximately $1.5 trillion of sales in 2019, accounting for 86% of sales of the total U.S. vehicle market.

In the wholesale market, there are an estimated 22 million used vehicles that are bought and sold annually, generating over $230 billion in sales and representing approximately 14% of the total U.S. automotive market. The wholesale market is comprised of dealer wholesale and commercial wholesale and provides a key channel for used inventory acquisition and disposition for dealers and commercial consignors. The majority of a dealer's wholesale inventory is sourced from other dealers' inventory. Approximately 9 million dealer wholesale units are transacted in the wholesale marketplace annually.[20] We believe there are an additional approximately 5 million dealer wholesale units in the market that are transacted annually outside of established wholesale channels through direct dealer-to-dealer sales. There are also approximately 8 million units in the commercial wholesale market.[21] The vehicles in the commercial wholesale market are sourced mainly through off-rental, off-lease, and repossessions, which are sold directly from a commercial consignor to a dealer through a wholesaler or auction.

While there are approximately 290 million vehicles in operation, approximately 13 million vehicles are removed from operation each year. [22] We estimate that approximately 5 million of these vehicles enter the salvage auctions market, and are not included in the estimated 22 million used vehicles that are transacted in the wholesale market.[23, 24]

19 National Independent Automobile Dealers Association, Used Car Industry Report, 2020
20 Cox Automotive, Industry Insights 2021
21 Cox Automotive, Industry Insights 2021
22 IAA, Investor Presentation, November 2020
23 Cox Automotive, Industry Insights 2021
24 IAA, Investor Presentation, November 2020

The Used Automotive Market is Highly Fragmented

The U.S. used automotive market is highly fragmented with over 50,000 independent and franchise dealers who sell used vehicles. The top 100 used vehicle dealers make up less than 10% of the used automotive market and the largest used vehicle dealer has less than 2% of the market.[25] Key stakeholders in the ecosystem include:

Independent dealers. Independent dealers only sell used vehicles. There are over 38,000 independent dealers in the United States. [26]

Independent dealers typically source vehicles from consumer trade-ins, the wholesale auction market, and directly from other dealers. Independent dealers collectively serve a wide demographic and are focused on a broader selection of used vehicles than franchise dealers, including lower priced vehicles. Given the nature of their business is focused on used vehicles, independent dealers rely heavily on auctions to source and manage their inventory.

Franchise dealers. Franchise dealers sell both new and used vehicles. In 2019, there were over 16,500 franchise dealers in the United States. [27] Additionally, used vehicles represented 46% of average units sold for franchise dealers and we believe they are more profitable for these dealers than new vehicles due to the higher margins associated with used vehicles.[28] All in, used vehicles represented approximately 33% of total franchise dealership sales in 2019.[29] According to our 2020 ACV Survey, 64% of franchise dealers noted they are selling more used vehicles over time relative to new vehicles.

Franchise dealers source their new inventory from original equipment manufacturers, or OEMs, and their used vehicle inventory from the wholesale market and from consumers. Acquisitions from consumers consist of trade-in vehicles and curb purchases, which represented 68% of total franchise dealership inventory sources in 2019.[30] Dealers generally decide to keep and recondition vehicles acquired through trade-ins and curb purchases if the vehicle is an ideal match to what the dealer may retail. Alternatively, if the vehicle does not match a dealer's retail inventory, the dealer may decide to sell the vehicle in the wholesale market.

Commercial. The commercial market is largely made up of four different categories: off-lease, off-rental, repossessions, and fleets.

- *Off-lease.* Off-lease vehicles are those that have been returned to the lessor at the end of the lease term.
- *Off-rental.* Off-rental vehicles are fleets of vehicles that are sold through an auction or directly to dealers or consumers.
- *Repossessions.* Repossessions are vehicles that are repossessed by banks or other finance companies from consumers and sold to dealers or directly to consumers.
- *Fleets.* Company vehicles and fleets are vehicles owned by companies for company use that are pulled out of service at the end of their useful life and sold in the wholesale market.

In each category, commercial consignors sell their used vehicles in either the retail or wholesale market. These vehicles generally require an inspection to assess their condition before they can be sold.

25 Automotive News, Top 100 Retailers Ranked by Used-Vehicle Sales, April 2019
26 National Independent Automobile Dealers Association, October 2020
27 National Automobile Dealers Association, Mid Year Report, 2020
28 National Automobile Dealers Association, Average Dealership Profile, 2019
29 National Automobile Dealers Association, Mid Year Report, 2020
30 National Independent Automobile Dealers Association, Used Car Industry Report, 2020

The Wholesale Auction Market is Complex

Traditional auctions play a major role in the wholesale market, accounting for an estimated 50% of wholesale transactions, while the remaining transactions are completed directly or through an intermediary outside of a traditional auction.[31] Traditional auctions involve in-person buying and selling of used vehicles, with sellers needing to transport their vehicles to physical auction sites. The vehicles are then listed with a starting price and a buyer who is interested has only minutes to quickly inspect and place a bid on the vehicle. While most traditional auctions have evolved over time to offer online buying in the form of hybrid auctions, they lack a fully digital experience and remain constrained by the inefficiencies and operational complexities of in-person physical auctions. These hybrid auctions, which are simulcast over the internet and broadcasted for buyers to place bids on, still involve many of the same operational inefficiencies as traditional in-person physical auctions. Sellers still need to transport their vehicles to the auction lot and buyers are still unable to thoroughly inspect the conditions of the vehicles on which they are bidding. According to our ACV 2020 Survey, 85% of dealers noted that they value detailed condition reports most, over pricing or images for example, when deciding whether to buy a vehicle.

Online Penetration in the U.S. Wholesale Market is Still in Early Stages

While dealers are getting increasingly comfortable with buying online, wholesale vehicle online penetration is still in early stages, lagging the consumer automotive market. For example, for independent dealers, approximately 17% indicated that they sold wholesale vehicles online and 36% indicated that they bought wholesale vehicles online.[32] We expect more dealers to use online solutions to source and manage their inventory in order to maximize cost-efficiency and productivity.

The Used Vehicle Market is Growing and Resilient

U.S. consumers have exhibited resilient vehicle ownership trends, with approximately 290 million registered vehicles on the road projected for 2020, compared to 270 million in 2017.[33] Consumers also show increasing receptivity to purchasing used vehicles. For example, in 2019, 64% of consumers in the market for a vehicle considered buying a used vehicle, up from 59% in 2017.[34] In addition to enduring consumer demand, the used vehicle industry has shown resilience through recessionary markets and other challenging economic cycles. In fact, from 2007 to 2009, new car transactions decreased by 35%, compared to just 14% for used cars.[35]

Our Opportunity

We believe dealers and commercial consignors can benefit from our truly digital marketplace and comprehensive suite of services to buy and sell their vehicles, due to the inefficiencies and operational complexities that exist in the traditional wholesale auction market. There are an estimated 22 million wholesale units that are transacted in the United States. Based on our average fee per unit sold in 2020 of $494, we estimate there is a total addressable market opportunity of $10.7 billion for our core auction marketplace offering, including transportation services. We believe that our digital marketplace addresses the limitations of traditional and hybrid auctions, and enables us to be successful in attracting dealers and commercial partners, including those who have historically not relied on auctions for inventory management.

31 Manheim, Used Car Market Report, 2017
32 National Independent Automobile Dealers Association, Used Car Industry Report, 2020
33 Hedges & Company, U.S. Vehicle Registration Statistics, November 2020
34 National Independent Automobile Dealers Association, Used Car Industry Report, 2019
35 Bureau of Transportation Statistics, New and Used Passenger Car Sales and Leases, December 2020

We have built a robust digital marketplace and data-driven platform that can also address similar dealer challenges across the global wholesale market. While we are currently focused on the U.S. used vehicle market, which represents 36% of the global market,[36] we believe the international opportunity is at least as large.

As we continue to scale our platform and invest in our business, we expect that our total addressable market will expand with the additional value-added marketplace and data services we provide to dealers and commercial partners. For example, in 2019, there were approximately 29 million vehicles sold by dealers to consumers,[37] and we believe this represents a significant opportunity for our True360 Reports.

We are actively assessing opportunities to expand internationally and various expansion modes, including organic growth, partnerships and acquisitions. We are initially focused on expansion into Canada, but we plan to assess global expansion opportunities in the future. Based on our international strategy and our research into the Canadian market, we believe we may enter Canada in 2022 or possibly earlier. However, we intend to selectively evaluate potential opportunities for international expansion and cannot make any assurances as to timing. International expansion will come with various corresponding challenges, including new competitors and additional regulatory and legal obligations. International expansion will necessitate that we invest in additional sales, engineering, and administrative personnel, as well as incur additional costs associated with new compliance burdens.

Dealer Challenges

Independent and franchise dealers fulfill a critical role in the automotive industry ecosystem and are the main source of used vehicles for the retail and wholesale markets. Dealers bring ease and convenience to the consumer vehicle buying process, including local availability of vehicles, servicing, and financing. Dealers face a significant number of pain points that oftentimes challenge their ability to run their businesses efficiently and profitably. Dealers are focused on making the wholesale process as streamlined and simple as possible in order to sell inventory quickly, efficiently, and at fair values. Additionally, being able to source the right vehicle with ease, and with few surprises as it relates to the condition of the vehicle, is a top priority for dealers.

Inefficiencies in the Traditional and Hybrid Auction Processes

- **Significant time wasted**. It can often take weeks before vehicle inventory is sold in the traditional auction process. The vehicle is transported to and held at the auction location until the scheduled sale. If the vehicle is not sold, this inefficient process continues, and the vehicle is hauled back to the dealership, stored at the auction site, or transported to another auction location until the next scheduled sale. Additionally, dealers must commit significant time attending traditional auctions and buyers are limited to the inventory offered on the day of the scheduled sale.
- **Costly**. Traditional auctions are costly and many of the costs involved can never be recouped and thereby diminish dealer profits. These costs include transportation costs, sunk costs of uncertain appraisals, and opportunity costs of missing retail sales on a dealer's own lot since the vehicles are held at the auction site. Dealers want every available moment to retail a vehicle before selling it at an auction and the traditional process forces dealers to take their key assets, their vehicles, as well as their most valuable managers, away from their dealerships for lengthy periods of time. The process is also costly for buyers, who are faced with the burden of making split-second decisions without appropriate vehicle condition data and price evaluation

36 Technavio, Global Used Car Market 2020–2024, U.S. Used Car Market 2020–2024
37 National Independent Automobile Dealers Association, Used Car Industry Report, 2020

tools, which can lead to costly mistakes. Many times, buyers are left to guess or to trust the seller on the condition of the vehicle they are bidding on.

- **Traditional auction services have not been built to enable a fully digital experience** . Hybrid auctions, which are simulcast over the internet, still entail the same inefficiencies and operational complexities as traditional in-person physical auctions. While buyers are able to watch live video and audio of an auction, sellers are still required to haul their vehicles to the auction lot. Additionally, buyers in different environments have access to different information, which can foster distrust during the auction process.

Difficulty Effectively Sourcing and Selling Inventory

- **Limited reach to source inventory and difficulty finding the right vehicle** . Dealers are often limited to sourcing inventory at local auctions or agreeing to direct private sales from another dealer without appropriate time to truly assess the vehicle's condition. Independent dealers source the majority of their inventory from auctions and franchise dealers use auctions to source 27% of their used vehicle inventory.[38] Proximity has long been a problem, with dealers largely reaching only local auctions within driving distance, whereas the "right" vehicle may be further away.
- **Turning wholesale inventory quickly and at the right price is challenging** . Dealers need to find ways to manage constantly changing inventory and adjust pricing strategies to adapt to market conditions and consumer behavior. The time spent and speed at which dealers turn wholesale inventory is a key driver of their profitability and dealers often lack the technology and tools to quickly and efficiently sell their wholesale vehicles by optimizing for time and price.

Inability to Fully Assess Vehicle Condition

- **Evaluating vehicle condition is complicated** . At a traditional auction, buyers typically have very little time to decide whether to buy a vehicle, and they often lack sufficient data to thoroughly assess the full condition of the vehicle. Even though buyers at in-person auctions have the opportunity to see the physical vehicle, buyers do not get to evaluate critical condition indicators, such as the undercarriage, engine readings, and clear sound, before purchasing the vehicle. This exposes dealers to risks of hidden vehicle issues. Not fully understanding and predicting the condition of a vehicle before purchasing may lead to longer than expected reconditioning times, increased costs, decreased profits, and increased time that inventory sits on a dealer's lot.
- **Disputes and mistakes are frequent and can often lead to costly reconditioning or unpredictable arbitration outcomes** . Sellers and buyers often have disagreements after a transaction is completed. Certain vehicle condition reports may misrepresent or miss certain issues with the vehicle, the most common being defective transmissions or frame issues, which are difficult to test during the traditional wholesale process.

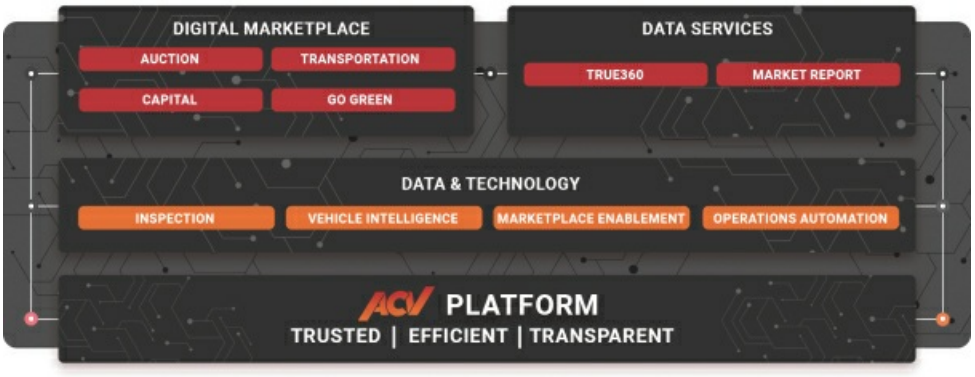
Lack of Pricing Guidance

- ***Every vehicle is unique*** . Dealers tend to face many challenges when determining the right price for a vehicle. Buyers must make split-second decisions about value, with no time to comprehensively review the condition of the vehicle. Generally, dealers have been limited by lack of access to unbiased information on specific vehicles and pricing guides have historically only offered information around blended transactions. Buyers and sellers have different pricing strategies: buyers generally use local market data and unique history information to determine

38 National Independent Automobile Dealers Association, Used Car Industry Report, 2020

how much they can justify bidding on a particular vehicle, while sellers may price vehicles higher than what the vehicle is truly worth, leading to supply and demand inefficiencies. A lack of consistency in the way that dealers characterize a vehicle's attributes can also drive different pricing on similar vehicles.

Our Platform



Our platform leverages data and technology to power our digital marketplace and data services, enabling our dealers and commercial partners to buy, sell, and value vehicles with confidence and efficiency. Our digital marketplace offerings include our core auction offering and value-added services, ACV Transportation, ACV Capital, and our Go Green assurance. Our data services provide insights into the condition and value of used vehicles for transactions both on and off our marketplace. Our core data and technology platform includes inspection, vehicle intelligence, marketplace enablement, and operations automation.

Digital Marketplace

Our digital marketplace is our intuitive and efficient offering for connecting buyers and sellers of wholesale vehicles nationwide, enabling them to transact intuitively and efficiently.

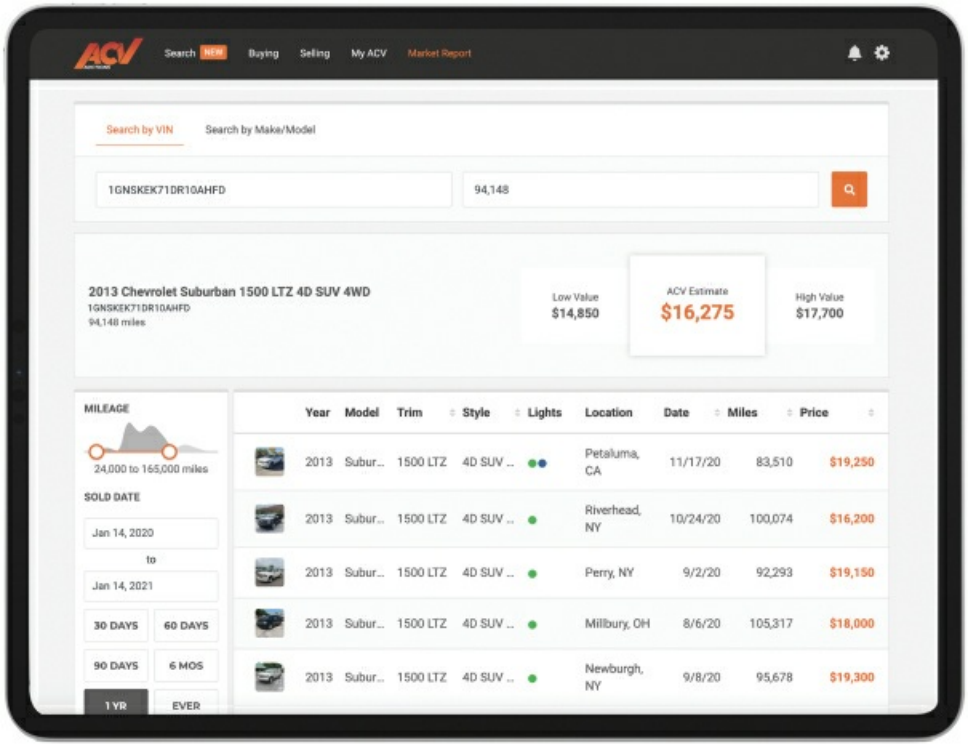
- **Auction**. Our core offering is our online auction, which facilitates instant transactions of wholesale vehicles. Thousands of dealers transact every day, with sellers either launching their vehicles directly to our 20-minute live auction or to Run List, which is a digital list that gives buyers the chance to view the condition report and place proxy bids 24 hours before the auction goes live.
- **ACV Transportation**. Through our nationwide network of carrier partners, our technology platform, and dedicated service teams, we move vehicles both locally and long-haul in a cost-efficient and timely manner.
- **ACV Capital**. We offer short-term inventory financing for buyers to purchase vehicles on our digital marketplace. Our financing product includes straightforward pricing, allowing our customers to know their inventory costs upfront.
- **Go Green**. We provide the seller with an assurance against claims related to defects in the vehicle which we did not identify in our condition report and otherwise may have exposed the seller to loss as a result of arbitration with the buyer.

Data Services

We offer data services for our dealer and commercial partners that bring transparency and offer insights into the condition and value of used vehicles, enabling them to make more informed wholesale and retail inventory management decisions both on and off our digital marketplace.

- **True360 Report**. We provide proprietary, vehicle-specific intelligence, including cosmetic and structural vehicle assessments that can be integrated into leading vehicle history report providers. This data helps our dealers and commercial partners buy and sell vehicles and accurately assess and document vehicle condition. Dealers utilize the True360 Report to make wholesale and retail transaction decisions with confidence both on and off our marketplace. Commercial partners use our detailed and marketable True360 commercial inspection reports to better price and sell their used vehicle inventory.

- **ACV Market Report**. We provide transaction data and condition reports for comparable used vehicles, including pricing data from third-party sources. With a full picture of how previous vehicle sales have performed, our ACV Market Report gives dealers another tool to determine best pricing and valuation strategies for used vehicles.



Data and Technology

Data and technology are the foundations of our platform and underpin everything we do. Our core data and technology capabilities include inspection, vehicle intelligence, marketplace enablement, and operations automation.

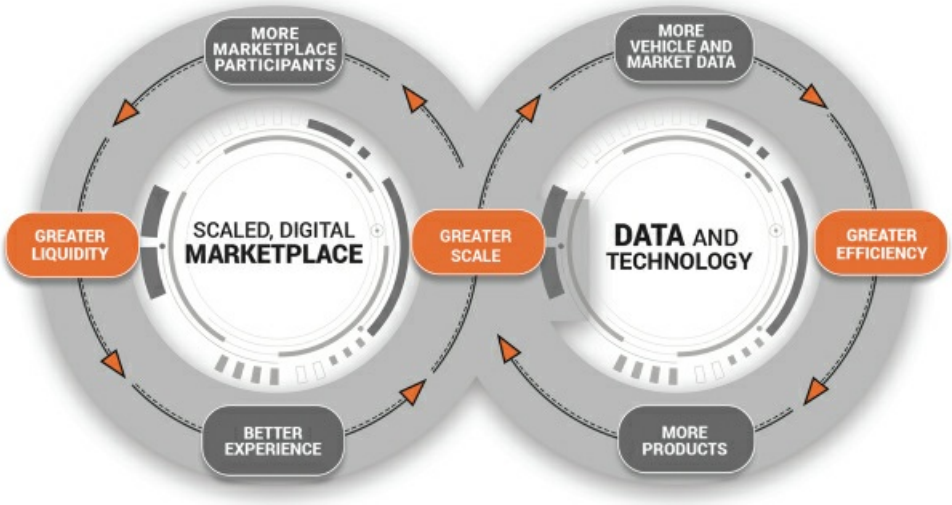
- **Inspection**
  - ***Condition Report***. Our platform enables thorough, comprehensive inspections and reports that feature approximately 100 details such as cosmetic irregularities including paint quality, as well as structural assessments that identify prior repairs or existing damages.
  - ***Virtual Lift***. We offer a high definition look at a vehicle's undercarriage without having to put the vehicle on a lift through Virtual Lift. This is a portable, light-weight, drive-over solution utilizing mobile device technology that can be operated by a single inspector.
  - ***AMP***. We allow for the clear recording and immediate sharing of a vehicle's engine sound through our Audio Motor Profile, or AMP, solution. This custom feature gives buyers the

ability to listen to the vehicle running in a way that is more detailed than physically standing next to the vehicle.

- **Vehicle Intelligence**. Our platform is fueled by the data we collect through our proprietary technology, inspections, and activity on our marketplace, as well as third-party market data. We store, analyze, and connect this data to create comprehensive analytics tailored for our dealers and commercial partners. Our pricing engine utilizes our extensive repository of data to help predict wholesale and retail vehicle valuations at scale, and dealers can price any vehicle anywhere. Through live appraisals, we also enable dealers to quickly assess the value of potential trade-in vehicles from consumers.
- **Marketplace Enablement**
  - ***MyACV***. We provide an application that serves as our customers' gateway to our platform through our mobile app, website, or directly leveraging our APIs. MyACV offers user-friendly product features for our customers including personalization, inventory discovery, bidding, purchasing, finalization of post-sale payment options, and additional services including transportation and financing.
  - ***Private Auction***. Our recently launched private auction offering powers private sales for dealer groups and commercial partners, permitting the customization of participants, schedule and duration, bidding, purchasing, and pricing rules.
- **Operations Automation**. Investments in our technology platform have unlocked process workflow optimization and automation for pre- and post-auction services. Our configurable and integrated services support payment processing, risk management, processing of titles by a dedicated ACV team or automated through machine learning, arbitration, and transportation services.

Network Effects

Our platform benefits from a virtuous cycle driven by our scaled, digital marketplace and the data and technology we leverage every day. More buyers and sellers engaging on our marketplace drives greater liquidity and greater vehicle selection, which leads to an overall better marketplace experience. This leads to greater scale, driving more vehicle and market data that helps grow our data and technology moat. As we collect more vehicle and market data, we are able to provide greater efficiency to buyers and sellers through more products, which in turn drives greater marketplace supply and scale. For example, our data and technology enables economies of scale that improve our value-added transportation and financing services. As we continue to grow and offer more comprehensive and efficient services, our customers can further benefit from a more streamlined, simple, and consistent experience across the full used vehicle lifecycle. These reinforcing flywheel effects continuously improve our scaled, digital marketplace, and data and technology for our customers, resulting in growth for our platform.



Value Proposition to Our Customers

Our competitive advantages are driven by our ability to enable trust, transparency, and confidence in an industry that has historically lacked these qualities. We provide transparent and accurate vehicle information and access to a vibrant marketplace that efficiently connects buyers and sellers of used vehicles. Both on and off our marketplace, we offer data services to dealers and commercial partners that provide insight into the value and condition of used vehicles, including pre-auction inspections, True360 Reports, as well as pricing guidance for Marketplace Participants. We power our marketplace with technology-driven products and value-added services that address the entire transaction journey, ranging from pre-scheduling to post auction services including title, verification, payment processing, financing and transportation. Our aim is to provide a streamlined, simple and consistent experience for our customers so they are able to shift their focus to the upstream parts of their businesses that matter most.

We Provide Unbiased Accuracy and Transparency

- **We provide detailed condition information and comprehensive vehicle intelligence that help our customers make the best decisions** . Before a vehicle is launched on our auction, our vehicle inspectors create a comprehensive and impartial vehicle condition report right at the seller's lot. This report, which includes approximately 100 detailed data points and over 40 photos of the vehicle including of its undercarriage, provides unbiased information that is unparalleled in its transparency. Our reports alert potential buyers to issues both small and large, and include details ranging from engine fluid levels to individual tire tread depths. We also increase the vehicle's desirability and retail value through our True360 Reports. We provide off-lease inspections to captive finance companies and OEMs to assess damages and price their vehicles based on their condition. We leverage the multiple data points we collect from our inspections to increase the confidence level of our dealers and commercial partners.
- **Transparent, third-party objectivity is at our core** . We believe that our thorough vehicle condition and market reports introduce third-party objectivity that improves the likelihood of buyers and sellers reaching a sale at an attractive price. Approximately 70% of consumers seek a third-party site for independent information validation.[39] In the traditional wholesale process, the owner of the vehicle typically takes full responsibility for the condition of the vehicle. On our platform, we help confirm the integrity of the assets through third-party inspections.
- **We provide insights into actual vehicle value** . Our comprehensive approach to inspections and condition reports, as well as our deep data moat, help guide pricing for our dealers and commercial partners. We have a thorough and extensive process that determines the true condition of each individual vehicle we inspect and we are able to predict demand for it through our marketplace. This enables us to help determine the actual cash value of the vehicle, and allows for efficient matching of buyers and sellers in our marketplace.

We Provide a Quick and Efficient Channel for Sourcing and Selling Inventory

- **We believe we provide the fastest means to sourcing and selling inventory at scale for dealers and commercial partners in the wholesale marketplace**. We eliminate roughly a week worth of lag time associated with traditional auctions when dealers utilize our digital marketplace to sell their inventory. We provide a highly liquid online marketplace and access to markets outside of the standard local markets of which dealers are accustomed. Through our platform, dealers can source inventory every day, from anywhere. According to our 2020 ACV Survey, 66% of dealers noted they buy and sell more vehicles using our online auction than they would have otherwise been able to at traditional physical auctions. Our online auctions provide sellers with convenient and cost-efficient access to thousands of dealers nationwide, and provide buyers with immediate access to an extensive inventory of thousands of vehicles—all at the touch of a button. In 2019, the average distance between dealers for our transactions was 350 miles. We provide dealers access to inventory and give them the ability to access vehicles from outside of their local markets with total confidence.
- **We eliminate the time requirements associated with traditional auctions** . Traditionally, sellers had to wait until an auction was scheduled to wholesale their vehicle, materially increasing the carrying costs of their vehicles. Our platform eliminates the significant time requirements for dealers who have historically had to drive hundreds of miles per week, going to different auctions around their respective regions to source vehicles. With our platform, dealers can remain at their dealerships, where they are able to have better control over their retail operations.

39 National Independent Automobile Dealers Association, Used Car Industry Report, 2019

We Hold Ourselves Accountable and Responsible

- **We are partners to our customers**. We eliminate the surprise element that has historically been associated with traditional auctions due to the lack of information. At traditional auctions, the buyers and sellers tend to own more of the risk, so the auctions typically do not have much exposure. We own that responsibility and alleviate risk for our partners, and view this as a critical differentiator of our platform. We believe our condition reports more accurately assess condition than any other inspection and we stand behind them.
- **Our data and technology help increase buyer confidence and decrease disputes, and bring ease to the arbitration process** . We are able to take the responsibility for representation and arbitration, and can take risk off our dealers, through our optional Go Green assurance service. For some of the most common arbitration causes including transmission issues, we have utilized our deep data moat to help predict when these issues may arise before a sale, significantly driving down the need for arbitration.

We Drive Deeper Insights through Data Aggregation to Value Vehicles Better and Optimize our Marketplace Experience

- **We grow our data repository from a multitude of interactions across the entire transaction journey, from pre-inspection scheduling to post-auction services**. We leverage a deep and comprehensive set of data we collect to predict trends around pricing and condition of vehicles. As our community of dealer and commercial partners and our market coverage grow, so does the accuracy and value of these data points, ultimately creating a more trusted, transparent, and efficient process.

We Provide a Holistic Solution for Wholesale Vehicle Acquisition and Disposition

- **We handle every step of the process.** Through our comprehensive suite of products and services, our dealers and commercial partners receive trust, transparency, convenience, speed, efficiency, cost savings, and reach. Our customers never need to leave their stores; we bring the vehicles and inspectors directly to them. In addition to our digital marketplace and in-depth condition reports, we also integrate services which handle payments (processed directly through our platform), titles (handled by a dedicated ACV team), arbitration (10-days of protection offered for free plus extended low-cost plans for 20 or 30 days), transportation (delivered directly from the seller's lot to the buyer's lot) and financing (straightforward pricing determined by the amount financed and terms selected).
- **We reduce the complexity of logistics**. With our ability to help dealers sell their vehicles without ever having to remove the vehicle from their individual lots, we eliminate the burdensome process of dealers needing to haul their vehicles to various auctions with no predictability of a sale. Additionally, we help dealers reach inventory of vehicles much further than they have historically been able to reach. By owning the responsibility of transporting our dealers' vehicles once a sale has been completed, we eliminate the additional challenge dealers face of having to transport their own vehicles hundreds of miles away.
- **We have financing options that our dealers need** . We have over 60 payment options available for buyers. This ranges from standard ACH pulls that we administer, to various vehicle financing sources that we have been able to establish relationships and integrations with, as well as creating our own ACV Capital financing offering that is primarily for independent dealers. This is a significant competitive advantage for us as vehicle financing providers such as banks are generally cautious to provide financing given the high amount needed relative to the value of the vehicle.

We Supplement Our Digital Platform with Dedicated Account Management and Customer Service

- **While we are committed to digitizing the wholesale vehicle auction process, we recognize that some steps still require the human touch to maximize the trust and transparency**. We have a dedicated team on the ground in each of our territories, including over 740 vehicle condition inspectors, or VCIs, and over 125 territory managers as of December 31, 2020, who inspect our vehicles, create our vehicle condition reports, and work to build trusting relationships directly with our customers.
- **We focus on the highest quality customer service which helps win and keep customers long-term** . We strive to cultivate long-term partnerships with our customers, which is a unique and differentiated approach in the industry.

Why We Win

Our competitive advantage results from our deep expertise in the used vehicle market, a transparent, digital approach for our dealers and commercial partners, and a comprehensive suite of products and services:

Transparent, Digital Approach Unlocks a More Efficient Market . We are digitizing and bringing transparency and efficiency to a massive, fragmented and highly complex used vehicle market. Our digital marketplace and comprehensive suite of products and services provides greater access to trusted inventory and speed to liquidity for our dealers and commercial partners. Our differentiated approach to vehicle insights also allows us to stand behind vehicles listed on our marketplace and truly partner with our customers. We pioneered what we believe to be the wholesale market's first seller assurance service, Go Green, which provides the seller with an assurance against claims of defects in the vehicle that are not disclosed in our condition report and which otherwise may have exposed the seller to loss as a result of arbitration with the vehicle buyer. We believe our approach instills more confidence for our customers to transact digitally and we enable transactions that may not have happened in the traditional auction process.

Industry Leading Digital Marketplace with Significant Scale . The power of our platform is evidenced through our scale and growth. In 2020, we had 16,215 active Marketplace Participants generating $3.3 billion Marketplace GMV, which increased by 29.6% and 86.2%, respectively, from the prior year. Our digital marketplace provides sellers with an efficient channel to wholesale their vehicles and access to thousands of dealers nationwide, and provides buyers with a real-time view of extensive vehicle inventory, all at the touch of a button. As of December 31, 2020, our territory managers and VCIs operated across 125 territories. We believe our ability to build vibrant local and regional networks of Marketplace Participants, combined with our nationwide coverage, creates a strong competitive advantage. The number of units sold on our marketplace in 2020 increased by 62.1% to 391,466. We define Marketplace Participants as dealers or commercial partners with a unique customer ID that have transacted on our digital marketplace at least once in the last 12 months as either a buyer or seller and include independent and franchise dealers buying and selling on our marketplace, as well as commercial partners, consisting of commercial leasing companies, rental car companies, bank or other finance companies, who use our marketplace to sell their inventory. See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Key Operating and Financial Metrics" for additional information on Marketplace Participants.

Comprehensive Suite of Products and Services Deepening Relationships with Our Customers . To further enhance our digital marketplace, we offer a comprehensive suite of products and services that help create a seamless experience and remove the friction and pain points

associated with the traditional wholesale process. Through services such as ACV Transportation and ACV Capital, we help our customers manage the entire transaction journey on our platform, becoming an integral partner and deepening our relationships with them. The value of these services is demonstrated in the growth of customer adoption and attachment rates. Of the 391,466 units sold on our digital marketplace in 2020, 37.3% were transported using ACV Transportation or financed using ACV Capital. Our customers trust our products and services to enable them to make more informed wholesale decisions and retail more vehicles.

Growing Technology and Data Moat. Technology and data inform every aspect of our marketplace, offerings, and services. Our growing repository of data enables transparent, comprehensive, and accurate vehicle information that our customers can trust, powering more efficient and frictionless vehicle transactions both on and off our marketplace. Through the connection of hundreds of discrete data points collected along the entire used vehicle transaction journey, we improve existing products and react dynamically to our customers' needs. We have also built proprietary technology including Virtual Lift and AMP, which further enhances our industry leading condition and market reports. These reports offer intelligence that enables our customers to make informed wholesale and retail inventory management decisions. Additionally, our back-end technology, which leverages machine learning to reduce manual processes, drives a substantial moat that allows for quicker turnaround time in the post-transaction process and enables our operations to become more efficient.

Attractive Territory Cohort Economics. As our territories mature and scale, territory-level economics tend to improve driven by more cost-efficient operations and greater customer affinity for our offerings. At the launch of a new territory, we incur a certain amount of costs to establish presence, which are largely fixed costs in nature. This includes adding a territory manager and a team of our VCIs who carry out inspections on our customers' lots and help drive stronger relationships with our customers and increase their usage of our platform. This cost structure allows us to support strong transaction growth without significant incremental costs. As we reach greater scale and higher levels of density in a territory, we typically experience lower inspection cost per vehicle and better overall economics per transaction.

Mission-Driven Culture and Proven Team. We founded ACV with the core principle of investing in people and technology to bring trust and transparency across the entire used vehicle market. We are invested in the development and empowerment of our over 1,470 teammates. We believe the happiness of our teammates leads to successful business operations, and comes from learning and engaging in fulfilling work, which results in ample professional growth opportunities. Additionally, we represent the successful creation of an entrepreneurial ecosystem in our hometown, and our success enables us to attract some of the best talent in the region and across the country. Our leadership team is composed of seasoned executives with demonstrated track records of scaling businesses across auto, consumer, and marketplace companies.

Our Growth Strategies

We have grown significantly since first going live with our offering in 2015, and we are already disrupting the traditional wholesale vehicle on an immense scale. We believe we have a massive underpenetrated addressable opportunity ahead of us.

Key elements of our strategy to grow our business include:

Increase the Number of Marketplace Participants on Our Platform. We believe there are significant opportunities to continue to grow the number of dealers and commercial partners on our

platform. We intend to attract new dealers and commercial partners with targeted sales and marketing efforts focused on educating potential Marketplace Participants as to the benefits of our offerings. As of December 31, 2020, we had 16,215 Marketplace Participants on our platform. There are approximately 16,500 franchise dealers in the United States and franchise dealers represent a core source of the overall supply of our marketplace, accounting for 32.7% of our Marketplace Participants as of December 31, 2020. Independent dealers represent a core source of the overall demand on our marketplace. There are over 38,000 independent dealers in the United States. Additionally, we also believe there are thousands of commercial consignors that sell to dealers in the wholesale market today.

Drive Greater Share of Wholesale Transactions with Existing Customers. While our industry leading digital marketplace has and will continue to enable us to grow the number of dealers on our platform over time, we believe that we have room to increase the number of wholesale transactions from existing customers. As of December 31, 2020, we had 16,215 Marketplace Participants on our platform compared to the over 50,000 automotive dealers in the United States, while 391,466 Marketplace Units were transacted on our digital marketplace in 2020, compared to the estimated 22 million used vehicles that are bought and sold in the wholesale market each year. We remain in the early stages of penetrating our Marketplace Participants' total number of wholesale transactions and we believe that our streamlined, simple, and consistent experience for our customers will result in an increasing share of their wholesale transactions. In providing inspection services for our commercial partners with True360 Reports we expect a growing number of commercial consignors to utilize our digital marketplace and data services in the future.

Introduce New Products. We plan to leverage our extensive data and technology capabilities to continue to introduce new and complementary products and services. Introducing new products to our platform and continuing to refine our current offerings will increase our competitive advantage. One area of focus is the development of data-powered products that enable our customers to buy and sell used vehicles more effectively in a hyper digital world, and help fuel growth across dealer wholesale, commercial wholesale, and consumer-to-dealer channels. Additionally, we are focused on discovering new products that will continue to power our pricing engine and complement our market reports.

Pursue Targeted Acquisitions. We believe that the complexity of the automotive industry provides substantial opportunity for investment to strengthen our competitive moat. In 2019 we acquired TrueFrame, a provider of comprehensive vehicle inspections for dealers and their retail consumers. This allowed us to extend the reach of our dealer platform to the retail consumer market through our True360 Reports, which can be integrated into leading vehicle history report providers. In April 2020, we acquired ASI, which allowed us to enter the commercial inspection market and strengthen our offerings for our commercial partners. We will continue to pursue select acquisitions that extend the capabilities of our platform, enhance our comprehensive suite of products and offerings, and bring talent to our team.

Expand Internationally. The U.S. used vehicle market represents approximately 36% of the global market. [40] We believe that our trusted and transparent digital marketplace and data-driven insights will be an attractive value proposition to many automotive dealers and commercial consignors around the world. By leveraging our data and technology platform and our go-to-market expertise developed in the United States, we plan to thoughtfully expand to new countries and offer services that we believe best suit the needs of those markets. We have designed our platform with scale and flexibility at its core, with features and functionality that can easily be enabled across multiple formats and countries. We plan to leverage these strengths to launch in other countries where we see attractive industry dynamics.

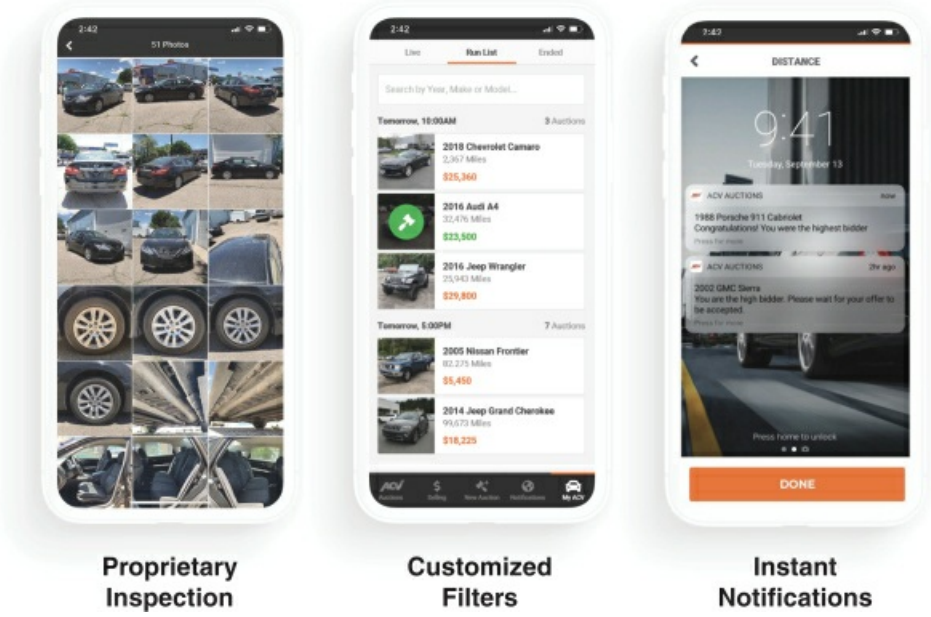
40 Technavio, Global Used Car Market 2020–2024, U.S. Used Car Market 2020–2024

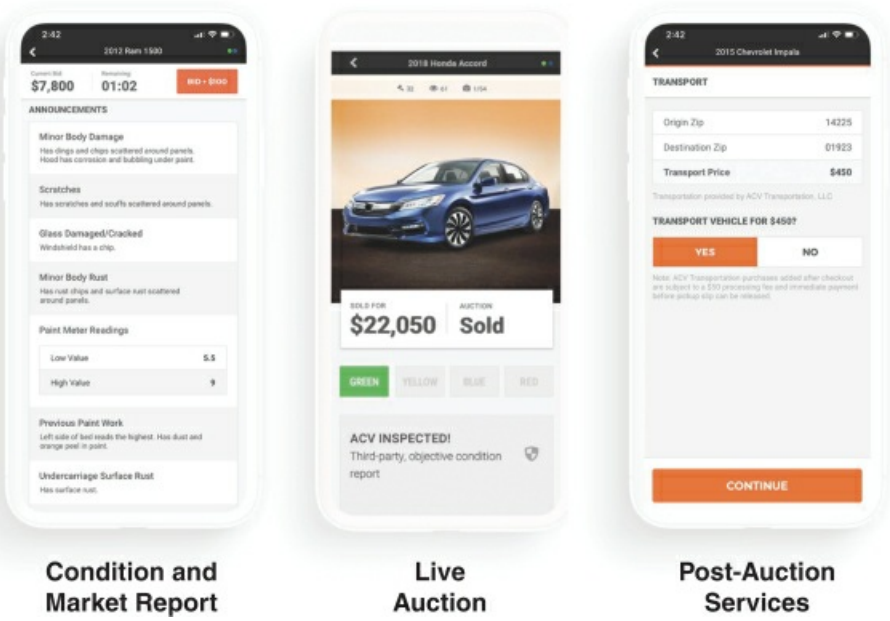
Our Offerings and Services

Our platform leverages data and technology to power our digital marketplace and data services, enabling our dealers and commercial partners to buy, sell, and value vehicles with confidence and efficiency. Our digital marketplace offerings include our auction and value-added services, ACV Transportation, ACV Capital, and our Go Green assurance. Our data services provide insights into the condition and value of used vehicles for transactions both on and off our marketplace. Our core data and technology include inspection, vehicle intelligence, marketplace enablement, and operations automation.

Digital Marketplace

- ***Auction.*** Our core offering is our online auction, which facilitates instant transactions of wholesale vehicles. Thousands of dealers transact on our digital marketplace every day, with sellers either launching their vehicles directly to our 20-minute live auction or to Run List. When sellers launch their vehicles directly to our online auction buyers can search and discover relevant inventory through customized filters, such as price, location, and vehicle-specific details including mileage, location, year, make, and model.





- ***Run List***. Run List supports dealers in making informed decisions. It allows for pre-filtering and pre-screening of vehicles up to 24 hours prior to an auction taking place. This allows dealers the time to thoroughly review vehicle data and insights and focus their searches.
- ***ACV Transportation***. Through our nationwide network of carrier partners, our technology platform, and dedicated service teams, we move vehicles both locally and long-haul in a cost-efficient and timely manner. All buyers on our platform have the ability to see real-time transportation quotes as part of the vehicle-display page and add transportation services during checkout. Once the transaction is finalized, dealers will receive a confirmation email and have access to status reports on MyACV to follow the vehicle on its journey to its new dealer. We offer transportation services from the vehicle's location.
- ***ACV Capital***. We offer short-term inventory financing for buyers to purchase vehicles on our digital marketplace. Our financing product includes straightforward pricing with no hidden costs and no additional fees, allowing our customers to know their inventory costs upfront.
- ***Go Green***. We provide the seller with an assurance against defects in the vehicle which are not disclosed in our condition report and otherwise may have exposed the seller to a loss as a result of arbitration with the buyer. We believe Go Green is the wholesale market's first seller assurance service and this approach instills more confidence in dealers and commercial partners to transact digitally.

Data Services

We offer insights into the condition and value of used vehicles for transactions both on and off our marketplace and help dealers, their end consumers, and commercial partners make more informed decisions and transact with confidence and efficiency.

- **True360 Report**. We provide proprietary, vehicle-specific intelligence, including cosmetic and structural assessments. This data helps our dealers and commercial partners buy and sell

vehicles and accurately assess and document vehicle condition. Dealers utilize our True360 Report to make wholesale and retail transaction decisions with confidence both on and off our marketplace. The True360 Reports can be integrated into leading vehicle history report providers, such as CarFax and AutoCheck, to increase transparency. Commercial partners use our detailed and marketable True360 commercial inspection reports to better price and sell their used vehicle inventory.

- **ACV Market Report**. We provide a transparent view of sold auctions, including the industry's best condition data, to help dealers make well informed buying and selling decisions in minutes. Updated daily, our ACV Market Report provides dealers with a full picture of how previous vehicles have performed, allowing them to determine the best pricing strategy for their auctions. In just a few clicks, dealers can view the current market value of a vehicle and instantly improve their pricing strategy. By simply entering the vehicle identification number, or VIN, and mileage of a certain vehicle, the ACV Market Report will pull all the corresponding transactions displaying the price of the vehicles sold. The report provides a range from the low value to high value of the year, make, and model sold on the platform, and will list all of the vehicle's information including location, date, mileage and sold price. Dealers can utilize filters to further narrow down results in order to get the best picture to assess the pricing strategy for that particular vehicle.

Data and Technology

Data and technology are the foundations of our platform and underpin everything we do. Our core data and technology capabilities include inspection, vehicle intelligence, marketplace enablement, operations automation.

Inspection. Our team of VCIs is crucial to generating supply for our marketplace in a given territory. Each of our territory managers has a dedicated local team of certified VCIs, all of whom are employed by us, that perform inspections as part of a dealer's listing when selling a vehicle through an online auction, or in connection with delivering a True360 report. An inspection from one of our VCIs collects hundreds of different data points and serves as independent third-party insight on the condition of a vehicle.

- ***Condition Report***. Our platform enables thorough, comprehensive inspections, which form our detailed condition reports that are attached to every vehicle sold through our marketplace. These inspections feature approximately 100 details such as cosmetic irregularities including paint quality, as well as structural assessments that identify prior repairs or existing damages. For the cosmetic and structural analysis, our inspectors complete metering of all paint surfaces to help identify irregularities in paint quality and assess the structure of the vehicle to identify prior repairs or existing damages. Inspectors also use drivetrain and mechanical analyses to read and clear diagnostic trouble codes, and identify potential resolutions for them. For interior and exterior reviews, inspectors complete a detailed evaluation of the vehicle, ranging from the cupholder and gauge, to the tires.
- ***Virtual Lift***. We offer a high definition look at a vehicle's undercarriage without having to put the vehicle on a lift through Virtual Lift. This is a portable, light-weight, drive-over solution utilizing mobile device technology that can be operated by a single inspector in a matter of minutes. Virtual Lift elevates the level of trust and transparency on our digital marketplace by providing a digital look into a vehicle's undercarriage.

- ***AMP***. We allow for the clear recording and immediate sharing of a vehicle's engine sound through our Audio Motor Profile, or AMP. This custom feature gives buyers the ability to listen to the vehicle running in a way that is better than physically standing next to the vehicle. AMP captures the engine turning, idle periods, and rev cycles. Utilizing our advanced machine learning algorithms, we leverage our audio database of over 850,000 used vehicles to provide guided insights on vehicle engine conditions.

Vehicle Intelligence. Our platform is fueled by the data we collect through our proprietary technology, inspections, and activity on our marketplace, as well as third-party market data. We store, analyze, and connect this data to create comprehensive analytics tailored for our dealers and commercial partners. Our pricing engine utilizes our extensive repository of data to help predict wholesale and retail vehicle valuations at scale; and dealers can price any vehicle anywhere. Through live appraisals, we also enable dealers to quickly assess the value of potential trade-in vehicles from consumers.

Marketplace Enablement

- ***MyACV***. We provide an application that serves as our customers' gateway to our platform through our mobile app, website, or directly leveraging our application programming interfaces, or APIs, and provides quick access to all of their important information all in one place. MyACV offers user-friendly product features and functionalities for our customers including personalization, inventory discovery, bidding, purchasing, and finalization of post-sale payment options, as well as additional services including transportation and financing. Our navigation feature accommodates a constantly increasing list of new capabilities, like the Data Export feature that allows dealers to download won, sold, and saved auction details.
- ***Private Auction***. Our recently launched private auction product powers customized private sales for dealer groups and commercial partners, permitting the customization of participants, schedule and duration, bidding, purchasing, and pricing rules. Our customers are able to curate and customize their audience, auction schedule and duration, and bid policy, among other items, in a co-branded interface.

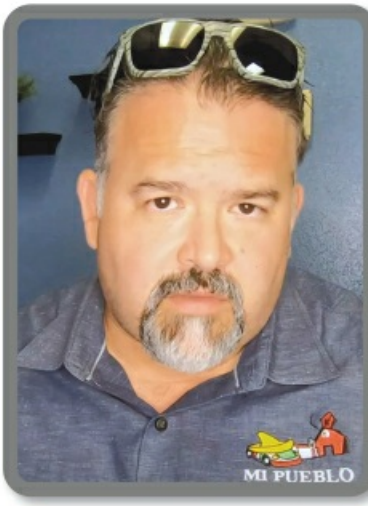
Operations Automation. Investments in our technology platform have unlocked process workflow optimization and automation for pre- and post-auction services. Our configurable and integrated services support payment intermediation and transportation services by directly processing the dealer request in our app. Titles processing is partially automated through machine learning and handled by a dedicated ACV team of experts. Our ACV Arbitration platform facilitates the arbitration process from end-to-end, providing an automated and objective review and settlement of claims.

ACV IS A GREAT PLATFORM. THEY MAKE IT EASY TO BUY AND SELL FROM ANYWHERE. ACV HAS ALSO EXPANDED MY REACH INTO NEW MARKETS BY INCLUDING AFFORDABLE TRANSPORTATION SERVICES THAT ARE WORKED INTO THE SALE, SO I DON'T HAVE TO DEAL WITH THE LOGISTICS.

Brittany Hibdon
Dealer Principal
Hibdon Auto Center

I'M GETTING BUYERS FROM ALL OVER VERSUS THE TRADITIONAL AUCTIONS WHERE I ONLY GET LOCAL BUYERS. ACV MAKES IT VERY SIMPLE. IT'S JUST THE PUSH OF A BUTTON AND IT SAVES ME A LOT OF TIME AND MONEY.

Carlos Gamboa
General Manager
Mi Pueblo La Familia Autos

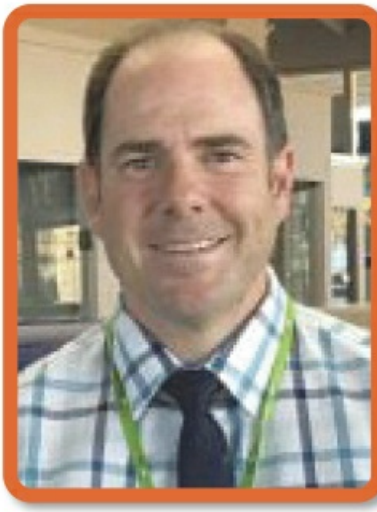


WE'RE MAKING MORE IN THE WHOLESALE DEPARTMENT THAN WE EVER HAVE, BUT ALSO, ACV'S GIVEN US GUIDANCE SO THAT WE CAN BE SUCCESSFUL.

John Preston
General Manager
Marin County Ford

WE MOVE 100% OF OUR WHOLESALE INVENTORY THROUGH ACV. THE INFORMATION IS VERY CONSISTENT... YOU DON'T HAVE TO SECOND GUESS IT OR WORRY ABOUT IT.

Brian Singh
General Manager
Parkway Family Mazda

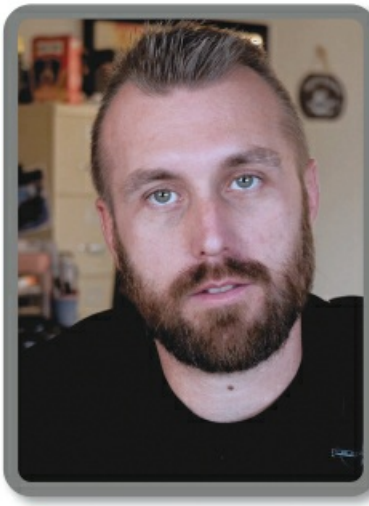


PURCHASING CARS THROUGH ACV IS SO EASY AND A LOT LESS STRESSFUL. I CAN MANAGE IT ALL RIGHT FROM MY PHONE AND THE CONDITION REPORTS ARE SO THOROUGH THAT I HONESTLY DON'T LOOK AT THEM MUCH ANYMORE. THAT'S HOW MUCH I TRUST THE INSPECTIONS. THE CARS ARRIVE EXACTLY AS DESCRIBED.

RD Proud
General Manager
Auto Union LTD

WHEN I USE ACV CAPITAL, ACV'S FLOOR PLAN, THE PROCESS ACTUALLY GETS SPED UP VERSUS USING A TRADITIONAL FLOOR PLAN... AND THE FEES ARE MORE AFFORDABLE.

Josh Adams
Owner
Prestige Motor Sales



ACV'S REAL VALUE TO US IS BEING ABLE TO SELL OUR VEHICLES FROM OUR RECEIVING LOCATION VERSUS HAVING TO PUT THE VEHICLE ON A TRANSPORTER AND SHIP IT TO THE AUCTION. WE ARE AVERAGING A $400-$450 SAVINGS/CAR WITH ACV.

Joe Coreno
Director of Retail and Remarketing Operations
Fusion Auto Finance

ACV'S APP IS SIMPLE TO USE. THE STAFF IS QUICK AND RESPONSIVE WHEN WE NEED THEM AND THEY SAVE US TIME AND MONEY. ACV HAS HELPED US DOUBLE OUR PROFITS FOR THE UNITS WE SELL ON THE PLATFORM.

Jesse Nammack
Used Car Sales Manager
Apple Ford Lincoln

Technology

Software and data are the foundation of our marketplace and products. We have a dedicated, world-class delivery team that has developed an event-driven service-oriented architecture to process millions of events every day.

Our technology provides the following capabilities:

- ***Usability***. Our state of the art, dealer-centric user experience continues to evolve with the needs of our Marketplace Participants. Our platform has been designed to be capable to either stand alone or to integrate with third party platforms and APIs.
- ***Flexibility.*** Features and functionality developed for ACV's platform can easily be enabled, and configured for individual Marketplace Participants. Technology and data products and services can stand alone as individual or integrated solutions.
- ***Reliability.*** We were an early adopter of Kubernetes which powers the infrastructure for our highly-reliable, event-driven, service oriented architecture. We have consistently accomplished an over 99.99% uptime while deploying to production over 20 times per day.
- ***Security.*** We have a dedicated industry-leading security team and are an approved partner for financial institutions.

These capabilities enable the following advantages:

- ***Powerful User Experience.*** We deliver an engaging, scalable, and consistent user experience for a broad set of customers by providing a common set of customizable tools for individual inspections and other use cases. These foundational experiences are designed with a deep understanding of the challenges dealers have historically faced.
- ***Speed of Innovation.*** Our platform approach, combined with our cloud-based infrastructure, our lean product development principles, and our agile software development methodology allows us to quickly act on evolving dealer and partner customer needs.
- ***Omni-Channel Advantages.*** As we scale, our growing set of inspection and condition report use cases, and data offerings for wholesale and retail markets benefits from omni-channel advantages.

Sales

Our sales team is responsible for onboarding our dealers and commercial partners and ensuring their success and satisfaction on our platform. We have built a robust internal sales team of over 60 employees that act as account managers, and partner with our customers. Account managers are often the first point of contact for customers seeking to join our platform, and develop meaningful relationships with our dealers and commercial partners. We also have a dedicated sales team that proactively sources new customers, particularly for our more nascent territories or in existing territories where we seek to improve our buyer to seller ratio. After dealers are on-boarded onto our platform, they can interact with their account managers through in-app messaging, by email, or by phone.

Our 125 territory managers also function as sales representatives, particularly in more nascent territories where they develop personal relationships with local dealers. When launching and entering new territories, our dedicated on the ground team, including territory managers, VCIs, and other operations staff, target and onboard dealers in the respective territory with an appropriate balance of

buyers and sellers to encourage vibrancy in the marketplace. Territory managers continue to support our dealers, building awareness of our brand in the regions in which they operate. Our VCIs serve as a sales support team by building and cultivating relationships with our customers through multiple weekly visits to customers in their territories. Given the strength of their relationships and frequency of interaction with our dealers, VCIs often double as informal relationship managers and can be a key point of contact for dealers on our platform.

Marketing

We build and cultivate relationships with our dealer and commercial partners, with the goal of providing a streamlined, simple, and consistent experience for our customers. Marketing campaigns and promotions are used throughout the transaction journey to guide the customer through the funnel, cross-sell offerings and ultimately reach their full volume potential with ACV.

Our marketing initiatives aim to drive brand awareness, incentivize our existing partners to remain engaged and active in our marketplace, and attract new dealers and commercial partners to our platform. We are focused on building a world-class acquisition engine led by our marketing team and in partnership with our VCIs, business development representatives and account managers. Our customer acquisition efforts are strategically aligned to territories or regions that could benefit from dealer development. We are focused on increasing retention and growing wallet share with our customers.

We acquire new customers through a variety of marketing channels including digital (paid search, search engine optimization, display, social, video and influencer marketing), direct marketing (promotional and brand building) and outbound business development. The marketing and business development teams own the customer relationship from initial inquiry to sign-up. After onboarding they are assigned a dedicated account manager or territory manager for on-going support. Engagement with our customers is driven by ongoing and regular communications from their account managers or territory managers. Additionally, account managers and territory managers determine appropriate promotions to re-engage buyers and sellers, as well as an incentive for new customers to sign-up and engage.

Competition

We mainly compete with large, national offline vehicle auction companies, such as Manheim, a subsidiary of Cox Enterprises, Inc., and KAR Auction Services. The offline vehicle auction market in North America is largely consolidated, with Manheim and KAR Auction Services serving as large players in the market, accounting for an estimated 70% of the wholesale auction market. Both of these traditional offline vehicle auction companies are expanding into the online channel and have launched online auctions in connection with their physical auctions, including Manheim Express and TradeRev and BacklotCars (KAR Auction Services' mobile application). We also compete with a number of smaller digital auction companies. In addition, we compete with smaller chains of auctions and independent auctions. Our dealers also compete for vehicles that may go to peer-to-peer online marketplaces such as Facebook, Craigslist, eBay Motors and Nextdoor.com.

Human Capital and Culture

We believe the development and empowerment of our people is critical to our ability to deliver differentiated solutions to our customers. We strive to be a great place to work—a place where we welcome innovation, diversity, inclusion, and foster a spirit of community from our corporate

headquarters to our teammates in the field. We give our teammates the freedom, tools, resources, and opportunity to build the future—for our company, our customers, and our communities. We hire happy and enthusiastic people who want to grow with us. We believe the happiness of our teammates comes from engaging and fulfilling work and from ample personal and professional growth opportunities. We strive to ensure that all of our teammates have what they need to get to where they want to be, and we try our best to make it fun along the way. We invest heavily in the development of our teammates through training, internal development, and mobility options to drive growth. Together with respect, empowerment, and the spirit of innovation, we create the dynamic energy that drives our business forward.

We represent the successful creation of an entrepreneurial ecosystem in our hometown and our growth and scale highlight that the spirit of innovation is alive and well in Buffalo, New York.

We are continuously building an exceptional culture that strives to drive engagement, exceed expectations, and directly impact company success. Along the way, we have won many awards that speak to our focus on our people. From 2018 to 2020, we were recognized by Auto Remarketing's *Best Auctions to Work For* three years in a row. In 2019, we were named to Buffalo Business First's Best Places to Work 2019 list, second place in the large business category. In 2018, we won gold in the Stevie® Awards for Great Employers in the automotive employer of the year category, and we were ranked on Entrepreneur Magazine's Top Company Cultures list in the top 20 in the medium-size company category.

We have a proven leadership team composed of seasoned executives with demonstrated track records of scaling businesses, as well as business leaders from across auto, consumer, and marketplace businesses. As of December 31, 2020, we had over 1,470 teammates, including our more than over 740 highly sophisticated VCIs that help support our relationships with our customers nationwide. Additionally, we have 125 teammates in product and engineering, 83 in sales and marketing and 314 in corporate.

Intellectual Property

We rely on a combination of federal, state, common law and international legal rights, as well as contractual restrictions, to protect our intellectual property, including trademarks, domain names, copyrights, trade secrets, patents and confidentiality agreements with employees and third parties. We pursue the registration of our trademarks, service marks and domain names in the United States and in certain locations outside the United States.

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 and third parties. We further control the use of our proprietary technology and intellectual property through provisions in our terms of service. We intend to pursue additional intellectual property protection to the extent we believe it would be beneficial and cost effective. Despite our efforts to protect our proprietary technology and our intellectual property rights, unauthorized parties may attempt to copy or obtain and use our technology to develop platforms with the same functionality as our platform. For more information regarding the risks relating to intellectual property, see "Risk Factors—Risks Related to Information Technology and Intellectual Property."

Our Facilities

We do not own any real property. Our principal executive offices are located in Buffalo, New York where we lease a total of approximately 23,000 square feet of space in two buildings under two leases that expire in 2022 and 2023, respectively, subject to renewal. The operations in these office spaces principally consist of VCIs, territory managers and regional directors.

Our Government Regulations

The industry in which we operate is and will continue to be subject to extensive U.S. federal, state and local laws and regulations. The wholesale, financing and transportation of used vehicles are regulated by the states in which we operate and by the U.S. federal government. These laws can vary significantly from state to state. In addition, we are subject to regulations and laws specifically governing the internet and ecommerce and the collection, storage, processing, transfer and other use of personal information and other customer data. We are also subject to federal and state laws, such as the Equal Credit Opportunities Act and prohibitions again unfair or deceptive acts or practices. The federal governmental agencies that regulate our business and have the authority to enforce such regulations and laws against us include the U.S. Federal Trade Commission, the U.S. Department of Transportation, the U.S. Occupational Health and Safety Administration, the U.S. Department of Justice and the U.S. Federal Communications Commission. We are subject to regulation by state financial regulatory agencies. We also are subject to audit by such state regulatory authorities. Additionally, we may be subject to regulation by individual state dealer licensing authorities and state consumer protection agencies.

The wholesale sale of used vehicles through our platform and financing offerings may be subject to state and local licensing requirements. Despite our belief that we are not subject to the licensing requirements of such jurisdictions, regulators of jurisdictions in which our customers reside for which we do not have a dealer or financing license could require that we obtain a license or otherwise comply with various state regulations. Regulators may seek to impose punitive fines for operating without a license or demand we seek a license in those jurisdictions, any of which may inhibit our ability to do business in those jurisdictions, increase our operating expenses and adversely affect our financial condition and results of operations.

In addition to these laws and regulations, our facilities and business operations are subject to a wide array of federal, state and local laws and regulations relating to occupational health and safety, and other broadly applicable business regulations. We also are subject to laws and regulations involving taxes, privacy and data security, anti-spam, content protection, electronic contracts and communications, mobile communications, unencumbered internet access to our platform, the design and operation of websites and internet neutrality.

Legal Proceedings

From time to time we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not presently subject to any pending or threatened litigation that we believe, if determined adversely to us, would individually, or taken together, would reasonably be expected to have a material adverse effect on our business or financial results.

MANAGEMENT

The following table sets forth information for our executive officers and directors as of February 15, 2021:

Name	Age	Position
Executive Officers:		
George Chamoun	46	Chief Executive Officer and Director
Craig Anderson	44	Chief Corporate Development and Strategy Officer and Chief Legal Officer
Vikas Mehta	45	Chief Operating Officer
Michael Waterman	52	Chief Sales Officer
William Zerella	64	Chief Financial Officer
Non-Employee Directors:		
Kirsten Castillo	48	Director
Robert Goodman	60	Director
Brian Hirsch	47	Director
René F. Jones	51	Director
Eileen Kamerick	62	Director
Brian Radecki	50	Director

Executive Officers

George Chamoun has served as our Chief Executive Officer and a member of our board of directors since September 2016. Prior to joining us, Mr. Chamoun held various positions at Synacor, Inc., or Synacor. Mr. Chamoun co-founded Synacor's predecessor company, Chek, Inc., and served as its Chief Executive Officer from January 1998 until he led the acquisition of MyPersonal.com, Inc. in December 2000 to form Synacor. Prior to departing Synacor in September 2016, Mr. Chamoun most recently served as President of Service Provider Sales and Marketing. In addition to his work as our Chief Executive Officer, Mr. Chamoun currently serves as chairman of Launch NY, a nonprofit organization supporting the start-up ecosystem in Upstate New York. Mr. Chamoun holds a B.A. in political science from the State University of New York at Buffalo. We believe that Mr. Chamoun is qualified to serve on our board of directors due to his experience building and leading our business and his insight into corporate matters as our Chief Executive Officer.

Craig Anderson has served as our Chief Corporate Development and Strategy Officer and Chief Legal Officer since June 2018. He previously served as Chief Financial Officer at Compass, a real estate platform, from July 2017 until March 2018. Before that, Mr. Anderson served as Chief Financial Officer and Chief Operating Officer of Flywheel Sports, a technology-enabled fitness provider, from September 2015 to June 2017, as well as President and Chief Operating Officer at Opt-Intelligence, an advertising exchange, from April 2013 to September 2015. Mr. Anderson began his career as an attorney at O'Melveny & Myers LLP before moving to the investment banking division of The Blackstone Group. Mr. Anderson holds a B.A. in economics from the University of California, Berkeley, a J.D. from Harvard Law School and an M.B.A. from The Wharton School at the University of Pennsylvania.

Vikas Mehta has served as our Chief Operating Officer since January 2019. Prior to joining us, Mr. Mehta served for over a decade in several leadership roles in North America and Europe at eBay, Inc., or eBay, including as Payments Lead, Americas from June 2018 to January 2019 and General Manager, Consumer Business Germany from June 2015 to May 2018. He has also served as Chief

Operating Officer at Kijiji, an eBay subsidiary and Canada's largest classifieds site, in addition to earlier roles at the company. Prior to joining eBay, Mr. Mehta served as Manager of Sourcing Strategy at The Allstate Corporation. Mr. Mehta holds a B.S. in chemical engineering from the University of Florida and master's degrees in chemical engineering and technology policy from the Massachusetts Institute of Technology.

Michael Waterman has served as our Chief Sales Officer since April 2019, and previously served as our Senior Vice President, Business Development beginning in October 2016. Prior to his arrival at our company, Mr. Waterman served in various product and sales management roles, including as Division Vice President at Dealertrack, Inc. from November 2012 until July 2016, Director, Strategic Dealer Sales at ADESA, Inc. from March 2011 until October 2013 and National Sales Director, Inventory Solutions at Dealertrack, Inc. from March 2006 until March 2011. He also began his career managing dealerships. Mr. Waterman holds a B.S. in finance from Kent College.

William Zerella has served as our Chief Financial Officer since September 2020. Prior to joining us, Mr. Zerella served as Chief Financial Officer of Luminar Technologies, Inc. from June 2018 to May 2020. Mr. Zerella also served as Chief Financial Officer of Fitbit, Inc. from June 2014 to June 2018. In addition to these roles, he has previously served as Chief Financial Officer for Vocera Communications, Inc., Force10 Networks Inc., Infinera Corporation and Calient Technologies, Inc., along with holding various other senior level financial and management positions at additional companies, including GTECH Corporation and Deloitte & Touche LLP. Mr. Zerella is currently a member of the board of directors of GroundTruth Inc., where he also serves as chair of the audit committee. Mr. Zerella holds a B.S. in accounting from the New York Institute of Technology and an M.B.A. from the New York University Leonard N. Stern School of Business.

Non-Employee Directors

Kirsten Castillo has served as a member of our board of directors since October 2020. Ms. Castillo most recently served as Chief Operating Officer of GlobalTranz Enterprises, Inc., or GlobalTranz, from May 2017 to November 2018. She previously served as Chief Executive Officer of Logistics Planning Services, or LPS, from September 2012 until its acquisition by GlobalTranz in May 2017. Ms. Castillo also served as Chief Operating Officer of LPS from September 2010 to September 2012. Ms. Castillo is committed to the advancement of women and has served as Vice President of Engagement for AWESOME (Advancing Women's Excellence in Supply Chain, Operations, Management and Education) since August 2019. Since April 2020, Ms. Castillo has served on the board of directors of Ocugen, Inc. She holds a B.S. from the University of Minnesota and a Global Executive M.B.A. from Duke Fuqua School of Business. We believe that Ms. Castillo is qualified to serve on our board of directors due to her significant business, management and leadership experience.

Robert P. Goodman has served as a member of our board of directors since February 2017. Mr. Goodman is a Partner at Bessemer Venture Partners, a venture capital firm which he joined in 1998, and is a Managing Member of Deer Management Co. LLC, the management company for Bessemer Venture Partners' investment funds, including Bessemer Venture Partners IX L.P. and Bessemer Venture Partners IX Institutional L.P. Prior to joining Bessemer Venture Partners, Mr. Goodman founded and served as the Chief Executive Officer of three privately held telecommunications companies. Mr. Goodman served on the board of directors of Blue Apron Holdings from November 2015 to December 2019, and he is or has been a member of the boards of directors of a number of other portfolio companies of Bessemer Venture Partners in the areas of software, mobile and business-to-business marketplace. Mr. Goodman holds a B.A. in Latin American studies from Brown University and an M.B.A. from Columbia University. We believe that Mr. Goodman is qualified to

serve on our board of directors due to his experience in working with entrepreneurial companies, particularly technology companies, and his experience as a director of both public and private companies.

Brian Hirsch has served as a member of our board of directors since August 2016. He is a Co-Founder and Managing Partner of Tribeca Venture Partners, or TVP, which he formed in 2011, where his investment interests include entrepreneurial startups and high growth companies in numerous sectors, including marketplaces, fintech, SaaS, edtech and consumer related businesses. Prior to founding TVP, Mr. Hirsch was a founder and Managing Director of Greenhill SAVP, the venture capital arm of Greenhill & Co., Inc., from 2006 to 2011. In total, Mr. Hirsch has been a venture capitalist and early stage tech investor for over twenty-three years. He currently serves on the board of directors of numerous private technology companies. Mr. Hirsch holds a B.A. in economics and American studies from Brandeis University. We believe that Mr. Hirsch is qualified to serve on our board of directors due to his experience providing guidance and counsel to, including serving on the boards of directors of, a wide variety of companies across different sectors, as well as his experience as a venture capitalist.

René F. Jones has served as a member of our board of directors since October 2020. Mr. Jones currently serves as Chairman of the board of directors and Chief Executive Officer of M&T Bank Corporation, or M&T, and its principal banking subsidiary, M&T and Manufacturers and Traders Trust Company, or M&T Bank, positions he has held since December 2017. Mr. Jones is also a member of the Executive Committee of M&T and M&T Bank. Mr. Jones joined M&T Bank in 1992 and held a number of roles there prior to his elevation to Chairman of the board of directors and Chief Executive Officer, including Executive Vice President of M&T from 2006 to 2017, Chief Financial Officer of M&T and M&T Bank from 2005 to 2016 and Vice Chairman of M&T Bank from 2014 to 2017. Mr. Jones serves as a member of the boards of directors of the Westminster Foundation in Buffalo, New York and the Jacobs Institute, a non-profit medical device innovation center in Buffalo, New York. He is also on the board of trustees of the Massachusetts Historical Society and is a trustee of the Burchfield Penney Art Center in Buffalo, New York. Mr. Jones holds a B.S. in management science from Boston College and an M.B.A. with concentrations in finance, organization and markets from the University of Rochester Simon School of Business. We believe that Mr. Jones is qualified to serve on our board of directors due to his significant financial and leadership experience with M&T.

Eileen A. Kamerick has served as a member of our board of directors since March 2020. Ms. Kamerick is an adjunct professor at leading law schools and consults on corporate governance and financial strategy matters. Previously, from March 2014 until January 2015, she was Senior Advisor to the Chief Executive Officer and Executive Vice President and Chief Financial Officer of ConnectWise, Inc. Ms. Kamerick has also previously served as chief financial officer at several companies, including Houlihan Lokey, Inc., Heidrick & Struggles International, Inc., Leo Burnett Company, Inc. and BP Amoco Americas. Ms. Kamerick currently serves on the boards of directors of Associated Banc-Corp. and Hochschild Mining, plc, where she also serves as chair of the audit committee, as well as on the boards of directors of certain closed end funds advised by Legg Mason Partners Fund Advisors, LLC and 24 AIG and Anchor Trust Funds. Ms. Kamerick previously served on the board of directors of Westell Technologies, Inc. from December 2003 to December 2016. Ms. Kamerick additionally currently serves as a national board member of the Alzheimer's Association. Ms. Kamerick is a National Association of Corporate Directors Board Leadership Fellow, and she has also earned the National Association of Corporate Directors Directorship Certification. Ms. Kamerick holds a B.A. in English literature from Boston College, and an M.B.A. and a J.D. from The University of Chicago. We believe that Ms. Kamerick is qualified to serve on our board of directors due to her financial expertise and her extensive experience as a director of other companies.

Brian Radecki has served as a member of our board of directors since February 2021. Mr. Radecki currently serves as the Founder, Chief Executive Officer and member of the board of

directors of Rapa Therapeutics, a clinical stage start-up biotechnology company spun out of the National Cancer Institute in September 2017. Mr. Radecki is also an active angel investor, with investments across several industries in companies at various stages of the corporate lifecycle. Since January 2017, Mr. Radecki has been an investor and member of the board of directors of Wheels Up Partners Holdings LLC. Mr. Radecki also currently serves on the board of directors of Rosecliff Acquisition Corp I after joining its board in February 2021. From 1997 to 2016, Mr. Radecki held various senior operational and financial roles at CoStar Group Inc., or CoStar, including serving as its Chief Financial Officer from 2007. While at CoStar, Mr. Radecki helped lead the company's initial public offering in 1998, along with subsequent equity offerings and several acquisitions. Prior to joining CoStar, Mr. Radecki served as Accounting Manager at Axent Technologies, Inc. Earlier in his career, Mr. Radecki worked at Azerty, Inc. and the public accounting firm, Lumsden & McCormick, LLP, both based in Buffalo, New York. Mr. Radecki received a B.S. in business administration and a dual degree in both accounting and finance from the State University of New York at Buffalo. We believe Mr. Radecki is qualified to serve on our board of directors due to his extensive experience working at public companies in senior level roles, along with his substantial investment and advisory experience as a private angel investor.

Family Relationships

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

Composition of Our Board of Directors

Our business and affairs are managed under the direction of our board of directors. We currently have seven directors. All of our directors currently serve on the board of directors pursuant to the provisions of a voting agreement between us and several of our stockholders. The voting agreement will terminate upon the completion of this offering, after which there will be no further contractual obligations regarding the election or designation of our directors. Our current directors will continue to serve as directors until their resignation, removal or successor is duly elected.

Our board of directors may establish the authorized number of directors from time to time by resolution. In accordance with our amended and restated certificate of incorporation that will be in effect upon the completion of this offering, immediately after this offering, our board of directors will be divided into three classes with staggered three-year terms. At each annual 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 George Chamoun and Robert P. Goodman, whose terms will expire at the first annual meeting of stockholders to be held following the completion of this offering;
- the Class II directors will be Brian Hirsch and Eileen A. Kamerick, whose terms will expire at the second annual meeting of stockholders to be held following the completion of this offering; and
- the Class III directors will be Kirsten Castillo, René Jones and Brian Radecki, whose terms will expire at the third annual meeting of stockholders to be held following the completion of this offering.

We expect that any additional directorships resulting from an increase in the number of directors will be distributed among the three classes so that, as nearly as possible, each class will consist of one third of the directors. The division of our board of directors into three classes with staggered three-year terms may delay or prevent a change of our management or a change in control.

Director Independence

Our board of directors has undertaken a review of the independence of each director. Based on information provided by each director concerning her or his background, employment and affiliations, our board of directors has determined that none of our directors, other than George Chamoun, has any relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is "independent" as that term is defined under The Nasdaq Stock Market, or Nasdaq, listing standards. 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 by each non-employee director and the transactions described in the section titled "Certain Relationships and Related Party Transactions."

Committees of Our Board of Directors

Our board of directors has established an audit committee and a compensation committee, and will establish a nominating and corporate governance committee prior to the completion of this offering. 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 Eileen A. Kamerick, René Jones and Brian Radecki, each of whom our board of directors has determined satisfies the independence requirements under Nasdaq listing standards and Rule 10A-3(b)(1) of the Exchange Act of 1934, or the Exchange Act. The chair of our audit committee is Ms. Kamerick, who our board of directors has determined 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 in the corporate finance sector.

The principal duties and responsibilities of our audit committee include, among other things:

- selecting a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- helping to ensure the independence and performance of the independent registered public accounting firm;
- helping to maintain and foster an open avenue of communication between management and the independent registered public accounting firm;
- discussing the scope and results of the audit with the independent registered public accounting firm, and reviewing, with management and the independent accountants, our interim and year-end operating results;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing our policies on risk assessment and risk management;
- reviewing related party transactions;

- obtaining and reviewing a report by the independent registered public accounting firm at least annually, that describes its internal quality-control procedures, any material issues with such procedures, and any steps taken to deal with such issues when required by applicable law; and
- approving (or, as permitted, pre-approving) all audit and all permissible non-audit services to be performed by the independent registered public accounting firm.

Our audit committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable listing standards of Nasdaq.

Compensation Committee

Our compensation committee consists of Robert P. Goodman, Brian Hirsch and Brian Radecki. The chair of our compensation committee is Mr. Goodman. Our board of directors has determined that each member of the compensation committee is independent under Nasdaq listing standards and a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act.

The principal duties and responsibilities of our compensation committee include, among other things:

- approving the retention of compensation consultants and outside service providers and advisors;
- reviewing and approving, or recommending that our board of directors approve, the compensation, individual and corporate performance goals and objectives and other terms of employment of our executive officers, including evaluating the performance of our chief executive officer and, with his assistance, that of our other executive officers;
- reviewing and recommending to our board of directors the compensation of our directors;
- administering our equity and non-equity incentive plans;
- reviewing our practices and policies of employee compensation as they relate to risk management and risk-taking incentives;
- reviewing and evaluating succession plans for the executive officers;
- reviewing and approving, or recommending that our board of directors approve, incentive compensation and equity plans; and
- reviewing and establishing general policies relating to compensation and benefits of our employees and reviewing our overall compensation philosophy.

Our compensation committee will operate under a written charter, to be effective prior to the completion of this offering, that satisfies the applicable listing standards of Nasdaq.

Nominating and Corporate Governance Committee

Our nominating and corporate governance committee will consist of Kirsten Castillo and Eileen A. Kamerick. The chair of our nominating and corporate governance committee will be Ms. Castillo. Our board of directors has determined that each member of the nominating and corporate governance committee is independent under the Nasdaq listing standards.

The nominating and corporate governance committee's responsibilities include, among other things:

- identifying, evaluating, and selecting, or recommending that our board of directors approve, nominees for election to our board of directors and its committees;
- approving the retention of director search firms;

- evaluating the performance of our board of directors and of individual directors;
- considering and making recommendations to our board of directors regarding the composition of our board of directors and its committees;
- evaluating the adequacy of our corporate governance practices and reporting; and
- overseeing an annual evaluation of the board's performance.

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

Code of Conduct

In connection with this offering, we have adopted a Code of Conduct that applies to all our employees, officers and directors. This includes our principal executive officer, principal financial officer and principal accounting officer or controller, or persons performing similar functions. The full text of our Code of Conduct will be posted on our website at www.acvauctions.com. We intend to disclose on our website any future amendments of our Code of Conduct or waivers that exempt any principal executive officer, principal financial officer, principal accounting officer or controller, persons performing similar functions or our directors from provisions in the Code of Conduct. 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 the compensation committee are currently, or have been at any time, one of our officers or employees. None of our executive officers currently serve, or have 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

During the year ended December 31, 2020, we did not pay compensation to any of our non-employee directors for service on our board of directors, other than as described below. While we have not had a formal director compensation policy, in connection with the appointments of Ms. Castillo, Mr. Jones and Ms. Kamerick to our board of directors in 2020, we granted stock options to each of them, as further described below. We have reimbursed and will continue to reimburse all of our non-employee directors for their reasonable out-of-pocket expenses incurred in attending board of directors and committee meetings.

The following table sets forth information regarding compensation earned by or paid to our non-employee directors for the year ended December 31, 2020:

Name	Option Awards(1)(2)	Total
Kirsten Castillo(3)	$ 598,740	$ 598,740
Brian Goldsmith(4)	—	—
Robert P. Goodman	—	—
Brian Hirsch	—	—
René F. Jones(5)	598,740	598,740
Eileen Kamerick(6)	386,770	386,770
Jordan Levy(7)	—	—

(1) Amounts reported represent the aggregate grant date fair value of the stock options granted to our non-employee directors during 2020 under our 2015 Long-Term Incentive Plan, or our 2015 Plan, computed in accordance with ASC Topic 718. The assumptions used in calculating the grant date fair value of the stock options reported in this column are set forth in the notes to our audited consolidated financial statements included elsewhere in this prospectus. This amount does not reflect the actual economic value that may be realized by the non-employee directors.
(2) As of December 31, 2020, the aggregate number of shares underlying outstanding options to purchase our Class B common stock held by our non-employee directors were: 686,964.
(3) Ms. Kamerick joined our board of directors in March 2020.
(4) Mr. Goldsmith resigned from our board of directors in February 2021.
(5) Ms. Castillo joined our board of directors in October 2020.
(6) Mr. Jones joined our board of directors in October 2020.
(7) Mr. Levy resigned from our board of directors in February 2021.

In March 2020, in connection with her commencement of services, we granted Ms. Kamerick a stock option to purchase 286,964 shares of our Class B common stock, with an exercise price of $2.25 per share. The option vests in twelve equal quarterly installments, commencing on March 5, 2020, subject to Ms. Kamerick's continuous service with us. In October 2020, in connection with their commencement of services, we granted each of Ms. Castillo and Mr. Jones a stock option to purchase 200,000 shares of our Class B common stock, with an exercise price of $2.71 per share. Each option vests in twelve equal quarterly installments, commencing on October 7, 2020 subject to the director's continuous service with us.

In February 2021, Mr. Radecki was appointed to our board of directors. In connection with his commencement of services, in February 2021, we granted Mr. Radecki restricted stock units, or RSUs, representing a contingent right to receive 80,000 shares of our Class B common stock. The RSUs include both a performance-based vesting requirement and a service-based vesting requirement. The performance-based requirement must occur before the seventh anniversary of the grant date in order for the RSUs to vest, and will be satisfied on the first to occur of: (i) a change in control of our company or (ii) the effective date of a registration statement we file under the Securities Act for the first sale or resale of our common stock, which will be satisfied upon completion of this offering. The service-based requirement will be satisfied with respect to one-third of the RSUs on each of the first, second and third anniversaries of the grant date, subject to Mr. Radecki's continuous service with us as of each such date. In the event of a change in control of our company, the RSUs will vest in full, subject to Mr. Radecki's continuous service through such date.

Mr. Chamoun, our Chief Executive Officer, who is also a member of our board of directors, did not receive any additional compensation for service as a director. Mr. Chamoun's compensation as a named executive officer is set forth below under "Executive Compensation—2020 Summary Compensation Table."

We intend to adopt a non-employee director compensation policy in connection with this offering on terms to be determined by our board of directors. Under the non-employee director policy, our non-employee directors will be eligible to receive compensation for service on our board of directors and committees of our board of directors.

EXECUTIVE COMPENSATION

Our named executive officers for the year ended December 31, 2020, consisting of our principal executive officer and the next two most highly compensated executive officers, were:

- George Chamoun, our Chief Executive Officer;
- William Zerella, our Chief Financial Officer; and
- Vikas Mehta, our Chief Operating Officer.

2020 Summary Compensation Table

The following table presents all of the compensation awarded to or earned by or paid to our named executive officers for the year ended December 31, 2020.

Name and Principal Position	Salary ($)[1]	Bonus($)[2]	Stock Awards ($)	Option Awards ($)[3]	All Other Compensation ($)	Total ($)
George Chamoun	258,988	275,000	—	—	1,620[4]	535,608
Chief Executive Officer						
William Zerella[5]	99,167	45,000	0[6]	7,415,755	5,450[4]	7,565,372
Chief Financial Officer						
Vikas Mehta	237,262	120,000	—	—	1,700[4]	358,962
Chief Operating Officer						

(1) Salary amounts represent actual amounts paid during 2020. See "—Narrative to the Summary Compensation Table—Annual Base Salary" below.
(2) Amounts shown represent the named executive officers' total discretionary bonuses earned for 2020 and paid in 2021 as determined by our board of directors.
(3) Amounts reported represent the aggregate grant date fair value of the stock options granted to our named executive officers during 2020 under our 2015 Plan, computed in accordance with ASC Topic 718. The assumptions used in calculating the grant date fair value of the stock options reported in this column are set forth in the notes to our audited consolidated financial statements included elsewhere in this prospectus. This amount does not reflect the actual economic value that may be realized by the named executive officer.
(4) Amounts reported represent a monthly cell phone allowance paid by us on behalf of the named executive officer and a one-time work-from-home stipend in the amount of $500 to the named executive officer, and with respect to Mr. Zerella only, reimbursement in the amount of $4,600 for certain moving expenses.
(5) Mr. Zerella commenced employment as our Chief Financial Officer in September 2020.
(6) This amount represents the grant date fair value of restricted stock units, or RSUs, granted to Mr. Zerella in 2020 that are subject to both a performance-based vesting requirement and a service-based vesting requirement, and is based on the probable outcome of such vesting conditions computed in accordance with ASC Topic 718. The maximum potential grant date fair value of the RSUs granted to Mr. Zerella is $2,630,000, which assumes the achievement of the highest level of performance achievement. The assumptions used in calculating the grant date fair value of the stock award are set forth in the notes to our audited consolidated financial statements included elsewhere in this prospectus. This amount does not reflect the actual economic value that may be realized by the named executive officer. See "—Outstanding Equity Awards as of December 31, 2020" for a description of the material terms of the RSUs.

Narrative to the Summary Compensation Table

Annual Base Salary

Our named executive officers receive a base salary to compensate them for services rendered to us. The base salary payable to each named executive officer is intended to provide a fixed component of compensation reflecting the executive's skill set, experience, role and responsibilities. None of our named executive officers is currently party to an employment agreement or other agreement or arrangement that provides for automatic or scheduled increases in base salary. The 2020 base salary

for Mr. Chamoun was $250,000 until March 2020, when our board of directors determined to increase Mr. Chamoun's salary to $300,000. From April 2020 to May 2020, Mr. Chamoun voluntarily reduced his salary to $52,208, after which his salary returned to $300,000. The 2020 base salary for Mr. Zerella was $350,000. The amount stated in the table above reflects the prorated portion of Mr. Zerella's annual base salary from the commencement of employment as our Chief Financial Officer in September 2020. The 2020 base salary for Mr. Mehta was $240,000.

Annual Performance Bonus Opportunity

Our named executive officers are eligible to receive discretionary annual bonuses based on individual performance, company performance or as otherwise determined appropriate, as determined by our board of directors. In February 2021, our board of directors approved and paid annual cash bonuses for Mr. Chamoun, Mr. Zerella and Mr. Mehta in the amounts of $275,000, $45,000 and $120,000, respectively, as reflected in the "Bonus" column of the Summary Compensation Table above.

Equity-Based Incentive Awards

Our equity award program is the primary vehicle for offering long-term incentives to our executives. We believe that equity awards provide our executives with a strong link to our long-term performance, create an ownership culture and help to align the interests of our executives and our stockholders. To date, we have used stock option grants and RSU awards for this purpose because we believe they are an effective means by which to align the long-term interests of our executive officers with those of our stockholders. We believe that our equity awards are an important retention tool for our executive officers, as well as for our other employees.

We have historically granted stock options broadly to our employees. More recently, we have also granted RSU awards to our employees, including our named executive officers. Grants to our executives and other employees are made at the discretion of our board of directors and are not made at any specific time period during a year.

Prior to this offering, all of the equity awards we have granted were made pursuant to our 2015 Plan. Following this offering, we will grant equity incentive awards under the terms of our 2021 Plan. The terms of our equity plans are described under "—Employee Benefit Plans" below.

In October 2020, in connection with his commencement of employment with us, we granted Mr. Zerella a stock option to purchase 2,462,479 shares of Class B common stock and RSUs, representing a contingent right to receive 500,000 shares of our Class B common stock. The terms of the awards are described under "—Outstanding Equity Awards as of December 31, 2020" below. We did not grant any equity awards to Mr. Chamoun or Mr. Mehta in 2020.

In February 2021, we granted each of Mr. Chamoun and Mr. Mehta RSUs, representing a contingent right to receive 1,484,989 shares and 742,495 shares, respectively, of our Class B common stock. The RSUs include both a performance-based vesting requirement and a service-based vesting requirement. The performance-based requirement must occur before the seventh anniversary of the grant date in order for the RSUs to vest, and will be satisfied on the first to occur of: (i) a change in control of our company or (ii) the effective date of a registration statement we file under the Securities Act for the first sale or resale of our common stock, which will be satisfied upon completion of this offering. The service-based requirement will be satisfied with respect to one-sixteenth of the RSUs each quarter over a four-year period beginning on July 1, 2021, subject to the named executive officer's continuous service with us as of each such date.

Outstanding Equity Awards as of December 31, 2020

The following table presents estimated information regarding outstanding equity awards held by our named executive officers as of December 31, 2020. All awards were granted pursuant to the 2015 Plan. See "—Employee Benefit Plans—2015 Long-Term Incentive Plan" below for additional information.

	Option Awards(1)				Stock Awards(1)	
Name	Number of Securities Underlying Unexercised Options(#) Exercisable	Number of Securities Underlying Unexercised Options(#) Unexercisable	Option Exercise Price ($)	Option Expiration Date	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights that have not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights that have not Vested ($)(2)
George Chamoun	3,437,619	267,842(3)	$ 0.07	3/21/2027	—	—
William Zerella	—	2,462,479(4)	$ 2.71	10/26/2030	—	—
	—	—	—	—	500,000(5)	
Vikas Mehta	132,291	1,067,709(6)	$ 1.00	3/5/2029	—	—

(1) All of the equity awards listed in the table above were granted under the 2015 Plan.

(2) The market price for our common stock is based on an assumed initial public offering price of our Class A common stock of $ per share, the midpoint of the price range set forth on the cover of this prospectus.

(3) One-fourth of the shares subject to the option award vested on March 22, 2018, and thereafter one-forty-eighth of the shares subject to the option award vest monthly, subject to continuous service with us.

(4) One-fourth of the shares subject to the option award will vest on September 14, 2021, and thereafter one-forty-eighth of the shares subject to the option award vest monthly, subject to continuous service with us.

(5) This amount reflects the number of shares underlying a grant of RSUs, representing a contingent right to receive 500,000 shares of our Class B common stock. The RSUs include both a performance-based vesting requirement and service-based vesting requirement. The performance-based requirement must occur before the seventh anniversary of the grant date in order for the RSUs to vest, and will be satisfied on the first to occur of: (i) a change in control of our company or (ii) the effective date of a registration statement we file under the Securities Act for the first sale or resale of our common stock. The service-based requirement will be satisfied with respect to one-fourth of the RSUs on September 14, 2021, with the remainder vesting in 36 equal monthly installments, subject to Mr. Zerella's continuous service with us as of each such date. As of December 31, 2020, none of the RSUs have vested as neither the performance-based requirement nor the service-based requirement has been satisfied. The performance-based requirement will be satisfied upon completion of this offering. The service-based vesting requirement will be satisfied if, within three months prior to or twelve months following a change in control of the company, Mr. Zerella is terminated by the company without cause or resigns for good reason.

(6) One-fourth of the shares subject to the option award vested on January 22, 2020, and thereafter one-forty-eighth of the shares subject to the option award vest monthly, subject to continuous service with us.

We did not materially modify any outstanding equity award held by our named executive officers in 2020.

Potential Payments upon Termination or Change in Control

Regardless of the manner in which a named executive officer's service terminates, each named executive officer is entitled to receive amounts earned during his term of service, including unpaid salary and unused vacation.

In addition, each of our named executive officers' equity awards is subject to the terms of the 2015 Plan and award agreement thereunder. A description of the termination and change in control provisions in the 2015 Plan and awards granted thereunder is provided in the section titled "—Employee Benefit Plans" and a description of the vesting provisions of each equity award held by our named executive

officers which is outstanding and unvested as of December 31, 2020 is provided above under "—Outstanding Equity Awards at December 31, 2020."

Health and Welfare and Retirement Benefits; Perquisites

All of our current named executive officers are eligible to participate in our employee benefit plans, including our medical, dental, vision, disability and life insurance plans, in each case on the same basis as all of our other employees. We generally do not provide perquisites or personal benefits to our named executive officers, except in limited circumstances. In addition, we provide the opportunity to participate in a 401(k) plan to our employees, including each of our named executive officers, as discussed in the section below entitled "—401(k) Plan."

401(k) Plan

We maintain a 401(k) plan intended to qualify as a tax-qualified plan under Section 401 of the Code, with the 401(k) plan's related trust intended to be tax exempt under Section 501(a) of the Code. The 401(k) plan provides that each participant may contribute up to the lesser of 100% of his or her compensation or the statutory limit, which is $19,500 for calendar years 2020 and 2021. Participants that are 50 years or older can also make "catch-up" contributions, which in calendar years 2020 and 2021 may be up to an additional $6,500 above the statutory limit. We have the ability to make discretionary contributions to the 401(k) plan but did not do so in 2020. Employees' pre-tax contributions are allocated to each participant's individual account and are then invested in selected investment alternatives according to the participant's directions. Employees are immediately and fully vested in their contributions. As a tax-qualified retirement plan, contributions to the 401(k) plan and earnings on those contributions are not taxable to the employees until distributed from the 401(k) plan.

Employee Benefit Plans

The principal features of our equity plans are summarized below. These summaries are qualified in their entirety by reference to the actual text of the plans, which are filed as exhibits to the registration statement of which this prospectus is a part.

2021 Equity Incentive Plan

Prior to the completion of this offering, we expect that our board of directors will adopt, and our stockholders will approve, the 2021 Plan. We expect the 2021 Plan will become effective on the date of the underwriting agreement related to this offering. The 2021 Plan will come into existence upon its adoption by our board of directors, but no grants will be made under the 2021 Plan prior to its effectiveness. Once the 2021 Plan becomes effective, no further grants will be made under the 2015 Plan.

Awards. Our 2021 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, restricted stock unit, or 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 Class A common stock that may be issued under our 2021 Plan after it becomes effective will not exceed shares of our Class A common stock, which is the sum of (1) new shares, plus (2) an additional number of shares not to exceed , consisting of (a) shares that remain available for the issuance of

awards under our 2015 Plan as of immediately prior to the time our 2021 Plan becomes effective and (b) shares of our Class A common stock subject to outstanding stock options or other stock awards granted under our 2015 Plan that, on or after the 2021 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 Class A common stock reserved for issuance under our 2021 Plan will automatically increase on January 1 of each calendar year, starting on January 1, 2022 through January 1, 2031, in an amount equal to (1) % of the total number of shares of our common stock (both Class A and Class B) 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 Class A common stock that may be issued on the exercise of ISOs under our 2021 Plan will be shares.

Shares subject to stock awards granted under our 2021 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 2021 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 2021 Plan. If any shares of our Class A common stock issued pursuant to a stock award are forfeited back to or repurchased or reacquired by us (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 the 2021 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 the 2021 Plan.

Plan Administration. Our board of directors, or a duly authorized committee of our board of directors, will administer our 2021 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 2021 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 2021 Plan. Subject to the terms of our 2021 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 adversely affected participant.

Stock Options. ISOs and NSOs are granted under 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 the 2021 Plan, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of our Class A common stock on the date of grant. Options granted under the 2021 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 the 2021 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 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 option or an immediate sale of shares acquired upon exercise of the 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 options for a period of 18 months following the date of death. If an optionholder's service relationship with us or any of our affiliates ceases due to disability, the optionholder may generally exercise any vested options for a period of 12 months following the cessation of service. In the event of a termination for cause, options generally terminate upon the termination date. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of Class A common stock issued upon the exercise of a stock option will be determined by the 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 Class A common stock previously owned by the optionholder, (4) a net exercise of the option if it is an NSO, or (5) other legal consideration approved by the plan administrator.

Unless the plan administrator provides otherwise, options or stock appreciation rights generally are not transferable except by will or the laws of descent and distribution. Subject to approval of the plan administrator or a duly authorized officer, an option may be transferred pursuant to a domestic relations order, official marital settlement agreement, or other divorce or separation instrument.

Tax Limitations on ISOs. The aggregate fair market value, determined at the time of grant, of our Class A common stock with respect to ISOs that are exercisable for the first time by an award holder during any calendar year under all of our stock plans may not exceed $100,000. Options or portions thereof that exceed such limit will generally be treated as NSOs. No ISO may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any of our parent or subsidiary corporations unless (1) the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant, and (2) the term of the ISO does not exceed five years from the date of grant.

Restricted Stock Unit Awards. RSU awards are granted under 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. Restricted stock awards are granted under 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 Class A common stock held by the participant that have not vested as of the date the participant terminates service with us through a forfeiture condition or a repurchase right.

Stock Appreciation Rights. Stock appreciation rights are granted under stock appreciation right agreements adopted by the 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 Class A common stock on the date of grant. A stock appreciation right granted under the 2021 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 Class A common stock or in any other form of payment as determined by our board of directors and specified in the stock appreciation right agreement.

The plan administrator will determine the term of stock appreciation rights granted under the 2021 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. The 2021 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 Class A common stock.

The performance goals may be based on any measure of performance selected by the board of directors. The performance goals may be based on company-wide performance or performance of one or more business units, divisions, affiliates, or business segments, and may be either absolute or relative to the performance of one or more comparable companies or the performance of one or more relevant indices. Unless specified otherwise by the board of directors at the time the performance award is granted, the board 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 Class A 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 $ in total value, or with respect to such period in which a non-employee director is first appointed or elected to our board, $ 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 the 2021 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 the 2021 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 Class A common stock.

Under the 2021 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 the 2021 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, but in the absence of such provision, no such acceleration will automatically occur.

Under the 2021 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 the 2021 Plan was adopted by the 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 2021 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 2021 Plan. No stock awards may be granted under our 2021 Plan while it is suspended or after it is terminated.

2021 Employee Stock Purchase Plan

Prior to the completion of this offering, our board of directors intends to adopt, and we expect our stockholders will approve, our ESPP. Our ESPP will become effective immediately prior to and contingent upon the date of the underwriting agreement related to this offering. The purpose of our ESPP will be to secure the services of new employees, to retain the services of existing employees, and to provide incentives for such individuals to exert maximum efforts toward our success and that of our affiliates. Our ESPP will include two components. One component will be designed to allow eligible U.S. employees to purchase our Class A common stock in a manner that may qualify for favorable tax treatment under Section 423 of the Code. The other component will permit the grant of purchase rights that do not qualify for such favorable tax treatment in order to allow deviations necessary to permit participation by eligible employees who are foreign nationals or employed outside of the United States while complying with applicable foreign laws.

Share Reserve. Following this offering, the ESPP will authorize the issuance of shares of our Class A common stock under purchase rights granted to our employees or to employees of any of our designated affiliates. The number of shares of our Class A common stock reserved for issuance will automatically increase on January 1 of each calendar year, beginning on January 1, 2022 through January 1, 2031, by the lesser of (1) % of the total number of shares of our common stock (both Class A and Class B) outstanding on the last day of the year before the date of the automatic increase, and (2) 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 Class A 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 % of their earnings (as defined in the ESPP) for the purchase of our Class A 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 Class A common stock on the first date of an offering, or (2) 85% of the fair market value of a share of our Class A common stock on the date of purchase.

Limitations. Employees may have to satisfy one or more of the following service requirements before participating in 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 of shares, exchange of shares, change in corporate structure, or similar transaction, the 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 Class A 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.

2015 Long-Term Incentive Plan

General. In 2015 our board of directors adopted and our stockholders approved our 2015 Plan, which was subsequently amended and restated, most recently in November 2020, and amended again in February 2021. Our 2015 Plan will be suspended prior to the completion of this offering in connection with our adoption of our 2021 Plan; however, awards outstanding under our 2015 Plan will continue in full effect in accordance with their existing terms.

Awards. Our 2015 Plan provides for the grant of incentive stock options, or ISOs, within the meaning of Section 422 of the Code to employees, and for the grant of nonstatutory stock options, or NSOs, restricted stock awards, unrestricted stock awards and restricted stock units, or RSUs, to employees, directors and consultants, including employees, directors and consultants of our affiliates. We have granted stock options and RSUs under the 2015 Plan.

Shares Available for Awards. Subject to certain capitalization adjustments, the aggregate number of shares of Class B common stock that may be issued pursuant to awards under the 2015 Plan will not exceed 27,584,352 shares. The maximum number of shares of our Class B common stock that may be issued pursuant to the exercise of ISOs under our 2015 Plan is 27,584,352 shares. As of December 31, 2020, options to purchase 19,866,836 shares of our Class B common stock and RSUs covering 500,000 shares of our Class B common stock were outstanding.

Shares subject to awards granted under our 2015 Plan that are forfeited, expire or terminate without issuance of shares, that are settled in cash rather than in shares, or used to pay the exercise price of an award or to satisfy the tax withholding obligations related to an award will revert to and again become available for issuance under the 2015 Plan.

Administration. Our board of directors or a duly authorized committee of our board of directors administers our 2015 Plan and is referred to as the "Administrator" herein. Subject to the terms of our 2015 Plan, the Administrator has full power and authority to interpret and administer the 2015 Plan and any award agreement thereunder, to establish rules and regulations for the administration of the 2015 Plan and to make such determinations and take any other action that it deems necessary or advisable. The Administrator has the full authority to determine which eligible persons are to receive awards, the numbers and types of awards to be granted and the terms and conditions of the awards, including the applicable fair market value, the period of their exercisability and the vesting schedule applicable to an award.

Stock Options. The Administrator determines the exercise price for stock options, within the terms and conditions of the 2015 Plan, provided that the exercise price of a stock option generally cannot be less than 100% of the fair market value of our Class B common stock on the date of grant. Options granted under the 2015 Plan vest at the rate specified in the stock option agreement as determined by the Administrator.

The Administrator determines the term of stock options granted under the 2015 Plan, up to a maximum of 10 years. If an optionholder's employment or service relationship with us or any of our affiliates ceases for any reason other than disability, death or cause, the optionholder may generally exercise any vested options for a period of three months following the cessation of employment or service. If an optionholder's employment or service relationship with us or any of our affiliates ceases due to death, the optionholder's legal representative or a beneficiary may generally exercise any

vested options for a period of one year following the date of death. If an optionholder's employment or service relationship with us or any of our affiliates ceases due to disability, the optionholder may generally exercise any vested options for a period of one year following the cessation of employment or service. In the event of a termination for cause, options generally terminate upon the termination date. In no event may an option be exercised beyond the expiration of its term.

Acceptable consideration for the purchase of Class B common stock issued upon the exercise of a stock option will be determined by the Administrator and may include (1) cash or cash equivalent, (2) the tender of shares of our Class B common stock previously acquired by the optionholder, with the consent of the Administrator, (3) the withholding shares of Class B common stock otherwise issuable in connection with the exercise of the option, with the consent of the Administrator, (4) any other method specified in an award agreement, or (5) any combination of the foregoing.

Tax Limitations on ISOs. The aggregate fair market value, determined at the time of grant, of our Class B common stock with respect to ISOs that are exercisable for the first time by an optionholder during any calendar year under all of our stock plans may not exceed $100,000. Options or portions thereof that exceed such limit will generally be treated as NSOs. No ISO may be granted to any person who, at the time of the grant, owns or is deemed to own stock possessing more than 10% of our total combined voting power or that of any of our affiliates unless (1) the option exercise price is at least 110% of the fair market value of the stock subject to the option on the date of grant and (2) the term of the ISO does not exceed five years from the date of grant.

Restricted Stock Units. RSUs are granted pursuant to RSU award agreements adopted by the Administrator. Each RSU entitles the participant to a distribution from the company in an amount equal to the fair market value of a share of stock. An RSU award may be settled in cash, shares of stock, a combination of cash and stock or other form of property, as determined by the Administrator and set forth in the RSU award agreement. To the extent provided in the applicable RSU award agreement, dividend equivalents may be credited in respect of shares covered by an RSU award. Except as otherwise provided in the applicable RSU award agreement, if a participant's employment or service relationship with us or any of our affiliates ceases for any reason, all of the participant's unvested RSUs shall terminate.

Transferability. A participant may not transfer awards granted under our 2015 Plan other than by will or the laws of descent and distribution.

Adjustments. In the event there is a specified type of change in our capital structure, such as a stock split, reverse stock split, or recapitalization, such adjustments will be made to the 2015 Plan and to outstanding awards thereunder as the Administrator deems equitable or appropriate, including adjustments to (1) the aggregate number, class and kind of securities that may be delivered under the 2015 Plan, (2) the maximum number of shares of stock that may be issued as ISOs, and (3) the number, class, kind and exercise price of securities subject to outstanding awards under the 2015 Plan.

Change in Control. Subject to the requirements and limitations of Section 409A of the Code, if applicable, and without the consent of any participant, the Administrator may provide for any one or more of the following:

- accelerate the exercisability, vesting or settlement of awards, in whole or in part, on the conditions determined by the Administrator (including upon a participant's termination of employment or separation from service prior to, upon or following the change in control);
- arrange for the assumption, continuation, or substitution of outstanding awards by the acquiror in the change in control; or

- cancel each outstanding award, or portion thereof, in exchange for a payment with respect to each vested share of stock or vested RSU in cash, stock of the company or of a corporation or other business entity a party to the change in control, or other property having a fair market value equal to the consideration paid for shares in the change in control (reduced by the exercise or purchase price of an award, if applicable).

Under the 2015 Plan, a change in control is generally (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 complete dissolution or liquidation of the company, (4) 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 (5) when, within any 24-month period, a majority of our board of directors becomes comprised of individuals who were not serving on our board of directors immediately following the effective date of the 2015 Plan, 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 2015 Plan, provided that no amendments to or termination of the 2015 Plan will impair the existing rights of any participant under any previously granted award without such participant's consent. Certain material amendments also require the approval of our stockholders. Unless terminated sooner, the 2015 Plan will automatically terminate on the tenth anniversary of its effective date. No awards may be granted under our 2015 Plan while it is suspended or after it is terminated. Once the 2021 Plan becomes effective, no further grants will be made under the 2015 Plan.

Indemnification Matters

Upon the completion of this offering, our amended and restated certificate of incorporation will contain provisions that limit the liability of our current and former directors for monetary damages to the fullest extent permitted by Delaware law. Delaware law provides that directors of a corporation will not be personally liable for monetary damages for any breach of fiduciary duties as directors, except liability for:

- any breach of the director's duty of loyalty to the corporation or its stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions; or
- any transaction from which the director derived an improper personal benefit.

Such limitation of liability does not apply to liabilities arising under federal securities laws and does not affect the availability of equitable remedies such as injunctive relief or rescission.

Our amended and restated certificate of incorporation that will be in effect upon the completion of this offering will authorize us to indemnify our directors, officers, employees and other agents to the fullest extent permitted by Delaware law. Our amended and restated bylaws that will be in effect upon

the completion of this offering will provide that we are required to indemnify our directors and officers to the fullest extent permitted by Delaware law and may indemnify our other employees and agents. Our amended and restated bylaws that will be in effect upon the completion of this offering will also provide that, on satisfaction of certain conditions, we will advance expenses incurred by a director or officer in advance of the final disposition of any action or proceeding, and permit us to secure insurance on behalf of any officer, director, employee or other agent for any liability arising out of his or her actions in that capacity regardless of whether we would otherwise be permitted to indemnify him or her under the provisions of Delaware law. We have entered and expect to continue to enter into agreements to indemnify our directors, executive officers and other employees as determined by our board of directors. 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 any action or proceeding. We believe these provisions in our amended and restated certificate of incorporation and amended and restated bylaws and these indemnification agreements are necessary to attract and retain qualified persons as directors and officers. We also maintain customary directors' and officers' liability insurance.

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

Insofar as indemnification for liabilities arising under the Securities Act of 1933, or 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.

Rule 10b5-1 Sales Plans

Our directors and officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of our Class A common stock or Class B common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades under parameters established by the director or officer when entering into the plan, without further direction from them. The director or officer may amend a Rule 10b5-1 plan in some circumstances and may terminate a plan at any time. Our directors and executive officers may also buy or sell additional shares outside of a Rule 10b5-1 plan when they do not possess of material nonpublic information, subject to compliance with the terms of our insider trading policy.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

Other than compensation arrangements for our directors and executive officers, which are described elsewhere in this prospectus, below we describe transactions since January 1, 2018 to which we were a party or will be a party, in which:

- the amounts involved exceeded or will exceed $120,000; and
- any of our directors, executive officers or holders of more than 5% of our capital stock, or any member of the immediate family of, or person sharing the household with, the foregoing persons, which we refer to as our related parties, had or will have a direct or indirect material interest.

Preferred Stock Financings

Series C Convertible Preferred Stock

In January 2018 and February 2018, we issued and sold an aggregate of 36,535,641 shares of our Series C convertible preferred stock in multiple closings at a purchase price of $0.9497 per share, for an aggregate purchase price of $34.7 million. Each share of our Series C convertible preferred stock will convert automatically convert into one share of our Class B common stock immediately prior to the completion of this offering.

The table below sets forth the number of shares of our Series C convertible preferred stock purchased by our related parties.

Stockholder	Shares of Series C Convertible Preferred Stock	Total Purchase Price ($)
Entities affiliated with Bessemer Venture Partners(1)	18,426,872	17,500,000
Entities affiliated with Tribeca Venture Partners(2)	7,897,231	7,500,000
Entities affiliated with Armory Square Ventures(3)	3,116,943	2,960,161
Entities affiliated with SoftBank(4)	2,105,928	2,000,000

(1) Entities affiliated with Bessemer Venture Partners holding our Series C convertible preferred stock whose shares are aggregated for purposes of reporting share ownership information are Bessemer Venture Partners IX L.P. and Bessemer Venture Partners IX Institutional L.P. These entities, together with another entity affiliated with Bessemer Venture Partners, beneficially own more than 5% of our outstanding capital stock and Robert P. Goodman, a member of our board of directors, is a Partner of Bessemer Venture Partners.

(2) Entities affiliated with Tribeca Venture Partners holding our Series C convertible preferred stock whose shares are aggregated for purposes of reporting share ownership information are Tribeca Access Fund, L.P., Tribeca Venture Fund II, L.P. and Tribeca Venture Fund II New York, L.P. These entities together with another entity affiliated with Tribeca Venture Partners beneficially own more than 5% of our outstanding capital stock and Brian Hirsch, a member of our board of directors, is a Co-Founder and Managing Partner of Tribeca Venture Partners.

(3) The entity affiliated with Armory Square Ventures holding our Series C convertible preferred stock whose shares are aggregated for purposes of reporting share ownership information is Armory Square Ventures ACV Co-Invest, LLC. This entity together with other entities affiliated with Armory Square Ventures beneficially own more than 5% of our outstanding capital stock.

(4) Entities affiliated with SoftBank holding our Series C convertible preferred stock whose shares are aggregated for purposes of reporting share ownership information are SoftBank Capital Technology New York Fund II L.P. and SoftBank Capital Technology New York Parallel Fund II L.P. These entities beneficially own more than 5% of our outstanding capital stock and Jordan Levy, a former member of our board of directors, is a Managing Partner of SoftBank.

Series D Convertible Preferred Stock

In December 2018, we issued and sold an aggregate of 40,491,675 shares of our Series D convertible preferred stock in multiple closings at a purchase price of $2.3511 per share, for an

aggregate purchase price of $95.2 million. Each share of our Series D convertible preferred stock will convert automatically convert into one share of our Class B common stock immediately prior to the completion of this offering.

The table below sets forth the number of shares of our Series D convertible preferred stock purchased by our related parties.

Stockholder	Shares of Series D Convertible Preferred Stock	Total Purchase Price ($)
Entities affiliated with Bessemer Venture Partners(1)	11,909,319	28,000,000
Entities affiliated with Tribeca Venture Partners(2)	2,262,771	5,320,001
Entities affiliated with Armory Square Ventures(3)	1,452,237	3,414,354
Vikas Mehta	212,666	499,999

(1) The entities affiliated with Bessemer Venture Partners holding our Series D convertible preferred stock whose shares are aggregated for purposes of reporting share ownership information are Bessemer Venture Partners IX L.P. and Bessemer Venture Partners IX Institutional L.P. These entities beneficially own more than 5% of our outstanding capital stock and Robert P. Goodman, a member of our board of directors, is a Partner of Bessemer Venture Partners.

(2) The entities affiliated with Tribeca Venture Partners holding our Series D convertible preferred stock whose shares are aggregated for purposes of reporting share ownership information are Tribeca Access Fund, L.P. and Tribeca ACV Holdings, LLC. These entities together with other entities affiliated with Tribeca Venture Partners beneficially own more than 5% of our outstanding capital stock and Brian Hirsch, a member of our board of directors, is a Co-Founder and Managing Partner of Tribeca Venture Partners.

(3) The entities affiliated with Armory Square Ventures holding our Series D convertible preferred stock whose shares are aggregated for purposes of reporting share ownership information are Armory Square Ventures, L.P. and Armory Square Ventures ACV Co-Invest II LLC. This entity together with other entities affiliated with Armory Square Ventures beneficially own more than 5% of our outstanding capital stock.

Series E Convertible Preferred Stock

In October 2019, November 2019 and December 2019, we issued and sold an aggregate of 28,932,045 shares of our Series E convertible preferred stock in multiple closings at a purchase price of $5.5302 per share, for an aggregate purchase price of $160.0 million. Each share of our Series E convertible preferred stock will convert automatically convert into one share of our Class B common stock immediately prior to the completion of this offering.

The table below sets forth the number of shares of our Series E convertible preferred stock purchased by our related parties.

Stockholder	Shares of Series E Convertible Preferred Stock	Total Purchase Price ($)
Entities affiliated with Bessemer Venture Partners(1)	1,808,252	9,999,995
Entities affiliated with Tribeca Venture Partners(2)	452,063	2,499,999

(1) The entities affiliated with Bessemer Venture Partners holding our Series E convertible preferred stock whose shares are aggregated for purposes of reporting share ownership information are Bessemer Venture Partners IX L.P. and Bessemer Venture Partners IX Institutional L.P. These entities beneficially own more than 5% of our outstanding capital stock and Robert P. Goodman, a member of our board of directors, is a Partner of Bessemer Venture Partners.

(2) The entity affiliated with Tribeca Venture Partners holding our Series E convertible preferred stock whose shares are aggregated for purposes of reporting share ownership information is Tribeca Access Fund, L.P. This entity together with other entities affiliated with Tribeca Venture Partners beneficially own more than 5% of our outstanding capital stock and Brian Hirsch, a member of our board of directors, is a Co-Founder and Managing Partner of Tribeca Venture Partners.

Series E-1 Convertible Preferred Stock

In September 2020, we issued and sold an aggregate of 9,284,110 shares of our Series E-1 convertible preferred stock in multiple closings at a purchase price of $5.9241 per share, for an aggregate purchase price of $55.0 million. Each share of our Series E-1 convertible preferred stock will convert automatically convert into one share of our Class B common stock immediately prior to the completion of this offering.

The table below sets forth the number of shares of our Series E-1 convertible preferred stock purchased by our related parties.

Stockholder	Shares of Series E-1 Convertible Preferred Stock	Total Purchase Price ($)
Entities affiliated with Armory Square Ventures (1)	337,604	2,000,000
Entities affiliated with Bessemer Venture Partners (2)	168,802	1,000,000
Entities affiliated with Tribeca Venture Partners (3)	84,401	500,000

(1) The entity affiliated with Armory Square Ventures holding our Series E-1 convertible preferred stock whose shares are aggregated for purposes of reporting share ownership information is Armory Square Ventures II, L.P. This entity together with other entities affiliated with Armory Square Ventures beneficially own more than 5% of our outstanding capital stock.

(2) The entities affiliated with Bessemer Venture Partners holding our Series E-1 convertible preferred stock whose shares are aggregated for purposes of reporting share ownership information are Bessemer Venture Partners IX L.P. and Bessemer Venture Partners IX Institutional L.P. These entities beneficially own more than 5% of our outstanding capital stock and Robert Goodman, a member of our board of directors, is a Partner of Bessemer Venture Partners.

(3) The entity affiliated with Tribeca Venture Partners holding our Series E-1 convertible preferred stock whose shares are aggregated for purposes of reporting share ownership information is Tribeca ACV Holdings, LLC. This entity together with other entities affiliated with Tribeca Venture Partners beneficially own more than 5% of our outstanding capital stock and Brian Hirsch, a member of our board of directors, is a Co-Founder and Managing Partner of Tribeca Venture Partners.

Other Related Person Transactions

We have, from time to time, engaged Kramer Levin Naftalis & Frankel LLP, or Kramer Levin, a law firm, for legal services related to various employment matters. The wife of Craig Anderson, our Chief Corporate Development and Strategy Officer and Chief Legal Officer, is a partner of Kramer Levin. Since January 1, 2018, we have paid approximately $714,000 to Kramer Levin for legal expenses and have accrued approximately $48,000 in unpaid legal expenses in connection with Kramer Levin's services.

Paul Chamoun, our National Director, Field Initiatives and Training, is the brother of George Chamoun, our Chief Executive Officer and a member of our board of directors. Paul Chamoun's annual base salary is $150,000 and since January 1, 2018 we have paid him total compensation, including salary and equity compensation, of $424,817.

Investors' Rights Agreement

In connection with our preferred stock financings, we entered into an investors' rights agreement, as subsequently amended and restated, which contains, among other things, registration rights and information rights, with certain holders of our capital stock. The parties to the investors' rights agreement include, among others: George Chamoun, our Chief Executive Officer and a member of our board of directors; entities affiliated with Bessemer Venture Partners; entities affiliated with Tribeca Venture Partners; entities affiliated with SoftBank; and entities affiliated with Armory Square Ventures.

This investors' rights agreement will terminate upon the completion of this offering, except with respect to registration rights, as more fully described in the section titled "Description of Capital

Stock—Registration Rights." See also the section titled "Principal and Selling Stockholders" for additional information regarding beneficial ownership of our capital stock.

Equity Grants to Directors and Executive Officers

We have granted stock options and restricted stock units to certain of our directors and executive officers. For more information regarding the equity awards granted to our directors and named executive officers, see the sections titled "Management—Director Compensation" and "Executive Compensation."

Directed Share Program

At our request, the underwriters have reserved for sale, at the initial public offering price per share, up to 5% of the shares of Class A common stock offered by this prospectus for sale to certain individuals, including our directors, employees and certain friends and family of ACV identified by our directors and management. The directed share program will not limit the ability of our directors, officers and their family members, or holders of more than 5% of our capital stock, to purchase more than $120,000 in value of our Class A common stock. We do not currently know the extent to which these related persons will participate in our directed share program, if at all, or to the extent they will purchase more than $120,000 in value of our Class A common stock.

Indemnification Agreements

Our amended and restated certificate of incorporation that will be in effect upon the completion of this offering will contain provisions limiting the liability of directors, and our amended and restated bylaws that will be in effect upon the completion of this offering will provide that we will indemnify each of our directors and officers to the fullest extent permitted under Delaware law. Our amended and restated certificate of incorporation and amended and restated bylaws that will be in effect upon the completion of this offering will also provide our board of directors with discretion to indemnify our employees and other agents when determined appropriate by the board. In addition, we have entered into an indemnification agreement with each of our directors and executive officers, which requires us to indemnify them. For more information regarding these agreements, see the section titled "Executive Compensation—Indemnification Matters."

Policies and Procedures for Transactions with Related Persons

In connection with this offering, we have adopted a policy that our executive officers, directors, nominees for election as a director, beneficial owners of more than 5% of any class of our common stock and any members of the immediate family of any of the foregoing persons are not permitted to enter into a related person transaction with us without the approval or ratification of our board of directors or our audit committee. Any request for us to enter into a transaction with an executive officer, director, nominee for election as a director, beneficial owner of more than 5% of any class of our common stock or any member of the immediate family of any of the foregoing persons, in which the amount involved exceeds $120,000 and such person would have a direct or indirect interest, must be presented to our board of directors or our audit committee for review, consideration and approval. In approving or rejecting any such proposal, our board of directors or our audit committee is to consider the material facts of the transaction, including whether the transaction is on terms no less favorable than terms generally available to an unaffiliated third party under the same or similar circumstances and the extent of the related person's interest in the transaction.

PRINCIPAL AND SELLING STOCKHOLDERS

The following table sets forth information with respect to the beneficial ownership of our shares as of December 31, 2020 by:

- each named executive officer;
- each of our directors;
- our directors and executive officers as a group;
- each of the selling stockholders; and
- each other person or entity known by us to own beneficially more than 5% of our Class A common stock and Class B common stock (by number or by voting power).

We have determined beneficial ownership in accordance with the rules and regulations of the SEC, and the information is not necessarily indicative of beneficial ownership for any other purpose. Except as indicated by the footnotes below, we believe, based on information furnished to us, that the persons and entities named in the table below have sole voting and sole investment power with respect to all shares that they beneficially own, subject to applicable community property laws.

Applicable percentage ownership before this offering is based on no shares of Class A common stock and 275,202,619 shares of Class B common stock outstanding as of December 31, 2020, assuming the automatic conversion of all outstanding shares of convertible preferred stock into 230,538,501 shares of Class B common stock, which will occur immediately prior to the completion of this offering. Applicable percentage ownership after this offering, both assuming no exercise and assuming full exercise of the underwriters' option to purchase additional shares of Class A common stock from the selling stockholders, is based on (1) shares of Class A common stock and (2) shares of Class B common stock outstanding immediately after the completion of this offering, excluding any potential purchases in this offering through our directed share program or otherwise by the persons and entities named in the table below. In computing the number of shares beneficially owned by a person and the percentage ownership of such person, we deemed to be outstanding all shares subject to options held by the person that are currently exercisable, or exercisable or would vest based on service-based vesting conditions within 60 days of December 31, 2020. However, except as described above, we did not deem such shares outstanding for the purpose of computing the percentage ownership of any other person.

Unless otherwise indicated, the address for each beneficial owner listed in the table below is c/o ACV Auctions Inc., 640 Ellicott Street, #321, Buffalo, New York 14203.

	Beneficial Ownership Before the Offering					Number of Shares Being Offered, Assuming the Underwriters' Option is Exercised in Full	Beneficial Ownership After the Offering									
							Assuming No Exercise of the Underwriters' Option						Assuming the Underwriters' Option is Exercised in Full					
	Class A Common Stock		Class B Common Stock		% of Total Voting Power Before the Offering		Class A Common Stock		Class B Common Stock		% of Total Outstanding	% of Total Voting Power After the Offering	Class A Common Stock		Class B Common Stock		% of Total Outstanding	% of Total Voting Power After the Offering
Name of Beneficial Owner	Shares	%	Shares	%			Shares	%	Shares	%			Shares	%	Shares	%		
5% Stockholders:																		
Entities affiliated with Bessemer Venture Partners(1)	—	—	79,507,718	28.9%	28.9%													
Entities affiliated with Tribeca Venture Partners(2)	—	—	32,751,219	11.9	11.9													
Entities affiliated with SoftBank(3)	—	—	19,571,484	7.1	7.1													
Entities affiliated with Armory Square Ventures(4)	—	—	15,677,737	5.7	5.7													
Directors and Named Executive Officers:																		
George Chamoun(5)	—	—	12,317,173	4.5	4.5													
William Zerella(6)	—	—	—	—	—													
Vikas Mehta(7)	—	—	1,280,374	*	*													
Kirsten Castillo(8)	—	—	16,666	*	*													
Robert P. Goodman(1)	—	—	79,507,718	28.9	28.9													
Brian Hirsch(2)	—	—	32,751,219	11.9	11.9													
René F. Jones(9)	—	—	16,666	*	*													
Eileen A. Kamerick(10)	—	—	71,741	*	*													
Brian Radecki(11)	—	—	42,230	*	*													
All directors and executive officers as a group (12 persons)(12)	—	—	128,605,593	46.7	46.7													
Selling Stockholders:																		
43 North, LLC(13)	—	—	6,029,640	2.2	2.2													
Joseph Neiman(14)	—	—	12,627,278	4.6	4.6													
Daniel Magnuszewski(15)	—	—	4,323,750	1.6	1.6													

* Represents beneficial ownership of less than 1%.

† Percentage of total voting power represents voting power with respect to all shares of our Class A and Class B common stock, as a single class. The holders of our Class B common stock are entitled to ten votes per share, and holders of our Class A common stock are entitled to one vote per share. See the section titled "Description of Capital Stock—Class A Common Stock and Class B Common Stock" for additional information about the voting rights of our Class A and Class B common stock.

(1) Consists of (a) 724,640 shares of Class B Common Stock held by 15 Angels III LLC, (b) 35,042,709 shares of Class B Common Stock held by Bessemer Venture Partners IX Institutional L.P. and (c) 43,740,369 shares of Class B Common Stock held by Bessemer Venture Partners IX L.P (collectively, the "Bessemer Entities"). Each of Deer IX & Co. L.P., or Deer IX L.P., the general partner of the Bessemer Entities, and Deer IX & Co. Ltd., or Deer IX Ltd., the general partner of Deer IX L.P., has voting and dispositive power over the shares held by the Bessemer Entities. Robert P. Goodman, a member of our board of directors, David J. Cowan, Byron B. Deeter, Jeremy S. Levine, Robert M. Stavis and Adam Fisher are the directors of Deer IX Ltd. Investment and voting decisions with respect to the shares held by the Bessemer Entities are made by the directors of Deer IX Ltd. acting as an investment committee. Mr. Goodman is a Partner of Bessemer Venture Partners. The address of each of these entities is c/o Bessemer Venture Partners, 1865 Palmer Ave., Suite 104, Larchmont, NY 10538.

(2) Consists of (a) 8,784,995 shares of Class B Common Stock held by Tribeca Access Fund, L.P., (b) 858,507 shares of Class B Common Stock held by Tribeca ACV Holdings, LLC, (c) 5,776,934 shares of Class B Common Stock held by Tribeca Venture Fund II New York, L.P. and (d) 17,330,783 shares of Class B Common Stock held by Tribeca Venture Fund II, L.P. (collectively, the "Tribeca Venture Entities"). Each of Tribeca Venture Partners II GP, LLC, the general partner of the Tribeca Venture Entities, and Brian Hirsch, a member of our board of directors, and Charles Meakem, the managing partners of Tribeca Venture Partners II GP, LLC, have voting and dispositive power over the shares held by the Tribeca Venture Entities. Mr. Hirsch is a Co-Founder and Managing Partner of Tribeca Venture Partners. The address of each of these entities is 99 Hudson Street, 15th Floor New York, NY 10013.

(3) Consists of (a) 18,630,829 shares of Class B Common Stock held by Softbank Capital Technology New York Fund II L.P. and (b) 940,655 shares of Class B Common Stock held by Softbank Capital Technology New York Parallel Fund II (collectively, the "Softbank Entities"). SB Capital Managers New York II LLC is the general partner of the Softbank Entities and may be deemed to have sole voting and dispositive power over the shares being registered for resale. Jordan Levy is the managing members of SB Capital Manager New York II LLC and may be deemed to share voting and dispositive power over the shares being registered for resale. This individual disclaims beneficial ownership of such shares except to the extent of his pecuniary interest therein. The address for these entities and individuals is 1 Seneca Tower, Suite 2400, Buffalo, NY 14203.

(4) Consists of (a) 3,116,943 shares of Class B Common Stock held by Armory Square Ventures ACV Co-Invest LLC, (b) 1,362,120 shares of Class B Common Stock held by Armory Square Ventures ACV Co-Invest II LLC, (c) 10,861,070 shares of Class B Common Stock held by Armory Square Ventures, L.P. and (d) 337,604 shares of Class B Common Stock held by Armory Square Ventures II, L.P. (collectively, the "Armory Square Entities"). Each of Armory Square Ventures GP, LLC, the general partner of the Armory Square Entities, and Armory Square Ventures Manager, LLC, the managing company of the Armory Square Entities, have voting and dispositive power over the shares held by the Armory Square Entities. Somak Chattopadhyay is the managing member of Armory

Square Ventures Manager, LLC and may be deemed to share voting and dispositive power over the shares being registered for resale. The address for these entities and individuals is 211 West Jefferson Street, Second Floor, Syracuse, NY 13202.

(5) Consists of (a) 8,700,993 shares of Class B Common Stock held by Mr. Chamoun and (b) 3,616,180 shares of Class B Common Stock issuable upon the exercise of options held by Mr. Chamoun exercisable within 60 days of December 31, 2020. This amount does not include RSUs, representing a contingent right to receive 1,484,989 shares of our Class B common stock, awarded to Mr. Chamoun in February 2021. See “Executive Compensation—Equity-Based Incentive Awards” for more information.

(6) This amount does not include RSUs, representing a contingent right to receive 500,000 shares of our Class B common stock, awarded to Mr. Zerella in October 2020. See “Executive Compensation—Equity-Based Incentive Awards” for more information.

(7) Consists of (a) 850,000 shares of Class B Common Stock held by Mr. Mehta and (b) 212,666 shares of Class B Common Stock issuable upon the exercise of options held by Mr. Mehta exercisable within 60 days of December 31, 2020. This amount does not include RSUs, representing a contingent right to receive 742,495 shares of our Class B common stock, awarded to Mr. Mehta in February 2021. See “Executive Compensation—Equity-Based Incentive Awards” for more information.

(8) Consists of 16,666 shares of Class B Common Stock issuable upon the exercise of options held by Ms. Castillo exercisable within 60 days of December 31, 2020.

(9) Consists of 16,666 shares of Class B Common Stock issuable upon the exercise of options held by Mr. Jones exercisable within 60 days of December 31, 2020.

(10) Consists of 71,741 shares of Class B Common Stock issuable upon the exercise of options held by Ms. Kamerick exercisable within 60 days of December 31, 2020.

(11) Consists of 42,203 shares of Class B Common Stock held by Mr. Radecki. This amount does not include RSUs, representing a contingent right to receive 80,000 shares of our Class B common stock, awarded to Mr. Radecki in February 2021. See “Management—Non-Employee Director Compensation” for more information.

(12) Consists of (a) 122,064,799 shares of Class B Common Stock and (b) 6,540,794 shares of Class B Common Stock issuable upon the exercise of options held by our directors and executive officers exercisable within 60 days of December 31, 2020.

(13) Consists of 6,029,640 shares of Class B Common Stock held by 43 North, LLC.

(14) Consists of (a) 4,377,278 shares of Class B Common Stock held by Mr. Neiman, (b) 4,250,000 shares of Class B Common Stock held by the Neiman Family 2020 Trust, for which Mr. Neiman serves as trustee and holds voting and investment power (c) 2,000,000 shares of Class B Common Stock held by the Maddix Neiman 2020 Trust, for which Mr. Neiman serves as trustee and holds voting and investment power, and (d) 2,000,000 shares of Class B Common Stock held by the Alyvia Neiman 2020 Trust, for which Mr. Neiman serves as trustee and holds voting and investment power

(15) Consists of (a) 4,205,000 shares of Class B Common Stock held by Mr. Magnuszewski and (b) 118,750 shares of Class B Common Stock issuable upon the exercise of options held by Mr. Magnuszewski within 60 days of December 31, 2020.

DESCRIPTION OF CAPITAL STOCK

General

The following description of our capital stock and certain provisions of our amended and restated certificate of incorporation and amended and restated bylaws are summaries and are qualified by reference to the amended and restated certificate of incorporation and the amended and restated bylaws that will be in effect upon the completion of this offering. Copies of these documents will be filed with the SEC as exhibits to our registration statement, of which this prospectus forms a part. The descriptions of the common stock and preferred stock reflect changes to our capital structure that will be in effect upon the completion of this offering.

On the completion of this offering, our amended and restated certificate of incorporation will provide for two classes of common stock: Class A common stock and Class B common stock. In addition, our amended and restated certificate of incorporation that will be in effect upon the completion of this offering will authorize shares of undesignated preferred stock, the rights, preferences and privileges of which may be designated from time to time by our board of directors.

Upon the completion of this offering, our authorized capital stock will consist of shares, all with a par value of $0.001 per share, of which:

- shares will be designated Class A common stock;
- shares will be designated Class B common stock; and
- shares will be designated preferred stock.

As of December 31, 2020, we had outstanding:

- no shares of Class A common stock; and
- 275,202,619 shares of Class B common stock, assuming the automatic conversion of all outstanding shares of convertible preferred stock into 230,538,501 shares of Class B common stock.

Our outstanding capital stock was held by 454 stockholders of record as of December 31, 2020. Our board of directors is authorized, without stockholder approval except as required by the listing standards of Nasdaq, to issue additional shares of our capital stock.

Class A Common Stock and Class B Common Stock

Voting Rights

The Class A common stock is entitled to one vote per share on any matter that is submitted to a vote of our stockholders. Holders of our Class B common stock are entitled to ten votes per share on any matter submitted to our stockholders. Holders of shares of Class B common stock and Class A common stock will vote together as a single class on all matters (including the election of directors) submitted to a vote of stockholders, unless otherwise required by Delaware law.

Under Delaware law, holders of our Class A common stock or Class B common stock would be entitled to vote as a separate class if a proposed amendment to our amended and restated certificate of incorporation would increase or decrease the aggregate number of authorized shares of such class, increase or decrease the par value of the shares of such class, or alter or change the powers, preferences or special rights of the shares of such class so as to affect them adversely. As a result, in

these limited instances, the holders of a majority of the Class A common stock could defeat any amendment to our amended and restated certificate of incorporation. For example, if a proposed amendment to our amended and restated certificate of incorporation provided for the Class A common stock to rank junior to the Class B common stock with respect to (1) any dividend or distribution, (2) the distribution of proceeds were we to be acquired or (3) any other right, Delaware law would require the vote of the Class A common stock as a separate class. In this instance, the holders of a majority of Class A common stock could defeat that amendment to our amended and restated certificate of incorporation.

Our amended and restated certificate of incorporation that will be in effect upon the completion of this offering will not provide for cumulative voting for the election of directors.

Economic Rights

Except as otherwise will be expressly provided in our amended and restated certificate of incorporation that will be in effect upon the completion of this offering or required by applicable law, all shares of Class A common stock and Class B common stock will have the same rights and privileges and rank equally, share ratably and be identical in all respects for all matters, including those described below.

Dividends and Distributions. Subject to preferences that may apply to any shares of convertible preferred stock outstanding at the time, the holders of Class A common stock and Class B common stock will be entitled to share equally, identically and ratably, on a per share basis, with respect to any dividend or distribution of cash or property paid or distributed by the company, unless different treatment of the shares of the affected class is approved by the affirmative vote of the holders of a majority of the outstanding shares of such affected class, voting separately as a class. See the section titled “Dividend Policy” for additional information.

Liquidation Rights. On our liquidation, dissolution or winding-up, the holders of Class A common stock and Class B common stock will be entitled to share equally, identically and ratably in all assets remaining after the payment of any liabilities, liquidation preferences and accrued or declared but unpaid dividends, if any, with respect to any outstanding convertible preferred stock, unless a different treatment is approved by the affirmative vote of the holders of a majority of the outstanding shares of such affected class, voting separately as a class.

Change of Control Transactions. The holders of Class A common stock and Class B common stock will be treated equally and identically with respect to shares of Class A common stock or Class B common stock owned by them, unless different treatment of the shares of each class is approved by the affirmative vote of the holders of a majority of the outstanding shares of the class treated differently, voting separately as a class, on (1) the completion of the sale, transfer or other disposition of all or substantially all of our assets, (2) the consummation of a merger, reorganization, consolidation or share transfer which results in our voting securities outstanding immediately before the transaction (or the voting securities issued with respect to our voting securities outstanding immediately before the transaction) representing less than a majority of the combined voting power of the voting securities of the company or the surviving or acquiring entity or (3) the completion of the transfer (whether by merger, consolidation or otherwise), in one transaction or a series of related transactions, to a person or group of affiliated persons of securities of the company if, after closing, the transferee person or group would hold 50% or more of the outstanding voting power of the company (or the surviving or acquiring entity). However, consideration to be paid or received by a holder of common stock in connection with any such assets sale, merger, reorganization, consolidation or share transfer under any employment, consulting, severance or other arrangement will be disregarded for the purposes of determining whether holders of common stock are treated equally and identically.

Subdivisions and Combinations. If we subdivide or combine in any manner outstanding shares of Class A common stock or Class B common stock, the outstanding shares of the other classes will be subdivided or combined in the same manner.

No Preemptive or Similar Rights

Our Class A common stock and Class B common stock are not entitled to preemptive rights, and are not subject to conversion, redemption or sinking fund provisions, except for the conversion provisions with respect to the Class B common stock described below.

Conversion

Each share of Class B common stock is convertible at any time at the option of the holder into one share of Class A common stock. After the completion of this offering, on any transfer of shares of Class B common stock, whether or not for value, each such transferred share will automatically convert into one share of Class A common stock, except for certain transfers described in our amended and restated certificate of incorporation that will be in effect upon the completion of this offering, including transfers for tax and estate planning purposes, so long as the transferring holder continues to hold sole voting and dispositive power with respect to the shares transferred.

Any holder's shares of Class B common stock will convert automatically into shares of Class A common stock, on a one-to-one basis, upon the following: (1) the sale or transfer of such share of Class B common stock, subject to certain exceptions; (2) the death of the Class B common stockholder; and (3) the final conversion date, defined as the earlier of (a) the first trading day on or after the date on which the outstanding shares of Class B common stock represent less than 5.0% of the then outstanding Class A and Class B common stock; (b) the tenth anniversary of this offering; or (c) the date specified by vote of the holders of a majority of the outstanding shares of Class B common stock, voting as a single class.

Once transferred and converted into Class A common stock, the Class B common stock may not be reissued.

Fully Paid and Non-Assessable

In connection with this offering, our legal counsel will opine that the shares of our Class A common stock to be issued under this offering will be fully paid and non-assessable.

Preferred Stock

As of December 31, 2020, there were 230,538,501 shares of our convertible preferred stock outstanding. Immediately prior to the completion of this offering, each outstanding share of our convertible preferred stock will automatically convert into one share of our Class B common stock.

Under our amended and restated certificate of incorporation that will be in effect upon the completion of this offering, our board of directors may, without further action by our stockholders, fix the rights, preferences, privileges and restrictions of up to an aggregate of 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 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 Class A common stock or Class B common stock. Any issuance of our preferred stock could adversely affect the voting power of holders

of our Class A common stock or Class B common stock, and the likelihood that such holders would receive dividend payments and payments on liquidation. In addition, the issuance of preferred stock could have the effect of delaying, deferring or preventing a change of control or other corporate action. Upon the completion of this offering, no shares of preferred stock will be outstanding. We have no present plan to issue any shares of preferred stock.

Options

As of December 31, 2020, 19,866,836 shares of our Class B common stock were issuable on the exercise of outstanding options to purchase shares of our Class B common stock under our 2015 Plan, with a weighted-average exercise price of $1.08 per share.

Restricted Stock Units

As of December 31, 2020, 500,000 shares of Class B common stock were issuable upon the vesting and settlement of RSUs outstanding as of December 31, 2020 under our 2015 Plan.

Registration Rights

We are party to an investors' rights agreement that provides that certain holders of our capital stock, including certain holders of at least 5% of our capital stock and entities affiliated with certain of our directors, have certain registration rights, as set forth below. This investors' rights agreement was originally entered into as of August 12, 2016, and most recently amended and restated as of September 2, 2020. The registration of shares of our common stock by the exercise of registration rights described below would enable the holders to sell these shares without restriction under the Securities Act when the applicable registration statement is declared effective. We will pay the registration expenses, other than underwriting discounts and commissions, of the shares registered by the demand, piggyback and Form S-3 registrations described below.

Generally, in an underwritten offering, the managing underwriter, if any, has the right, subject to specified conditions, to limit the number of shares such holders may include. The demand, piggyback and Form S-3 registration rights described below will expire upon the earliest to occur of: (1) the closing of a Deemed Liquidation Event, as defined in our amended and restated certificate of incorporation; or (2) with respect to any particular stockholder, such time as such stockholder can sell all of its shares under Rule 144 of the Securities Act or another similar exemption during any three-month period.

Demand Registration Rights

The holders of an aggregate of shares of our Class B common stock will be entitled to certain demand registration rights. At any time beginning 180 days after the effective date of the registration statement, of which this prospectus is a part, such holders are entitled to registration rights under the investors' rights agreement, on not more than one occasion, provided that the holders of at least a majority of such shares as are then outstanding request that we register at least 25% of such shares then outstanding (or a lesser percent if the anticipated aggregate offering price, net of underwriting discounts and commissions, applicable stock transfer taxes and certain legal fees, would exceed $5 million).

Piggyback Registration Rights

In connection with this offering, the holders of an aggregate of shares of our Class B common stock were entitled to, and the necessary percentage of holders waived, their rights to notice

of this offering and to include their shares of registrable securities in this offering. After this offering, 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 these shares will be entitled to certain piggyback registration rights allowing such holders to include their shares in such registration, subject to certain marketing and other limitations. As a result, whenever we propose to file a registration statement under the Securities Act, subject to certain exceptions, the holders of these shares are entitled to notice of the registration and have the right to include their shares in the registration, subject to limitations that the underwriters may impose on the number of shares included in the offering.

Form S-3 Registration Rights

The holders of an aggregate of shares of Class B common stock will be entitled to certain Form S-3 registration rights. If we are eligible to file a registration statement on Form S-3, these holders have the right, upon written request from such holders, to have such shares registered by us if the anticipated aggregate offering price of such shares, net of underwriting discounts and commissions, is at least $1 million, subject to exceptions set forth in the investors' rights agreement.

Anti-Takeover Provisions

Certificate of Incorporation and Bylaws to be in Effect upon the Completion of this Offering

Because our stockholders do not have cumulative voting rights, stockholders holding a majority of the voting power of our shares of common stock will be able to elect all of our directors. Our amended and restated certificate of incorporation and amended and restated bylaws to be effective upon the completion of this offering will provide for stockholder actions at a duly called meeting of stockholders or, before the date on which all shares of common stock convert into a single class, by written consent. A special meeting of stockholders may be called by a majority of our board of directors, the chair of our board of directors, our chief executive officer or our lead independent director. Our amended and restated bylaws to be effective upon the completion of this offering will establish an advance notice procedure for stockholder proposals to be brought before an annual meeting of our stockholders, including proposed nominations of persons for election to our board of directors.

Our amended and restated certificate of incorporation to be effective upon the completion of this offering will further provide for a dual-class common stock structure, which provides our current investors, officers and employees with control over all matters requiring stockholder approval, including the election of directors and significant corporate transactions, such as a merger or other sale of our company or its assets.

In accordance with our amended and restated certificate of incorporation to be effective upon the completion of this offering, immediately after this offering, our board of directors will be divided into three classes with staggered three-year terms.

The foregoing provisions will make it more difficult for another party to obtain control of us by replacing our board of directors. Since our board of directors has the power to retain and discharge our officers, these provisions could also make it more difficult for existing stockholders or another party to effect a change in management. In addition, the authorization of undesignated preferred stock makes it possible for our board of directors to issue preferred stock with voting or other rights or preferences that could impede the success of any attempt to change our control.

These provisions, including the dual-class structure of our common stock, are intended to preserve our existing control structure after completion of this offering, facilitate our continued product

innovation and the risk-taking that it requires, permit us to continue to prioritize our long-term goals rather than short-term results, enhance the likelihood of continued stability in the composition of our board of directors and its policies and to discourage certain types of transactions that may involve an actual or threatened acquisition of us. These provisions are also designed to reduce our vulnerability to an unsolicited acquisition proposal and to discourage certain tactics that may be used in proxy fights. However, such provisions could have the effect of discouraging others from making tender offers for our shares and may have the effect of deterring hostile takeovers or delaying changes in our control or management. As a consequence, these provisions may also inhibit fluctuations in the market price of our stock that could result from actual or rumored takeover attempts.

Section 203 of the Delaware General Corporation Law

When we have a class of voting stock that is either listed on a national securities exchange or held of record by more than 2,000 stockholders, we will be subject to Section 203 of the Delaware General Corporation Law, which prohibits a Delaware corporation from engaging in any business combination with any interested stockholder for a period of three years after the date that such stockholder became an interested stockholder, subject to certain exceptions.

Choice of Forum

Our amended and restated certificate of incorporation to be effective on the completion 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) is the sole and exclusive forum for the following claims or causes of action under Delaware statutory or common law: (1) any derivative claim or cause of action brought on our behalf; (2) any claim or cause of action 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; (3) any claim or cause of action 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; (4) any claim or cause of action arising under or seeking 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); and (5) any claim or cause of action against us or any of our current or former directors, officers, or other employees that is governed by the internal-affairs doctrine, in all cases to the fullest extent permitted by law and subject to the court 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 Exchange Act or any other claim for which the federal courts have exclusive jurisdiction, or the Securities Act.

Our amended and restated certificate of incorporation to be effective on the completion 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.

While the Delaware courts have determined that such choice of forum provisions are facially valid, there is no assurance that a court in another jurisdiction would enforce the choice of forum

provision contained in the amended and restated certificate of incorporation to be effective on the completion of this offering. If a court were to find such provision to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm their business, operating results and financial condition. Additionally, our amended and restated certificate of incorporation to be effective on the completion 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. Investors also cannot waive compliance with the federal securities laws and the rules and regulations thereunder.

Limitations of Liability and Indemnification

See the section titled “Executive Compensation—Indemnification Matters.”

Exchange Listing

Our Class A common stock is currently not listed on any securities exchange. We have applied to have our Class A common stock approved for listing on The Nasdaq Stock Market under the symbol “ACVA.”

Transfer Agent and Registrar

Upon the completion of this offering, the transfer agent and registrar for our Class A common stock and Class B common stock will be Computershare Trust Company, N.A. The transfer agent’s address is 250 Royall Street, Canton, Massachusetts 02021.

SHARES ELIGIBLE FOR FUTURE SALE

Prior to this offering, there has been no public market for our Class A common stock. Future sales of substantial amounts of our Class A or Class B common stock, including shares issued on the exercise of outstanding options, in the public market after this offering, or the possibility of these sales or issuances occurring, could adversely affect the prevailing market price for our Class A common stock or impair our ability to raise equity capital.

Based on our shares outstanding as of December 31, 2020, upon the completion of this offering, a total of shares of Class A common stock and shares of Class B common stock will be outstanding, assuming the automatic conversion of all of our outstanding shares of convertible preferred stock into an aggregate of 230,538,501 shares of Class B common stock. Of these shares, all of the Class A common stock sold in this offering by us, plus any shares sold by the selling stockholders on the exercise of the underwriters' option to purchase additional Class A common stock from the selling stockholders, will be freely tradable in the public market without restriction or further registration under the Securities Act, unless these shares are held by "affiliates," as that term is defined in Rule 144 under the Securities Act, or unless these shares are sold to our directors or executive officers pursuant to our directed share program.

The remaining shares of Class A common stock and Class B common stock will be, and shares of Class A common stock or Class B common stock subject to stock options will be on issuance, "restricted securities," as that term is defined in Rule 144 under the Securities Act. These restricted securities are eligible for public sale only if they are registered under the Securities Act or if they qualify for an exemption from registration under Rules 144 or 701 under the Securities Act, which are summarized below. Restricted securities may also be sold outside of the United States to non-U.S. persons in accordance with Rule 904 of Regulation S.

Subject to the lock-up agreements described below and the provisions of Rule 144 or Regulation S under the Securities Act, as well as our insider trading policy, these restricted securities will be available for sale in the public market after the date of this prospectus.

Rule 144

In general, under Rule 144 as currently in effect, once we have been subject to public company reporting requirements of Section 13 or Section 15(d) of the Exchange Act for at least 90 days, an eligible stockholder is entitled to sell such shares without complying with the manner of sale, volume limitation or notice provisions of Rule 144, subject to compliance with the public information requirements of Rule 144. To be an eligible stockholder under Rule 144, such stockholder must not be deemed to have been one of our affiliates for purposes of the Securities Act at any time during the 90 days preceding a sale and must have beneficially owned the shares proposed to be sold for at least six months, including the holding period of any prior owner other than our affiliates. If such a person has beneficially owned the shares proposed to be sold for at least one year, including the holding period of any prior owner other than our affiliates, then such person is entitled to sell such shares without complying with any of the requirements of Rule 144, subject to the expiration of the lock-up agreements described below.

In general, under Rule 144, as currently in effect, our affiliates or persons selling shares on behalf of our affiliates are entitled to sell shares on expiration of the lock-up agreements described below, subject, in the case of restricted securities, to such shares having been beneficially owned for at least six months. Beginning 90 days after the date of this prospectus, within any three-month period, such stockholders may sell a number of shares that does not exceed the greater of:

- 1% of the number of Class A common stock then outstanding, which will equal approximately shares immediately after this offering, assuming no exercise of the underwriters' option to purchase additional shares of Class A common stock from the selling stockholders; or

- the average weekly trading volume of our Class A common stock on The Nasdaq Stock Market during the four calendar weeks preceding the filing of a notice on Form 144 with respect to such sale.

Sales under Rule 144 by our affiliates or persons selling shares on behalf of our affiliates are also subject to certain manner of sale provisions and notice requirements and to the availability of current public information about us.

Rule 701

Rule 701 generally allows a stockholder who was issued shares under a written compensatory plan or contract and who is not deemed to have been an affiliate of our company during the immediately preceding 90 days, to sell these shares in reliance on Rule 144, but without being required to comply with the public information, holding period, volume limitation or notice provisions of Rule 144. Rule 701 also permits affiliates of our company to sell their Rule 701 shares under Rule 144 without complying with the holding period requirements of Rule 144. All holders of Rule 701 shares, however, are required by that rule to wait until 90 days after the date of this prospectus before selling those shares under Rule 701, subject to the expiration of the lock-up agreements described below.

Form S-8 Registration Statements

We intend to file one or more registration statements on Form S-8 under the Securities Act with the SEC to register the offer and sale of shares of our Class A common stock and Class B common stock that are issuable under the 2015 Plan, 2021 Plan and ESPP. These registration statements will become effective immediately on filing. Shares covered by these registration statements will then be eligible for sale in the public markets, subject to vesting restrictions, any applicable lock-up agreements described below, and Rule 144 limitations applicable to affiliates.

Lock-Up Arrangements

Lockup and Market Standoff Agreements

We, the selling shareholders, all of our directors, executive officers and the holders of substantially all of our common stock and securities exercisable for or convertible into our Class A common stock and Class B common stock outstanding immediately on the completion of this offering, have agreed with the underwriters that, until 180 days after the date of this prospectus, or the restricted period, subject to certain exceptions, we and they will not, without the prior written consent of Goldman Sachs & Co. LLC, 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; provided that such restricted period will end with respect to 25% of the shares subject to each lock up agreement if at any time after we have filed our first quarterly report on Form 10-Q, the last reported closing price of our Class A common stock is at least 33% greater than the initial public offering price of our Class A common stock for 10 out of any 15 consecutive trading days ending on or after the date of the filing of our first quarterly report on Form 10-Q; and provided further that if such release were to occur within nine trading days of a regularly scheduled trading black-out period, the above referenced early expiration period will instead be the second trading day immediately following the expiration of such trading black-out period. In addition, with respect to shares not released as a result of such early release, if 180 days after the date of this prospectus occurs within nine trading days of a regularly scheduled trading black-out period, the restricted period will expire on the tenth trading day immediately preceding the commencement of such

trading black-out period. These agreements are described in the section titled “Underwriting.” Goldman Sachs & Co. LLC may release any of the securities subject to these lock-up agreements at any time, subject to applicable notice requirements.

In addition to the restrictions contained in the lock-up agreements described above, we have entered into agreements with substantially all of our security holders that contain market stand-off provisions imposing restrictions on the ability of such security holders to offer, sell or transfer our equity securities for a period of 180 days following the date of this prospectus.

Registration Rights

Upon the completion of this offering, the holders of shares of our Class B common stock or their transferees will be entitled to certain rights with respect to the registration of the offer and sale of their shares under the Securities Act. Registration of these shares under the Securities Act would result in the shares becoming freely tradable without restriction under the Securities Act immediately on the effectiveness of the registration. 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 CLASS A COMMON STOCK

The following summary describes the material U.S. federal income tax consequences of the acquisition, ownership, and disposition of our Class A common stock acquired in this offering by Non-U.S. Holders (as defined below). This discussion is not a complete analysis of all potential U.S. federal income tax consequences relating thereto, and does not address foreign, state, and local consequences that may be relevant to Non-U.S. Holders in light of their particular circumstances, nor does it address U.S. federal tax consequences (such as gift and estate taxes) other than income taxes. This discussion is limited to Non-U.S. Holders that hold our Class A common stock as a "capital asset" within the meaning of Section 1221 of the Internal Revenue Code of 1986, as amended, or the Code (generally, property held for investment). This discussion does not address all U.S. federal income tax consequences relevant to a Non-U.S. Holder's particular circumstances, including the impact of the alternative minimum tax, the special tax accounting rules under Section 451(b) of the Code, and the Medicare contribution tax on net investment income. Special rules different from those described below may apply to certain Non-U.S. Holders that are subject to special treatment under the Code, such as financial institutions, insurance companies, tax-exempt organizations, broker-dealers and traders in securities, U.S. expatriates, "controlled foreign corporations," "passive foreign investment companies," corporations that accumulate earnings to avoid U.S. federal income tax, corporations organized outside of the United States, any state thereof or the District of Columbia that are nonetheless treated as U.S. taxpayers for U.S. federal income tax purposes, persons that hold our Class A common stock as part of a "straddle," "hedge," "conversion transaction," "synthetic security" or integrated investment or other risk reduction strategy, persons who acquire our Class A common stock through the exercise of an option or otherwise as compensation, "qualified foreign pension funds" as defined in Section 897(l)(2) of the Code and entities all of the interests of which are held by qualified foreign pension funds, partnerships and other pass-through entities or arrangements, and investors in such pass-through entities or arrangements. Such Non-U.S. Holders are urged to consult their own tax advisors to determine the U.S. federal, state, local, and other tax consequences that may be relevant to them. Furthermore, the discussion below is based upon the provisions of the Code, and Treasury Regulations, rulings, and judicial decisions thereunder as of the date hereof, and such authorities may be repealed, revoked, or modified, perhaps retroactively, so as to result in U.S. federal income tax consequences different from those discussed below. We have not requested a ruling from the U.S. Internal Revenue Service, or 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 will agree with such statements and conclusions.

This discussion is for informational purposes only and is not tax advice. Persons considering the purchase of our Class A common stock pursuant to this offering should consult their own tax advisors concerning the U.S. federal income, estate, and other tax consequences of acquiring, owning, and disposing of our Class A common stock in light of their particular situations as well as any consequences arising under the laws of any other taxing jurisdiction, including any state, local, or foreign tax consequences.

For the purposes of this discussion, a "Non-U.S. Holder" is, for U.S. federal income tax purposes, a beneficial owner of Class A common stock that is neither a U.S. Holder, nor a partnership (or other entity treated as a partnership for U.S. federal income tax purposes regardless of its place of organization or formation). A "U.S. Holder" means a beneficial owner of our Class A common stock that is for U.S. federal income tax purposes any of the following:

- an individual who is a citizen or resident of the United States;
- a corporation or other entity treated as a corporation for U.S. federal income tax purposes created or organized in or 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 taxation regardless of its source; or
- a trust if it (1) is subject to the primary supervision of a court within the United States and one or more U.S. persons have the authority to control all substantial decisions of the trust or (2) has a valid election in effect under applicable U.S. Treasury Regulations to be treated as a U.S. person.

Distributions

Distributions, if any, made on our Class A common stock to a Non-U.S. Holder to the extent made out of our current or accumulated earnings and profits (as determined under U.S. federal income tax principles) generally will constitute dividends for U.S. tax purposes and will be subject to withholding tax at a 30% rate or such lower rate as may be specified by an applicable income tax treaty, subject to the discussions below regarding effectively connected income, backup withholding, and foreign accounts. To obtain a reduced rate of withholding under a treaty, a Non-U.S. Holder generally will be required to provide us with a properly executed IRS Form W-8BEN (in the case of individuals) or IRS Form W-8BEN-E (in the case of entities), or other appropriate form, certifying the Non-U.S. Holder's entitlement to benefits under that treaty. This certification must be provided to us and/or our paying agent prior to the payment of dividends and must be updated periodically. In the case of a Non-U.S. Holder that is an entity, Treasury Regulations and the relevant tax treaty provide rules to determine whether, for purposes of determining the applicability of a tax treaty, dividends will be treated as paid to the entity or to those holding an interest in that entity. If a Non-U.S. Holder holds stock through a financial institution or other agent acting on the holder's behalf, the holder will be required to provide appropriate documentation to such agent. The holder's agent will then be required to provide certification to us and/or our paying agent, either directly or through other intermediaries. If a Non-U.S. Holder is eligible for a reduced rate of U.S. federal withholding tax under an income tax treaty and such Non-U.S. Holder does not timely file the required certification, such Non-U.S. Holder may be able to obtain a refund or credit of any excess amounts withheld by timely filing an appropriate claim for a refund with the IRS.

We generally are not required to withhold tax on dividends paid to a Non-U.S. Holder that are effectively connected with the Non-U.S. Holder's conduct of a trade or business within the United States (and, if required by an applicable income tax treaty, are attributable to a permanent establishment or fixed base that such holder maintains in the United States) if a properly executed IRS Form W-8ECI, stating that the dividends are so connected, is furnished to us (or, if stock is held through a financial institution or other agent, to such agent). In general, such effectively connected dividends will be subject to U.S. federal income tax, on a net income basis at the regular rates applicable to U.S. residents. A corporate Non-U.S. Holder receiving effectively connected dividends may also be subject to an additional "branch profits tax," which is imposed, under certain circumstances, at a rate of 30% (or such lower rate as may be specified by an applicable treaty) on the corporate Non-U.S. Holder's effectively connected earnings and profits, subject to certain adjustments. Non-U.S. Holders should consult their tax advisors regarding any applicable income tax treaties that may provide for different rules.

To the extent distributions on our Class A common stock, if any, exceed our current and accumulated earnings and profits, they will first reduce the Non-U.S. Holder's adjusted basis in our Class A common stock, but not below zero, and then will be treated as gain to the extent of any excess amount distributed, and taxed in the same manner as gain realized from a sale or other disposition of Class A common stock as described in the next section.

Gain on Disposition of Our Class A Common Stock

Subject to the discussions below regarding backup withholding and foreign accounts, a Non-U.S. Holder generally will not be subject to U.S. federal income tax with respect to gain realized on a sale or other taxable disposition of our Class A common stock unless (1) the gain is effectively connected with a trade or business of such holder in the United States (and, if required by an applicable income tax treaty, is attributable to a permanent establishment or fixed base that such holder maintains in the United States), (2) the Non-U.S. Holder is a nonresident alien individual and is present in the United States for 183 or more days in the taxable year of the disposition and certain other conditions are met, or (3) we are or have been a "United States real property holding corporation" within the meaning of Code Section 897(c)(2) at any time within the shorter of the five-year period preceding such disposition or such holder's holding period in our Class A common stock. In general, we would be a United States real property holding corporation if our interests in U.S. real property comprise (by fair market value) at least half of our worldwide real property interests and our other assets used or held for use in a trade or business. We believe that we are not, and do not anticipate becoming, a United States real property holding corporation. Even if we are treated as a United States real property holding corporation, gain realized by a Non-U.S. Holder on a disposition of our Class A common stock will not be subject to U.S. federal income tax so long as (a) the Non-U.S. Holder owned, directly, indirectly and constructively, no more than 5% of our Class A common stock at all times within the shorter of (i) the five-year period preceding the disposition or (ii) the holder's holding period and (b) our Class A common stock is regularly traded on an established securities market, as defined in applicable Treasury Regulations. There can be no assurance that our Class A common stock will qualify as regularly traded on an established securities market. If a Non-U.S. Holder's gain on disposition of our Class A common stock is taxable because we are a United States real property holding corporation and such Non-U.S. Holder's ownership of our Class A common stock exceeds 5%, such Non-U.S. Holder will be taxed on such disposition generally in the manner as gain that is effectively connected with the conduct of a U.S. trade or business (subject to the provisions under an applicable income tax treaty), except that the branch profits tax generally will not apply to a corporate Non-U.S. Holder.

Non-U.S. Holders described in (1) above will be required to pay tax on the net gain derived from the sale at regular U.S. federal income tax rates, and corporate Non-U.S. Holders described in (1) above may be subject to the additional branch profits tax on such gain at a 30% rate or such lower rate as may be specified by an applicable income tax treaty. Gain described in (2) above will be subject to U.S. federal income tax at a flat 30% rate or such lower rate as may be specified by an applicable income tax treaty, which gain may be offset by certain U.S.-source capital losses (even though a Non-U.S. Holder 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.

Information Reporting Requirements and Backup Withholding

Generally, we must report information to the IRS with respect to any distributions we pay on our Class A common stock (even if the payments are exempt from withholding), including the amount of any such distributions, the name and address of the recipient, and the amount, if any, of tax withheld. A similar report is sent to the holder to whom any such distributions are paid. Pursuant to tax treaties or certain other agreements, the IRS may make its reports available to tax authorities in the recipient's country of residence.

Distributions paid by us (or our paying agents) to a Non-U.S. Holder may also be subject to U.S. backup withholding. U.S. backup withholding generally will not apply to a Non-U.S. Holder who provides a properly executed IRS Form W-8BEN, IRS Form W-8BEN-E, or IRS Form W-ECI, or otherwise establishes an exemption. Notwithstanding the foregoing, 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.

U.S. information reporting and backup withholding requirements generally will apply to the proceeds of a disposition of our Class A common stock effected by or through a U.S. office of any broker, U.S. or foreign, except that information reporting and such requirements may be avoided if the holder provides a properly executed IRS Form W-8BEN or IRS Form W-8BEN-E or otherwise meets documentary evidence requirements for establishing non-U.S. person status or otherwise establishes an exemption. Generally, U.S. information reporting and backup withholding requirements will not apply to a payment of disposition proceeds to a Non-U.S. Holder where the transaction is effected outside the United States through a non-U.S. office of a non-U.S. broker. Information reporting and backup withholding requirements may, however, apply to a payment of disposition proceeds if the broker has actual knowledge, or reason to know, that the holder is, in fact, a U.S. person. For information reporting purposes, certain brokers with substantial U.S. ownership or operations will generally be treated in a manner similar to U.S. brokers.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules may be credited against the tax liability of persons subject to backup withholding, provided that the required information is timely furnished to the IRS.

Foreign Accounts

Sections 1471 through 1474 of the Code (commonly referred to as FATCA) impose a U.S. federal withholding tax of 30% on certain payments to a foreign financial institution (as specifically defined by applicable 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 U.S. account holders of such institution (which includes certain equity holders of such institution, as well as certain account holders that are foreign entities with U.S. owners). FATCA also generally imposes a federal withholding tax of 30% on certain payments to a non-financial foreign entity unless such entity provides the withholding agent with either a certification that it does not have any substantial direct or indirect U.S. owners or provides information regarding substantial direct and indirect U.S. owners of the entity. An intergovernmental agreement between the United States and an applicable foreign country may modify those requirements. The withholding tax described above will not apply if the foreign financial institution or non-financial foreign entity otherwise qualifies for an exemption from the rules.

FATCA withholding currently applies to payments of dividends, if any, on our Class A common stock and, subject to the proposed Treasury Regulations described in this paragraph, generally also would apply to payments of gross proceeds from the sale or other disposition of our Class A common stock. The U.S. Treasury Department released proposed 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 Class A common stock. In its preamble to such proposed regulations, the U.S. Treasury Department stated that taxpayers may generally rely on the proposed regulations until final regulations are issued. Non-U.S. holders are encouraged to consult with their own tax advisors regarding the possible implications of FATCA on their investment in our Class A common stock.

EACH PROSPECTIVE INVESTOR SHOULD CONSULT ITS OWN TAX ADVISOR REGARDING THE TAX CONSEQUENCES OF PURCHASING, HOLDING, AND DISPOSING OF OUR CLASS A COMMON STOCK, INCLUDING THE CONSEQUENCES OF ANY RECENT OR PROPOSED CHANGE IN APPLICABLE LAW.

UNDERWRITING

We, the selling stockholders and the underwriters named below will enter into an underwriting agreement with respect to the shares of Class A common stock being offered. Subject to certain conditions, each underwriter will severally agree to purchase the number of shares indicated in the following table. Goldman Sachs & Co. LLC, J.P. Morgan Securities LLC and Citigroup Global Markets Inc. are the representatives of the underwriters.

Underwriters	Number of Shares
Goldman Sachs & Co. LLC	
J.P. Morgan Securities LLC	
Citigroup Global Markets Inc.	
BofA Securities, Inc.	
Jefferies LLC	
Canaccord Genuity LLC	
Guggenheim Securities, LLC	
JMP Securities LLC	
Piper Sandler & Co.	
Raymond James & Associates, Inc.	
Total	

The underwriters will be 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 will have an option to buy up to an additional shares of Class A common stock from the selling stockholders to cover sales by the underwriters of a greater number of shares than the total number set forth in the table above. They may exercise that option for 30 days. If any shares are purchased pursuant to this option, the underwriters will severally purchase shares in approximately the same proportion as set forth in the table above.

The following table shows the per share and total underwriting discounts and commissions to be paid to the underwriters by us and the selling stockholders. Such amounts are shown assuming both no exercise and full exercise of the underwriters' option to purchase additional shares from the selling stockholders.

Paid by the Company

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Paid by the Selling Stockholders

	No Exercise	Full Exercise
Per Share	$	$
Total	$	$

Shares sold by the underwriters to the public will initially be offered at the initial public offering price set forth on the cover of this prospectus. Any shares sold by the underwriters to securities dealers

may be sold at a discount of up to $ per share from the initial public offering price. After the initial offering of the shares, the representatives may change the offering price and the other selling terms. The offering of the shares by the underwriters is subject to receipt and acceptance and subject to the underwriters' right to reject any order in whole or in part.

We, the selling shareholders, all of our directors, executive officers and the holders of all of our outstanding common stock and securities exercisable for or convertible into our Class A common stock and Class B common stock outstanding immediately on the completion of this offering have agreed that, without the prior written consent of Goldman Sachs & Co. LLC, on behalf of the underwriters, subject to certain exceptions, we and they will not, during the period ending 180 days after the date of this prospectus, or the restricted period:

- 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 warrant to purchase, or any securities convertible into, exchangeable for or that represent the right to receive shares of common stock; and
- engage in any hedging or other transaction or arrangement (including, without limitation, any short sale or the purchase or sale of, or entry into, any put or call option, or combination thereof, forward, swap or any other derivative transaction or instrument, however described or defined) which is designed to or which reasonably could be expected to lead to or result in a sale, loan, pledge or other disposition (whether by the undersigned or someone other than the undersigned), or transfer of any of the economic consequences of ownership, in whole or in part, directly or indirectly, of any shares of common stock;

whether any such transaction described above is to be settled by delivery of common stock or such other securities in cash or otherwise. In addition, we and each such person have agreed that, without the prior written consent of Goldman Sachs & Co. LLC, on behalf of the underwriters, we or such other person will not, during the restricted period, make any demand for, or exercise any right with respect to, the registration of any shares of common stock or any security convertible into or exercisable or exchangeable for common stock.

Notwithstanding the foregoing, such restricted period will end with respect to 25% of the shares subject to each lock-up agreement if at any time after we have filed our first quarterly report on Form 10-Q, the last reported closing price of our Class A common stock is at least 33% greater than the initial public offering price of our Class A common stock for 10 out of any 15 consecutive trading days ending on or after the date of the filing of our first quarterly report on Form 10-Q; and provided further that if such release were to occur within nine trading days of a regularly scheduled trading black-out period, the above referenced early expiration period will instead be the second trading day immediately following the expiration of such trading black-out period. In addition, with respect to shares not released as a result of such early release, if 180 days after the date of this prospectus occurs within nine trading days of a regularly scheduled trading black-out period, the restricted period will expire on the tenth trading day immediately preceding the commencement of such trading black-out period. Under our insider trading policy to be effective upon the closing of this offering, our regularly scheduled trading black-out periods begin on the 15th day of the third month of each fiscal quarter and end after two full trading days have elapsed since the public dissemination of our financial results for such quarter.

The restrictions described above are subject to specified exceptions, including the following:

(A) transfers of shares of common stock acquired in open market transactions after the completion of this offering provided that no filing under the Exchange Act reporting a reduction in beneficial ownership of shares would be required or voluntarily made;

(B) transfers of shares of common stock or any security convertible into or exercisable or exchangeable for common stock (1) as a bona fide gift, (2) to an immediate family member or to any trust for the direct or indirect benefit of the lock-up party or an immediate family member of the lock-up party, (3) to any corporation, partnership, limited liability company, investment fund or other entity controlled or managed, or under common control or management of the lock-up party, or (4) by will, other testamentary document or intestate succession to the legal representative, heir, beneficiary or an immediate family member of the lock-up party,

(C) transfers or distributions of shares of common stock or any security convertible into or exercisable or exchangeable for common stock by a lock-up party that is a corporation, partnership, limited liability company, trust or other business entity (1) to current or former general or limited partners, managers, members, stockholders or holders of similar equity interests in the lock-up party or (2) to the estates of any of the foregoing;

(D) the transfer of shares of common stock or any securities convertible into or exercisable or exchangeable for common stock in connection with the vesting of equity awards and "net" or "cashless" exercise or settlement of stock options, restricted stock units or other equity awards or securities convertible or exercisable or exchangeable for common stock (including any transfer for the payment of taxes due or payment of the exercise price due as a result of such vesting or exercise whether by means of a "net settlement" or otherwise), provided that, (1) any such transfer shall only be permitted to us pursuant to an employee benefit plan or other security convertible into or exercisable or exchangeable for common stock disclosed in this prospectus used to sell shares of Class A common stock; (2) no public disclosure or filing shall be made voluntarily during the restricted period nor shall be required within 30 days after the date of this prospectus and (3) the lock-up party may exercise any option held by the lock-up party if such option would otherwise terminate or expire in accordance with its terms during the restricted period, even if in each case exercise would require a filing under Section 16(a) of the Exchange Act;

(E) sales of shares of Class A common stock pursuant to the terms of the Underwriting Agreement;

(F) the establishment of a trading plan pursuant to Rule 10b5-1 under the Exchange Act for the transfer of shares of common stock, provided that such plan does not provide for the transfer of common stock during the restricted period (other than any shares that are no longer subject to the restrictions under the lock-up agreement due to the early lock-up expiration as provided above);

(G) the transfer of shares of common stock or any security convertible into or exercisable or exchangeable for common stock that occurs by operation of law pursuant to a qualified domestic order or in connection with a divorce settlement or other court order;

(H) the reclassification and conversion of shares of our common stock and preferred stock into shares of Class B common stock and the conversion of Class B common stock into shares of Class A common stock, provided that, in each case, such shares remain subject to the terms of the lock-up agreement; or

(I) the transfer of shares of common stock or any security convertible into or exercisable or exchangeable for common stock pursuant to a bona fide third-party tender offer, merger, consolidation or other similar transaction that is approved by our board of directors, made to all holders of common stock involving a change of control, provided that, in the event that the tender offer, merger, consolidation or other such transaction is not completed, the common stock owned by the lock-up party will remain subject to terms of the lock-up agreement,

provided that:

- in the case of any transfer or distribution pursuant to clauses (B), (C) and (G) above, each donee, trustee, distributee or transferee shall sign and deliver a lock-up agreement,
- in the case of any transfer or distribution pursuant to clauses (B) and (C) above, (1) no filing under the Exchange Act reporting a reduction in beneficial ownership of shares of common stock would be required or be voluntarily made and (2) such transfer or distribution would not involve a disposition for value, and
- in the case of any transfer or distribution pursuant to clauses (D) and (F) through (H) above, any filing required by Section 16 of the Exchange Act shall clearly indicate in the footnotes thereto that the such transfer or distribution is being made pursuant to the circumstances described in the applicable clause. 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, subject to applicable notice requirements.

Prior to the offering, there has been no public market for the shares of our Class A common stock. The initial public offering price has been negotiated between us and the representatives. Among the factors considered in determining the initial public offering price of the shares, in addition to prevailing market conditions, will be our historical performance, estimates of our business potential and earnings prospects, an assessment of our management and the consideration of the above factors in relation to market valuation of companies in related businesses.

We have applied to list our Class A common stock on the The Nasdaq Stock Market under the symbol “ACVA.”

In connection with the offering, the underwriters may purchase and sell shares of Class A 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 Class A 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 Class A common stock made by the underwriters in the open market prior to the completion of the offering.

The underwriters may also impose a penalty bid. This occurs when a particular underwriter repays to the underwriters a portion of the underwriting discount received by it because the representatives have repurchased shares sold by or for the account of such underwriter in stabilizing or short covering transactions.

Purchases to cover a short position and stabilizing transactions, as well as other purchases by the underwriters for their own accounts, may have the effect of preventing or retarding a decline in the

market price of our Class A common stock, and together with the imposition of the penalty bid, may stabilize, maintain or otherwise affect the market price of the Class A common stock. As a result, the price of the Class A common stock may be higher than the price that otherwise might exist in the open market. The underwriters are not required to engage in these activities and may end any of these activities at any time. These transactions may be effected on The Nasdaq Stock Market, in the over-the-counter market or otherwise.

The underwriters do not expect sales to discretionary accounts to exceed five percent of the total number of shares offered.

We estimate that our and their share of the total expenses of the offering, excluding estimated underwriting discounts and commissions, will be approximately $. We have also agreed to reimburse the underwriters for certain FINRA-related expenses incurred by them in connection with the offering in an amount up to $ and expenses incurred in connection with the directed share program.

We and the selling stockholders have agreed to indemnify the several underwriters against certain liabilities, including liabilities under the Securities Act.

The underwriters and their respective affiliates are full service financial institutions engaged in various activities, which may include sales and trading, commercial and investment banking, advisory, investment management, investment research, principal investment, hedging, market making, brokerage and other financial and non-financial activities and services. Certain of the underwriters and their respective affiliates have provided, and may in the future provide, a variety of these services to the issuer and to persons and entities with relationships with the issuer, for which they received or will receive customary fees and expenses.

In the ordinary course of their various business activities, the underwriters and their respective affiliates, officers, directors and employees may purchase, sell or hold a broad array of investments and actively trade securities, derivatives, loans, commodities, currencies, credit default swaps and other financial instruments for their own account and for the accounts of their customers, and such investment and trading activities may involve or relate to assets, securities and/or instruments of the issuer (directly, as collateral securing other obligations or otherwise) and/or persons and entities with relationships with the issuer. The underwriters and their respective affiliates may also communicate independent investment recommendations, market color or trading ideas and/or publish or express independent research views in respect of such assets, securities or instruments and may at any time hold, or recommend to clients that they should acquire, long and/or short positions in such assets, securities and instruments.

At our request, the underwriters have reserved for sale, at the initial public offering price per share, up to 5% of the shares of Class A common stock offered by this prospectus to certain individuals, including our directors, employees and certain friends and family of ACV identified by our directors and management, through a directed share program. Any shares purchased in the directed share program will not be subject to a lock-up restriction, except in the case of shares purchased by any director or executive officer. The number of shares of Class A 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 under this prospectus. We have agreed to indemnify the underwriters against certain liabilities and expenses, including liabilities under the Securities Act, in connection with sales of the reserved shares. The directed share program will be arranged through .

Selling Restrictions

Notice to Prospective Investors in the European Economic Area

The shares of our Class A common stock are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area ("EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); or (ii) a customer within the meaning of Directive (EU) 2016/97 (as amended, the "Insurance Distribution Directive"), where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a qualified investor as defined in Regulation (EU) 2017/1129 (the "Prospectus Regulation"). Consequently no key information document required by Regulation (EU) No 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the shares of Class A common stock or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the shares of our Class A common stock or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

Notice to Prospective Investors in the United Kingdom

The shares of our Class A common stock are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom ("UK"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 ("EUWA"); (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 ("FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a qualified investor as defined in Article 2 of Regulation (EU) 2017/1129 as it forms part of domestic law by virtue of the EUWA. Consequently no key information document required by Regulation (EU) No 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the shares of our Class A common stock or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the shares of our Class A common stock or otherwise making them available to any retail investor in the UK may be unlawful under the UK PRIIPs Regulation.

Canada

The shares of Class A common stock 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 Class A common stock must be made in accordance with an exemption form, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering memorandum (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory of these rights or consult with a legal advisor.

Pursuant to section 3A.3 of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the underwriters are not required to comply with the disclosure requirements of NI 33-105 regarding underwriter conflicts of interest in connection with this offering.

Hong Kong

The shares of Class A common stock may not be offered or sold in Hong Kong by means of any document other than (1) in circumstances which do not constitute an offer to the public within the meaning of the Companies (Winding Up and Miscellaneous Provisions) Ordinance (Cap. 32 of the Laws of Hong Kong) ("Companies (Winding Up and Miscellaneous Provisions) Ordinance") or which do not constitute an invitation to the public within the meaning of the Securities and Futures Ordinance (Cap. 571 of the Laws of Hong Kong) ("Securities and Futures Ordinance"), or (2) to "professional investors" as defined in the Securities and Futures Ordinance and any rules made thereunder, or (3) 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 of Class A common stock 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 (1) to an institutional investor (as defined under Section 4A of the Securities and Futures Act, Chapter 289 of Singapore (the "SFA")) under Section 274 of the SFA, (2) 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 (3) otherwise pursuant to, and in accordance with the conditions of, any other applicable provision of the SFA, in each case subject to conditions set forth in the SFA.

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a corporation (which is not an accredited investor (as defined in Section 4A of the SFA)) the sole business of which is to hold investments and the entire share capital of which is owned by one or more individuals, each of whom is an accredited investor, the securities (as defined in Section 239(1) of the SFA) of that corporation shall not be transferable for 6 months after that corporation has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer in that corporation's securities pursuant to Section 275(1A) of the SFA, (3) where no consideration is or will be given for the transfer, (4) where the transfer is by operation of law, (5) as specified in Section 276(7) of the SFA, or (6) as specified in Regulation 32 of the Securities and Futures (Offers of Investments) (Shares and Debentures) Regulations 2005 of Singapore ("Regulation 32")

Where the shares are subscribed or purchased under Section 275 of the SFA by a relevant person which is a trust (where the trustee is not an accredited investor (as defined in Section 4A of the SFA)) whose sole purpose is to hold investments and each beneficiary of the trust is an accredited

investor, the beneficiaries' rights and interest (howsoever described) in that trust shall not be transferable for 6 months after that trust has acquired the shares under Section 275 of the SFA except: (1) to an institutional investor under Section 274 of the SFA or to a relevant person (as defined in Section 275(2) of the SFA), (2) where such transfer arises from an offer that is 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 (vi) as specified in Regulation 32.

Japan

The shares of Class A common stock 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 of Class A common stock may not be offered or sold, directly or indirectly, in Japan or to or for the benefit of any resident of Japan (including any person resident in Japan or any corporation or other entity organized under the laws of Japan) or to others for reoffering or resale, directly or indirectly, in Japan or to or for the benefit of any resident of Japan, except pursuant to an exemption from the registration requirements of the FIEA and otherwise in compliance with any relevant laws and regulations of Japan.

LEGAL MATTERS

The validity of the shares of Class A common stock being offered by this prospectus will be passed upon for us by Cooley LLP, New York, New York. Certain legal matters in connection with this offering will be passed upon for the underwriters by Davis Polk & Wardwell LLP, New York, New York.

EXPERTS

The consolidated financial statements of ACV Auctions Inc. at December 31, 2020 and 2019, and for the years then ended, appearing in this Prospectus and Registration Statement have been audited by Ernst & Young LLP, independent registered public accounting firm, as set forth in their report thereon appearing elsewhere herein, and are included in reliance upon such report given on the authority of such firm as experts in accounting and auditing.

WHERE YOU CAN FIND ADDITIONAL INFORMATION

We have filed with the SEC a registration statement on Form S-1 under the Securities Act with respect to the shares of Class A common stock offered by this prospectus. This prospectus, which constitutes a part of the registration statement, does not contain all the information set forth in the registration statement, some of which is contained in exhibits to the registration statement as permitted by the rules and regulations of the SEC. For further information with respect to us and our Class A common stock, we refer you to the registration statement, including the exhibits filed as a part of the registration statement. Statements contained in this prospectus concerning the contents of any contract or any other document are not necessarily complete. If a contract or document has been filed as an exhibit to the registration statement, please see the copy of the contract or document that has been filed. Each statement in this prospectus relating to a contract or document filed as an exhibit is qualified in all respects by the filed exhibit. The SEC maintains an internet website that contains reports and other information about issuers, like us, that file electronically with the SEC. The address of that website is www.sec.gov.

Upon the completion 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 at www.sec.gov.

We also maintain a website at www.acvauctions.com. Information contained in, or accessible through, our website is not a part of this prospectus, and the inclusion of our website address in this prospectus is only as an inactive textual reference.

INDEX TO CONSOLIDATED FINANCIAL STATEMENTS

REPORT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

To the Stockholders and the Board of Directors of ACV Auctions Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of ACV Auctions Inc. (the Company) as of December 31, 2020 and 2019, the related consolidated statements of operations, comprehensive loss, changes in convertible preferred stock and stockholders' deficit, and cash flows for each of the two years in the period ended December 31, 2020, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2020 and 2019, and the results of its operations and its cash flows for each of the two years in the period ended December 31, 2020, in conformity with U.S. generally accepted accounting principles.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. The Company is not required to have, nor were we engaged to perform, an audit of its internal control over financial reporting. As part of our audits we are required to obtain an understanding of internal control over financial reporting but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control over financial reporting. Accordingly, we express no such opinion.

Our audits included performing procedures to assess the risks of material misstatement of the financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the financial statements. We believe that our audits provide a reasonable basis for our opinion.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2018.

New York, NY
February 26, 2021

ACV AUCTIONS INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

	Year Ended December 31, 2020	Year Ended December 31, 2019
Revenue:		
Marketplace and service revenue	$ 173,120	$ 87,750
Customer assurance revenue	35,237	19,097
Total revenue	208,357	106,847
Operating expenses:		
Marketplace and service cost of revenue (excluding depreciation & amortization)	83,553	65,962
Customer assurance cost of revenue (excluding depreciation & amortization)	29,496	16,816
Operations and technology	64,998	39,626
Selling, general, and administrative	64,882	62,439
Depreciation and amortization	6,075	1,286
Total operating expenses	249,004	186,129
Loss from operations	(40,647)	(79,282)
Other income (expense):		
Interest income	748	2,093
Interest expense	(633)	—
Total other income (expense)	115	2,093
Loss before income taxes	(40,532)	(77,189)
Provision for income taxes	489	27
Net loss	$ (41,021)	$ (77,216)
Weighted-average shares - basic and diluted	43,193,019	36,740,501
Net loss per share - basic and diluted	$ (0.95)	$ (2.10)

The accompanying notes are an integral part of these consolidated financial statements.

ACV AUCTIONS INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)

	Year Ended December 31, 2020	Year Ended December 31, 2019
Net loss	$ (41,021)	$ (77,216)
Other comprehensive loss:		
Foreign currency translation loss	(56)	(1)
Comprehensive loss	$ (41,077)	$ (77,217)

The accompanying notes are an integral part of these consolidated financial statements.

ACV AUCTIONS INC.
CONSOLIDATED BALANCE SHEETS
(in thousands, except share data)

	December 31, 2020	December 31, 2019
Assets		
Current Assets :		
Cash and cash equivalents	$ 233,725	$ 182,275
Trade receivables (net of allowance of $2,093 and $1,352)	104,138	80,089
Finance receivables (net of allowance of $40 and $65)	8,501	3,188
Other current assets	8,041	2,646
Total current assets	354,405	268,198
Property and equipment, net	4,912	3,520
Goodwill	21,820	16,070
Acquired intangible assets, net	11,491	9,003
Internal-use software costs, net	7,775	3,763
Operating lease right-of-use assets	2,000	1,888
Other assets	2,147	2,076
Total assets	404,550	304,518
Liabilities, Convertible Preferred Stock and Stockholders' Deficit		
Current Liabilities :		
Accounts payable	151,967	85,827
Accrued payroll	8,109	4,322
Accrued other liabilities	4,375	4,737
Deferred revenue	1,504	2,330
Operating lease liabilities	746	466
Total current liabilities	166,701	97,682
Long-term operating lease liabilities	1,323	1,485
Long-term debt	4,832	—
Other long-term liabilities	5,054	25
Total liabilities	$ 177,910	$ 99,192
Commitments and Contingencies (Note 6)		

The accompanying notes are an integral part of these consolidated financial statements.

ACV AUCTIONS INC.
CONSOLIDATED BALANCE SHEETS (Continued)
(in thousands, except share data)

	December 31, 2020	December 31, 2019
Convertible Preferred Stock :		
Convertible preferred stock; $0.001 par value; 230,538,501 and 221,254,391 shares issued and outstanding at December 31, 2020 and 2019, respectively	366,332	311,468
Stockholders' Deficit :		
Common stock; $0.001 par value; 311,100,000 and 296,200,000 shares authorized; 44,664,118 and 42,156,771 shares issued and outstanding at December 31, 2020 and 2019, respectively	45	42
Additional paid-in capital	27,299	19,775
Accumulated deficit	(166,979)	(125,958)
Accumulated other comprehensive loss	(57)	(1)
Total stockholders' deficit	(139,692)	(106,142)
Total liabilities, convertible preferred stock and stockholders' deficit	$ 404,550	$ 304,518

The accompanying notes are an integral part of these consolidated financial statements.

ACV AUCTIONS INC.
CONSOLIDATED STATEMENTS OF CHANGES IN CONVERTIBLE PREFERRED STOCK AND STOCKHOLDERS' DEFICIT
(in thousands, except share data)

	Convertible Preferred Stock		Common Stock		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Total
	Shares	Amount	Shares	Par Value				
Balance, January 1, 2019	191,386,624	$149,594	35,858,624	$ 36	$ 7,541	$ (48,742)	$ —	$ (41,165)
Issuance of Series D Preferred Stock net of issuance costs of $142	935,722	2,058						
Issuance of Series E Preferred Stock net of issuance costs of $184	28,932,045	159,816						
Net loss						(77,216)		(77,216)
Other comprehensive loss							(1)	(1)
Stock-based compensation					998			998
Exercise of common stock options			1,423,147	1	272			273
True Frame acquisition			4,875,000	5	10,964			10,969
Balance, December 31, 2019	221,254,391	$311,468	42,156,771	$ 42	$ 19,775	$ (125,958)	$ (1)	$ (106,142)
Issuance of Series E-1 Preferred Stock net of issuance costs of $136	9,284,110	54,864						
Net loss						(41,021)		(41,021)
Other comprehensive loss							(56)	(56)
Stock-based compensation					5,705			5,705
Exercise of common stock options			2,507,347	3	1,819			1,822
Balance, December 31, 2020	230,538,501	$366,332	44,664,118	$ 45	$ 27,299	$ (166,979)	$ (57)	$ (139,692)

The accompanying notes are an integral part of these consolidated financial statements.

ACV AUCTIONS INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

	Years Ended December 31, 2020	Years Ended December 31, 2019
Cash Flows from Operating Activities		
Net loss	$ (41,021)	$ (77,216)
Adjustments to reconcile net loss to net cash provided by (used in) operating activities:		
Depreciation and amortization	7,244	1,839
Stock-based compensation expense	5,705	998
Provision for bad debt	5,181	2,800
Non-cash operating lease costs	5	62
(Gain) on contingent liabilities	(3,063)	—
Other non-cash, net	896	362
Changes in operating assets and liabilities, net of effects from purchases of businesses:		
Accounts receivable	(29,226)	(51,952)
Prepaid expenses & other current assets	(5,702)	(1,701)
Accounts payable	66,217	46,409
Accrued payroll	4,095	2,520
Accrued other liabilities	(891)	2,772
Deferred revenue	(825)	1,473
Other long-term liabilities	2,418	—
Other assets	(665)	(826)
Net cash provided by (used in) operating activities	10,368	(72,460)
Cash Flows from Investing Activities		
Net increase in finance receivables	(5,288)	(3,253)
Purchases of property and equipment	(3,503)	(3,373)
Capitalization of software costs	(5,382)	(3,220)
Acquisition of businesses (net of cash acquired)	(5,500)	(14,835)
Net cash used in investing activities	(19,673)	(24,681)
Cash Flows from Financing Activities		
Proceeds from long term debt	6,787	—
Payments towards long term debt	(1,980)	—
Proceeds from issuance of Series D preferred stock	—	2,200
Proceeds from issuance of Series E preferred stock	—	160,000
Proceeds from issuance of Series E1 preferred stock	55,000	—
Payment for debt issuance and other financing costs	(738)	(776)
Proceeds from exercise of common stock options	1,822	273
Other financing activities, net	(136)	(171)
Net cash provided by financing activities	60,755	161,526
Net increase in cash and cash equivalents	51,450	64,385
Cash and cash equivalents, beginning of year	182,275	117,890
Cash and cash equivalents, end of year	$ 233,725	$ 182,275
Supplemental disclosure of cash flow information		
Cash paid during the period for:		
Interest	$ 171	$ —
Income taxes	$ 59	$ 30
Cash paid included in the measurement of operating lease liabilities	$ 770	$ 295
Non-cash investing and financing activities:		
Purchase of property and equipment in accounts payable	$ 133	$ 348
Right-of-use assets obtained, including initial adoption	$ 718	$ 2,146
Contingent consideration	$ 5,700	$ —

The accompanying notes are an integral part of these consolidated financial statements.

ACV Auctions Inc.
Notes to Consolidated Financial Statements
December 31, 2020 and 2019

1. Nature of Business and Summary of Significant Accounting Policies

Nature of Business—ACV Auctions Inc. ("the Company") was formed on December 31, 2014. The Company operates in one industry segment, providing a digital wholesale auction marketplace (the "Marketplace") to facilitate business-to-business used vehicle sales between a selling dealership ("Seller") and a buying dealership ("Buyer"). Customers using the Marketplace are licensed automotive dealerships or other commercial automotive enterprises. At the election of the customer purchasing a vehicle, the Company can arrange third-party transportation services for the delivery of the purchased vehicle through its wholly owned subsidiary, ACV Transportation LLC. The Company can also provide the customer financing for the purchased vehicle through its wholly owned subsidiary, ACV Capital LLC. ACV also provides data services that offer insights into the condition and value of used vehicles for transactions both on and off our Marketplace, which help dealerships, their end customers, and commercial partners make more informed decisions to transact with confidence and efficiency. Customers using data services are licensed automotive dealerships or other commercial automotive enterprises. All services are provided in the United States and are supported by the Company's operations which are in both the United States and Canada.

Basis of Preparation—The accompanying consolidated financial statements have been prepared in accordance with generally accepted accounting principles in the United States of America ("U.S. GAAP"). The consolidated financial statements include the accounts of ACV Auctions Inc. and all of its subsidiaries. All significant intercompany balances and transactions of consolidated subsidiaries have been eliminated in consolidation. Any reference in these notes to applicable guidance is meant to refer to the authoritative U.S. GAAP as found in the Accounting Standards Codification ("ASC") and Accounting Standards Update ("ASU") of the Financial Accounting Standards Board ("FASB").

Management Estimates—The preparation of consolidated financial statements and related disclosures in conformity with U.S. GAAP requires management to make judgments, assumptions and estimates that affect the amounts reported in its consolidated financial statements and accompanying notes. Management bases its estimates on historical experience and on other assumptions it believes to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets and liabilities. Actual results may differ from these estimates and these differences may be material. Significant estimates and assumptions reflected in the consolidated financial statements include, but are not limited to, allowance for doubtful receivables, contingent consideration, fair value of guarantees, loss estimates related to guarantee claims, fair value of stock-based awards, estimated useful lives and recoverability of long-lived assets, fair value and useful lives of acquired intangible assets, fair value of stock consideration, and accounting for income taxes, including the valuation allowance on deferred tax assets.

Emerging Growth Company—The Company is an "emerging growth company," as defined in Section 2(a) of the Securities Act, as modified by the Jumpstart Our Business Startups Act of 2012 (the "JOBS Act"), and it may take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor attestation requirements of Section 404 of the Sarbanes-Oxley Act, reduced disclosure obligations regarding executive compensation in its periodic reports and proxy statements, and exemptions from the requirements of holding a nonbinding advisory vote on executive compensation and shareholder approval of any golden parachute payments not previously approved.

ACV Auctions Inc.
Notes to Consolidated Financial Statements
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Further, Section 102(b)(1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Securities Exchange Act of 1934, as amended ("Exchange Act")) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non-emerging growth companies but any such election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of the Company's financial statements with another public company which is neither an emerging growth company nor an emerging growth company which has opted out of using the extended transition period difficult or impossible because of the potential differences in accounting standards used.

Segment Reporting—Operating segments are identified as components of an enterprise for which separate discrete financial information is available for evaluation by the Company's Chief Operating Decision Maker ("CODM") in making decisions regarding resource allocation and assessing performance. The CODM is the Chief Executive Officer ("CEO"). The CEO reviews the financial information presented on a consolidated basis for purposes of allocating resources and evaluating the Company's financial performance. Accordingly, the Company has determined that it operates in a single reporting segment.

Cash and Cash Equivalents—The Company considers all highly liquid instruments purchased with a maturity of three months or less to be cash equivalents.

Receivables – Trade receivables include the price of the auctioned vehicle and fees due for services. Trade receivables are recorded net of the allowance for doubtful receivables at net realizable value. Trade receivables are due either upon the close of an auction, or upon the delivery of title from the Seller to the Company, depending on the terms agreed with the customer.

Finance receivables represent amounts borrowed by Buyers selecting to finance the purchase of an auctioned vehicle and related fees and are collateralized by the auctioned vehicle. Finance receivables are recorded net of the allowance for doubtful receivables at net realizable value. Finance receivables are due upon maturity or upon the subsequent sale of the purchased vehicle, whichever comes first. Finance receivables are placed on nonaccrual status when principal or interest becomes delinquent, which is generally 31 days past due unless management determines that the finance receivable status clearly warrants other treatment. Nonaccrual finance receivables are returned to accrual status when all past due principal and interest payments have been paid by the borrower. While on nonaccrual status, interest is not recognized into income.

For trade receivables and finance receivables, management considers factors such as age of the receivable, customer history, existing economic conditions, and overall portfolio credit quality to estimate an allowance for doubtful receivables. Upon management's determination of uncollectibility, such accounts are written off against the allowance for doubtful receivables.

Other Current Assets – Other current assets include prepaid expenses and other receivables.

ACV Auctions Inc.
Notes to Consolidated Financial Statements
December 31, 2020 and 2019

Property and Equipment, net – Property and equipment is stated at cost, net of accumulated depreciation. Improvements are generally capitalized. The costs of maintenance and repairs are charged to expense as incurred. Depreciation is computed using the straight-line method over the approximate economic useful lives of the assets. Depreciation of the cost of improvements to leased properties is made using the straight-line method based on the shorter of the estimated useful life or applicable lease period. The estimated useful lives of our property and equipment are generally as follows:

Computer equipment and devices	2-3 years
Inspection and trade show equipment	2-5 years
Furniture and fixtures	7 years
Leasehold improvements	Lesser of economic life or lease term

Internal-Use Software Costs, net—The Company capitalizes its internal-use software costs during the application development stage. Costs related to preliminary project activities and post implementation activities are expensed as incurred. This software is amortized on a straight-line basis over its estimated useful life, generally three years. The Company evaluates the useful lives of these assets on an annual basis, or more frequently when warranted.

Leases—The Company determines if an arrangement is a lease at inception. Operating leases with a term greater than twelve months are included in Operating lease right-of-use ("ROU") assets, Current operating lease liabilities, and Long-term operating lease liabilities in our Consolidated Balance Sheets. The Company has elected to account for operating leases with a term less than twelve months to be expensed as incurred. Short-term operating lease expenses were not material for the years ended December 31, 2020 and 2019.

ROU assets represent our right to use an underlying asset for the lease term and lease liabilities represent our obligation to make lease payments arising from the lease. The Company's operating leases have lease and non-lease components for which the Company has elected to apply the practical expedient and account for each lease component and related non-lease component as one single component. Operating lease ROU assets and liabilities are recognized at commencement date based on the present value of lease payments over the lease term. The Company is unable to determine the lessor's implicit rate and uses their incremental borrowing rate based on the estimated rate of interest for collateralized borrowing over a similar term of the lease payments at commencement date. An individual lease's term may include an option to extend or terminate the lease when it is reasonably certain that the option will be exercised. Operating lease expense is recognized on a straight-line basis over the lease term.

Goodwill & Acquired Intangible Assets, net—Goodwill represents the excess of the aggregate purchase price paid over the fair value of the net tangible and intangible assets acquired. Intangible assets that are not considered to have an indefinite useful life are amortized over their useful lives. The Company evaluates the estimated remaining useful lives of acquired intangible assets and whether events or changes in circumstances warrant a revision to the remaining period of amortization. Goodwill is not amortized, but rather is subject to an impairment test.

The Company evaluates goodwill for impairment annually as one singular reporting unit, on October 1 or more frequently when an event occurs or circumstances change that indicates the carrying value may not be recoverable. The Company's policy is to first perform a qualitative

assessment to determine whether it was more likely than not that the reporting unit's carrying value is less than its fair value, indicating the potential for goodwill impairment. If the reporting unit fails the qualitative test, then the Company proceeds with a quantitative test. The Company then determines whether the reporting unit fair value is less than its carrying amount, and if it is, the Company recognizes a goodwill impairment equal to the difference between the carrying amount of the reporting unit and its fair value, not to exceed the carrying amount of goodwill. The Company did not identify any impairment of its goodwill for the years ended December 31, 2020 and 2019.

Impairment of Long-Lived Assets—The Company periodically reviews long-lived assets, which consist of its property and equipment, internal-use software and other finite-lived intangible assets, for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset is impaired or the estimated useful lives are no longer appropriate. If indicators of impairment exist and the undiscounted projected cash flows associated with such assets are less than the carrying amount of the asset, an impairment loss is recorded to write the assets down to their estimated fair values. The Company did not identify any impairment losses related to the Company's long-lived assets during the years ended December 31, 2020 and 2019.

Other Assets—Other assets include costs incurred to obtain a revolving debt facility, implementation costs for hosted software arrangements, deferred offering costs, and other long-term assets. Implementation costs of hosted software arrangements are in connection with information technology systems used to support operational processing of transactions, human resource management, and financial processes. Deferred offering costs consist of direct incremental legal, accounting, consulting and other offerings costs relating to the Initial Public Offering ("IPO") and are capitalized. The deferred offering costs will be offset against IPO proceeds upon the consummation of the IPO. In the event the planned IPO is terminated, the deferred offering costs will be expensed. There were no deferred offering costs capitalized as of December 31, 2019. As of December 31, 2020, there was $0.8 million of deferred offering costs recorded.

Commitments and Contingencies—The Company may be involved in disputes or regulatory inquiries that arise in the ordinary course of business. When the Company determines that a loss is both probable and reasonably estimable, a liability is recorded and disclosed if the amount is material to the consolidated financial statements taken as a whole. When a material loss contingency is only reasonably possible, the Company does not record a liability, but instead discloses the nature and the amount of the claim, and an estimate of the loss or range of loss, if such an estimate can reasonably be made. Accruals for contingencies including litigation are included in Accrued other liabilities at undiscounted amounts. These accruals are adjusted periodically as additional information becomes available. If the amount of an actual loss is greater than the amount accrued, this could have an adverse impact on our operating results in that period.

Revenue Recognition—The Company generates revenue from contracts with customers. Revenue is recognized when control of the promised services is transferred to customers in an amount that reflects the consideration that the Company expects to receive in exchange for those services. Determining whether performance obligations should be accounted for separately or combined may require significant judgment. For each performance obligation within a contract, the Company evaluates whether it acts as the principal or as an agent. When the Company acts as the principal, revenue is recognized in the gross amount of the consideration received from the customer at the point in time the services are completed. When the Company acts as the agent, revenue is recognized net of the consideration due to a third party at the point in time when the services are provided.

ACV Auctions Inc.
Notes to Consolidated Financial Statements
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In contracts with multiple performance obligations, the Company allocates the transaction price to each distinct performance obligation proportionately based on the estimated stand-alone selling price ("SSP") of each performance obligation. The Company uses an observable price to determine the SSP for each performance obligation. Where observable prices are not available, an expected cost-plus margin approach is used. The Company then determines how the services are transferred to the customer to determine the timing of revenue recognition.

From time to time we provide promotions and incentives to Buyers and Sellers in various forms including discounts on fees, credits and rebates. Promotions and incentives which are consideration payable to a customer are recognized as a reduction of revenue when revenue is recognized.

Commissions paid to sales representatives and related payroll taxes are considered costs to obtain a contract. ASC 340 requires costs to obtain a contract with a customer within the scope of ASC 606 to be capitalized and amortized over the period of benefit. The Company has elected the practical expedient available under ASC 340-40-25-4 to immediately expense the incremental cost of obtaining a contract when the underlying related asset would have been amortized over one year or less.

The Company has utilized the practical expedient available under ASC 606-10-50-14 and does not disclose the value of unsatisfied performance obligations for contracts with an original expected length of one year or less.

Marketplace and service revenue—Marketplace and service revenue consists principally of revenues earned from facilitating an auction on the Marketplace and arranging for the transportation of vehicles purchased on the Marketplace to the Buyer. In the course of facilitating an auction on the marketplace, the Seller may elect for the Company to perform a wholesale auction inspection of the vehicle. Marketplace and service revenue also consists of data services that offer insights into the condition and value of used vehicles for transactions both on and off our Marketplace, by providing the customer an inspection of the vehicle and an inspection report.

Revenue earned from facilitating a vehicle auction through the Marketplace is recognized at a point in time when the vehicle is sold. The Company acts as an agent when facilitating a vehicle auction through the Marketplace. Accordingly, auction and related fees charged to the Buyer and Seller are reported as revenue on a net basis, excluding the price of the auctioned vehicle in the transaction.

Revenue from transportation services is recognized over time as delivery is completed. In providing its transportation services, the Company leverages its network of third-party transportation carriers and arranges for the transportation of the vehicle to the Buyer. The Company is the principal for transportation services. Transportation fees charged to the Buyer are reported on a gross basis.

Data services revenue is recognized at a point in time when the vehicle inspection and report is completed and delivered to the customer.

Deferred revenue primarily consists of fees received for transportation services related to unsatisfied performance obligations at the end of the period. Due to the generally short-term duration of contracts, the performance obligations are satisfied, and the deferred revenue is recognized in the following reporting period.

Timing of revenue recognition may differ from the timing of payment from customers. Accounts receivable represents amounts invoiced, which include the price of the auctioned vehicle and related fees charged to a Buyer, where the Company has the unconditional right to payment.

ACV Auctions Inc.
Notes to Consolidated Financial Statements
December 31, 2020 and 2019

The Company offers short-term financing to eligible customers purchasing vehicles through the Marketplace. These financing fees are accounted for under ASC 310-20, *Nonrefundable Fees and Other Costs*, and therefore are not subject to evaluation under ASC 606. Financing fees are recognized ratably over the duration of the financing arrangement. Financing fees were not material for the years ended December 31, 2020 and 2019.

Customer assurance revenue—Customer assurance revenue represents the implied premium received for certain guarantees. Refer to Note 6 for additional information.

Marketplace and service cost of revenue—Marketplace and service cost of revenue consists of third-party transportation carrier costs, titles shipping costs, customer support, website hosting costs, inspection costs related to data services, and various other costs. These costs include personnel-related costs and related stock-based compensation expenses.

Customer assurance cost of revenue—Customer assurance cost of revenue consists of the costs related to satisfying claims against guarantees. Refer to Note 6 for additional information.

Operations and technology – Operations and technology costs consist of expenses for wholesale auction inspections, personnel costs related to payments and titles processing, transportation processing, product and engineering, and other general operations and technology expenses. These costs include personnel-related costs and related stock-based compensation expenses.

Selling, general and administrative—Selling, general and administrative expense consists of costs resulting from sales, accounting, finance, legal, marketing, human resources, executive, and other administrative activities. These costs include personnel-related costs, related stock-based compensation expenses, and legal and other professional services expenses.

Also included in selling, general and administrative is advertising and marketing costs to promote our services, which are expensed as incurred. Advertising and marketing expenses were $2.3 million and $3.6 million for the years ended December 31, 2020 and 2019, respectively.

Depreciation and amortization—Depreciation and amortization expense consists of depreciation of fixed assets, and amortization of acquired intangible assets and internal-use software. Amortization of implementation costs for hosted software arrangements is included within Operations and technology and Selling, general, and administrative, as applicable, consistently with the classification of the related hosted software fees. For the years ended December 31, 2020 and 2019, amortization of hosted software has been reported in the Consolidated Statements of Operations as follows (in thousands):

	2020	2019
Operations and technology	$ 1,076	$ 448
Selling, general, and administrative	68	106

Stock-Based Compensation—The Company uses the fair value recognition provisions of ASC 718, *Compensation – Stock Compensation*. The estimated fair value of each Common Stock option award is calculated on the date of grant using the Black-Scholes option pricing model. Application of

the Black-Scholes option pricing model requires significant judgment, and involves the use of subjective assumptions including:

Expected Term—The expected term represents the period that the stock-based awards are expected to be outstanding. As the Company does not have sufficient historical experience for determining the expected term of the stock option awards granted, the simplified method was used to determine the expected term for awards issued to employees.

Risk-Free Interest Rate—The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the date of grant for zero-coupon U.S. Treasury constant maturity notes with terms approximately equal to the stock-based awards' expected term.

Expected Volatility—Since the Company is privately held and does not have a trading history of common stock, the expected volatility is derived from the average historical volatilities of the common stock of several public companies considered to be comparable to the Company over a period equivalent to the expected term of the stock-based awards.

Dividend Rate—The expected dividend rate is zero as the Company has not paid and does not anticipate paying any dividends in the foreseeable future.

Fair Value of Common Stock—Because the Company's common stock is not yet publicly traded, the Company must estimate the fair value of common stock. The Board of Directors, with input from management considers numerous objective and subjective factors to determine the fair value of the Company's common stock at each meeting in which awards are approved.

Valuations of the common stock performed by a third-party valuation specialist are in accordance with the guidance outlined in the American Institute of Certified Public Accountants' Accounting and Valuation Guide, Valuation of Privately Held Company Equity Securities Issued as Compensation. Factors taken into consideration in assessing the fair value of the Company's common stock include, but are not limited to: (i) the results of contemporaneous independent third-party valuations of the Company's common stock; (ii) the prices, rights, preferences, and privileges of the Company's convertible preferred stock relative to those of its common stock; (iii) the likelihood and timing of achieving a qualifying event, such as an IPO or sale of the Company given prevailing market conditions; (iv) actual operating and financial results; and (v) precedent transactions involving the Company's shares.

The Company measures all stock options and other stock-based awards granted to employees, directors, consultants and other nonemployees based on the fair value on the date of the grant. The options vest based on a graded scale over the stated vesting period, and compensation expense is recognized based on their grant date fair value on a straight-line basis over the vesting period. Forfeitures are recognized as they occur.

The fair value of restricted stock awards and units are determined based on the estimated market price of the Company's Common Stock on the grant date. The awards and units vest over time and compensation expense is recognized based on their grant fair value ratably over the vesting period.

The Company classifies stock-based compensation expense in its Consolidated Statements of Operations in the same way the payroll costs or service payments are classified for the related stock-based award recipient.

Income Taxes—The Company accounts for income taxes in accordance with ASC 740, *Income Taxes*. This standard requires, among other things, recognition of deferred tax assets and liabilities for

future tax consequences, measured by enacted rates attributable to temporary differences between financial statement and income tax bases of assets and liabilities, and net operating loss and tax credit carryforwards to the extent that realization of such benefits is more likely than not.

The Company's management evaluates its tax positions to determine whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation, based on the technical merits of the tax position. Management has analyzed the Company's tax positions and has concluded that as of December 31, 2020, there are no uncertain positions taken or expected to be taken that would require recognition or disclosure in the consolidated financial statements. Under the Company's policy, interest and penalties would be expensed as incurred and reported within the Other income section of the Consolidated Statements of Operations.

Foreign Currency—The functional currency of the Company's Canadian subsidiary is the applicable local currency. The translation of the applicable foreign currency into U.S. dollars is performed for assets and liabilities using current exchange rates in effect at the balance sheet date, and for revenue and expense activity using the applicable month's average exchange rates. Foreign currency translation gains and losses are included as a component of the Consolidated Statements of Comprehensive Loss. Foreign currency transaction gains and losses are reported within the Other income section of the Consolidated Statements of Operations.

Net Loss Per Share Attributable to Common Stockholders—Basic net loss per share attributable to common stockholders is computed by dividing net loss attributable to common stockholders by the weighted-average number of shares of common stock outstanding for the period.

Diluted net loss per share attributable to common stockholders is computed by dividing net income (loss) attributable to common stockholders by the weighted-average number of shares of common stock outstanding for the period, adjusted to reflect potentially dilutive securities using the treasury stock method for the purchase of the Company's common stock, stock option awards and restricted stock awards and units. Due to the Company's loss from continuing operations, net of income taxes: (i) convertible preferred stock, (ii) unvested restricted stock, and (iii) stock options not subject to performance conditions, were not included in the computation of diluted net loss per share attributable to common stockholders, as the effects would be anti-dilutive. Accordingly, basic and diluted net loss per share attributable to common stockholders are equal for the years presented.

Fair Value Measurements and Financial Instruments— Fair value accounting is applied for all financial assets and liabilities and non-financial assets and liabilities that are recognized or disclosed at fair value in the consolidated financial statements on a recurring basis (at least annually). Fair value is defined as the price that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date.

Assets and liabilities recorded at fair value in the consolidated financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels, which are directly related to the amount of subjectivity, associated with the inputs to the valuation of these assets or liabilities are as follows:

Level 1: Observable inputs such as quoted prices in active markets for identical assets and liabilities.

Level 2: Inputs other than the quoted prices in active markets that are observable either directly or indirectly.

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Level 3: Unobservable inputs in which there is little or no market data which require the Company to develop its own assumptions.

The Company's financial instruments primarily consist of cash and cash equivalents, trade and finance accounts receivable and accounts payable whose carrying values approximate fair value due to the short-term nature of those instruments.

The following table provides a description of accounting standards that were adopted by the Company as well as standards that are not yet adopted that could have an impact to the consolidated financial statements upon adoption.

Accounting Standard Update	Description	Required date of adoption	Effect on consolidated financial statements
Accounting Standards Adopted			
Customer's Accounting for Implementation Costs Incurred in a Cloud Computing Arrangement That Is a Service Contract (ASU 2018-15)	This guidance outlines the requirements for capitalizing implementation costs incurred in a cloud computing arrangement that is a service contract, along with clarified presentation guidance.	January 1, 2021 Early adoption permitted	This guidance was early adopted as of January 1, 2018 utilizing the retrospective method and did not have a material impact to the consolidated financial statements.
Leases (ASU 2016-02, 2018-01, 2018-10, 2018-11, 2018-20, 2019-01)	The new guidance requires lessees to recognize most leases on their balance sheets as lease liabilities with corresponding right-of-use assets and eliminates certain real estate-specific provisions.	January 1, 2021 Early adoption permitted	The guidance was early adopted as of January 1, 2019 utilizing the modified retrospective method, and elected the practical expedients listed in ASC 842-10-65-1(f).
Simplifying the Test for Goodwill Impairment (ASU 2017-04)	This guidance simplifies the goodwill impairment test by eliminating Step 2.	January 1, 2023 Early adoption permitted	The Company adopted this guidance as of January 1, 2019. It did not have a material impact on the consolidated financial statements.
Accounting Standards Not Yet Adopted			
Measurement of Credit Losses on Financial Instruments (ASU 2016-13, 2018-19, 2019-04, 2019-05, 2019-10, 2019-11, 2020-02, 2020-03)	The guidance changes the methodology for measuring credit losses on financial instruments and the timing of when such losses are recorded.	January 1, 2023 Early adoption permitted	The Company is currently evaluating the impact this guidance may have on the consolidated financial statements.

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Accounting Standard Update	Description	Required date of adoption	Effect on consolidated financial statements
Simplifying the Accounting for Income Taxes (ASU 2019-12)	This guidance simplifies the accounting for income taxes as part as part of FASB's overall initiative to reduce complexity in accounting standards. Amendments include the removal of certain exceptions to the general principles of ASC 740, Income taxes.	January 1, 2022 Early adoption permitted	The Company is currently evaluating the impact this guidance may have on the consolidated financial statements.

The Company reviewed all other recently issued accounting standards and concluded that they were not applicable to the consolidated financial statements.

2. Concentration of Credit Risk

Cash and cash equivalents consist of cash deposited at financial institutions that management believes are of high credit quality, and short-term high credit-quality money market funds. The Company has not experienced any losses on such amounts.

Due to the nature of our business, substantially all revenue is earned and trade and finance receivables are due from dealerships and commercial partners. No individual customer accounted for more than 10% of revenue for the years ended December 31, 2020 and 2019. No individual customer accounted for more than 10% of accounts receivable at December 31, 2020 and 2019.

3. Accounts Receivables & Allowance for Doubtful Receivables

The Company maintains an allowance for doubtful receivables that in management's judgement reflects losses inherent in the portfolio. A provision for doubtful receivables is recorded to adjust the level of the allowance as deemed necessary by management.

Changes in the allowance for doubtful trade receivables for the years ended December 31, 2020 and 2019 were as follows (in thousands):

	2020	2019
Beginning balance	$ 1,352	$ 753
Provision for bad debt	5,075	2,735
Net write-offs		
Write-offs	(6,966)	(2,761)
Recoveries	2,632	625
Net write-offs	(4,334)	(2,136)
Ending balance	$ 2,093	$ 1,352

Changes in the allowance for doubtful financing receivables for the years ended December 31, 2020 and 2019 were as follows (in thousands):

	2020	2019
Beginning balance	$ 65	$ —
Provision for bad debt	107	65
Net write-offs		
Write-offs	(132)	—
Recoveries	—	—
Net write-offs	(132)	—
Ending balance	$ 40	$ 65

No recoveries of financing receivables were recorded for the years ended December 31, 2020 and December 31, 2019. The recorded investment in financing receivables on nonaccrual status was not material as of December 31, 2020 and December 31, 2019. The Company held no financing receivables 90 days or more past due and still accruing.

4. Property and Equipment, net

Property and equipment, net consisted of the following at December 31, 2020 and 2019 (in thousands):

	2020	2019
Computer equipment and devices	$ 3,470	$ 1,969
Inspection and trade show equipment	2,446	1,060
Furniture and fixtures	813	691
Leasehold improvements	622	712
	7,351	4,432
Less accumulated depreciation	(2,439)	(912)
Property and equipment, net	$ 4,912	$ 3,520

Depreciation expense for the year ended December 31, 2020 and 2019 totaled $1.7 million and $0.8 million respectively.

5. Internal-Use Software Costs, net

Internal-use software costs, net consisted of the following (in thousands):

		December 31, 2020			December 31, 2019		
	Useful Lives (in years)	Gross Carrying Amount	Accumulated Amortization	Carrying Value	Gross Carrying Amount	Accumulated Amortization	Carrying Value
Computer Software	3 years	$ 9,738	$ (1,963)	$ 7,775	$ 4,355	$ (592)	$ 3,763

Amortization expense for the years ended December 31, 2020 and 2019 totaled $1.4 million and $0.4 million, respectively.

Estimated amortization expense on existing internal-use software costs for the next three years is as follows (in thousands):

Year ended December 31, 2020	
2021	3,135
2022	2,823
2023	1,817
Total	$ 7,775

6. Guarantees, Commitments and Contingencies

The Company provides certain guarantees to Sellers in the Marketplace in the ordinary course of business, which are accounted for under ASC 460 as a general guarantee.

Vehicle Condition Guarantees—Sellers must attach a vehicle condition report in the Marketplace for every auction; this vehicle condition report is used by Buyers to inform bid decisions. The Company offers guarantees to Sellers in qualifying situations where the Company performed a vehicle inspection and prepared the vehicle condition report. Sellers must pay an additional fee in exchange for this guarantee. The guarantee provides Sellers protection from paying remedies to Buyers related to a Buyer's claim that the vehicle condition report did not accurately portray the condition of the vehicle purchased on the Marketplace. The guarantee provides the Company with the right to retain proceeds from the subsequent liquidation of the vehicle covered under the guarantee. The guarantee is typically provided for 10 days after the successful sale of the vehicle on the Marketplace. The fair value of vehicle condition guarantees issued is estimated based on historical results and other qualitative factors. The vehicle condition guarantee revenue is recognized on the earlier of the guarantee expiration date or the guarantee settlement date. The maximum potential payment is the sale price of the vehicle. The total sale price of vehicles for which there was an outstanding guarantee was $95.7 million and $52.2 million at December 31, 2020 and 2019, respectively. The carrying amount of the liability presented in Accrued other liabilities was $1.0 million and $0.7 million at December 31, 2020 and 2019, respectively.

The recognized probable loss contingency, in excess of vehicle condition guarantees recognized, presented in Accrued other liabilities was $1.1 million and $1.2 million at December 31, 2020 and 2019, respectively.

Other Price Guarantees—The Company provides Sellers with a price guarantee for vehicles to be sold on the Marketplace from time to time. If a vehicle sells below the guaranteed price, the Company is responsible for paying the Seller the difference between the guaranteed price and the final sale price. The term of the guarantee is typically less than one week. No material unsettled price guarantees existed at December 31, 2020 and 2019.

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7. Borrowings

The Company's outstanding long-term debt consisted of the following at December 31, 2020 (in thousands):

	Interest Rate	Maturity Date	December 31, 2020
Revolving credit facility	LIBOR + 5%	June 20, 2022	$ 4,832
Total long-term debt			$ 4,832

As of December 31, 2020, the Company had outstanding $4.8 million of indebtedness, consisting entirely of outstanding borrowings under the revolving credit facility. The company had no outstanding debt as of December 31, 2019.

Revolving credit facility

On December 20, 2019, the Company entered into a revolving credit facility with a maximum principal amount of $50.0 million and a maturity date of June 20, 2022. The revolving credit facility was established to provide debt financing in support of the short-term finance receivable product offered to eligible customers purchasing vehicles through the Marketplace and is fully secured by the underlying finance receivable assets. The amount available for borrowing under the revolving credit facility is based on the size of the finance receivable portfolio. As of December 31, 2020, $45.2 million of the revolving line of credit was unused.

The revolving feature on the facility ends on June 20, 2021. Amounts owed at that time will amortize and be due on or before June 20, 2022, depending on the collection of the outstanding finance receivables securing the facility. The facility carried an interest rate of 6% as of December 31, 2020.

The Company's ability to borrow under the credit facility is subject to ongoing compliance with a combination of financial covenants and non-financial collateral performance metrics. As of December 31, 2020, the Company was in compliance with all of its covenants and collateral performance metrics.

8. Leases

The Company leases office space under operating leases expiring at various dates through 2023. For the year ended December 31, 2020 the Company incurred operating lease costs of $0.8 million. For operating leases, the weighted-average remaining term is 2.6 years with a weighted-average discount rate of 8%

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Maturities of lease liabilities as of December 31, 2020 were as follows (in thousands):

2021	$ 878
2022	895
2023	508
Total lease payments	2,281
Less imputed interest	(213)
Total	$ 2,068

9. Convertible Preferred Stock

In 2020, the Company issued 9,284,110 shares of its Series E-1 convertible preferred stock ("Series E-1") at a price per share of $5.92 for proceeds of approximately $54.9 million, net of issuance costs.

In 2019, the Company issued an additional 935,722 shares of its Series D convertible preferred stock ("Series D") at a price per share of $2.35 for proceeds of approximately $2.1 million, net of issuance costs.

Also in 2019, the Company issued 28,932,045 shares of its Series E convertible preferred stock ("Series E") at a price per share of $5.53 for proceeds of approximately $159.8 million, net of issuance costs.

The following table summarizes our authorized, issued, and outstanding convertible preferred stock (in thousands, except for share data):

	2020					
	Shares Authorized	Shares Issued and Outstanding	Net Proceeds	Liquidation Preference per Share	Liquidation Value	Conversion Price per Share
Series Seed convertible preferred stock	9,615,250	9,615,250	$ 1,000	$ 0.10	$ 1,000	$ 0.10
Series Seed 2 convertible preferred stock	6,699,600	6,699,600	998	0.15	998	0.15
Series A convertible preferred stock	36,231,850	36,231,850	5,000	0.14	5,000	0.14
Series B convertible preferred stock	62,748,330	62,748,330	15,000	0.24	15,000	0.24
Series C convertible preferred stock	36,535,641	36,535,641	34,656	0.95	34,698	0.95
Series D convertible preferred stock	40,491,675	40,491,675	94,998	2.35	95,200	2.35
Series E convertible preferred stock	28,932,045	28,932,045	159,816	5.53	160,000	5.53
Series E-1 convertible preferred stock	9,284,110	9,284,110	54,864	5.92	55,000	5.92
Total	230,538,501	230,538,501	$ 366,332		$ 366,896	

	2019					
	Shares Authorized	Shares Issued and Outstanding	Net Proceeds	Liquidation Preference per Share	Liquidation Value	Conversion Price per Share
Series Seed convertible preferred stock	9,615,250	9,615,250	$ 1,000	$ 0.10	$ 1,000	$ 0.10
Series Seed 2 convertible preferred stock	6,699,600	6,699,600	998	0.15	998	0.15
Series A convertible preferred stock	36,231,850	36,231,850	5,000	0.14	5,000	0.14
Series B convertible preferred stock	62,748,330	62,748,330	15,000	0.24	15,000	0.24
Series C convertible preferred stock	36,535,641	36,535,641	34,656	0.95	34,698	0.95
Series D convertible preferred stock	40,491,675	40,491,675	94,998	2.35	95,200	2.35
Series E convertible preferred stock	28,932,045	28,932,045	159,816	5.53	160,000	5.53
Total	221,254,391	221,254,391	$ 311,468		$ 311,896	

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The various series of convertible preferred stock presented in the tables above are collectively referred to as "preferred stock". The rights, privileges, and preferences of the shares of the convertible preferred stock are summarized as follows:

Dividends—Preferred stockholders are entitled to receive dividends on a pari passu basis when and if declared and on a noncumulative basis at the respective dividend rate. For Series Seed and Series Seed 2 preferred stock the dividend rate is 4% of the applicable original purchase price; for Series A, B, C, D, E, and E-1 preferred stock the dividend rate is 8% of the applicable original purchase price. Any additional dividends or distributions shall be distributed among all holders of common stock and Series A preferred, Series B preferred, Series C preferred, Series D preferred, Series E preferred stock, and Series E-1 preferred stock in proportion to the greatest number of whole shares of common stock that would be held by each such holder if all shares of preferred stock were converted to common stock at the then effective conversion rate.

Voting Rights—Holders of preferred stock shall be entitled to vote on all matters on an as-converted basis.

Board of Directors—Holders of Series A preferred, Series B preferred, and Series C preferred stock as a separate class elect three directors. The lead Series D investor has the right to designate one of the at-large directors. Holders of common stock shall elect the then-acting Chief Executive Office of the Company. Two independent directors may be elected by a majority of the other directors. The rights of the holders of preferred stock to elect directors expire under certain circumstances. In the case of the rights of the holders of the Series A preferred, Series B preferred and Series C preferred stock to elect three directors, those rights apply only as long as at least 9,057,950 shares of Series A preferred and Series B preferred remain outstanding. In the case of the lead Series D investor, its ability to designate one of the at-large directors terminates upon either (i) it no longer owning at least 25% of the shares of Series D preferred stock purchased by it under the Series D purchase agreement or (ii) a qualified public offering or deemed liquidation event with respect to the Company.

Liquidation and Liquidation Preference—In the event of any liquidation of the Company, either voluntary or involuntary, holders of Series Seed preferred, Series A preferred, Series B preferred, Series C preferred, Series D preferred, Series E preferred stock, and Series E-1 preferred stock ("Senior Preferred Stock") are entitled to be paid on a pari passu basis out of the assets of the Company available for distribution to its stockholders and before any payment shall be made to the holders of Series Seed 2 preferred and common stock an amount equal to the greater of (i) the applicable original issue price plus any declared but unpaid dividends and (ii) the amount per share as would have been payable had all shares of such series of Senior Preferred Stock been converted into common stock immediately prior to liquidation. If the residual assets are insufficient to pay the preferred shareholders the full amount, holders of the Senior Preferred Stock share ratably in proportion to the respective amounts they would otherwise be paid in full ("Primary Liquidation Amount"). After the Primary Liquidation Amount is paid to Senior Preferred Stock holders, Series Seed 2 preferred stock holders are entitled to be paid on a pari passu basis out of the assets of the Company available for distribution to its stockholders and before any payment shall be made to the holders of common stock an amount equal to the greater of (i) the applicable original issue price plus any declared but unpaid dividends and (ii) the amount per share as would have been payable had all shares of Series Seed 2 preferred stock been converted into common stock immediately prior to liquidation. If the residual assets are insufficient to pay the Series Seed 2 preferred stock holders the full amount, they share ratably in proportion to the respective amounts they would otherwise be paid in full. Any residual amount is then paid ratably to holders of common stock.

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Optional Conversion—Each share of preferred stock is convertible, at the option of the holder and without additional consideration, into the number of fully paid and nonassessable shares of common stock at the then effective rate at which shares of the respective series of preferred stock may be converted into shares of common stock.

Mandatory Conversion—Upon either (a) the closing of the sale of shares of common stock to the public in a firm-commitment underwritten public offering resulting in at least $75.0 million of gross proceeds to the Company, or (b) the election of the requisite holders, all outstanding shares of preferred stock shall automatically be converted into shares of common stock at the then effective rate.

Down-Round Protection—If the Company shall issue any additional stock without consideration or for a consideration per share that is less than the conversion price applicable to any series of preferred stock in effect immediately prior to the issuance of such additional stock, the conversion price for such series in effect immediately prior to each such issuance shall forthwith be determined by multiplying such conversion price by a fraction, the numerator of which shall be the number of shares of common stock outstanding immediately prior to such issuance plus the number of shares of common stock that the aggregate consideration received by this corporation for such issuance would purchase at such conversion price; and the denominator of which shall be the number of shares of common stock outstanding immediately prior to such issuance plus the number of shares of such additional stock.

Other—Convertible preferred stock is classified outside of stockholders' deficit because the shares contain certain liquidation features that are not solely within the Company's control. During the years ended December 31, 2020 and 2019, the carrying values of the convertible preferred stock were not adjusted to the deemed liquidation value of such shares as a qualifying liquidation event was not probable. Subsequent adjustments to increase the carrying values to the ultimate redemption values will be made only when it becomes probable that such a liquidation event will occur.

10. Revenue

The following table summarizes the primary components of revenue, this level of disaggregation takes into consideration how the nature, amount, timing, and uncertainty of revenue and cash flows are affected by economic factors (in thousands):

	2020	2019
Auction marketplace revenue	$ 99,205	$ 49,216
Transportation, data, and other services revenue	$ 73,915	$ 38,534
Marketplace and service revenue	$ 173,120	$ 87,750

Revenue presented in the table above, including the subsequent cash flows, could be negatively impacted by fluctuations in the supply or demand of used vehicles, especially in the case of an economic downturn in the United States.

11. Stock-Based Employee Compensation

Effective March 20, 2015, the Company adopted the ACV Auctions Inc. 2015 Long-Term Incentive Plan (the "Plan"). Employees, outside directors, consultants and advisors of the Company are eligible to participate in the Plan. The Plan allows for the grant of incentive or nonqualified common

stock options to purchase shares of the Company's common stock and also to issue restricted shares of the common stock. The number of common stock reserved for issuance under the Plan was 28,834,352 as of December 31, 2020 and 2019. Each common stock option or restricted stock agreement stipulates the terms of the grant, including vesting, contractual life, exercise price, and other provisions. Common stock options generally vest and become exercisable over a four-year service period with 25% vesting one year from the date of grant or service-inception date and 1/48 vesting monthly over the remaining three-year period. The options expire ten years after the grant date. Restricted shares generally vest over a four-year period from the date of award. There were 678,398 and 7,084,507 awards available for future grant under the Plan at December 31, 2020 and 2019, respectively.

The following table summarizes the stock option activity for the years ended December 31, 2020 and 2019 (in thousands, except for share data):

	Number of Options	Weighted-Average Exercise Price Per Share	Intrinsic Value	Weighted-Average Remaining Contractual Term (in years)
Outstanding, January 1, 2019	15,413,958	$ 0.17		
Granted	5,191,800	1.04		
Exercised	(1,423,147)	0.18		
Forfeited	(2,689,198)	0.44		
Expired	(25,339)	0.24		
Outstanding, December 31, 2019	16,468,074	$ 0.40	$ 30,415	8.06
Granted	6,870,415	2.60		
Exercised	(2,507,347)	0.73		
Forfeited	(897,418)	1.24		
Expired	(66,888)	0.42		
Outstanding, December 31, 2020	19,866,836	$ 1.08	$129,358	7.80
Exercisable, December 31, 2020	9,869,024	$ 0.31	$ 71,893	6.66
Expected to Vest, December 31, 2020	9,997,812	$ 1.85	$ 57,465	8.93

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The following table summarizes the restricted stock award activity for the years ended December 31, 2020 and 2019 (in thousands, except for share data):

	Number	Weighted-Average Grant-Date Fair Value
Outstanding, January 1, 2019	7,055,556	$ 0.01
Granted	—	—
Vested	(5,555,556)	0.01
Forfeited	—	—
Outstanding, December 31, 2019	1,500,000	$ 0.01
Granted	—	—
Vested	(1,500,000)	0.01
Forfeited	—	—
Outstanding, December 31, 2020	—	$ —

The following table summarizes the restricted stock unit activity for the years ended December 31, 2020 and 2019 (in thousands, except for share data):

	Number	Weighted-Average Grant-Date Fair Value
Outstanding, January 1, 2019	—	$ —
Granted	—	—
Vested	—	—
Forfeited	—	—
Outstanding, December 31, 2019	—	$ —
Granted	500,000	5.26
Vested	—	—
Forfeited	—	—
Outstanding, December 31, 2020	500,000	$ 5.26

The following weighted-average assumptions for options issued in 2020 and 2019:

	2020	2019
Expected term (in years)	5.91	5.99
Risk-free interest rate	0.66%	2.22%
Expected volatility	53.84%	62.08%
Expected dividend yield	0.00%	0.00%

The fair value of options vested and the intrinsic value from the exercise of options during 2020 and 2019 are as follows (in thousands):

	2020	2019
Fair value of options vested	$ 40,746	$ 10,551
Intrinsic value of options exercised	$ 17,219	$ 2,940

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The weighted-average grant date fair value of options issued in 2020 and 2019 was $2.58 and $0.61 for each option based on the assumptions outlined above. The cash received from the exercise of options granted under stock-based payment arrangements for the year ended December 31, 2020 and 2019 was $1.8 million and $0.3 million, respectively.

The grant date fair value of shares vested from restricted stock awards at December 31, 2020 and 2019 was $0.4 million. Total stock-based compensation expense is recognized for restricted stock and common stock options granted to employees and non-employees and has been reported in the Consolidated Statements of Operations as follows (in thousands):

	2020	2019
Marketplace and service cost of revenue (excluding depreciation & amortization)	$ 56	$ 11
Operations and technology	864	172
Selling, general, and administrative	4,785	815
Stock-based compensation expense	$ 5,705	$ 998

In 2020 and 2019, there is approximately $19.2 million and $2.8 million, respectively, of compensation expense to the unvested portion of common stock options and restricted stock agreements that will be recorded as compensation expense over a weighted-average period of 1.37 and 1.01, respectively.

***Secondary Sales of Common Stock*—**During the year ended December 31, 2020, certain investors acquired 870,912 shares of outstanding common stock from certain executives at purchase prices in excess of the estimated fair value at the time of the transactions (“secondary stock sales”). As a result, the Company recorded a total of $2.4 million in stock-based compensation expense for the difference between the price paid by these investors and the estimated fair value on the date of the transaction for the year ended December 31, 2020. This expense was recorded in the Selling, general, and administrative expense line of the Consolidated Statements of Operations. No secondary stock sales resulting in stock-based compensation expense occurred during the year ended December 31, 2019.

12. Employee Benefit Plan

The Company sponsors a 401(k) Profit Sharing Plan covering eligible employees. The Company contributes to this plan on a discretionary basis. No discretionary contributions were made for the years ended December 31, 2020 and 2019.

13. Income Taxes

The Company’s management evaluates its tax positions to determine whether it is more likely than not that a tax position will be sustained upon examination, including resolution of any related appeals or litigation, based on the technical merits of the tax position. Management has analyzed the Company’s tax positions, and concluded that, as of December 31, 2020 and 2019, there are no uncertain tax positions taken or expected to be taken that would require recognition or disclosure in the consolidated financial statements. The Company recorded no interest expense or penalties in its Consolidated Statements of Operations during the years ended December 31, 2020 and 2019. The Company believes it is no longer subject to examination by federal and state taxing authorities for years prior to December 31, 2017.

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The components of income tax expense for the years ended December 31, 2020 and 2019 are summarized below (in thousands):

	2020	2019
Current expense (benefit):		
Federal	$—	$—
Foreign	33	6
State	76	21
Total current expense (benefit)	109	27
Deferred expense (benefit):		
Federal	165	—
Foreign	—	—
State	215	—
Total deferred expense (benefit)	380	—
Total income tax expense	$489	$ 27

The Company's deferred tax assets (liabilities) consisted of the following at December 31, 2020 and 2019 (in thousands):

	2020	2019
Deferred tax assets:		
Net operating loss carryforwards	$ 37,224	$ 28,449
Deferred compensation	771	190
Lease liability	519	497
Accruals and reserves	3,806	2,073
Total gross deferred tax asset	42,320	31,209
Less valuation allowance	(40,114)	(29,643)
Total net deferred tax asset	2,206	1,566
Deferred tax liabilities:		
Excess depreciation and amortization	(1,045)	(1,085)
Right of use asset	(502)	(481)
Indefinte lived intangible	(1,038)	
Net deferred tax asset	$ (379)	$ —

The Company measures deferred tax assets and liabilities using enacted tax rates that apply in the year in which the temporary differences are expected to be recovered or paid. A valuation allowance is provided for deferred tax assets (excluding certain deferred tax liabilities related to indefinite lived intangibles) if management believes that it is more likely than not that these items will either expire before the Company is able to realize their benefit or that future realizability is uncertain. The Company recorded a valuation allowance of $40.1 million and $29.6 million at December 31, 2020 and 2019, respectively against its net deferred tax assets due to the uncertainty surrounding the recoverability of such net deferred tax assets, which is an increase of $10.5 million and $20.0 million in the total valuation allowance during 2020 and 2019, respectively.

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A reconciliation of income taxes at the federal statutory rate of 21% to actual income taxes for the years ended December 31, 2020 and 2019 is as follows (in thousands):

	2020	2019
Income tax benefit at federal statutory rate	$ (8,513)	$ (16,210)
State income taxes, net of federal income tax benefit	(1,584)	(4,014)
Foreign Rate Differential	7	1
Permanent differences	108	248
Increase in valuation allowance	10,471	20,002
Provision for Income Taxes	$ 489	$ 27

At December 31, 2020 the provision for income taxes includes a non-cash tax charge of approximately $0.4 million relating to changes in the Company's long-term deferred tax liability for indefinite-lived intangibles that are not available to offset certain deferred tax assets in determining changes to the Company's income tax valuation allowance.

At December 31, 2020, the Company has approximately $147.4 million of federal and $118.2 million of state net operating loss carryforwards for income tax purposes. These carryforwards may be used to offset future taxable income, with a portion starting to expire in 2035 and the remainder available indefinitely.

Utilization of the net operating loss and credit carryforwards may be subject to an annual limitation due to the ownership limitations provided by the Internal Revenue Code of 1986, as amended (the "Code"), and similar state provisions. Any annual limitation may result in the expiration of net operating losses and credits before utilization.

14. Acquisitions

ASI Services LLC

On April 20, 2020, the Company acquired certain assets from ASI Services LLC ("ASI") for a total purchase consideration of $11.2 million. The transaction was accounted for as a business combination under the acquisition method. ASI, headquartered in Cincinnati, OH, was a privately held corporation that primarily focused on providing inspection services for off-lease vehicles to financial institutions. The acquisition of ASI enabled the Company to expand its position in the used vehicle industry and enhance its service offerings with dealers and commercial partners.

The acquisition date fair value of the consideration for the above transaction consisted of the following as of April 20, 2020 (in thousands):

Cash consideration	$ 5,500
Contingent consideration	5,700
Fair value of purchase consideration	$ 11,200

ACV Auctions Inc.
Notes to Consolidated Financial Statements
December 31, 2020 and 2019

The following table summarizes the allocation of the aggregate purchase consideration to the fair values of the assets acquired and liabilities assumed as of April 20, 2020 (in thousands):

Assets Acquired	
Goodwill	$ 5,750
Other intangible assets, net	5,450
Operating lease right-of-use assets	718
Total assets acquired	$ 11,918
Liabilities Assumed	
Operating lease liabilities	207
Long-term operating lease liabilities	511
Total liabilities assumed	718
Net assets acquired	$ 11,200

As of the April 20, 2020 acquisition date, the fair value of the contingent consideration liability was determined to be $5.7 million and was based on the achievement of a revenue target for the 12 months ended December 31, 2020.

The remaining consideration liability was determined to be $2.6 million as of December 31, 2020, is due in 2022, and is recorded in Other long-term liabilities line on the Consolidated Balance Sheet. The revenue target was not met for the year ended December 31, 2020, resulting in the Company recording a $3.1 million gain recorded in the Selling, general and administrative line of the Consolidated Statement of Operations.

The results of operations of ASI have been included in the Company's consolidated financial results since the date of acquisition. As the Company has determined that the acquisition is not material to its existing operations, certain disclosures, including pro forma financial information, have not been included. The Company incurred acquisition-related legal and consulting fees of $0.3 million in 2020, which were recorded in the Selling, general, and administrative expenses line of the Consolidated Statement of Operations. Goodwill of $2.7 million is deductible for income tax purposes and will be amortized on a straight-line basis over 15 years.

TruePartners USA LLC

On December 16, 2019, the Company acquired 100% of the equity of TruePartners USA LLC ("TruePartners") for a purchase price of $26.5 million. The transaction was accounted for as a business combination under the acquisition method. TruePartners, headquartered in Fort Lauderdale, FL, was a privately held corporation that specializes in performing comprehensive vehicle inspections for dealers and commercial partners. The acquisition of TruePartners enabled the Company to expand its position in the used vehicle industry and enhance its service offerings with dealers and commercial partners.

The acquisition date fair value of the consideration for the above transaction consisted of the following as of December 16, 2019 (in thousands):

Cash consideration	$ 15,560
Fair value of upfront stock consideration	10,969
Fair value of purchase consideration	$ 26,529

ACV Auctions Inc.
Notes to Consolidated Financial Statements
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The following table summarizes the allocation of the aggregate purchase consideration to the fair values of the assets acquired and liabilities assumed as of December 16, 2019 (in thousands):

Assets Acquired	
Cash and cash equivalents	$ 887
Trade receivables	931
Other current assets	8
Property & equipment, net	21
Goodwill	16,070
Other intangible assets, net	9,100
Operating lease right-of-use assets	227
Total assets acquired	$ 27,244
Liabilities Assumed	
Accounts payable	13
Accrued payroll	324
Accrued other liabilities	151
Operating lease liabilities	50
Long-term operating lease liabilities	177
Total liabilities assumed	715
Net assets acquired	$ 26,529

The Company has a contingent liability related to an earn-out provision based on TruePartners achieving certain revenue targets for fiscal year 2020 and 2021. This contingent liability is accounted for as compensation expense and was not included in the calculation of purchase consideration. The revenue target was not achieved for fiscal year 2020.

The results of operations of TruePartners have been included in the Company's consolidated financial results since the date of acquisition. As the Company has determined that the acquisition is not material to its existing operations, certain disclosures, including pro forma financial information, have not been included. The Company incurred acquisition-related legal and consulting fees of $0.4 million in 2019, which were recorded in the Selling, general, and administrative expenses line of the Consolidated Statements of Operations. The total amount of goodwill of $16.1 million is deductible for income tax purposes and will be amortized on a straight-line basis over 15 years.

15. Goodwill and Acquired Intangibles

Goodwill consisted of the following (in thousands):

	2020
Beginning balance	16,070
Increase for acquisition activity	5,750
Ending balance	$ 21,820

ACV Auctions Inc.
Notes to Consolidated Financial Statements
December 31, 2020 and 2019

Acquired intangible assets, net consisted of the following (in thousands):

	Useful Lives (in years)	December 31, 2020 Gross Carrying Amount	December 31, 2020 Accumulated Amortization	December 31, 2020 Carrying Value	December 31, 2019 Gross Carrying Amount	December 31, 2019 Accumulated Amortization	December 31, 2019 Carrying Value
Vendor Relationships	5 years	6,650	(1,387)	5,263	6,650	(57)	6,593
Customer Relationships	10 -15 years	4,950	(273)	4,677	750	(3)	747
Technology	1 - 2 years	2,950	(1,399)	1,551	1,700	(37)	1,663
Total		$ 14,550	$ (3,059)	$ 11,491	$ 9,100	$ (97)	$ 9,003

Estimated amortization expense on acquired intangible assets for the next five years is as follows (in thousands):

Year ended December 31,	
2021	3,080
2022	1,842
2023	1,685
2024	1,628
2025	355
Thereafter	2,901
Total	$ 11,491

16. Fair Value Measurement

The following table summarizes the Company's fair value hierarchy for its financial assets measured at fair value on a recurring basis (in thousands):

December 31, 2020	Level 1	Level 2	Level 3	Total
Cash equivalents:				
Money market funds	$ 135,756	$ —	$ —	$ 135,756

The Company records guarantees accounted for under ASC 460 at fair value when issued. The fair value of guarantees outstanding as of December 31, 2020 and 2019 was $1.0 million and $0.7 million, respectively. The estimated fair value of the guarantees outstanding is determined based on historical guarantee claim costs, adjusted for qualitative factors and a market participant estimated margin. Historical claim costs and qualitative factors are assumptions that are not readily observable in the marketplace, and the related nonrecurring fair value measurement adjustments have been generally classified as Level 3.

ACV Auctions Inc.
Notes to Consolidated Financial Statements
December 31, 2020 and 2019

17. Net Loss Per Share

The numerators and denominators of the basic and diluted net loss per share computations for our common stock are calculated as follows for the year ended December 31, 2020 (in thousands, except share data):

	2020	2019
Numerator:		
Net loss attributable to common stockholders	$ (41,021)	$ (77,216)
Denominator:		
Weighted-average number of shares of common stock - Basic and diluted	43,193,019	36,740,501
Net loss per share attributable to common stockholders:		
Basic and diluted	$ (0.95)	$ (2.10)

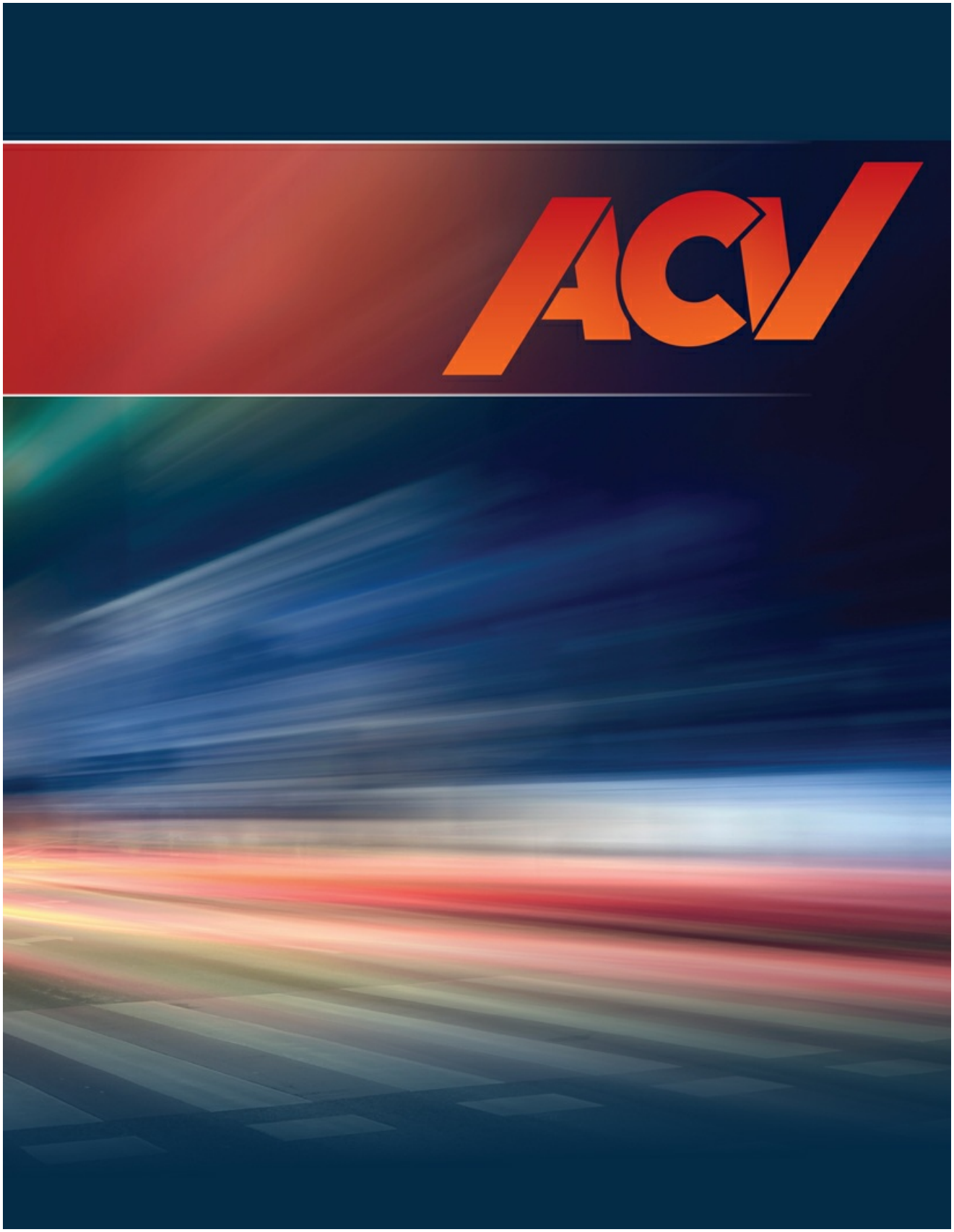
The following table presents the total weighted-average number of potentially dilutive shares that were excluded from the computation of diluted net loss per share attributable to common stockholders because their effect would have been anti-dilutive for the period presented:

	2020	2019
Convertible Preferred Stock Series Seed I,		
Seed II, A, B, C, D, E and E1	224,306,433	196,874,430
Unvested RSAs and RSUs	348,576	1,458,019
Stock options not subject to performance conditions	15,064,988	7,530,378

18. Subsequent Events

Subsequent events have been evaluated through February 26, 2021 which is the date the financial statements were available to be issued.

From January 1, 2021 to February 26, 2021, the Company granted stock options to purchase an aggregate of 1,267,400 shares of the Company's common stock at an exercise price of $4.05 per share, and also granted 3,792,472 restricted stock units. The Company expects to recognize aggregate stock-based compensation expense related to these stock option and restricted stock unit grants of approximately $48.9 million over the vesting period. Vesting periods on individual grants are generally 3 or 4 years. The restricted stock units also require that a liquidity event occurs, such as an IPO, in order to begin vesting. The final fair value of these awards will take into account the final pricing of our common stock in the anticipated IPO, and thus the expected aggregate stock-based compensation expense is subject to change.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PART II

INFORMATION NOT REQUIRED IN PROSPECTUS

Unless otherwise indicated, all references to "ACV," the "company," "we," "our," "us" or similar terms refer to ACV Auctions Inc. and its subsidiaries.

Item 13. ***Other Expenses of Issuance and Distribution.***

The following table sets forth all expenses to be paid by us, other than underwriting discounts and commissions, in connection with this offering. All amounts shown are estimates except for the Securities and Exchange Commission, or the SEC, registration fee, the Financial Industry Regulatory Authority, Inc., or FINRA, filing fee and the exchange listing fee.

SEC registration fee	$ 10,910
FINRA filing fee	15,500
Exchange listing fee	*
Printing and engraving expenses	*
Legal and other advisory fees and expenses	*
Accounting fees and expenses	*
Custodian, transfer agent and registrar fees	*
Miscellaneous	*
Total	$ *

* To be filed by amendment.

Item 14. ***Indemnification of Directors and Officers.***

Section 145 of the Delaware General Corporation Law authorizes a court to award, or a corporation's board of directors to grant, indemnity to directors and officers in terms sufficiently broad to permit such indemnification under certain circumstances for liabilities, including reimbursement for expenses incurred, arising under the Securities Act. Our amended and restated certificate of incorporation that will be in effect upon the completion of this offering permits indemnification of our directors, officers, employees and other agents to the maximum extent permitted by the Delaware General Corporation Law, and our amended and restated bylaws that will be in effect upon the completion of this offering provide that we will indemnify our directors and executive officers and permit us to indemnify our other officers, employees and other 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 executive officers, whereby we have agreed to indemnify our directors and executive officers to the fullest extent permitted by law, including indemnification against expenses and liabilities incurred in legal proceedings to which the director or executive officer was, or is threatened to be made, a party by reason of the fact that such director or executive officer is or was a director, executive officer, employee or agent of ACV Auctions Inc., provided that such director or executive officer acted in good faith and in a manner that the director or executive officer reasonably believed to be in, or not opposed to, the best interest of ACV Auctions Inc. At present, there is no pending litigation or proceeding involving a director or executive officer of ACV Auctions Inc. regarding which indemnification is sought, nor is the registrant aware of any threatened litigation that may result in claims for indemnification.

We maintain insurance policies that indemnify our directors and officers against various liabilities arising under the Securities Act and the Exchange Act, as amended, that might be incurred by any director or officer in his capacity as such.

The underwriters are obligated, under certain circumstances, under the underwriting agreement to be filed as Exhibit 1.1 hereto, to indemnify us and our officers and directors against liabilities under the Securities Act.

Item 15. ***Recent Sales of Unregistered Securities.***

The following sets forth information regarding all unregistered securities sold since January 1, 2018:

(1) We have granted under our 2015 Plan options to purchase an aggregate of 20,333,206 shares of our Class B common stock to a total of 1,882 employees, consultants and directors, having exercise prices ranging from $0.33 to $4.05 per share. 5,963,819 of the options granted under our 2015 Plan have been exercised at a weighted-average exercise price of $0.42 per share.

(2) We have granted under our 2015 Plan restricted stock units representing an aggregate of 4,292,472 shares of our Class B common stock to eight employees and directors.

(3) In January 2018 and February 2018, we issued and sold an aggregate of 36,535,641 shares of our Series C convertible preferred stock to 29 accredited investors at a price per share of $0.9497, for an aggregate purchase price of $34.7 million.

(4) In December 2018, we issued and sold an aggregate of 40,491,675 shares of our Series D convertible preferred stock to 17 accredited investors at a price per share of $2.3511, for an aggregate purchase price of $95.2 million.

(5) In October 2019 and December 2019, we issued and sold an aggregate of 28,932,045 shares of our Series E convertible preferred stock to 25 accredited investors at a price per share of $5.5302, for an aggregate purchase price of $160.0 million.

(6) In September 2020, we issued and sold an aggregate of 9,284,110 shares of our Series E-1 convertible preferred stock to 33 accredited investors at a price per share of $5.9241, for an aggregate purchase price of $55.0 million.

None of the foregoing transactions involved any underwriters, underwriting discounts or commissions, or any public offering. Unless otherwise specified above, we believe these transactions were exempt from registration under the Securities Act in reliance on Section 4(2) of the Securities Act (and Regulation D or Regulation S promulgated thereunder) or Rule 701 promulgated under Section 3(b) of the Securities Act as transactions by an issuer not involving any public offering or under benefit plans and contracts relating to compensation as provided under Rule 701. The recipients of the securities in each of these transactions represented their intentions to acquire the securities for investment only and not with a view to or for sale in connection with any distribution thereof, and appropriate legends were placed on the share certificates issued in these transactions. All recipients had adequate access, through their relationships with us, to information about us. The sales of these securities were made without any general solicitation or advertising.

Item 16. ***Exhibits and Financial Statement Schedules.***

(a) Exhibits.

The following exhibits are included herein or incorporated herein by reference:

Exhibit Number	Description
1.1*	Form of Underwriting Agreement.
3.1	Eighth Amended and Restated Certificate of Incorporation of Registrant, as amended, as currently in effect.
3.2*	Form of Amended and Restated Certificate of Incorporation of Registrant, to be in effect upon the completion of the offering.
3.3	Amended and Restated Bylaws of Registrant, as currently in effect.
3.4*	Form of Amended and Restated Bylaws of Registrant, to be in effect upon the completion of the offering.
4.1*	Form of Class A Common Stock Certificate.
5.1*	Opinion of Cooley LLP.
10.1	Fifth Amended and Restated Investors' Rights Agreement, dated as of September 2, 2020.
10.2+	2015 Long-Term Incentive Plan and forms of agreements thereunder, as amended February 4, 2021.
10.3+*	2021 Equity Incentive Plan and forms of agreements thereunder.
10.4+*	2021 Employee Stock Purchase Plan and forms of agreements thereunder.
10.5+*	Form of Indemnity Agreement entered into by and between Registrant and each director and executive officer.
10.6+	Amended and Restated Employment Agreement, dated August 12, 2016, by and between the Registrant and George Chamoun.
10.7	Lease Agreement, dated as of November 30, 2017, by and between the Registrant and 640 Ellicott Street, LLC.
10.8	Lease Agreement, dated as of September 26, 2019, by and between the Registrant and Innovation Center Annex, LLC.
21.1	List of Subsidiaries of Registrant.
23.1	Consent of Ernst & Young LLP, independent registered public accounting firm.
23.2*	Consent of Cooley LLP (included in Exhibit 5.1).
24.1	Power of Attorney (included on signature page to this registration statement).

* To be submitted by amendment.
\+ 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.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, officers and controlling persons of the registrant under the foregoing provisions or otherwise, the registrant has been advised that in the opinion of the SEC such indemnification is against public policy as expressed in the Securities Act and is, therefore, unenforceable. In the event that a claim for indemnification against such liabilities (other than the payment by the registrant of expenses incurred or paid by a director, officer or controlling person of the registrant in the successful defense of any action, suit or proceeding) is asserted by such director, officer or controlling person in connection with the securities being registered, the registrant will, unless in the opinion of its counsel the matter has been settled by controlling precedent, submit to a court of appropriate jurisdiction the question whether such indemnification by it is against public policy as expressed in the Securities Act and will be governed by the final adjudication of such issue.

The undersigned 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 on Rule 430A and contained in a form of prospectus filed by the registrant under Rule 424(b)(1) or (4) or 497(h) under the Securities Act will 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 will be deemed to be a new registration statement relating to the securities offered therein, and the offering of such securities at that time will be deemed to be the initial bona fide offering thereof.

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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 Buffalo, New York, on February 26, 2021.

ACV AUCTIONS INC.

By: /s/ George Chamoun
Name: George Chamoun
Title: Chief Executive Officer

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below constitutes and appoints George Chamoun and William Zerella, and each one of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in their name, place and stead, in any and all capacities, to sign any and all amendments (including post-effective amendments) to this registration statement, and to sign any registration statement for the same offering covered by this registration statement that is to be effective on filing pursuant to Rule 462(b) under the Securities Act of 1933, as amended, and all post-effective amendments thereto, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Act of 1933, this registration statement has been signed by the following persons in the capacities and on the dates indicated.

Signature	Title	Date
/s/ George Chamoun George Chamoun	Chief Executive Officer and Director (*Principal Executive Officer*)	February 26, 2021
/s/ William Zerella William Zerella	Chief Financial Officer (*Principal Financial and Accounting Officer*)	February 26, 2021
/s/ Kirsten Castillo Kirsten Castillo	Director	February 26, 2021
/s/ Robert P. Goodman Robert P. Goodman	Director	February 26, 2021

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Signature	Title	Date
/s/ Brian Hirsch Brian Hirsch	Director	February 26, 2021
/s/ René F. Jones René F. Jones	Director	February 26, 2021
/s/ Eileen A. Kamerick Eileen A. Kamerick	Director	February 26, 2021
/s/ Brian Radecki Brian Radecki	Director	February 26, 2021

Delaware

The First State

I, JEFFREY W. BULLOCK, SECRETARY OF STATE OF THE STATE OF DELAWARE, DO HEREBY CERTIFY THE ATTACHED IS A TRUE AND CORRECT COPY OF THE RESTATED CERTIFICATE OF "ACV AUCTIONS INC.", FILED IN THIS OFFICE ON THE SECOND DAY OF SEPTEMBER, A.D. 2020, AT 9:23 O`CLOCK A.M.

5666092 8100
SR# 20207068504

Authentication: 203581956
Date: 09-02-20

You may verify this certificate online at corp.delaware.gov/authver.shtml

State of Delaware
Secretary of State
Division of Corporations
Delivered 09:23 AM 09/02/2020
FILED 09:23 AM 09/02/2020
SR 20207068504 – File Number 5666092

EIGHTH AMENDED AND RESTATED CERTIFICATE OF INCORPORATION OF ACV AUCTIONS INC.

(Pursuant to Sections 242 and 245 of the
General Corporation Law of the State of Delaware)

ACV Auctions Inc., a corporation organized and existing under and by virtue of the provisions of the General Corporation Law of the State of Delaware (the "***General Corporation Law***"),

DOES HEREBY CERTIFY:

1. That the name of this corporation is ACV Auctions Inc. and that this corporation was originally incorporated pursuant to the General Corporation Law on December 30, 2014.

2. That the Board of Directors of this corporation (the "***Board of Directors***") duly adopted resolutions proposing to amend and restate the Seventh Amended and Restated Certificate of Incorporation of this corporation, declaring said amendment and restatement to be advisable and in the best interests of this corporation and its stockholders, and authorizing the appropriate officers of this corporation to solicit the consent of the stockholders therefor, which resolution setting forth the proposed amendment and restatement is as follows:

RESOLVED, that the Seventh Amended and Restated Certificate of Incorporation of this corporation be amended and restated in its entirety to read as follows:

FIRST: The name of this corporation is ACV Auctions Inc. (the "***Corporation***").

SECOND: The address of the registered office of the Corporation in the State of Delaware is 1209 Orange Street in the City of Wilmington, County of New Castle, 19801. The name of its registered agent at such address is The Corporation Trust Company.

THIRD: The nature of the business or purposes to be conducted or promoted is to engage in any lawful act or activity for which corporations may be organized under the General Corporation Law.

FOURTH: The total number of shares of all classes of stock which the Corporation shall have authority to issue is (i) 311,100,000 shares of Common Stock, $0.001 par value per share ("***Common Stock***") and (ii) 230,538,501 shares of Preferred Stock, $0,001 par value per share ("***Preferred Stock***").

The following is a statement of the designations and the powers, privileges and rights, and the qualifications, limitations or restrictions thereof in respect of each class of capital stock of the Corporation.

A. COMMON STOCK

1. General. The voting, dividend and liquidation rights of the holders of the Common Stock are subject to and qualified by the rights, powers and preferences of the holders of the Preferred Stock set forth herein.

2. Voting. The holders of the Common. Stock are entitled to one vote for each share of Common Stock held at all meetings of stockholders (and written action lieu of meetings); provided, however, that, except as otherwise required by law, holders of Common Stock, as such, shall not be entitled to vote on any amendment to this Eight Amended and Restated Certificate of Incorporation (the "***Certificate of Incorporation***") that relates solely to the terms of one or more outstanding series of Preferred Stock if the holders of such affected series are entitled, either separately or together, with the holders of one or more other such series, to vote thereon pursuant to the Certificate of Incorporation or pursuant to the General Corporation Law. There shall be no cumulative voting. The number of authorized shares of Common Stock may be increased or decreased (but not below the number of shares thereof then outstanding) by (in addition to any vote of the holders of one or more series Preferred Stock that may be required by the terms of the Certificate of Incorporation) the affirmative vote of the holders of shares of capital stock of the Corporation representing a majority of the votes represented by all outstanding shares of capital stock of the Corporation entitled to vote, irrespective of the provisions of Section 242(b)(2) of the General Corporation Law.

B. PREFERRED STOCK

9,284,110 shares of the authorized Preferred Stock of the Corporation are hereby designated "***Series E-1 Preferred Stock***", 28,9,045 shares of the authorized Preferred Stock of the Corporation are hereby designated "***Series E Preferred Stock***"; 40,491,675 shares of the authorized Preferred Stock of the Corporation are hereby designated "***Series D Preferred Stock***"; 36,535,641 shares of the authorized Preferred Stock of the Corporation are hereby designated "***Series C Preferred Stock***"; 62,748,330 shares of the authorized Preferred Stock of the Corporation are hereby designated "***Series B Preferred Stock***"; 36,231,850 shares of the authorized Preferred Stock of the Corporation are hereby designated "***Series A Preferred Stock***"; 9,615,250 shares of the authorized Preferred Stock of the Corporation are hereby designated "***Series Seed Preferred Stock***" and 6,699,600 shares of the authorized Preferred Stock of the Corporation are hereby designated "***Series Seed 2 Preferred Stock***". The Series Seed Preferred Stock, the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock and the Series E-1 Preferred Stock are referred to collectively herein as the "***Senior Preferred Stock***". The Series Seed Preferred Stock and the Series Seed 2 Preferred Stock are referred to collectively herein as the "***Combined Series Seed Preferred Stock***". The shares of Preferred Stock have the following rights, preferences, powers, privileges and restrictions, qualifications and limitations. Unless otherwise indicated, references to "sections" or "subsections" in this Part B of this Article Fourth refer to sections and subsections of Part B of this Article Fourth.

1. Dividends.

1.1 Preferred Stock. In any calendar year, the holders of outstanding shares of each series of Preferred Stock shall be entitled to receive on a *pari passu* basis dividends, when, as and if declared by the Board of Directors, out of any assets at the time legally available

therefor, at the rate per annum of the applicable Original Issue Price (as defined below) for such series of Preferred Stock equal to the applicable Dividend Rate (as defined below) for such series of Preferred Stock, payable in preference and priority to any declaration or payment of any distribution on Common Stock of the Corporation in such calendar year. No distributions shall be made with respect to the Common Stock unless (in addition to the obtaining of any consents required elsewhere in the Certificate of Incorporation) dividends on the Preferred Stock have been declared in accordance with the preferences stated herein and all declared dividends on the Preferred Stock have been paid or set aside for payment to the holders of Preferred Stock. The right to receive dividends on shares of Preferred Stock shall not be cumulative, and no right to dividends shall accrue to holders of Preferred Stock by reason of the fact that dividends on said shares are not declared or paid. "***Dividend Rate***" shall mean (i) eight percent (8.0%) for shares of Series E-1 Preferred Stock, Series E Preferred Stock, Series D Preferred Stock, Series C Preferred Stock, Series B Preferred Stock and Series A Preferred Stock and (ii) four percent (4.0%) for shares of Combined Series Seed Preferred Stock. The "***Series E-1 Original Issue Price***" shall mean $5.9241 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to the Series E-1 Preferred Stock). The ***Series E Original Issue Price***" shall mean $5.5302 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to the Series E Preferred Stock). The "***Series D Original Issue Price***" shall mean $2.3511 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to the Series E Preferred Stock). The "***Series C Original Issue Price***" shall mean $0.9497 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to the Series C Preferred Stock). The "***Series B Original Issue Price***" shall mean $02905 per share (as adjusted for any stock dividends, combinations, splits, recapitalizatt4 and the like with respect to the Series B Preferred Stock). The "***Series A Original Issue Price***" shall mean $0.138 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to the Series A Preferred Stock). The "***Series Seed Original Issue Price***" shall mean $0.104 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to the Series Seed Preferred Stock). The "***Series Seed 2 Original Issue Price***" shall mean $0.149 per share (as adjusted for any stock dividends, combinations, splits, recapitalizations and the like with respect to the Series Seed 2 Preferred Stock). "***Original Issue Price***" shall mean the Series E-1 Original Issue Price with respect to the Series E-1 Preferred Stock, the Series E Original Issue Price with respect to tie Series E Preferred Stock, the Series D Original Issue Price with respect to the Series D Preferred Stock, the Series C Original Issue Price with respect to the Series C Preferred Stock, the Series B Original Issue Price with respect to the Series B Preferred Stock, the Series A Original Issue Price with respect to the Series A Preferred Stock, the Series Seed Original Issue Price with respect to the Series Seed Preferred Stock and the Series Seed 2 Original Issue Price with respect to the Series Seed 2 Preferred Stock, as applicable.

1.2 Common Stock. After the payment or setting aside for payment of the dividends described in Subsection 1.1, any additional dividends set aside or paid in any fiscal year shall be se ide or paid among the holders of the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock, the Series E-1 Preferred Stock and Common Stock then outstanding in proportion to the greatest whole number of shares of Common Stock which would be held by each such holder if all shares of Preferred Stock were converted at the then-effective conversion rate as calculated pursuant to Subsection 4.1.

2. Liquidation, Dissolution or Winding Up; Certain Mergers, Consolidations and Asset Sales

2.1 Preferential Payments to Holders of Senior Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event (as defined below), the holders of shares of Senior Preferred Stock then outstanding shall be entitled to be paid on a *pari passu* basis out of the assets of the Corporation available for distribution to its stockholders or out of the Available Proceeds (as defined below), as applicable, before any payment shall be made to the holders of Series Seed 2 Preferred Stock and Common Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) the applicable Original Issue Price for such series of Senior Preferred Stock, plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had all shares of such series of Senior Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event (such greater amount payable in respect of a series of Senior Preferred Stock is hereinafter referred to as the "***Primary Liquidation Amount***"). If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Senior Preferred Stock the full amount to which they shall be entitled under this Subsection 2.1, the holders of shares of Senior Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of such shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.2 Preferential Payments to Holders of Series Seed 2 Preferred Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, after the payment in full of all preferential amounts required to be paid to the holders of shares of Senior Preferred Stock pursuant to Subsection 2.1, the holders of shares of Series Seed 2 Preferred Stock then outstanding shall be entitled to be paid out of the assets of the Corporation available for distribution to its stockholders or out of the remaining Available Proceeds, as the case may be, before any payment shall be made to the holders of Common Stock by reason of their ownership thereof, an amount per share equal to the greater of (i) the applicable Original Issue Price for the Series Seed 2 Preferred Stock, plus any dividends declared but unpaid thereon, or (ii) such amount per share as would have been payable had all shares of Series Seed 2 Preferred Stock been converted into Common Stock pursuant to Section 4 immediately prior to such liquidation, dissolution, winding up or Deemed Liquidation Event (such greater amount payable in respect of the Series Seed 2 Preferred Stock is hereinafter referred to as the "***Secondary Liquidation Amount***" and together with the Primary Liquidation Amount, the "***Liquidation Amount***"). If upon any such liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, the assets of the Corporation available for distribution to its stockholders shall be insufficient to pay the holders of shares of Series Seed 2 Preferred Stock the full amount to which they shall be entitled under this Subsection 2.2, the holders of shares of Series Seed 2 Preferred Stock shall share ratably in any distribution of the assets available for distribution in proportion to the respective amounts which would otherwise be payable in respect of such shares held by them upon such distribution if all amounts payable on or with respect to such shares were paid in full.

2.3 Payments to Holders of Common Stock. In the event of any voluntary or involuntary liquidation, dissolution or winding up of the Corporation or Deemed Liquidation Event, after the payment of all preferential amounts required to be paid to the holders of shares of Preferred Stock, the remaining assets of the Corporation available for distribution to its stockholders or the remaining Available Proceeds, as the case may be, shall be distributed among the holders of shares of Common Stock, pro rata based on the number of shares held by each such holder.

2.4 Deemed Liquidation Events.

2.4.1 Definition. Each of the following events shall be considered a "***Deemed Liquidation Event***" unless the holders of (a) (i) at least sixty-one percent (61%) of the then outstanding shares of Series A Preferred Stock (voting as a separate class), (ii) a majority of the then outstanding shares of Series B Preferred Stock (voting as a separate class), (iii) a majority of the then outstanding shares of Series C Preferred Stock (voting as a separate class), (iv) a majority of the then outstanding shares of Series D Preferred Stock (voting as a separate class), (v) at least sixty percent (60%) of the then outstanding shares of Series E Preferred Stock (voting as a separate class), and (vi) at least a majority of the then outstanding shares of Series E-1 Preferred Stock (voting as a separate class) (collectively, the "***Requisite Holders***") and (b) the Series D Holder (as defined in the Sixth Amended and Restated Voting Agreement by and between the Corporation and certain stockholders of the Corporation dated as of the Series E-1 Original Issue Date, as it may be amended and/or restated from time to time) for so long as the Series D Holder continues to beneficially own at least twenty five percent (25%) of the Series D Preferred Stock it held on the Series E-1 Original Issue Date (the "***Series D Requisite Holder***"), elect otherwise by written notice sent to the Corporation at least ten (10) days prior to the effective date of any such event:

(a) a merger or consolidation in which

(i) the Corporation is a constituent party or

(ii) a subsidiary of the Corporation is aconstituent party and the Corporation issues shares of its capital stock pursuant to such merger or consolidation, except any such merger or consolidation involving the Corporation or a subsidiary in which the shares of capital stock of the Corporation outstanding immediately prior to suchmerger or consolidation continue to represent, or are converted into or exchanged for shares of capital stock that represent, immediately following such merger or consolidation, at least a majority, by voting power, of the capital stock of (1) the surviving or resulting corporation; or (2) if the surviving or resulting corporation is a wholly owned subsidiary of another corporation immediately following such merger or consolidation, the parent corporation of such surviving or resulting corporation;

(b) any transaction or series of related transactions to which the Corporation is a party in which in excess of fifty percent (50%) of the Corporation's voting power is transferred; provided, that, such transaction or series of related transaction shall not include any transaction or series of transactions involving the issuance of equity of the Corporation solely for bona fide equity financing purposes in which cash is received by the Corporation or any successor or indebtedness of the Corporation is cancelled or converted or a combination thereof; or

(c) the sale, lease, transfer, exclusive license or other disposition, in a single transaction or series of related transactions, by the Corporation or any subsidiary of the Corporation of all or substantially all the assets or intellectual property of the Corporation and its subsidiaries taken as a whole, or the sale or disposition (whether by merger, consolidation or otherwise) of one or more subsidiaries of the Corporation if substantially all of the assets or intellectual property of the Corporation and its subsidiaries taken as a whole are held by such subsidiary or subsidiaries, except where such sale, lease, transfer, exclusive license or other disposition is to a wholly owned subsidiary of the Corporation.

2.4.2 Effecting a Deemed Liquidation Event.

(a) The Corporation shall not have the power to effect a Deemed Liquidation Event referred to in Subsection 2.4.1(a)(i) unless the agreement or plan of merger or consolidation for such transaction (the "***Merger Agreement***") provides that the consideration payable to the stockholders of the Corporation in such Deemed Liquidation Event shall be paid to the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 and 2.3.

(b) In the event of a Deemed Liquidation Event referred to in Subsection 2.4.1(a)(ii), 2.4.1(b) or 2.4.1(c), if the Corporation does not effect a dissolution of the Corporation under the General Corporation Law within ninety (90) days after such Deemed Liquidation Event, then (i) the Corporation shall send a written notice to each holder of Preferred Stock no later than the ninetieth (90th) day after the Deemed Liquidation Event advising such holders of their right (and the requirements to be met to secure such right) pursuant to the terms of the following clause (ii) to require the redemption of such shares of Preferred Stock, and (ii) unless the Requisite Holders otherwise agree in a written instrument delivered to the Corporation not later than one hundred twenty (120) days after such Deemed Liquidation Event, the Corporation shall use the consideration received by the Corporation for such Deemed Liquidation Event (net of any retained liabilities associated with the assets sold or technology licensed, as determined in good faith by the Board of Directors), together with any other assets of the Corporation available for distribution to its stockholders, all to the extent permitted by Delaware law governing distributions to stockholders (the "***Available Proceeds***"), on the one hundred fiftieth (150th) day after such Deemed Liquidation Event (the "***Redemption Date***"), to redeem all outstanding shares of Preferred Stock at a price per share equal to the applicable Liquidation Amount for each such respective series of Preferred Stock. The applicable Liquidation Amount payable to the holders of outstanding shares of Preferred Stock to be redeemed pursuant to the preceding sentence is referred to herein as the applicable "***Redemption Price***" and notwithstanding the foregoing, in the

event of a redemption pursuant to the preceding sentence, (A) if the Available Proceeds are not sufficient to redeem all outstanding shares of Preferred Stock but are sufficient to redeem all outstanding shares of Senior Preferred Stock, the Corporation shall redeem each holder's shares of Senior Preferred Stock in full and then ratably redeem each holder's shares of Series Seed 2 Preferred Stock to the fullest extent of the remaining Available Proceeds, and shall redeem the remaining shares of Series Seed 2 Preferred Stock as soon as it may lawfully do so under the General Corporation Law of the State of Delaware governing distributions to stockholders or (B) if the Available Proceeds are not sufficient to redeem all outstanding shares of Senior Preferred Stock (without consideration of the redemption of Series Seed 2 Preferred Stock), the Corporation shall ratably redeem each holder's shares of Senior Preferred Stock to the fullest extent of the remaining Available Proceeds, and shall redeem, first, the remaining shares of Senior Preferred Stock and, second, the outstanding shares of Series Seed 2 Preferred Stock as soon as it may lawfully do so under the General Corporation. Law of the State of Delaware governing distributions to stockholders. Prior to the distribution or redemption provided for in this Subsection 2.4.2(b), the Corporation shall not expend or dissipate the consideration received for such Deemed Liquidation Event, except to discharge expenses incurred in connection with such Deemed Liquidation Event or in the ordinary course of business. A redemption of Preferred Stock pursuant to this Subsection 2.4.2(b) shall be effected in accordance with Subsection 2.4.2(c) below.

(c) Redemption Following a Deemed Liquidation Event.

(i) Redemption Notice. The Corporation shall send written notice of the redemption (the "***Redemption Notice***") to each holder of record of Preferred Stock not less than 20 days prior to the Redemption Date. Each Redemption Notice shall state: (A) the number of shares of Preferred Stock held by such holder that the Corporation shall redeem on the Redemption Date specified in the Redemption Notice; (B) the Redemption Date and the applicable Redemption Price for such holder's shares of Preferred Stock; (C) the date upon which the holder's right to convert shares of Preferred Stock terminates (as determined in accordance with Section 4); and (D) that the holder is to surrender to the Corporation, in the manner and at the place designated in the Redemption Notice, his, her or its certificate or certificates representing the shares of Preferred Stock to be redeemed.

(ii) Surrender of Certificates; Payment. On or before the Redemption Date, each holder of shares of Preferred Stock to be redeemed on the Redemption Date (unless such holder has exercised his, her or its right to convert such shares as provided in Section 4) shall surrender the certificate or certificates representing such shares (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation, in the manner and at the place designated in the Redemption Notice, and thereupon the applicable Redemption Price for such shares shall be payable to the order of the person whose name appears on such certificate or certificates as the owner 94 thereof.

(iii) Rights Subsequent to Redemption. If the Redemption Notice shall have been duly given, and if on the applicable Redemption Date the applicable Redemption Price payable upon redemption of the shares of Preferred Stock to be redeemed on such Redemption Date is paid or tendered for payment or deposited with an independent payment agent so as to be available therefor in a timely manner, then notwithstanding that the certificates evidencing any of the shares of Preferred Stock so called for redemption shall not have been surrendered, all rights with respect to such shares of Preferred Stock shall forthwith after the Redemption Date terminate, except only the right of the holders to receive the applicable Redemption. Price without interest, upon surrender of their certificate or certificates therefor.

2.4.3 Amount Deemed Paid or Distributed. If the amount deemed paid or distributed under this Subsection 2.4.3 is made in property other than in cash, the value of such distribution shall be the fair market value of such property, rights or securities, which shall be determined as follows:

(a) If the value of such property is established in the definitive documentation entered into in connection with such transaction (the "***Acquisition Agreement***"), then the fair market value shall be established using the method set forth in the Acquisition Agreement; provided that the Acquisition Agreement is approved by the holders of at least a majority of the outstanding shares of Preferred Stock.

(b) If Subsection 2.4.3(a) is not applicable, then for securities not subject to investment letters or other similar restrictions on free marketability,

(i) if traded on a securities exchange, the value shall be deemed to be the average of the closing prices of the securities on such exchange or market over the thirty (30) day period ending three (3) days prior to the closing of such transaction;

(ii) if actively over-the-counter, the value shall be deemed to be the average of the closing bid prices over the thirty (30) day period ending three (3) days prior to the closing of such transaction; or

(iii) if there is no active public market, the value shall be the fair market value thereof as determined in good faith by the Board of Directors (to include the affirmative approval of at least two of the Preferred Directors (as defined below)).

(c) The method of valuation of securities subject to investment letters or other similar restrictions on free marketability (other than restrictions arising solely by virtue of a stockholder's status as an affiliate or former affiliate) shall take into account an appropriate discount (as determined in good faith by the Board of Directors, to include the affirmative approval of at least two of the Preferred Directors) from the market value as determined pursuant to clause (a) above so as to reflect the approximate fair market value thereof.

2.4.4 Allocation of Escrow and Contingent Consideration. In the event of a Deemed Liquidation Event pursuant to Subsection 2.4.1(a)(i), if any portion of the consideration payable to the stockholders of the Corporation is placed into escrow and/or payable only upon satisfaction of contingencies (the "***Additional Consideration***"), the Merger Agreement shall provide that (a) the portion of such consideration that is not Additional Consideration (such portion, the "***Initial Consideration***") shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 as if the Initial Consideration were the only consideration payable in connection with such Deemed Liquidation Event; and (b) any Additional Consideration which becomes payable to the stockholders of the Corporation upon satisfaction of such contingencies shall be allocated among the holders of capital stock of the Corporation in accordance with Subsections 2.1 and 2.2 after taking into account the previous payment of the Initial Consideration as part of the same transaction. For the purposes of this Subsection 2.4.4, consideration placed into escrow or retained as holdback to be available for satisfaction of indemnification or similar obligations in connection with such Deemed Liquidation Event shall be deemed to be Additional Consideration.

3. Voting.

3.1 General. On any matter presented to the stockholders of the Corporation for their action or consideration at any meeting of stockholders of the Corporation (or by written consent of stockholders in lieu of meeting), each holder of outstanding shares of any series of Preferred Stock shall be entitled to cast the number of votes equal to the number of whole shares of Common Stock into which the shares of such holder's Preferred Stock are respectively convertible as of the record date for determining stockholders entitled to vote on such matter. Except as provided by law or by the other provisions of the Certificate of Incorporation, holders of Preferred Stock shall vote together with the holders of Common Stock as a single class and on an as-converted to Common Stock basis.

3.2 Election of Directors. As long as at least 9,057,950 shares of Series A Preferred Stock and Series B Preferred Stock (each subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such series of Preferred Stock) remain outstanding, the holders of record of the shares of Series A Preferred Stock, Series B Preferred Stock and Series C Preferred Stock, exclusively and as a single class, shall be entitled to elect three (3) directors of the Corporation (the "***Preferred Directors***"). For so long as the Series D Requisite Holder has the right to designate the Series D Director pursuant to the Voting Agreement, such Series D Director shall also be deemed to be a Preferred Director. The holders of record of the shares of Common Stock, exclusively and as a separate class, shall elect the then-acting Chief Executive Officer of the Corporation to the Board of Directors. Two (2) directors shall be independent directors designated and elected by a majority of the other directors. Any Preferred Director may be removed without cause by, and only by, the affirmative vote of the holders of the shares of the class or series of capital stock entitled to elect such director or directors, given either at a special meeting of such stockholders duly called for that purpose or pursuant to a written consent of stockholders. The independent directors may be removed without cause by, and only by, the affirmative vote of a majority of the other directors. If the holders of shares of a series of Preferred Stock or Common Stock, as the case may be, fail to elect a sufficient number of directors to fill all directorships for which they are entitled to elect directors, voting exclusively and as a separate class pursuant to the first, second and thirdsentences of this Subsection 3.2, then any directorship not so filled shall remain vacant until such

time as the holders of the series of Preferred Stock or Common Stock, as the case may be, elect a person to fill such directorship by vote or written consent in lieu of a meeting; and no such directorship may be filled by stockholders of the Corporation other than by the stockholders of the Corporation that are entitled to elect a person to fill such directorship, voting exclusively and as a separate class. The holders of record of the shares of Common Stock and of any other class or series of voting stock (including the Preferred Stock), exclusively and voting together as a single class on an as-converted to Common Stock basis, shall be entitled to elect the balance of the total number of directors of the Corporation. At any meeting held for the purpose of electing a director, the presence in person or by proxy of the holders of a majority of the outstanding shares of the class or series entitled to elect such director shall constitute a quorum for the purpose of electing such director. Except as otherwise provided in this Subsection 3.2, a vacancy in any directorship filled by the holders of any class or series shall be filled only by vote or written consent in lieu of a meeting of the holders of such class or series or by any remaining director or directors elected by the holders of such class or series pursuant to this Subsection 3.2. The rights of the holders of the Series A Preferred Stock and Series B Preferred Stock under the first sentence of this Subsection 3.2 shall terminate on the first date following the Series E-1 Original Issue Date (as defined below) on which there are issued and outstanding less than 1,811,590 shares of Series A Preferred Stock and Series B Preferred Stock (each subject to appropriate adjustment in the event of any stock dividend, stock split, combination, or other similar recapitalization with respect to such series of Preferred Stock).

3.3 Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock and Series El Preferred Stock Protective Provisions. At any time when at least 1,811,590 shares of Series A Preferred Stock, 3,566,240 shares of Series B Preferred Stock, 1,794,963 shares of Series C Preferred Stock, 10,633,321 shares of Series D Preferred Stock, 6,780,948 shares of Series E Preferred Stock and 2,321,028 shares of Series E-1 Preferred Stock (each subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to such series of Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of a majority of the then outstanding shares of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock and Series E-1 Preferred Stock (exclusively and voting together as a single class and on an as-converted to Common Stock basis) given in writing or by vote at a meeting, consenting or voting (as the case may be) together as a single class (on an as-converted basis), and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect.

3.3.1 alter or change the rights, preferences or privileges of any series of Preferred Stock;

3.3.2 increase or decrease in the authorized number of shares of any series of Preferred Stock or Common Stock;

3.3.3 issue, authorize or designate, whether by reclassification or otherwise, any new class or series of stock or any other securities convertible into equity securities of the Company having rights, preferences and privileges on parity with or senior to any series of Preferred Stock with respect to dividends, liquidation preference, voting or antidilution protection;

3.3.4 purchase or redeem Common Stock or Preferred Stock (other than pursuant to warrants or equity incentive agreements with service providers giving the Corporation the right to repurchase shares at the cessation of service at the lower of the original purchase price or the then-current fair market value thereof);

3.3.5 liquidate, dissolve or wind-up the business and affairs of the Corporation, effect any merger or consolidation or any other Deemed Liquidation Event, or consent to any of the foregoing;

3.3.6 amend, alter or repeal any provision of the Certificate of Incorporation or Bylaws of the Corporation;

3.3.7 increase or decrease the authorized number of directors constituting the Board of Directors;

3.3.8 take any action that results in the payment or declaration of a dividend on any shares of Common Stock or Preferred Stock ranking junior to any series of Preferred Stock other than dividends or other distributions payable on the Common Stock solely in the form of additional shares of Common Stock;

3.3.9 take action that results in a security interest being placed on all or substantially all of the Corporation's assets or intellectual property;

3.3.10 cause or permit any of its subsidiaries to sell, issue, sponsor, create or distribute any digital tokens, cryptocurrency or other blockchain-based assets (collectively, "***Tokens***"), including through a pre-sale, initial coin offering, token distribution event or crowdfunding, or through the issuance of any instrument convertible into or exchangeable for Tokens; or

3.3.11 permit any direct or indirect subsidiary of the Corporation to effect or validate any action (whether by, either directly or indirectly, amendment, merger, consolidation, or otherwise) that would be prohibited by subsections 3.3.1—3.3.10 above if taken by the Corporation.

3.4 Series E-1 Preferred Stock Protective Provisions. At any time when at least 2,321,028 shares of SeriesE-1 Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series E-1 Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of at least a majority of the then outstanding shares of Series E-1 Preferred Stock (voting as a separate class), given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect.

3.4.1 any action, including an amendment of any provision of the Certificate of Incorporation, which adversely and disproportionately alters or changes the powers, preferences or special rights of the Series E-1 Preferred Stock;

3.4.2 any increase or decrease of the total number of authorized shares of Series E-1 Preferred Stock;

3.4.3 any amendment, termination or waiver of clause (vi) of the definition of "Requisite Holders" in Section 2.4.1;

3.4.4 any amendment, termination or waiver of the last sentence of Section 4.4.2;

3.4.5 any amendment, termination or waiver of Section 5.1(b);

3.4.6 any amendment, termination or waiver of the first sentence of Section 7; or

3.4.7 permit any direct or indirect subsidiary of the Corporation to effect or validate any action (whether by amendment, merger, consolidation, or otherwise) that would be prohibited by subsections 3.4.1—3.4.2 above if taken by the Corporation.

3.5 Series E Preferred Stock Protective Provisions. At any time when at least 6,780,948 shares of Series E Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series E Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of at least sixty percent (60%) of the then outstanding shares of Series E Preferred Stock (voting as a separate class), given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect.

3.5.1 any action, including an amendment of any provision of the Certificate of Incorporation, which adversely and disproportionately alters or changes the powers, preferences or special rights of the Series E Preferred Stock;

3.5.2 any increase or decrease of the total number of authorized shares of Series E Preferred Stock;

3.5.3 any amendment, termination or waiver of clause (v) of the definition of "Requisite Holders" in Section 2.4.1;

3.5.4 any amendment, termination or waiver of the second to last sentence of Section 4.

3.5.5 any amendment, termination or waiver of Section 5.1(b);

3.5.6 any amendment, termination or waiver of the second sentence of Section 7; or

3.5.7 permit any direct or indirect subsidiary of the Corporation to effect or validate any action (whether by amendment, merger, consolidation, or otherwise) that would be prohibited by subsections 3.5.1—3.5.2 above if taken by the Corporation.

3.6 Series D Preferred Stock Protective Provisions. At any time when at least 10,633,321 shares of Series D Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series D Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of a majority of the then outstanding shares of Series D Preferred Stock (voting as a separate class), only if such majority includes the Series D Requisite Holder, given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect.

3.6.1 any action, including an amendment of any provision of the Certificate of Incorporation, which adversely and disproportionately alters or changes the powers, preferences or special rights of the Series D Preferred Stock;

3.6.2 any increase or decrease of the total number of authorized shares of Series D Preferred Stock;

3.6.3 any amendment, termination or waiver of clause (iv) of the definition of "Requisite Holders" in Section 2.4.1;

3.6.4 any amendment, termination or waiver of the fourth sentence of Section 4.4.2;

3.6.5 any amendment, termination or waiver of Section 5.1(b);

3.6.6 any amendment, termination or waiver of the third sentence of Section 7; or

3.6.7 permit any direct or indirect subsidiary of the Corporation to effect or validate any action (whether by amendment, merger, consolidation, or otherwise) that would be prohibited by subsections 3.6.1—3.6.2 above if taken by the Corporation.

3.7 Series C Preferred Stock Protective Provisions. At any time when at least 1,794,963 shares of Series C Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series C Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of a majority of the then outstanding shares of Series C Preferred Stock (voting as a separate class), given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect.

3.7.1 any action, including an amendment of any provision of the Certificate of Incorporation, which adversely and disproportionately alters or changes the powers, preferences or special rights of the Series C Preferred Stock;

3.7.2 any increase or decrease of the total number of authorized shares of Series C Preferred Stock;

3.7.3 any amendment, termination or waiver of clause (iii) of the definition of "Requisite Holders" in Section 2.4.1;

3.7.4 any amendment, termination or waiver of the third sentence of Section 4.4.2;

3.7.5 any amendment, termination or waiver of Section 5.1(b);

3.7.6 any amendment, termination or waiver of the fourth sentence of Section 7; or

3.7.7 permit any direct or indirect subsidiary of the Corporation to effect or validate any action (whether by amendment, merger, consolidation, or otherwise) that would be prohibited by subsections 3.7.1—3.7.2 above if taken by the Corporation.

3.8 Series B Preferred Stock Protective Provisions. At any time when at least 3,566,240 shares of Series B Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series B Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of a majority of the then outstanding shares of Series B Preferred Stock (voting as a separate class), given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect.

3.8.1 any action, including an amendment of any provision of the Certificate of Incorporation, which adversely and disproportionately alters or changes the powers, preferences or special rights of the Series B Preferred Stock;

3.8.2 any increase or decrease of the total number of authorized shares of Series B Preferred Stock;

3.8.3 any amendment, termination or waiver of clause (ii) of the definition of "Requisite Holders" in Section 2.4.1;

3.8.4 any amendment, termination or waiver of the second sentence of Section 4.4.2;

3.8.5 any amendment, termination or waiver of Section 5.1(b);

3.8.6 any amendment, termination or waiver of the fifth sentence of Section 7; or

3.8.7 permit any direct or indirect subsidiary of the Corporation to effect or validate any action (whether by amendment, merger, consolidation, or otherwise) that would be prohibited by subsections 3.8.1 - 3.8.2 above if taken by the Corporation.

3.9 Series A Preferred Stock Protective Provisions. At any time when at least 1,811,590 shares of Series A Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series A Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of at least sixty-one percent (61%) of the then outstanding shares of Series A Preferred Stock (voting as a separate class), given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void ab initio, and of no force or effect.

3.9.1 any action, including an amendment of any provision of the Certificate of Incorporation, which adversely and disproportionately alters or changes the powers, preferences or special rights of the Series A Preferred Stock;

3.9.2 any increase or decrease of the total number of authorized shares of Series A Preferred Stock;

3.9.3 any amendment, termination or waiver of clause (i) of the definition of "Requisite Holders" in Section 2.4.1;

3.9.4 any amendment, termination or waiver of the first sentence of Section 4.4.2;

3.9.5 any amendment termination or waiver of Section 5.1(b);

3.9.6 any amendment, termination or waiver of the second to last sentence of Section 7; or

3.9.7 permit any direct or indirect subsidiary of the Corporation to effect or validate any action (whether by amendment, merger, consolidation, or otherwise) that would be prohibited by subsections 3.9.1—3.9.2 above if taken by the Corporation.

3.10 Series Seed Preferred Stock Protective Provisions. At any time when at least 2,403,800 shares of Series Seed Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series Seed Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of a majority of the then outstanding shares of Series Seed Preferred Stock (voting as a separate class), given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

3.10.1 alter or change the rights, preferences or privileges of the Series Seed Preferred Stock in a manner uniquely adverse to the Series Seed Preferred Stock; or

3.10.2 increase or decrease the authorized number of shares of Series Seed Preferred Stock.

3.11 Series Seed 2 Preferred Stock Protective Provisions. At any time when at least 1,674,900 shares of Series Seed 2 Preferred Stock (subject to appropriate adjustment in the event of any stock dividend, stock split, combination or other similar recapitalization with respect to the Series Seed 2 Preferred Stock) are outstanding, the Corporation shall not, either directly or indirectly by amendment, merger, consolidation or otherwise, do any of the following without (in addition to any other vote required by law or the Certificate of Incorporation) the written consent or affirmative vote of the holders of a majority of the then outstanding shares of Series Seed 2 Preferred Stock (voting as a separate class), given in writing or by vote at a meeting, consenting or voting (as the case may be) separately as a class, and any such act or transaction entered into without such consent or vote shall be null and void *ab initio*, and of no force or effect:

3.11.1 alter or change the rights, preferences or privileges of the Series Seed 2 Preferred Stock in a manner unique to the Series Seed 2 Preferred Stock; or

3.11.2 increase or decrease in the authorized number of shares of Series Seed 2 Preferred Stock.

4. Optional Conversion.

The holders of Preferred Stock shall have conversion rights as follows (the "***Conversion Rights***"):

4.1 Right to Convert. Each share of Preferred Stock shall be convertible, at the option of the holder thereof, at any time and from time to time, and without the payment of additional consideration by the holder thereof, into such number of fully paid and non-assessable shares of Common Stock as is determined by dividing the then applicable Original Issue Price of such series of Preferred Stock by the Conversion Price (as defined below) in effect at the time of conversion. The "***Series E-1 Conversion Price***" shall initially be equal to the Series E-1 Original Issue Price. The "***Series E Conversion Price***" shall initially be equal to the Series E Original Issue Price. The "***Series D Conversion Price***" shall initially be equal to the Series D Original Issue Price. The "***Series C Conversion Price***" shall initially be equal to the Series C Original Issue Price. The "***Series B Conversion Price***" shall initially be equal to the Series B Original Issue Price. The "***Series A Conversion Price***" shall initially be equal to the Series A Original Issue Price. The "***Series Seed Conversion Price***" shall initially be equal to the Series Seed Original Issue Price. The "***Series Seed 2 Conversion Price***" shall initially be equal to the Series Seed 2 Original Issue Price. Such initial Series E-1 Conversion Price , initial Series E Conversion Price, initial Series D Conversion Price, initial Series C Conversion Price, initial Series B Conversion Price, initial Series A Conversion Price, initial Series Seed Conversion Price or initial Series Seed 2 Conversion Price, as applicable, is sometimes referred to herein as the "***Conversion Price***." Each Conversion Price, and the rate at which shares of each series of Preferred Stock may be converted into shares of Common Stock, shall be subject to adjustment as provided below.

4.2 Fractional Shares. No fractional shares of Common Stock shall be issued upon conversion of any shares of Preferred Stock. In lieu of any fractional shares to which the holder would otherwise be entitled, the Corporation shall pay cash equal to such fraction multiplied by the fair market value of a share of Common Stock as determined in good faith by the Board of Directors (to include the affirmative approval of at least two of the Preferred Directors). Whether or not fractional shares would be issuable upon such conversion shall be determined on the basis of the total number of shares of Preferred Stock the holder is at the time converting into Common Stock and the aggregate number of shares of Common Stock issuable upon such conversion.

4.3 Mechanics of Conversion.

4.3.1 Notice of Conversion. In order for a holder of Preferred Stock to voluntarily convert shares of Preferred Stock into shares of Common Stock, such holder shall (a) provide written notice to the Corporation's transfer agent at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent) that such holder elects to convert all or any number of such holder's shares of Preferred Stock and, if applicable, any event on which such conversion is contingent and (b), if such holder's shares are certificated, surrender the certificate or certificates for such shares of Preferred Stock (or, if such registered holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate), at the office of the transfer agent for the Preferred Stock (or at the principal office of the Corporation if the Corporation serves as its own transfer agent). Such notice shall state such holder's name or the names of the nominees in which such holder wishes the shares of Common Stock to be issued. If required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by a written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or his, her or its attorney duly authorized in writing. The close of business on the date of receipt by the transfer agent (or by the Corporation if the Corporation serves as its own transfer agent) of such notice and, if applicable, certificates (or lost certificate affidavit and agreement) shall be the time of conversion (the "***Conversion Time***"), and the shares of Common Stock issuable upon conversion of the specified shares shall be deemed to be outstanding of record as of such date. The Corporation shall, as soon as practicable after the Conversion Time (i) issue and deliver to such holder of Preferred Stock, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable upon such conversion in accordance with the provisions hereof and a certificate for the number (if any) of the shares of Preferred Stock represented by the surrendered certificate that were not converted into Common Stock, (ii) pay in cash such amount as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and (iii) pay all declared but unpaid dividends on the shares of Preferred Stock converted.

4.3.2 Reservation of Shares. The Corporation shall at all times when the Preferred Stock shall be outstanding, reserve and keep available out of its authorized but unissued capital stock, for the purpose of effecting the conversion of the Preferred Stock, such number of its duly authorized shares of Common Stock as shall from time to time be sufficient to effect the conversion of all outstanding Preferred Stock; and if at any time the number of authorized but unissued shares of Common Stock shall not be sufficient to effect the conversion of all then outstanding shares of the Preferred Stock, the Corporation shall take such corporate action as may be necessary to increase its authorized but unissued shares of Common Stock to such number of shares as shall be sufficient for such purposes, including, without limitation, engaging in best efforts to obtain the requisite stockholder approval of any necessary amendment to the Certificate of Incorporation. Before taking any action which would cause an adjustment reducing the Conversion Price for a particular series of Preferred Stock below the then par value of the shares of Common Stock issuable upon conversion of such series of Preferred Stock, the Corporation will take any corporate action which may, in the opinion of its counsel, be necessary in order that the Corporation may validly and legally issue fully paid and non-assessable shares of Common Stock at such adjusted Conversion Price.

4.3.3 Effect of Conversion. All shares of Preferred Stock which shall have been surrendered for conversion as herein provided shall no longer be deemed to be outstanding and all rights with respect to such shares shall immediately cease and terminate at the Conversion Time, except only the right of the holders thereof to receive shares of Common. Stock in exchange therefor, to receive payment in lieu of any fraction of a share otherwise issuable upon such conversion as provided in Subsection 4.2 and to receive payment of any dividends declared but unpaid thereon. Any shares of Preferred Stock so converted shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

4.3.4 No Further Adjustment. Upon any such conversion, no adjustment to the Conversion Price for a series of Preferred Stock shall be made for any declared but unpaid dividends on the shares of such series of Preferred Stock surrendered for conversion or on the Common Stock delivered upon conversion.

4.3.5 Taxes. The Corporation shall pay any and all issue and other similar taxes that may be payable in respect of any issuance or delivery of shares of Common Stock upon conversion of shares of Preferred Stock pursuant to this Section 4. The Corporation shall not, however, be required to pay any tax which may be payable in respect of any transfer involved in the issuance and delivery of shares of Common Stock in a name other than that in which the shares of Preferred Stock so converted were registered, and no such issuance or delivery shall be made unless and until the person or entity requesting such issuance has paid to the Corporation the amount of any such tax or has established, to the satisfaction of the Corporation, that such tax has been paid.

4.4 Adjustments to Conversion Price for Diluting Issues.

4.4.1 Special Definitions. For purposes of this Article Fourth, the following definitions shall apply:

(a) "***Additional Shares of Common Stock***" shall mean all shares of Common. Stock issued (or, pursuant to Subsection 4.4.3 below, deemed to be issued) by the Corporation after the Series E-1 Original Issue Date, other than (1) the following shares of Common Stock and (2) shares of Common Stock deemed issued pursuant to the following Options and Convertible Securities (clauses (1) and (2), collectively, "***Exempted Securities***"):

(i) shares of Common Stock, Options or Convertible Securities issued as a pro rata dividend or distribution on all Preferred Stock;

(ii) shares of Common Stock, Options or Convertible Securities issued by reason of a dividend, stock split, split-up or other distribution on shares of Common Stock that is covered by Subsection 4.5, 4.6, 4.7 or 4.8;

(iii) shares of Common Stock or Options issued to employees or directors of, or consultants or advisors to, the Corporation or any of its subsidiaries pursuant to (X) the Company's 2015 Long-Term Incentive Plan, as amended and restated, or (Y) any similar plan, agreement or arrangement approved by the Board of Directors, including at least two of the Preferred Directors;

(iv) shares of Common Stock or Convertible Securities actually issued upon the exercise of Options or shares of Common Stock actually issued upon the conversion or exchange of Convertible Securities, in each case provided such issuance is pursuant to the terms of such Option or Convertible Security;

(v) shares of Common Stock, Options or Convertible Securities issued to banks, equipment lessors or other financial institutions, or to real property lessors, pursuant to a debt financing, equipment leasing or real property leasing transaction approved by the Board of Directors, including at least two of the Preferred Directors;

(vi) shares of Common Stock, Options or Convertible Securities issued as consideration for the acquisition of another corporation by the Corporation by merger, purchase of substantially all of the assets or other reorganization or to a joint venture agreement, provided that such issuances are approved by the Board of Directors, including at least two of the Preferred Directors; or

(vii) shares of Common Stock, Options or Convertible Securities issued as consideration for joint ventures, development or other strategic transactions approved by the Board of Directors, including at least two of the Preferred Directors.

(b) "***Convertible Securities***" shall mean any evidences of indebtedness, shares or other securities directly or indirectly convertible into or exchangeable for Common Stock, but excluding Options.

(c) "***Option"*** shall mean rights, options or warrants to subscribe for, purchase or otherwise acquire Common Stock or Convertible Securities.

(d) "***Series E-1 Original Issue Date***" shall mean the date on which the first share of Series E-1 Preferred Stock was issued.

4.4.2 No Adjustment of Conversion Price. No adjustment in the Conversion Price for the Series A Preferred Stock, Series Seed Preferred Stock, or Series Seed 2 Preferred Stock, shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of at least sixty-one percent (61%) of the then outstanding shares of Series A Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Conversion Price for the Series B Preferred Stock shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a majority of the then outstanding shares of Series B Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Conversion Price for the Series C Preferred Stock shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a majority of the then outstanding shares of Series C Preferred Stock agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Conversion Price for the Series D Preferred Stock shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of a majority of the then outstanding shares of Series D Preferred Stock, only if such majority includes the Series D Requisite Holder, agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Conversion Price for the Series E Preferred Stock shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of at least sixty percent (60%) of the then outstanding shares of Series E Preferred Stock, agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock. No adjustment in the Conversion Price for the Series E-1 Preferred Stock shall be made as the result of the issuance or deemed issuance of Additional Shares of Common Stock if the Corporation receives written notice from the holders of at least a majority of the then outstanding shares of Series E-1 Preferred Stock, agreeing that no such adjustment shall be made as the result of the issuance or deemed issuance of such Additional Shares of Common Stock.

4.4.3 Deemed Issue of Additional Shares of Common Stock.

(a) If the Corporation at any time or from time to time after the SeriesE-1 Original Issue Date shall issue any Options or Convertible Securities (excluding Options or Convertible Securities which are themselves Exempted Securities) or shall fix a record date for the determination of holders of any class of securities entitled to receive any such Options or Convertible Securities, then the maximum number of shares of Common Stock (as

set forth in the instrument relating thereto, assuming the satisfaction of any conditions to exercisability, convertibility or exchangeability but without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or, in the case of Convertible Securities and Options therefor, the conversion or exchange of such Convertible Securities, shall be deemed to be Additional Shares of Common Stock issued as of the time of such issue or, in case such a record date shall have been fixed, as of the close of business on such record date.

(b) If the terms of any Option or Convertible Security, the issuance of which resulted in an adjustment to the Conversion Price for one or more series of Preferred Stock pursuant to the terms of Subsection 4.4.4, are revised as a result of an amendment to such tends or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (1) any increase or decrease in the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any such Option or Convertible Security or (2) any increase or decrease in the consideration payable to the Corporation upon such exercise, conversion and/or exchange, then, effective upon such increase or decrease becoming effective, the Conversion Price for such series of Preferred Stock computed upon the original issue of such Option or Convertible Security (or upon the occurrence of a record date with respect thereto) shall be readjusted to such Conversion Price as would have obtained had such revised terms been in effect upon the original date of issuance of such Option or Convertible Security. Notwithstanding the foregoing, no readjustment pursuant to this clause (b) shall have the effect of increasing the Conversion Price for such series of Preferred Stock to an amount which exceeds the lower of (i) the Conversion Price for such series of Preferred Stock in effect immediately prior to the original adjustment made as a result of the issuance of such Option or Convertible Security, or (ii) the Conversion Price for such series of Preferred Stock that would have resulted from any issuances of Additional Shares of Common Stock (other than deemed issuances of Additional Shares of Common Stock as a result of the issuance of such Option or Convertible Security) between the original adjustment date and such readjustment date.

(c) If the terms of any Option or Convertible Security (excluding Options or Convertible Securities which are themselves Exempted Securities), the issuance of which did not result in an adjustment to the Conversion Price for one or more series of Preferred Stock pursuant to the terms of Subsection 4.4.4 (either because the consideration per share (determined pursuant to Subsection 4.4.5) of the Additional Shares of Common Stock subject thereto was equal to or greater than the Conversion Price for such series of Preferred Stock then in effect, or because such Option or Convertible Security was issued before the Series E-1 Original Issue Date), are revised after the Series El Original Issue Date as a result of an amendment to such ten/ s or any other adjustment pursuant to the provisions of such Option or Convertible Security (but excluding automatic adjustments to such terms pursuant to anti-dilution or similar provisions of such Option or Convertible Security) to provide for either (I) any increase in the number of shares of Common Stock issuable upon the exercise, conversion or exchange of any such Option or Convertible Security or (2) any decrease in the consideration payable to the Corporation upon such exercise, conversion or exchange, then such Option or Convertible Security, as so amended or adjusted, and the Additional Shares of Common Stock subject thereto (determined in the manner provided in Subsection 4.4.3(a)) shall be deemed to have been issued effective upon such increase or decrease becoming effective.

(d) Upon the expiration or termination of any unexercised Option or unconverted or unexchanged Convertible Security (or portion thereof) which resulted (either upon its original issuance or upon a revision of its terms) in an adjustment to the Conversion Price for one or more series of Preferred Stock pursuant to the terms of Subsection 4.4.4, the Conversion Price for such series of Preferred Stock shall be readjusted to such Conversion Price as would have obtained had such Option or Convertible Security (or portion thereof) never been issued.

(e) If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, is calculable at the time such Option or Convertible Security is issued or amended but is subject to adjustment based upon subsequent events, any adjustment to the Conversion Price for one or more series of Preferred Stock provided for in this Subsection 4.4.3 shall be effected at the time of such issuance or amendment based on such number of shares or amount of consideration without regard to any provisions for subsequent adjustments (and any subsequent adjustments shall be treated as provided in clauses (b) and (c) of this Subsection 4.4.3). If the number of shares of Common Stock issuable upon the exercise, conversion and/or exchange of any Option or Convertible Security, or the consideration payable to the Corporation upon such exercise, conversion and/or exchange, cannot be calculated at all at the time such Option or Convertible Security is issued or amended, any adjustment to the Conversion Price for such series of Preferred Stock that would result under the terms of this Subsection 4.4.3 at the time of such issuance or amendment shall instead be effected at the time such number of shares and/or amount of consideration is first calculable (even if subject to subsequent adjustments), assuming for purposes of calculating such adjustment to the Conversion Price for such series of Preferred Stock that such issuance or amendment took place at the time such calculation can first be made.

4.4.4 Adjustment of Conversion Price Upon Issuance of Additional Shares of Common Stock. In the event the Corporation shall at any time or from time to time after the Series E- I Original Issue Date issue Additional Shares of Common Stock (including Additional Shares of Common Stock deemed to be issued pursuant toSubsection 4.4.3), without consideration or for a consideration per share less than the Conversion Price for one or more series of Preferred Stock in effect immediately prior to such issuance or deemed issuance, then the Conversion Price for such series of Preferred Stock shall be reduced, concurrently with such issue, to a price (calculated to the nearest one-hundredth of a cent) determined in accordance with the following formula:

$$CP_2 = CP_1 * (A + B) + (A + C).$$

For purposes of the foregoing formula, the following definitions shall apply:

(a) "CP_2" shall mean the Conversion Price for such series of Preferred Stock in effect immediately after such issuance or deemed issuance of Additional Shares of Common Stock

(b) "CP_1" shall mean the Conversion Price for such series of Preferred Stock in effect immediately prior to such issuance or deemed issuance of Additional Shares of Common Stock;

(c) “A” shall mean the number of shares of Common Stock outstanding immediately prior to such issuance or deemed issuance of Additional Shares of Common Stock (treating for this purpose as outstanding all shares of Common Stock issuable upon exercise of Options outstanding immediately prior to such issue or upon conversion or exchange of Convertible Securities (including the Preferred Stock) outstanding (assuming exercise of any outstanding Options therefor) immediately prior to such issue);

(d) “B” shall mean the number of shares of Common Stock that would have been issued or deemed issued if such Additional Shares of Common Stock had been issued or deemed issued at a price per share equal to CP1 (determining dividing the aggregate consideration received by the Corporation in respect of such issuance or deemed issuance by CP1); and

(e) “C” shall mean the number of such Additional Shares of Common Stock issued in such transaction.

4.4.5 Determination of Consideration. For purposes of this Subsection 4.4, the consideration received by the Corporation for the issuance or deemed issuance of any Additional Shares of Common Stock shall be computed as follows:

(a) Cash and Property: Such consideration shall:

(i) insofaras it consists of cash, be computed at the aggregate amount of cash received by the Corporation, excluding amounts paid or payable for accrued interest;

(ii) insofar as it consists of property other than cash, be computed at the fair market value thereof at the time of such issue, as determined in good faith by the Board of Directors (to include the affirmative approval of at least two of the Preferred Directors); and

(iii) in the event Additional Shares of Common Stock are issued together with other shares or securities or other assets of the Corporation for consideration which covers both, be the proportion of such consideration so received, computed as provided in clauses (i) and (ii) above, as determined in good faith by the Board of Directors (to include the affirmative approval of at least two of the Preferred Directors).

(b) Options and Convertible Securities. The consideration per share received by the Corporation for Additional Shares of Common Stock deemed to have been issued pursuant to Subsection 4.4.3, relating to Options and Convertible Securities, shall be determined by dividing:

(i) the total amount, if any, received or receivable by the Corporation as consideration for the issue of such Options or Convertible Securities, plus the minimum aggregate amount of additional consideration (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such consideration) payable to the Corporation upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities, by

(ii) the maximum number of shares of Common Stock (as set forth in the instruments relating thereto, without regard to any provision contained therein for a subsequent adjustment of such number) issuable upon the exercise of such Options or the conversion or exchange of such Convertible Securities, or in the case of Options for Convertible Securities, the exercise of such Options for Convertible Securities and the conversion or exchange of such Convertible Securities.

4.4.6 Multiple Closing Dates. In the event the Corporation shall issue on more than one date Additional Shares of Common Stock that are a part of one transaction or a series of related transactions and that would result in an adjustment to the Conversion Price for one or more series of Preferred Stock pursuant to the terms of Subsection 4.4.4, then, upon the final such issuance, the Conversion Price for one or more series of Preferred Stock shall be readjusted to give effect to all such issuances as if they occurred on the date of the first such issuance (and without giving effect to any additional adjustments as a result of any such subsequent issuances within such period).

4.5 Adjustment for Stock Splits and Combinations. If the Corporation shall at any time or from time to time after the SeriesE-1 Original Issue Date effect a subdivision of the outstanding Common Stock, the Conversion Price for one or more series of Preferred Stock in effect immediately before that subdivision shall be proportionately decreased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be increased in proportion to such increase in the aggregate number of shares of Common Stock outstanding. If the Corporation shall at any time or from time to time after the Series E-1 Original Issue Date combine the outstanding shares of Common. Stock, the Conversion Price for one or more series of Preferred Stock in effect immediately before the combination shall be proportionately increased so that the number of shares of Common Stock issuable on conversion of each share of such series shall be decreased in proportion to such decrease in the aggregate number of shares of Common Stock outstanding. Any adjustment under this subsection shall become effective at the close of business on the date the subdivision or combination becomes effective.

4.6 Adjustment for Certain Dividends and Distributions. In the event the Corporation at any time or from time to time after the Series E-1 Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable on the Common Stock in additional shares of Common Stock, then and in each such event the Conversion Price for one or more series of Preferred Stock in effect immediately before such event shall be decreased as of the time of such issuance or, in the event such a record date shall have been fixed, as of the close of business on such record date, by multiplying the Conversion Price for one or more series of Preferred Stock then in effect by a fraction:

(1) the numerator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date, and

(2) the denominator of which shall be the total number of shares of Common Stock issued and outstanding immediately prior to the time of such issuance or the close of business on such record date plus the number of shares of Common Stock issuable in payment of such dividend or distribution.

Notwithstanding the foregoing (a) if such record date shall have been fixed and such dividend is not fully paid or if such distribution is not fully made on the date fixed therefor, the Conversion Price for one or more series of Preferred Stock shall be recomputed accordingly as of the close of business on such record date and thereafter the Conversion Price for one or more series of Preferred Stock shall be adjusted pursuant to this subsection as of the time of actual payment of such dividends or distributions; and (b) that no such adjustment shall be made if the holders of such series of Preferred Stock simultaneously receive a dividend or other distribution of shares of Common Stock in a number equal to the number of shares of Common Stock as they would have received if all outstanding shares of such series of Preferred Stock had been converted into Common Stock on the date of such event.

4.7 Adjustments for Other Dividends and Distributions. In the event the Corporation at any time or from time to time after the Series E-1 Original Issue Date shall make or issue, or fix a record date for the determination of holders of Common Stock entitled to receive, a dividend or other distribution payable in securities of the Corporation (other than a distribution of shares of Common Stock in respect of outstanding shares of Common Stock) or in other property and the provisions of Section 1 do not apply to such dividend or distribution, then and in each such event the holders of each series of Preferred Stock shall receive, simultaneously with the distribution to the holders of Common Stock, a dividend or other distribution of such securities or other property in an amount equal to the amount of such securities or other property as they would have received if all outstanding shares of such series of Preferred Stock had been converted into Common Stock on the date of such event.

4.8 Adjustment for Merger or Reorganization, etc. Subject to the provisions of Subsection 2.4, if there shall occur any reorganization, recapitalization, reclassification, consolidation or merger involving the Corporation in which the Common Stock (but not the Preferred Stock) is converted into or exchanged for securities, cash or other property (other than a transaction covered by Subsections 4.4, 4.6 or 4.7), then, following any such reorganization, recapitalization, reclassification, consolidation or merger, each series of Preferred Stock shall thereafter be convertible in lieu of the Common Stock into which it was convertible prior to such event into the kind and amount of securities, cash or other property which a holder of the number of shares of Common Stock of the Corporation issuable upon conversion of one share of such series of Preferred Stock immediately prior to such reorganization, recapitalization, reclassification, consolidation or merger would have been entitled to receive pursuant to such transaction; and, in such case, appropriate adjustment (as determined in good faith by the Board of Directors of the Corporation) shall be made in the application of the provisions in this Section 4 with respect to the rights and interests thereafter of the holders of such series of Preferred Stock, to the end that the provisions set forth in this Section 4 (including provisions with respect to changes in and other adjustments of the Conversion Price of such series of Preferred Stock) shall thereafter be applicable, as nearly as reasonably may be, in relation to any securities or other property thereafter deliverable upon the conversion of such series of Preferred Stock. For the avoidance of doubt, nothing in this Subsection 4.8 shall be construed as preventing the holders of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock or Series E-1 Preferred Stock from seeking any appraisal rights to which they are otherwise entitled under the General Corporation Law in connection with a merger triggering an adjustment hereunder, nor shall this Subsection 4.8 be deemed conclusive evidence of the fair value of the shares of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock or Series E-1 Preferred Stock in any such appraisal proceeding.

4.9 Certificate as to Adjustments. Upon the occurrence of each adjustment or readjustment of Conversion Price of a series of Preferred Stock pursuant to this Section 4, the Corporation at its expense shall, as promptly as reasonably practicable but in any event not later than ten (10) days thereafter, compute such adjustment or readjustment in accordance with the terms hereof and furnish to each holder of such series of Preferred Stock a certificate setting forth such adjustment or readjustment (including the kind and amount of securities, cash or other property into which shares of such series of Preferred Stock are convertible) and showing in detail the facts upon which such adjustment or readjustment is based. The Corporation shall, as promptly as reasonably practicable after the written request at any time of any holder of such series of Preferred Stock (but in any event not later than ten (10) days thereafter), furnish or cause to be furnished to such holder a certificate setting forth (i) the Conversion Price for such series of Preferred Stock then in effect, and (ii) the number of shares of Common Stock and the amount, if any, of other securities, cash or property which then would be received upon the conversion of shares of such series of Preferred Stock.

4.10 Notice of Record Date. In the event:

(a) the Corporation shall take a record of the holders of its Common Stock (or other capital stock or securities at the time issuable upon conversion of the Preferred Stock) for the purpose of entitling or enabling them to receive any dividend or other distribution, or to receive any right to subscribe for or purchase any shares of capital stock of any
class or any other securities, or to receive any other security; or

(b) of any capital reorganization of the Corporation, any reclassification of the Common Stock of the Corporation, or any Deemed Liquidation Event; or

(c) of the voluntary or involuntary dissolution, liquidation orwinding-up of the Corporation,

then, and in each such case, the Corporation will send or cause to be sent to the holders of the Preferred Stock a notice specifying, as the case may be, (i) the record date for such dividend, distribution or right, and the amount and character of such dividend, distribution or right, or (ii) the effective date on which such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up is proposed to take place, and the time, if any is to be fixed, as of which the holders of record of Common Stock (or such other capital stock or securities at the time issuable upon the conversion of the Preferred Stock) shall be entitled to exchange their shares of Common Stock (or such other capital stock or securities) for securities or other property deliverable upon such reorganization, reclassification, consolidation, merger, transfer, dissolution, liquidation or winding-up, and the amount per share and character of such exchange applicable to the Preferred Stock and the Common Stock. Such notice shall be sent at least ten (10) days prior to the record date or effective date for the event specified in such notice.

5. Mandatory Conversion

5.1 Trigger Events. Upon either (a) the closing of the sale of shares of Common Stock to the public in a firm-commitment underwritten public offering pursuant to an effective registration statement under the Securities Act of 1933, as amended, resulting in at least $75,000,000 of gross proceeds to the Corporation (before deduction of underwriters commissions and expenses) (the "***Qualified Public Offering***"), or (b) the date and time, or the occurrence of an event, specified by vote or written consent of the (i) Requisite Holders and (ii) Series D Requisite Holder (the time of such closing or the date and time specified or the time of the event specified in such vote or written consent is referred to herein as the "***Mandatory Conversion Time***"), then (A) all outstanding shares of Preferred Stock shall automatically be converted into shares of Common Stock, at the then effective conversion rate and (B) such shares may not be reissued by the Corporation.

5.2 Procedural Requirements. All holders of record of shares of Preferred Stock shall be sent written notice of the Mandatory Conversion Time and the place designated for mandatory conversion of all such shares of Preferred Stock pursuant to this Section 5. Such notice need not be sent in advance of the occurrence of the Mandatory Conversion Time. Upon receipt of such notice, each holder of shares of Preferred Stock in certificated form shall surrender his, her or its certificate or certificates for all such shares (or, if such holder alleges that such certificate has been lost, stolen or destroyed, a lost certificate affidavit and agreement reasonably acceptable to the Corporation to indemnify the Corporation against any claim that may be made against the Corporation on account of the alleged loss, theft or destruction of such certificate) to the Corporation at the place designated in such notice. If so required by the Corporation, any certificates surrendered for conversion shall be endorsed or accompanied by written instrument or instruments of transfer, in form satisfactory to the Corporation, duly executed by the registered holder or by his, her or its attorney duly authorized in writing. All rights with respect to the Preferred Stock converted pursuant to Subsection 5.1, including the rights, if

any, to receive notices and vote (other than as a holder of Common Stock), will terminate at the Mandatory Conversion Time (notwithstanding the failure of the holder or holders thereof to surrender any certificates at or prior to such time), except only the rights of the holders thereof; upon surrender of any certificate or certificates of such holders (or lost certificate affidavit and agreement) therefor, to receive the items provided for in the next sentence of this Subsection 5.2. As soon as practicable after the Mandatory Conversion Time and, if applicable, the surrender of any certificate or certificates (or lost certificate affidavit and agreement) for Preferred Stock, the Corporation shall (a) issue and deliver to such holder, or to his, her or its nominees, a certificate or certificates for the number of full shares of Common Stock issuable on such conversion in accordance with the provisions hereof, (b) pay cash as provided in Subsection 4.2 in lieu of any fraction of a share of Common Stock otherwise issuable upon such conversion and the payment of any declared but unpaid dividends on the shares of Preferred Stock converted. Such converted Preferred Stock shall be retired and cancelled and may not be reissued as shares of such series, and the Corporation may thereafter take such appropriate action (without the need for stockholder action) as may be necessary to reduce the authorized number of shares of Preferred Stock accordingly.

6. No Redemption. Except as set forth in Section 2.4.2(b), the shares of Preferred Stock shall not be mandatorily redeemable.

7. Waiver. Any of the rights, powers, preferences and other terms of the Series E-1 Preferred Stock set forth herein may be waived on behalf of all holders of such series of Preferred Stock by the affirmative written consent or vote of the holders of at least a majority of the shares Series E-1 Preferred Stock then outstanding. Any of the rights, powers, preferences and other terms of the Series E Preferred Stock set forth herein may be waived on behalf of all holders of such series of Preferred Stock by the affirmative written consent or vote of the holders of at least sixty percent (60%) of the shares Series E Preferred Stock then outstanding. Any of the rights, powers, preferences and other terms of the Series D Preferred Stock set forth herein may be waived on behalf of all holders of such series of Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares Series D Preferred Stock then outstanding, except that a waiver of a provision which requires the consent of the Series D Requisite Holder (pursuant to the provisions of Subsections 2.4.1, 3.6, 4.4.2, 5.1, or otherwise) shall also require the consent of Series D Requisite Holder. Any of the rights, powers, preferences and other terms of the Series C Preferred Stock set forth herein may be waived on behalf of all holders of such series of Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares Series C Preferred Stock then outstanding. Any of the rights, powers, preferences and other terms of the Series B Preferred Stock set forth herein may be waived on behalf of all holders of such series of Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares Series B Preferred Stock then outstanding. Any of the rights, powers, preferences and other terms of the Series A Preferred Stock set forth herein may be waived on behalf of all holders of such series of Preferred Stock by the affirmative written consent or vote of the holders of at least sixty-one percent (61%) of the shares Series A Preferred Stock then outstanding. Any of the rights, powers, preferences and other terms of each series of Combined Series Seed Preferred Stock set forth herein may be waived on behalf of all holders of such series of Combined Series Seed Preferred Stock by the affirmative written consent or vote of the holders of a majority of the shares of such series of Combined Series Seed Preferred Stock then outstanding.

8. Notices. Any notice required or permitted by the provisions of this Article Fourth to be given to a holder of shares of Preferred Stock shall be mailed, postage prepaid, to the post office address last shown on the records of the Corporation, or given by electronic communication in compliance with the provisions of the General Corporation Law, and shall be deemed sent upon such mailing or electronic transmission,

FIFTH: Subject to any additional vote required by the Certificate of Incorporation or Bylaws, in furtherance and not in limitation of the powers conferred by statute, the Board of Directors is expressly authorized to make, repeal, alter, amend and rescind any or all of the Bylaws of the Corporation.

SIXTH: Subject to any additional vote required by the Certificate of Incorporation, the number of directors of the Corporation shall be determined in the manner set forth in the Bylaws of the Corporation.

SEVENTH: Elections of directors need not be by written ballot unless the Bylaws of the Corporation shall so provide.

EIGHTH: Meetings of stockholders may be held within or without the State of Delaware, as the Bylaws of the Corporation may provide. The books of the Corporation may be kept outside the State of Delaware at such place or places as may be designated from time to time by the Board of Directors or in the Bylaws of the Corporation.

NINTH: To the fullest extent permitted by law, a director of the Corporation shall not be personally liable to the Corporation or its stockholders for monetary damages for breach of fiduciary duty as a director, If the General Corporation Law or any other law of the State of Delaware is amended after approval by the stockholders of this Article Ninth to authorize corporate action further eliminating or limiting the personal liability of directors, then the liability of a director of the Corporation shall be eliminated or limited to the fullest extent permitted by the General Corporation Law as so amended.

Any repeal or modification of the foregoing provisions of this Article Ninth by the stockholders of the Corporation shall not adversely affect any right or protection of a director of the Corporation existing at the time of, or increase the liability of any director of the Corporation with respect to any acts or omissions of such director occurring prior to, such repeal or modification.

TENTH: To the fullest extent permitted by applicable law, the Corporation is authorized to provide indemnification of (and advancement of expenses to) directors, officers and agents of the Corporation (and any other persons to which General Corporation Law permits the Corporation to provide indemnification) through Bylaw provisions, agreements with such agents or other persons, vote of stockholders or disinterested directors or otherwise, in excess of the indemnification and advancement otherwise permitted by Section 145 of the General Corporation Law.

Any amendment, repeal or modification of the foregoing provisions of this Article Tenth shall not (a) adversely affect any right or protection of any director, officer or other agent of the Corporation existing at the time of such amendment, repeal or modification or (b) increase the liability of any director of the Corporation with respect to any acts or omissions of such director, officer or agent occurring prior to, such amendment, repeal or modification.

ELEVENTH: The Corporation renounces, to the fullest extent permitted by law, any interest or expectancy of the Corporation in, or in being offered an opportunity to participate in, any Excluded Opportunity. An "***Excluded Opportunity***" is any matter, transaction or interest that is presented to, or acquired, created or developed by, or which otherwise comes into the possession of (i) any director of the Corporation who is not an employee, affiliate, of the Corporation or any of its subsidiaries, or (ii) any holder of Preferred Stock or any partner, member, director, stockholder, employee or agent of any such holder, other than someone who is an employee of the Corporation or any of its subsidiaries (collectively, the persons referred to in clauses (i) and (ii) are "***Covered Persons***"), unless such matter, transaction or interest is presented to, or acquired, created or developed by, or otherwise comes into the possession of, a Covered Person expressly and solely in such Covered Person's capacity as a director of the Corporation while such Covered Person is performing services in such capacity. Any repeal or modification of this Article Eleventh will only be prospective and will not affect the rights under this Article Eleventh in effect at the time of the occurrence of any actions or omissions to act giving rise to liability. Notwithstanding anything to the contrary contained elsewhere in this Amended and Restated Certificate of Incorporation, the affirmative vote of the Requisite Holders will be required to amend or repeal, or to adopt any provisions inconsistent with this Article Eleventh.

* * *

3. That the foregoing amendment and restatement was approved by the holders of the requisite number of shares of this corporation in accordance with Section 228 of the General Corporation Law.

4. That this Eighth Amended and Restated Certificate of Incorporation, which restates and integrates and further amends the provisions of this Corporation's Seventh Amended and Restated Certificate of Incorporation, has been duly adopted in accordance with Sections 242 and 245 of the General Corporation Law.

* * *

IN WITNESS WHEREOF, this Eighth Amended and Restated Certificate of Incorporation has been executed by a duly authorized officer of this corporation on this 2nd day of September, 2020.

By: */s/ George Chamoun*
Name: George Chamoun
Title: Chief Executive Officer

[Signature Page to Eighth Amended and Restated Certificate of Incorporation]

THIRD AMENDED AND RESTATED BYLAWS

OF

ACV AUCTIONS INC.

ARTICLE I
OFFICES

Section 1.1 Registered Office. The registered office of the Corporation shall be maintained in the State of Delaware.

Section 1.2 Principal Executive Office. The principal executive office of the Corporation shall be maintained in Erie County, New York. The Corporation may maintain offices at such other places as the Board of Directors may from time to time determine or as may be necessary or convenient for the business of the Corporation.

ARTICLE II
STOCKHOLDERS

Section 2.1 Annual Meeting. 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) within or without the State of Delaware, on such date, and at such time as the Board of Directors shall fix each year, which date shall be within thirteen (13) months of the last annual meeting of stockholders or, if no such meeting has been held, the date of incorporation. In lieu of holding an annual meeting of stockholders at a designated place, the Board of Directors may, in its sole discretion, determine that any annual meeting of stockholders may be held solely by means of remote communication.

Section 2.2 Special Meetings. Special meetings of stockholders, for any purpose or purposes prescribed in the notice of the meeting, unless otherwise prescribed by law (meaning, here and hereinafter, as required from time to time by the Delaware General Corporation Law or the Certificate of Incorporation of the Corporation), may be called by the Board of Directors (or by a committee of the Board of Directors that has been duly designated by the Board of Directors and whose powers and authority, as expressly provided in a resolution of the Board of Directors, include the power to call such meetings) or the chief executive officer and shall be held at such place (if any) within or without the State of Delaware, on such date, and at such time as they or the chief executive officer shall fix. In lieu of holding a special meeting of stockholders at a designated place, the Board of Directors may, in its sole discretion, determine that any special meeting of stockholders may be held solely by means of remote communication.

Special meetings of the stockholders, for any purpose or purposes, unless otherwise prescribed by law, shall be called by the Secretary upon the written request of either of (i) the stockholders owning at least 50% of the number of shares of the Corporation issued and outstanding and entitled to vote, or (ii) the stockholders owning at least 30% of number of shares of Series Seed Preferred Stock of the Corporation issued and outstanding, if any. Such request shall state the purpose or purposes of the proposed meeting. Unless otherwise prescribed by law, special meetings called by request of stockholders shall be held at the offices of the Corporation on such reasonable date and at such reasonable time as the chief executive officer shall fix, which date shall be not less than fifteen (15) nor more than ninety (90) days from the date of receipt of the request.

Section 2.3 Notice of Meetings. The Corporation shall give notice of any annual or special meeting of stockholders. Notices of meetings of the stockholders shall state the place, (if any), date, and hour of the meeting, and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such meeting. In the case of a special meeting, the notice shall state the purpose or purposes for which the meeting is called. No business other than that specified in the notice shall be transacted at any special meeting. Unless otherwise provided by law, notice shall be given to each stockholder entitled to vote at such meeting not fewer than ten (10) days or more than sixty (60) days before the date of the meeting.

Section 2.4 Quorum. The holders of a majority of the shares issued and outstanding and entitled to vote at the meeting, present in person or represented by proxy, shall be requisite and shall constitute a quorum at all meetings of the stockholders for the transaction of business, except as otherwise provided by law or these Bylaws. Where a separate vote by a class or series is required, a majority of the shares of such class or series present in person or represented by proxy shall constitute a quorum entitled to take action with respect to that vote on that matter.

If a quorum shall not be present or represented at any meeting of stockholders, then the chair of the meeting or the holders of a majority of the shares present in person or represented by proxy at the meeting and entitled to vote, shall have the power to adjourn the meeting from time to time, without notice (except as required by law or Section 2.3 of these Bylaws) until a quorum shall again be present or represented by proxy.

Section 2.5 Adjourned Meetings. Any meeting of stockholders, annual or special, may adjourn from time to time to reconvene at the same or some other place (if any), at another date and time. When a meeting is adjourned to another time and place, if any, unless otherwise provided by these Bylaws, notice need not be given of the adjourned meeting if the place (if any), date and time, thereof and the means of remote communication, if any, by which stockholders and proxyholders may be deemed to be present in person and vote at such adjourned meeting, are announced at the meeting at which the adjournment is taken. At the adjourned meeting, the stockholders may transact any business that might have been transacted at the original meeting. A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of such meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting. If an adjournment is for more than 30 days or, if after an adjournment, a new record date is fixed for the adjourned meeting, a notice of the adjourned meeting shall be given to each stockholder entitled to vote at the meeting.

Section 2.6 Stockholders' List. At least ten (10) days before every meeting of stockholders, a complete list of the stockholders entitled to vote at the meeting, arranged in alphabetical order for each class or series of stock and showing the address of each stockholder and the number of shares registered in the name of each stockholder, shall be prepared by the Secretary. The list shall be reasonable accessible and open to the examination of any stockholder or such stockholder's proxy, for any purpose germane to the meeting, during ordinary business hours, for a period of at least ten days prior to the meeting either at a place within the city where the meeting is to be held, which place shall be specified in the notice of the meeting, or if not so specified, at the place where the meeting is to be held. The list shall also be produced and kept at the time and place of the meeting during the whole time thereof, and may be inspected by any stockholder or such stockholder's proxy who is present. The list shall presumptively determine the identity of the stockholders entitled to vote at the meeting and the number of shares held by each stockholder.

Section 2.7 Conduct of Business. The person designated by the Board of Directors or, in the absence of such a person, the chief executive officer of the Corporation or, in such officer's absence, such person as may be chosen by the holders of a majority of the shares entitled to vote who are present in person or represented by proxy, shall call to order any meeting of stockholders and shall preside over and act as chair of the meeting. In the absence of the Secretary of the Corporation, the secretary of the meeting shall be such person as the chair of the meeting appoints. The chair of any meeting of stockholders shall determine the order of business and the procedure at the meeting, including such regulation of the manner of voting and the conduct of discussion as shall seem to the chair of the meeting in order. 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.

Section 2.8 Conduct of Meetings. The Board of Directors of the Corporation may adopt by resolution such rules and regulations for the conduct of any meeting of stockholders as it shall deem appropriate. Except to the extent inconsistent with rules and regulations adopted by the Board of Directors, the chair of the meeting of stockholders shall have the right and authority to prescribe any rules, regulations or procedures and to do all such acts as, in the judgment of the chair of the meeting, are appropriate for the proper conduct of the meeting. Such rules, regulations or procedures, whether adopted by the Board of Directors or prescribed by the chair of the meeting, may include, without limitation, the following: (i) the establishment of an agenda or order of business for the meeting; (ii) rules and procedures for maintaining order at the meeting and the safety of those present; (iii) limitations on attendance at or participation in the meeting to stockholders of record of the Corporation, their duly authorized and constituted proxies or such other persons as the chair of the meeting shall determine; (iv) restrictions on entry to the meeting after the time fixed for the commencement thereof; and (v) limitations on the time allotted to questions or comments by participants. Unless and to the extent determined by the Board of Directors or the chair of the meeting, meetings of stockholders shall not be required to be held in accordance with the rules of parliamentary procedure.

Section 2.9 Voting. When a quorum is present at any meeting of stockholders, and subject to the provisions of law or these Bylaws in respect of the vote that shall be required for a specified action, the vote of the holders of a majority of the shares having voting power, present in person or represented by proxy, shall decide any question brought before such meeting, unless

the question is one upon which, by express provision of law or these Bylaws, a different vote is required, in which case, such express provision shall govern and control the decision of such question. At all meetings of stockholders for the election of directors a plurality of the votes cast shall be sufficient to elect. Each stockholder shall have one vote for each share of stock having voting power registered in the stockholder's name on the books of the Corporation, except as otherwise provided in the Certificate of Incorporation.

At any meeting of the stockholders, every stockholder entitled to vote may vote in person or by proxy authorized by an instrument in writing or by a transmission permitted by law filed in accordance with the procedure established for the meeting.

All voting, including on the election of directors, except as otherwise required by law, may be by a voice vote; provided, however, that upon demand therefore by a stockholder entitled to vote or the stockholder's proxy, a stock vote shall be taken. Every stock vote shall be taken by ballot, each of which shall state the name of the stockholder or proxy voting and such other information as may be required under the procedure established for the meeting. The Corporation may, and to the extent required by law, shall, in advance of any meeting of stockholders, appoint one or more inspectors to act at the meeting and make a written report thereof, including each vote taken. 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 chair of the meeting may, and to the extent required by law, shall, appoint one or more inspectors to act at the meeting. Each inspector, before acting at the meeting, shall take and sign an oath to faithfully execute the duties of inspector with strict impartially and according to the best of his or her ability. Every vote taken by ballot shall be counted by an inspector or inspectors.

Voting at meetings of stockholders need not be by written ballot and, unless otherwise required by law, need not be conducted by inspectors of election, unless so determined by the holders of shares of stock having a majority of the votes which could be cast by the holders of all outstanding shares of stock entitled to vote thereon which are present in person or by proxy at such meeting.

Section 2.10 Proxies. Each stockholder entitled to vote at a meeting of stockholders or to express consent or dissent to corporate action in writing without a meeting may authorize another person or persons to act by proxy, but no such proxy shall be voted or acted upon after three (3) years from its date, unless the proxy provides for a longer period.

A stockholder may execute a writing authorizing another person or persons to act for such stockholder as proxy in writing by transmitting or authorizing a transmission permitted by law, including a facsimile signature or an electronic transmission; provided, that the transmission sets forth or is submitted with information from which it can be determined that the transmission was authorized by the stockholder. Any copy, facsimile telecommunication or other reliable reproduction of the writing or transmission created pursuant to this paragraph may be substituted or used in lieu of the original writing or transmission for any and all purposes for which the original writing or transmission could be used; provided, however, that such copy, facsimile telecommunication or other reproduction shall be a complete reproduction of the entire original writing or transmission.

A proxy shall be irrevocable if it states that it is irrevocable and if, and only as long as, it is coupled with an interest sufficient in law to support an irrevocable power. A stockholder may revoke any proxy which is not irrevocable by attending the meeting and voting in person or by filing an instrument in writing revoking the proxy or by delivering a proxy in accordance with applicable law bearing a later date to the Secretary of the Corporation.

Section 2.11 Consent of Stockholders in Lieu of Meeting Unless otherwise restricted by the certificate of incorporation, any action required to be taken at any annual or special meeting of stockholders of the Corporation, or any action which may be taken at any annual or special meeting of the stockholders, may be taken without a meeting, without prior notice and without a vote, if a consent or consents in writing, setting forth the action so taken, shall be signed by the holders of outstanding stock having not less than the minimum number of votes that would be necessary to authorize or take such action at a meeting at which all shares entitled to vote thereon were present and voted and shall be delivered to the Corporation by delivery to its registered office in Delaware, its principal place of business, or an officer or agent of the Corporation having custody of the book in which proceedings of meetings of stockholders are recorded. Delivery made to the Corporation's registered office shall be made by hand or by certified or registered mail, return receipt requested.

Every written consent shall bear the date of signature of each stockholder who signs the consent and no written consent shall be effective to take the corporate action referred to therein, unless, within sixty (60) days of the date the earliest dated consent is delivered to the Corporation, a written consent or consents signed by holders of a sufficient number of shares to take action are delivered to the Corporation in the manner prescribed in the first paragraph of this Section.

Prompt notice of the taking of the corporate action without a meeting by less than unanimous written consent of stockholders shall be given to those stockholders who have not consented in writing.

Section 2.12 Remote Communication. For the purposes of these Bylaws, if authorized by the Board of Directors in its sole discretion, and subject to such guidelines and procedures as the Board of Directors may adopt, stockholders and proxyholders may, by means of remote communication:

(a) participate in a meeting of stockholders; and

(b) 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, however, 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.

ARTICLE III
DIRECTORS

Section 3.1 General Powers. The business and affairs of the Corporation shall be managed by or under the direction of the Board of Directors, which may exercise all such powers and do all such acts and things as may be exercised or done by the Corporation and are not by law or these Bylaws directed or required to be exercised or done by the stockholders.

Section 3.2 Number of Directors. The number of directors which shall constitute the whole Board shall be such number as the Board of Directors shall from time to time have designated. The directors shall be elected at the annual meeting of stockholders for a term of one year and shall serve until that director's successor is elected and qualified or until his or her earlier death, resignation or removal. Directors shall be natural persons, but need not be stockholders.

Section 3.3 Vacancies. If the office of any director or directors becomes vacant by reason of death, resignation, retirement, disqualification, removal from office, or otherwise, or a new directorship is created, the directors then in office or, upon their failure to act, the holders of a plurality of shares issued and outstanding and entitled to vote in elections of directors, shall choose a successor or successors, or a director to fill the newly created directorship, who shall hold office for the unexpired term or until his or her successor is elected and qualified.

Section 3.4 Place of Meetings. The Board of Directors may hold its meetings outside of the State of Delaware, at the office of the Corporation or at such other places as they may from time to time determine, or as shall be fixed in the respective notices or waivers of notice of such meetings.

Section 3.5 Committees of Directors. The Board of Directors may, by resolution or resolutions passed by a majority of the whole Board, designate one or more committees, each committee to consist of one or more of the directors of the Corporation to serve at the pleasure of the whole Board. 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. A committee, to the extent provided in a resolution of the Board of Directors, shall have and may exercise all the powers and authority of the Board of Directors in the management of the business and affairs of the Corporation, and may authorize the seal of the Corporation to be affixed to all papers which may require it; provided, however, that no committee shall have the power or authority in reference to, adopting or recommending to the stockholders an agreement of merger or consolidation, the sale, lease or exchange of all or substantially all of the Corporation's property and assets, a dissolution or a revocation of a dissolution of the Corporation, or adopt, amend or repeal any provision of the Certificate of Incorporation or these Bylaws. Unless the resolution, the Certificate of Incorporation or these Bylaws expressly so provides, no committee shall have the power or authority to declare a dividend or to authorize the issuance of stock or other securities. Committees may have such names as may be determined from time to time by resolution adopted by the Board of Directors. Each committee

shall keep regular minutes of its proceedings, provide copies of the same to the whole Board and shall report to the Board of Directors when required or requested. Unless otherwise provided in the resolution of the Board of Directors designating the committee, a committee may create one or more subcommittees, each subcommittee to consist of one or more members of the committee, and delegate to a subcommittee any or all of the powers and authority of the committee.

Section 3.6 Compensation of Directors. Directors, as such, may receive an annual or periodic fee or such other compensation for their services and reimbursement of expenses for attendance at meetings of the Board of Directors as may be established by resolution of the Board. Nothing herein contained shall be construed to preclude any director from serving the Corporation in any other capacity and receiving compensation therefor. Members of special or standing committees may be allowed like compensation for attending committee meetings.

Section 3.7 Regular Meetings. Regular meetings of the Board of Directors shall be held at such place or places, on such date or dates, and at such time or times as shall have been established by the Board of Directors and publicized among all directors. A notice of each regular meeting shall not be required. An annual meeting of the Board of Directors shall be held within ten (10) days after the annual meeting of stockholders in each year. If the annual meeting of the Board of Directors is not held immediately following the annual meeting of stockholders, then notice of such meeting, unless waived, shall be given to each director elected at the annual meeting of stockholders, at his or her address as the same may appear on the records of the Corporation, or in the absence of such address, at his or her residence or usual place of business, at least five (5) days before the day on which such meeting is to be held. Any such meeting may be held at such place as the Board may fix from time to time or as may be specified or fixed in the notice or waiver thereof.

Section 3.8 Special Meetings. Special meetings of the Board of Directors may be held at any time on the call of the chief executive officer or at the request in writing of any director then in office. Notice of any special meeting, unless waived, shall be given to each director at the address on the records of the Corporation not less than twenty-four (24) hours prior to the day on which such meeting is to be held, if such notice is by electronic transmission, and not less than five (5) days prior to the day on which the meeting is to be held if such notice is by mail. If the Secretary shall fail or refuse to give such notice, then the notice may be given by the officer or any one of the directors making the call. Notwithstanding the foregoing, for purposes of dealing with an emergency situation, as conclusively determined by the directors or officer calling the meeting, notice may be given in person, by electronic transmission, by telephone or by any other means that reasonably may be expected to provide similar notice, not less than two (2) hours prior to the meeting. Any such meeting may be held at such place as the Board may fix from time to time or as may be specified or fixed in the notice or waiver thereof. Any meeting of the Board of Directors shall be a legal meeting without any notice thereof having been given, if all the directors shall be present thereat, and no notice of a meeting shall be required to be given to any director who attends the meeting. Unless otherwise indicated in the notice thereof, any and all business may be transacted at a special meeting of Directors.

Section 3.9 Action Without Meeting. Any action required or permitted to be taken at any meeting of the Board of Directors or any committee thereof may be taken without a meeting, if a written consent to such action is signed by all members of the Board or of such committee, as the case may be, and such written consent is filed with the minutes of proceedings of the Board of Directors or committee.

Section 3.10 Quorum. Except as otherwise provided in these Bylaws, a majority of the total number of directors shall constitute a quorum at any meeting of the Board of Directors. In the absence of a quorum, a majority of the directors present may adjourn the meeting from time to time until a quorum shall be present. Notice of any adjourned meeting need not be given, except that notice shall be given to all directors, if the adjournment is for more than thirty (30) days.

Section 3.11 Conduct of Business. At any meeting of the Board of Directors, business shall be transacted in such order and manner as the Board may from time to time determine. Except as otherwise provided by law or these Bylaws, the act or vote of a majority of the directors present at any meeting at which a quorum is present shall be the act of the Board of Directors. Any director may require the "ayes" and "noes" to be taken on any question or vote and recorded in the minutes. Members of the Board of Directors, or any committee designated by the Board, may participate in a meeting of the Board or committee by means of conference telephone or similar communications equipment by means of which all persons participating in the meeting can hear each other, and participation in a meeting pursuant to this Section shall constitute presence in person at such meeting.

Section 3.12 Compensation of Directors. Directors, as such, may receive, pursuant to resolution of the Board of Directors, fixed fees and other compensation for their services as directors, including their services as members of committees of the Board of Directors.

ARTICLE IV
OFFICERS

Section 4.1 Executive Officers. The executive officers of the Corporation shall be a Chief Executive Officer and/or a President, such number of Vice Presidents, if any, as the Board of Directors may determine, a Secretary and a Treasurer. One person may hold any number of offices.

Section 4.2 Election, Term of Office and Eligibility. The executive officers of the Corporation shall be elected annually by the Board of Directors, at its annual meeting; provided, however, that new, replacement or additional officers may be elected at any meeting of the Board. Each officer, except such officers as may be appointed in accordance with the provisions of Section 4.3, shall hold office until his or her successor shall have been duly chosen and qualified or until his or her death, resignation or removal. Officers need not be directors.

Section 4.3 Subordinate Officers. The Board of Directors may appoint such Assistant Secretaries, Assistant Treasurers, Controller and other officers, and such agents or representatives as the Board may determine, to hold office for such period and with such authority and to perform such duties as the Board may from time to time determine. The Board may, by specific resolution, empower the chief executive officer of the Corporation or any Committee of the Board to appoint subordinate officers or agents or representatives.

Section 4.4 Removal. Any executive officer may be removed at any time, either with or without cause, but only by the affirmative vote of the majority of the total number of directors as at the time specified by the Bylaws. Any subordinate officer may be removed at any time, either with or without cause, by the majority vote of the directors present at any meeting of the Board or any meeting of a committee having the power to appoint an individual to such office or by the chief executive officer or any other officer empowered to appoint such subordinate officers.

Section 4.5 The Chief Executive Officer. The Chief Executive Officer shall have executive authority to see that all orders and resolutions of the Board of Directors are carried into effect, and, subject to the control vested in the Board of Directors by law or these Bylaws, shall administer and be responsible for the overall management of the business and affairs of the Corporation. The CEO shall preside at all meetings of the stockholders and of the Board of Directors. The CEO shall perform all duties and have all powers which are commonly incident to such office, including general supervision and direction of all other officers, employees, agents and representatives of the Corporation. The CEO shall perform such other duties as from time to time may be delegated or assigned by the Board of Directors.

Section 4.6 The President. The President shall perform such duties as may from time to time be delegated or assigned by the Board of Directors or the CEO, and in the absence or disability of the CEO, shall perform the duties of the CEO.

Section 4.7 Vice Presidents. In the event of the absence or disability of the President, each Vice President, in the order designated, or in the absence of any designation, then in the order of their election, shall perform the duties of the President. Each Vice President shall also perform such other duties as from time to time may be delegated or assigned by the Board of Directors or by the chief executive officer of the Corporation.

Section 4.8 The Secretary. The Secretary shall:

(a) Keep the minutes of the meetings of the stockholders and of the Board of Directors;

(b) See that all notices are duly given in accordance with the provisions of law or these Bylaws;

(c) Be custodian of the records and of the seal of the Corporation and see that the seal or a facsimile or equivalent thereof is affixed to or reproduced on all documents, the execution of which on behalf of the Corporation under its seal is duly authorized;

(d) Have charge of the stock record books of the Corporation;

(e) In general, perform all duties incident to the office of Secretary, and such other duties as are provided by these Bylaws and as from time to time are delegated or assigned by the Board of Directors or by the chief executive officer of the Corporation.

Section 4.9 Assistant Secretaries. If one or more Assistant Secretaries shall be appointed pursuant to the provisions of Section 4.3 respecting subordinate officers, then, at the request of the Secretary, or in the absence or disability of the Secretary, the Assistant Secretary designated by the Secretary (or in the absence of such designations, then any one of such Assistant Secretaries) shall perform the duties of the Secretary and when so acting shall have all the powers of, and be subject to all the restrictions upon, the Secretary.

Section 4.10 The Treasurer. The Treasurer shall:

(a) Receive and be responsible for all funds of and securities owned or held by the Corporation and, in connection therewith, among other things: keep or cause to be kept full and accurate financial records and accounts for the Corporation; deposit or cause to be deposited to the credit of the Corporation all moneys, funds and securities so received in such bank or other depositary as the Board of Directors or an officer designated by the Board may from time to time establish; and disburse or supervise the disbursement of the funds of the Corporation as may be properly authorized.

(b) Render to the Board of Directors at any meeting thereof, or from time to time whenever the Board of Directors or the chief executive officer of the Corporation may require, financial and other appropriate reports on the condition of the Corporation;

(c) In general, perform all the duties incident to the office of Treasurer and such other duties as from time to time may be delegated or assigned by the Board of Directors or by the chief executive officer of the Corporation.

Section 4.11 Assistant Treasurers. If one or more Assistant Treasurers shall be appointed pursuant to the provisions of Section 4.3 respecting subordinate officers, then, at the request of the Treasurer, or in his absence or disability, the Assistant Treasurer designated by the Treasurer (or in the absence of such designation, then any one of such Assistant Treasurers) shall perform all the duties of the Treasurer and when so acting shall have all the powers of and be subject to all the restrictions upon, the Treasurer.

Section 4.12 Salaries. The salaries of the officers shall be fixed from time to time by the Board of Directors. No officer shall be prevented from receiving a salary by reason of the fact that the officer is also a director of the Corporation.

Section 4.13 Delegation of Duties. In the absence of any officer of the Corporation or for any other reason deemed sufficient by the Board of Directors, the Board of Directors may, for the time being, delegate any or all of the powers and duties of such officer to any other officer or to any director.

ARTICLE V
SHARES OF STOCK

Section 5.1 Regulation. Subject to the terms of any contract of the Corporation, the Board of Directors may make such rules and regulations as it may deem expedient concerning the issue, transfer, conversion and registration of certificates for shares of the stock or other securities of the Corporation, including the issue of new certificates for lost, stolen or destroyed certificates, and including the appointment of transfer agents and registrars.

Section 5.2 Stock Certificates. Certificates for shares of the stock or other securities of the Corporation shall be numbered serially for each class of stock, or series thereof, as they are issued, shall be signed by the Chief Executive Officer, or the President or a Vice President, and by the Secretary or Treasurer, or an Assistant Secretary or an Assistant Treasurer; provided, however, that such signatures may be facsimiles on any certificate countersigned by a transfer agent other than the Corporation or its employee. Each certificate shall exhibit the name of the Corporation, the class (or series of any class) and number of shares represented thereby, and the name of the holder. The Corporation shall not have power to issue a certificate in bearer form. Each certificate shall be otherwise in such form as may be prescribed by the Board of Directors.

Section 5.3 Uncertificated Shares. The Board of Directors may provide by resolution that some or all of any or all classes or series of stock or other securities of the Corporation shall be uncertificated shares. Any such resolution shall not apply to shares represented by a certificate until such certificate is surrendered to the Corporation. Notwithstanding the adoption of such a resolution, every holder of stock represented by certificates and upon request, every holder of uncertificated shares shall be entitled to have a certificate signed in the name of the Corporation by the Chief Executive Officer, or the President or any Vice President, and by the Secretary or an Assistant Secretary of the Corporation, representing in certificate form the number of shares registered.

Section 5.4 Restriction on Transfer of Securities in General. Restrictions on the transfer or registration of transfer of stock or other securities of the Corporation may be imposed by the Certificate of Incorporation, these Bylaws, an agreement among any number of security holders (but only if the agreement is delivered to the Secretary of the Corporation and referenced on the certificates, if any, representing such securities) or an agreement among security holders and the Corporation. Without limiting the generality of the foregoing, a restriction on the transfer of securities of the Corporation is permitted by this Section, if it:

(a) Obligates the holder of the restricted securities to offer to the Corporation or to any other holders of securities of the Corporation or to any other person or to any combination of the foregoing a prior opportunity, to be exercised within a reasonable time, to acquire the restricted securities;

(b) Obligates the Corporation or any holder of securities of the Corporation or any other person or any combination of the foregoing to purchase the restricted securities;

(c) Requires the Corporation or the holders of any class of securities of the Corporation to consent to any proposed transfer of the restricted securities or to approve the proposed transferee of the restricted securities;

(d) Prohibits the transfer of the restricted securities to designated persons or classes of persons, and such designation is not manifestly unreasonable; or

(e) Restricts transfer or registration of transfer in any other lawful manner.

Section 5.5 Restriction on Transfer of Common Stock; Right of First Refusal.

(a) No stockholder shall sell, assign, pledge, encumber, or in any manner transfer or dispose of (including by way of any arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Common Stock) any of the share of common stock of the Corporation ("Common Stock") (other than shares of Common Stock issued upon conversion of the Corporation's preferred stock other than the Series Seed Preferred Stock) or Series Seed Preferred Stock, or any right or interest therein, whether voluntarily or by operation of law, or by gift or otherwise, except by a transfer (i) that has been approved the Board of Directors and (ii) upon such approval, otherwise meets the requirements set forth in this Section 5.5, in addition to any other restrictions or requirements set forth under applicable law or these Bylaws.

(b) If a stockholder desires to sell or otherwise transfer any of such stockholder's shares of stock, then the stockholder shall first give written notice thereof to the Corporation. The notice shall name the proposed transferee and state the number of shares to be transferred, the proposed consideration, and all other terms and conditions of the proposed transfer.

(c) For thirty (30) days following receipt of such notice, the Corporation shall have the option to purchase all (but not less than all) of the shares specified in the notice at the price and upon the terms set forth in such notice; provided, however, that, with the consent of the stockholder, the Corporation shall have the option to purchase a lesser portion of the shares specified in said notice at the price and upon the terms set forth therein. In the event of a gift, property settlement or other transfer in which the proposed transferee is not paying the full price for the shares, and that is not otherwise exempted from the provisions of this Section 5.5, the price shall be deemed to be the fair market value of the stock at such time as determined in good faith by the Board of Directors. In the event the Corporation elects to purchase all of the shares or, with the consent of the stockholder, a lesser portion of the shares, it shall give written notice to the transferring stockholder of its election, and settlement for said shares shall be made as provided below in Section 5.5(e).

(d) The Corporation may assign its rights hereunder.

(e) In the event the Corporation and/or its assignee(s) elect to acquire any of the shares of the transferring stockholder as specified in said transferring stockholder's notice, the Secretary of the Corporation shall so notify the transferring stockholder and settlement thereof shall be made in cash within thirty (30) days after the Secretary of the Corporation receives said transferring stockholder's notice; provided, that, if the terms of payment set forth in said transferring stockholder's notice were other than cash against delivery, the Corporation and/or its assignee(s) shall pay for said shares on the same terms and conditions set forth in said transferring stockholder's notice.

(f) In the event the Corporation and/or its assignees(s) do not elect to acquire all of the shares specified in the transferring stockholder's notice, said transferring stockholder may, subject to the Corporation's approval and all other restrictions on transfer set forth in Section 5.5, within the sixty-day period following the expiration or waiver of the option rights

granted to the Corporation and/or its assignees(s) herein, transfer the shares specified in said transferring stockholder's notice which were not acquired by the Corporation and/or its assignees(s) as specified in said transferring stockholder's notice. All shares so sold by said transferring stockholder shall continue to be subject to the provisions of this Section 5.5 in the same manner as before said transfer.

(g) Anything to the contrary contained herein notwithstanding, the following transactions shall be exempt from the provisions of this Section 5.5:

i. If such stockholder is an individual, such stockholder's transfer of any or all shares held either during such stockholder's lifetime or on death, without consideration to such stockholder's ancestors, descendants, siblings, spouse or in-laws or to trusts for the benefit of such persons or the stockholder or to a company or another entity wholly-owned by such stockholder or any such person.

ii. If such stockholder is an entity, any transfer that is (1) a partnership transferring to its partners or former partners in accordance with partnership interests, (2) a corporation transferring to a wholly-owned subsidiary or its stockholders in accordance with their ownership interest, (3) a limited liability company transferring to its members or former members in accordance with their interest in the limited liability company, or (4) a venture capital fund transferring to any investment fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company with, such venture capital fund or a venture capital fund making distributions.

In any such case, the transferee, assignee, or other recipient shall receive and hold such stock subject to the provisions of this Section 5.5 and any other restrictions set forth in these Bylaws, and there shall be no further transfer of such stock except in accord with this Section 5.5 and the other provisions of these Bylaws.

(h) The provisions of this Section 5.5 may be waived with respect to any transfer by the Corporation, upon duly authorized action of its Board of Directors. This Section 5.5 may be amended or repealed by a duly authorized action of the Board of Directors.

(i) Any sale or transfer, or purported sale or transfer, of securities of the Corporation shall be null and void unless the terms, conditions, and provisions of this Section 5.5 are strictly observed and followed.

(j) The foregoing right of first refusal shall terminate upon the date securities of the Corporation are first offered to the public pursuant to a registration statement filed with, and declared effective by, the United States Securities and Exchange Commission under the Securities Act of 1933, as amended.

(k) The certificates representing shares of stock of the Corporation that are subject to the right of first refusal in this Section 5.5 shall bear on their face the following legend so long as the foregoing right of first refusal remains in effect:

> "THE SECURITIES REFERENCED HEREIN ARE SUBJECT TO A RIGHT OF FIRST REFUSAL OPTION IN FAVOR OF THE COMPANY AND/OR ITS ASSIGNEE(S), AS PROVIDED IN THE COMPANY'S BYLAWS."

Notwithstanding the foregoing provisions of this Section 5.5, to the extent that the right of first refusal set forth herein conflicts with a right of first refusal in any written agreement between the Corporation and any stockholder of the Corporation, then the right of first refusal set forth in such written agreement shall supersede the right of first refusal set forth herein, but only with respect to the specific stockholder(s), share(s) of stock and proposed transfer(s) to which the conflict relates.

(l) In addition to the transfer restrictions with respect to shares of Common Stock described in this Section 5.5, each certificate for shares of stock which are subject to any other restriction on transfer pursuant to the Certificate of Incorporation, applicable securities laws or any agreement among any number of stockholders or among such stockholders and the Corporation shall have conspicuously noted on the face or back of the certificate either the full text of the restriction or a statement of the existence of such restriction.

Section 5.6 Transfers. Transfers of stock or other securities of the Corporation shall be made only upon the transfer books of the Corporation kept at an office of the Corporation or by transfer agents designated to transfer shares of the stock or other securities of the Corporation. Except where a certificate is issued in accordance with Section 5.6, an outstanding certificate for the number of shares involved shall be surrendered for cancellation before a new certificate is issued therefore. As against the Corporation, a transfer of securities can be made only on the books of the Corporation and in the manner provided in these Bylaws, and the Corporation shall be entitled to treat the owner of record of any securities as the owner thereof and shall not be bound to recognize any equitable or other claim to or interest in such security on the part of any other person, whether or not it shall have express or other notice thereof, except as expressly provided by the laws of the State of Delaware.

Section 5.7 Record Date. In order that the Corporation may determine the holders entitled to notice of or to vote at any meeting of stockholders or any adjournment thereof or to receive payment of any dividend or other distribution or allotment of any rights or to exercise any rights in respect of any change, conversion or exchange of stock or other securities of the Corporation or for the purpose of any other lawful action, the Board of Directors may fix a record date, which record date shall not precede the date on which the resolution fixing the record date is adopted and which record date shall not be more than sixty (60) nor less than ten (10) days before the date of any meeting of stockholders, nor more than sixty (60) days prior to the time for such other action as hereinbefore described. If no record date is fixed by the Board of Directors, the record date for determining stockholders entitled to notice of or to vote at a meeting of stockholders or any adjournment thereof 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, and, for determining holders entitled to receive payment of any dividend or other distribution or allotment of rights or to exercise any rights of change, conversion or exchange of stock or for any other purpose, the record date shall be at the close of business on the day on which the Board of Directors adopts a resolution relating thereto.

A determination of stockholders of record entitled to notice of or to vote at a meeting of stockholders shall apply to any adjournment of the meeting; provided, however, that the Board of Directors may fix a new record date for the adjourned meeting.

In order that the Corporation may determine the stockholders entitled to consent to corporate action in writing without a meeting, the Board of Directors may fix a record date, which shall not precede the date upon which the resolution fixing the record date is adopted by the Board of Directors, and which record date shall be not more than ten (10) days after the date upon which the resolution fixing the record date is adopted. If no record date has been fixed by the Board of Directors and no prior action by the Board of Directors is required by law, the record date shall be the first date on which a signed written consent setting forth the action taken or proposed to be taken is delivered to the Corporation in the manner prescribed by Article I, Section 9 hereof. If no record date has been fixed by the Board of Directors and prior action by the Board of Directors is required by law with respect to the proposed action by written consent of the stockholders, the record date for determining stockholders entitled to consent to corporate action in writing shall be at the close of business on the day on which the Board of Directors adopts the resolution taking such prior action.

Section 5.8 Lost Certificate. Any stockholder claiming that a certificate representing shares of stock or other securities of the Corporation has been lost, stolen or destroyed may make an affidavit or affirmation of the fact and, if the Board of Directors so requires, advertise the same in a manner designated by the Board, and give the Corporation a bond of indemnity in form and with security for an amount satisfactory to the Board (or an officer designated by the Board), whereupon a new certificate may be issued of the same tenor and representing the same number, class and/or series of shares as were represented by the certificate alleged to have been lost, stolen or destroyed.

ARTICLE VI
BOOKS AND RECORDS

Section 6.1 Location. The books, accounts and records of the Corporation may be kept at such place or places within or without the State of Delaware as the Board of Directors may from time to time determine.

Section 6.2 Form. The books, accounts and records of the Corporation, including its stock ledger, books of account and minute books, shall be maintained in the regular course of its business and may be kept on, or be in the form of, computer files or any other commonly available information storage device that creates a record that can be retained, retrieved and reviewed and that may be directly reproduced in paper form; provided that the books, accounts and records so kept are readily available and can be easily converted into clearly legible form.

Section 6.3 Inspection. The books, accounts, and records of the Corporation shall be open to inspection by any member of the Board of Directors at all times; and open to inspection by the stockholders at such times, and subject to such regulations as the Board of Directors may prescribe, except as otherwise provided by statute.

ARTICLE VII
DIVIDENDS AND RESERVES

Section 7.1 Dividends. The Board of Directors of the Corporation, subject to any restrictions contained in the Certificate of Incorporation and other lawful commitments of the Corporation, may declare and pay dividends upon the shares of its capital stock in accordance with the General Corporation Law of the State of Delaware.

Section 7.2 Reserves. The Board of Directors of the Corporation may set apart, out of any of the funds of the Corporation available for dividends, a reserve or reserves for any proper purpose and may abolish any such reserve.

ARTICLE VIII
INDEMNIFICATION

Section 8.1 Right to Indemnification. Each person who was or is a party or is threatened to be made a party to or is otherwise involved in any action, suit or proceeding, whether civil, criminal, administrative or investigative (a "proceeding"), by reason of the fact that he or she, or a person of whom he or she is the legal representative, is or was a director or officer of the Corporation or who is or was serving at the request of the Corporation as a director, manager, officer, trustee, employee or agent of another corporation or of a partnership, limited liability company, joint venture, trust, nonprofit entity or other enterprise, including service with respect to employee benefit plans (an "indemnitee"), whether the basis of the proceeding is alleged action in an official capacity as a director, manager, officer, employee or agent or in any other capacity while serving as a director, manager, officer, employee or agent, shall be indemnified and held harmless by the Corporation to the fullest extent authorized by the Delaware General Corporation Law, as the same now or may hereafter exist (but, in the case of any change, only to the extent that such change authorizes the Corporation to provide broader indemnification rights than the law permitted the Corporation to provide prior to such change) against all expenses, liabilities and losses (including attorneys' fees, judgments, fines, ERISA excise taxes or penalties and amounts paid or to be paid in settlement) reasonably incurred or suffered by the indemnitee in connection therewith and such indemnification shall continue as to a person who has ceased to be a director or officer and shall inure to the benefit of the indemnitee's heirs, executors and administrators. The Corporation shall be required to indemnify a person in connection with a proceeding (or part thereof) initiated by such person, only if the proceeding (or part thereof) was authorized by the Board of Directors of the Corporation.

Section 8.2 Right to Advancement of Expenses. In addition to the right to indemnification conferred in Section 8.1, an indemnitee shall also have the right to be paid by the Corporation the expenses (including attorney's fees) incurred in defending any such proceeding in advance of its final disposition (an "advancement of expenses"); provided, however, that, if the Delaware General Corporation Law requires, an advancement of expenses incurred by an indemnitee in his or her capacity as a director or officer (and not in any other capacity in which

service was or is rendered by such indemnitee, including service to an employee benefit plan) shall be made only upon delivery to the Corporation of an undertaking (an "undertaking") by or on behalf of such indemnitee, to repay all amounts so advanced, if it shall ultimately be determined by final judicial decision from which there is no further right to appeal (a "final adjudication") that such indemnitee is not entitled to be indemnified for expenses under this Section 8.2 or otherwise. The rights to indemnification and to the advancement of expenses conferred in Sections 8.1 and 8.2 shall be contract rights, and such rights shall continue as to an indemnitee who has ceased to be a director, manager, officer, employee or agent and shall inure to the benefit of the indemnitee's heirs, executors and administrators.

Section 8.3 Right of Indemnitee to Bring Suit. If a claim under Section 8.1 and 8.2 is not paid in full by the Corporation within sixty (60) days after a written claim has been received by the Corporation, except in the case of a claim for an advancement of expenses, in which case the applicable period shall be twenty (20) days, the indemnitee may at any time thereafter bring suit against the Corporation to recover the unpaid amount of the claim. If successful in whole or in part in any such suit, or in a suit brought by the Corporation to recover an advancement of expenses pursuant to the terms of an undertaking, the indemnitee shall be entitled to be paid also the expense of prosecuting or defending such suit. In (i) any suit brought by the indemnitee to enforce a right to indemnification hereunder (but not in a suit brought by the indemnitee to enforce a right to an advancement of expenses) it shall be a defense that, and (ii) in 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 Delaware General Corporation Law. Neither the failure of the Corporation (including directors who are not parties to such action, a committee of such directors, independent legal counsel or its stockholders) to have made a determination prior to the commencement of such suit that indemnification of the indemnitee is proper in the circumstances, because the indemnitee has met the applicable standard of conduct set forth in the Delaware General Corporation Law, nor an actual determination by the Corporation (including directors who are not parties to such action, a committee of such directors, independent legal counsel or its stockholders) that the indemnitee has not met such applicable standard of conduct, shall create a presumption that the indemnitee has not met the applicable standard of conduct or, in the case of such a suit brought by the indemnitee, be a defense to such suit. In any suit brought by the indemnitee 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 indemnitee is not entitled to be indemnified, or to such advancement of expenses, under this Article VIII or otherwise shall be on the Corporation.

Section 8.4 Non-Exclusivity of Rights. The right to indemnification and the payment of expenses incurred in defending a proceeding in advance of its final disposition conferred in this Article VIII shall not be exclusive of any other right which any indemnitee may have or hereafter acquire under any statute, certificate of incorporation, bylaw, agreement, vote of stockholders or disinterested directors, or otherwise.

Section 8.5 Other Indemnification. The Corporation's obligation, if any, to indemnify any person who was or is serving at its request as a director, manger, officer, employee or agent of another corporation, partnership, limited liability company, joint venture, trust, nonprofit entity or other enterprise shall be reduced by any amount such person may collect as indemnification from such other entity or enterprise.

Section 8.6 Insurance. The Corporation may maintain insurance, at its expense, to protect itself and any director, officer, employee, agent or representative of the Corporation or another corporation, limited liability company, partnership, joint venture, trust or other enterprise against any expense, liability or loss, whether or not the Corporation would have the power to indemnify such person against such expense, liability or loss under the Delaware General Corporation Law.

Section 8.7 Witness Expenses. To the extent that any director, officer, employee, agent or representative of the Corporation is by reason of such position, or a position with another entity or enterprise at the request of the Corporation, a witness or a deponent in any proceeding, such person shall be reimbursed for all expenses actually and reasonably incurred by such person or on their behalf in connection therewith.

Section 8.8 Indemnification of Employees, Agents and Representatives. The Corporation may, to the extent authorized from time to time by the Board of Directors, grant rights to indemnification and to the advancement of expenses to any employee, agent or representative of the Corporation to the fullest extent of the provisions of this Article VIII with respect to the indemnification and advancement of expenses of directors and officers of the Corporation.

Section 8.9 No Adverse Changes. Any amendment, modification or repeal of any provision of this Article VIII, whether by the stockholders or Board of Directors of the Corporation, shall not adversely affect any right or protection of an indemnitee in respect of any act or omission occurring prior to the time of such amendment, modification or repeal.

ARTICLE IX
NOTICE

Section 9.1 Notices. Except as otherwise required by law, all notices required to be given to the Corporation or to any stockholder, director, officer, employee or agent shall be in writing and may in every instance be effectively given by hand delivery to the recipient thereof, by depositing such notice in the mails, postage paid, or by sending such notice by electronic transmission or by receipted overnight delivery service. Any such notice shall be addressed to the last known address of such person as the same appears on the books of the Corporation. The time of the giving of the notice shall be the time when such notice is received, if hand delivered, or dispatched, if delivered through the mails or by electronic transmission or receipted by overnight delivery service.

Section 9.2 Waiver of Notice. Whenever any notice is required to be given under provision of law or these 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 or before or after the meeting is held, shall be deemed equivalent to notice. If a waiver is given by electronic transmission, the electronic transmission must either set forth or

be submitted with information from which it can be determined that the electronic transmission was authorized by the stockholder. 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 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.

Section 9.3 Notice By Electronic Transmission.

(a) Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under law or these Bylaws shall be effective if given by a form of electronic transmission consented to by the stockholder to whom the notice is given. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any such consent shall be deemed revoked, if (1) the Corporation is unable to deliver by electronic transmission two consecutive notices given by the Corporation in accordance with such consent and (2) such inability becomes known to the Secretary or an Assistant Secretary of the Corporation or to the transfer agent, or other person responsible for the giving of notice; provided, however, that the inadvertent failure to treat such inability as a revocation shall not invalidate any meeting or other action.

(b) Notice to stockholders may be given by writing in paper form or solely in the form of electronic transmission as permitted by this subsection (b). If given by writing in paper form, notice may be delivered personally, may be delivered by mail, or, with the consent of the stockholder entitled to receive notice, may be delivered by facsimile telecommunication or any of the other means of electronic transmission specified in this subsection (b). If mailed, such notice shall be delivered by postage prepaid envelope directed to each stockholder at such stockholder's address as it appears in the records of the Corporation. Any notice to stockholders given by the Corporation shall be effective if delivered or given by a form of electronic transmission to which the stockholder to whom the notice is given has consented. Notice given pursuant to this subsection shall be deemed given: (1) if by facsimile telecommunication, when directed to a facsimile telecommunication number at which the stockholder has consented to receive notice; (2) if by electronic mail, when directed to an electronic mail address at which the stockholder has consented to receive notice; (3) if by posting on an electronic network together with separate notice to the stockholder of such specific posting, upon the later of (A) such posting and (B) the giving of such separate notice; and (4) if by any other form of electronic transmission, when directed to the stockholder. An affidavit of the secretary or an assistant secretary or of the transfer agent or other agent of the Corporation that the notice has been given by personal delivery, by mail, or by a form of electronic transmission shall, in the absence of fraud, be prima facie evidence of the facts stated therein.

(c) For purposes of these Bylaws, "electronic transmission" means any form of communication, not directly involving the physical transmission of paper, that creates a record that may be retained, retrieved and reviewed by a recipient thereof, and that may be directly reproduced in paper form by the recipient through an automated process.

(d) The provisions of this Section 9.3 shall not apply to notices required under §§164, 296, 311, 312 or 324 of the Delaware General Corporation Law.

Section 9.4 Notice To Stockholders Sharing An Address. Without limiting the manner by which notice otherwise may be given effectively to stockholders, any notice to stockholders given by the Corporation under or these 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. Any such consent shall be revocable by the stockholder by written notice to the Corporation. Any stockholder who fails to object in writing to the Corporation, within sixty (60) days of having been given written notice by the Corporation of its intention to send the single notice permitted under this Section 9.4, shall be deemed to have consented to receiving such single written notice. The provisions of this Section 9.4 shall not apply to notices required under §§164, 296, 311, 312 or 324 of the Delaware General Corporation Law.

ARTICLE X
MISCELLANEOUS PROVISIONS

Section 10.1 Fiscal Year. The fiscal year of the Corporation shall be as fixed by the Board of Directors, but shall initially end on December 31 of each year.

Section 10.2 Facsimile Signatures. In addition to the provisions for use of facsimile signatures or signatures by electronic transmission elsewhere specifically authorized in these Bylaws, facsimile signatures or signatures by electronic transmission of any officer of the Corporation may be used whenever and as authorized by the Board of Directors or a committee thereof.

Section 10.3 Contracts and Other Instruments. The Board of Directors may authorize any officer or agent to enter into any contract or execute and deliver any instrument in the name and on behalf of the Corporation and such authority may be general or confined to specific instances. All checks, drafts or other orders for the payment of money and all notes or other evidences of indebtedness issued in the name of the Corporation shall be signed by the chief executive officer or such other officer or agent as shall from time to time be designated by resolution of the Board of Directors. The Board of Directors, the chief executive officer or another officer designated by the Board shall appoint banks, trust companies or other depositories in which shall be deposited from time to time the money or securities of the Corporation.

Section 10.4 Securities in Other Corporations. Any shares of stock or other securities in any corporation or other entity, which may from time to time be held by this Corporation, may be represented and voted at any meeting of security holders of such entity or otherwise, and any and all rights and powers which the Corporation may possess by reason of its ownership of such securities may be exercised, by the Chairman of the Board, if any, or the President or a Vice President, or by any other person authorized by the Board of Directors, or by any proxy designated by written instrument of appointment executed in the name of this Corporation by its Chairman of the Board, President or a Vice President. Securities belonging to the Corporation need not stand in the name of the Corporation, but may be held for the benefit of

the Corporation in the individual name of the Treasurer or of any other nominee designated for the purpose by the Board of Directors. Certificates for securities held for the benefit of the Corporation shall be endorsed in blank or have proper stock or other transfer powers attached, so that the securities and any certificate evidencing the same are at all times in due form for transfer, and shall be held for safekeeping in such manner as shall be determined from time to time by the Board of Directors.

Section 10.5 Time Periods. In applying any provision of these Bylaws which requires that an act be done or not be done a specified number of days prior to an event or that an act be done during a period of a specified number of days prior to an event, calendar days shall be used, the day of the doing of the act shall be excluded, and the day of the event shall be included.

Section 10.6 Amendment of Bylaws. The stockholders, by the affirmative vote of the holders of a majority of the stock issued and outstanding and having voting power, may adopt, amend or repeal any provision of these Bylaws at any meeting of stockholders, if the notice of such meeting lists amendment, modification or repeal among the purposes of the meeting and sets forth the amendment, modification or repeal to be voted upon at the meeting. Any amendment, modification or repeal of any provision of these Bylaws made by the stockholders shall not be amended, modified or repealed by the Board of Directors.

The Board of Directors, by the affirmative vote of a majority of the whole Board, may adopt, amend or repeal any provision of these Bylaws at any meeting, except as provided in the above paragraph. Any amendment, modification or repeal of any provision of these Bylaws made by the Board of Directors may be amended, modified or repealed by the stockholders.

* * * * * * * *

Exhibit 10.1

FINAL

FIFTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT

THIS FIFTH AMENDED AND RESTATED INVESTORS' RIGHTS AGREEMENT (this "***Agreement***"), is made as of the 2nd day of September, 2020, by and among ACV Auctions Inc., a Delaware corporation (the "***Company***"), each of the investors listed on Schedule A hereto, each of which is referred to in this Agreement as an "***Investor***", and Future Fund Investment Company No.4 Pty Ltd (ACN 134 338 908) (the "***FF Beneficial Investor***").

RECITALS

A. Certain of the Investors (the "***Existing Investors***") hold shares of the Company's Series E Preferred Stock, $0.001 par value per share (the "***Series E Preferred Stock***"), Series D Preferred Stock, $0.001 par value per share (the "***Series D Preferred Stock***"), Series C Preferred Stock, $0.001 par value per share (the "***Series C Preferred Stock***"), Series B Preferred Stock, $0.001 par value per share (the "***Series B Preferred Stock***"), Series A Preferred Stock, $0.001 par value per share (the "***Series A Preferred Stock***"), Series Seed Preferred Stock, $0.001 par value per share (the "***Series Seed Preferred Stock***") and Series Seed 2 Preferred Stock, $0.001 par value per share (the "***Series Seed 2 Preferred Stock***" and, together with the Series Seed Preferred Stock, the Series A Preferred Stock, the Series B Preferred Stock, the Series C Preferred Stock, the Series D Preferred Stock, the Series E Preferred Stock, and the Series E-1 Preferred Stock (as defined below), the "***Preferred Stock***") and/or shares of Common Stock (as defined below).

B. Concurrently with the execution of this Agreement, the Company, certain of the Investors are entering into a Series E-1 Preferred Stock Purchase Agreement (the "***Purchase Agreement***") providing for the sale of shares of the Company's Series E-1 Preferred Stock, $0.001 par value per share (the "***Series E-1 Preferred Stock***").

C. The obligations in the Purchase Agreement are conditioned upon the execution and delivery of this Agreement.

D. The Company and the Existing Investors entered into the Fourth Amended and Restated Investors' Rights Agreement dated October 23, 2019, as amended (the "***Prior Agreement***").

E. The Existing Investors and the Company desire to further induce certain of the Investors to purchase shares of Series E-1 Preferred Stock.

NOW, THEREFORE, the Company and the Existing Investors hereby agree that the Prior Agreement shall be superseded and replaced in its entirety by this Agreement, and the parties to this Agreement further agree as follows:

1. Definitions. For purposes of this Agreement:

1.1 "***Affiliate***" means, with respect to any specified Person, any other Person who, directly or indirectly, controls, is controlled by, or is under common control with such Person, including without limitation any general partner, managing member, officer or director of such Person or any venture capital fund or other investment fund now or hereafter existing that is controlled by one or more general partners or managing members of, or shares the same management company or investment adviser with, such Person, and in the case of the FF Investor or the FF Beneficial Investor, shall include any FF Permitted Transferee. Notwithstanding the foregoing, (i) each Wellington Investor shall be deemed to be an "Affiliate" of each other Wellington Investor, and (ii) an entity that is an "Affiliate" of a Wellington Investor shall not be deemed to be an "Affiliate" of any other Wellington Investor unless such entity is a Wellington Investor (and, for the avoidance of doubt, an "Affiliate" of such entity shall not be deemed an "Affiliate" of any Wellington Investor solely by virtue of being an "Affiliate" of such entity).

1.2 "***ASV***" means Armory Square Ventures, L.P.

1.3 "***BCV***" means, collectively, Bain Capital Venture Fund 2019, L.P., BCV 2019-MD Primary, L.P., BCIP Venture Associates II, L.P. and BCIP Venture Associates II-B, L.P., and their respective Affiliates.

1.4 "***Bessemer***" means Bessemer Venture Partners IX, L.P. and its Affiliates.

1.5 "***Board of Directors***" means the Company's Board of Directors, as constituted from time to time.

1.6 "***Bylaws***" means the Company's bylaws, as amended from time to time.

1.7 "***Certificate of Incorporation***" means the Company's Eighth Amended and Restated Certificate of Incorporation, as amended and/or restated from time to time.

1.8 "***Common Stock***" means shares of the Company's common stock, par value $0.001 per share.

1.9 "***Competitor***" means a Person engaged, directly or indirectly (including through any partnership, limited liability company, corporation, joint venture or similar arrangement (whether now existing or formed hereafter)), in business competitive to the Company (as determined by the Board of Directors in good faith). For the sake of clarity, an Investor that is a venture capital fund or other investment fund (which for the avoidance of doubt shall include the Wellington Investors) shall not be deemed a competitor of the Company.

1.10 "***Damages***" means any loss, damage, claim or liability (joint or several) to which a party hereto may become subject under the Securities Act, the Exchange Act, or other federal or state law, insofar as such loss, damage, claim or liability (or any action in respect thereof) arises out of or is based upon: (i) any untrue statement or alleged untrue statement of a material fact contained in any registration statement of the Company, including any preliminary prospectus or final prospectus contained therein or any amendments or supplements thereto; (ii) an omission or alleged omission to state therein a material fact required to be stated therein, or necessary to make the statements therein not misleading; or (iii) any violation or alleged violation by the indemnifying party (or any of its agents or Affiliates) of the Securities Act, the Exchange Act, any state securities law, or any rule or regulation promulgated under the Securities Act, the Exchange Act, or any state securities law.

1.11 "***Derivative Securities***" means any securities or rights convertible into, or exercisable or exchangeable for (in each case, directly or indirectly), Common Stock, including options and warrants.

1.12 "***Durable***" means Durable Capital Master Fund LP.

1.13 "***Durable Side Letter***" means that certain side letter agreement between the Company and Durable dated on or about the date of this Agreement.

1.14 "***Exchange Act***" means the Securities Exchange Act of 1934, as amended, and the rules and regulations promulgated thereunder.

1.15 "***Excluded Registration***" means (i) a registration relating to the sale of securities to employees of the Company or a subsidiary pursuant to a stock option, stock purchase, or similar plan; (ii) a registration relating to an SEC Rule 145 transaction; (iii) a registration on any form that does not include substantially the same information as would be required to be included in a registration statement covering the sale of the Registrable Securities; or (iv) a registration in which the only Common Stock being registered is Common Stock issuable upon conversion of debt securities that are also being registered.

1.16 "***FF Investor***" means The Northern Trust Company (ABN 62 126 279 918), a company incorporated in the State of Illinois in the United States of America, in its capacity as custodian for the FF Beneficial Investor.

1.17 "***FF Permitted Transferee***" means (a) the Future Fund Board of Guardians, (b) any person controlling, controlled by, or under common control with, the Future Fund Board of Guardians, (c) the trustee of a trust in which all or substantially all of the beneficial interests are held directly or indirectly by the Future Fund Board of Guardians or any person controlling, controlled by, or under common control with, the Future Fund Board of Guardians or (d) any custodian of any of the foregoing.

1.18 "***Form S-1***" means such form under the Securities Act as in effect on the date hereof or any successor registration form under the Securities Act subsequently adopted by the SEC.

1.19 "***Form S-3***" means such form under the Securities Act as in effect on the date hereof or any registration form under the Securities Act subsequently adopted by the SEC that permits incorporation of substantial information by reference to other documents filed by the Company with the SEC.

1.20 "***Future Fund Side Letter***" means that certain side letter agreement between the Company, the FF Investor and the FF Beneficial Investor dated December 6, 2018.

1.21 "***GAAP***" means generally accepted accounting principles in the United States.

1.22 "***Holder***" means any holder of Registrable Securities who is a party to this Agreement.

1.23 "***Immediate Family Member***" means a child, stepchild, grandchild, parent, stepparent, grandparent, spouse, sibling, mother-in-law, father-in-law, son-in-law, daughter-in-law, brother-in-law, or sister-in-law, including, adoptive relationships, of a natural person referred to herein.

1.24 "***Initiating Holders***" means, collectively, Holders who properly initiate a registration request under this Agreement.

1.25 "***IPO***" means the Company's first underwritten public offering of its Common Stock under the Securities Act.

1.26 "***Major Investor***" means any Investor that, individually or together with such Investor's Affiliates, holds at least 7,246,350 shares of Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock, and/or Series E-1 Preferred Stock (as adjusted for any stock split, stock dividend, combination, or other recapitalization or reclassification effected after the date hereof).

1.27 "***New Securities***" means, collectively, equity securities of the Company, whether or not currently authorized, as well as rights, options, or warrants to purchase such equity securities, or securities of any type whatsoever that are, or may become, convertible or exchangeable into or exercisable for such equity securities.

1.28 "***Person***" means any individual, corporation, partnership, trust, limited liability company, association or other entity.

1.29 "***Preferred Director***" shall have the meaning given to such term in the Certificate of Incorporation.

1.30 "***QPO***" means Qualified Public Offering (as defined in the Certificate of Incorporation).

1.31 "***Registrable Securities***" means (i) the Common Stock issuable or issued upon conversion of the Preferred Stock, (ii) any Common Stock, or any Common Stock issued or issuable (directly or indirectly) upon conversion and/or exercise of any other securities of the Company, acquired by the Investors after the date hereof, and (iii) any Common Stock issued as (or issuable upon the conversion or exercise of any warrant, right, or other security that is issued as) a dividend or other distribution with respect to, or in exchange for or in replacement of, the shares referenced in clauses (i) and (ii) above; excluding in all cases, however, any Registrable Securities sold by a Person in a transaction in which the applicable rights under this Agreement are not assigned pursuant to Subsection 6.1, and excluding for purposes of Section 2 any shares for which registration rights have terminated pursuant to Subsection 2.12 of this Agreement.

1.32 "***Registrable Securities then outstanding***" means the number of shares determined by adding the number of shares of outstanding Common Stock that are Registrable Securities and the number of shares of Common Stock issuable (directly or indirectly) pursuant to then exercisable and/or convertible securities that are Registrable Securities.

1.33 "***Restricted Securities***" means the securities of the Company required to be notated with the legend set forth in Subsection 2.12(b) hereof.

1.34 "***SEC***" means the Securities and Exchange Commission.

1.35 "***SEC Rule 144***" means Rule 144 promulgated by the SEC under the Securities Act.

1.36 "***SEC Rule 145***" means Rule 145 promulgated by the SEC under the Securities Act.

1.37 "***Securities Act***" means the Securities Act of 1933, as amended, and the rules and regulations promulgated thereunder.

1.38 "***Selling Expenses***" means all underwriting discounts, selling commissions, and stock transfer taxes applicable to the sale of Registrable Securities, and fees and disbursements of counsel for any Holder, except for the fees and disbursements of the Selling Holder Counsel borne and paid by the Company as provided in Subsection 2.6.

1.39 "***Tribeca***" means Tribeca Venture Fund II, L.P.

1.40 "***Wellington Investors***" means Investors, or permitted transferees of Registrable Securities held by Wellington Investors, that are advisory or subadvisory clients of Wellington Management Company LLP.

1.41 "***Wellington Side Letter***" means that certain side letter agreement between the Company and the Wellington Investors dated as of October 23, 2019.

2. Registration Rights. The Company covenants and agrees as follows:

2.1 Demand Registration.

(a) Form S-1 Demand. If at any time after the earlier of (i) three (3) years after the date of this Agreement or (ii) one hundred eighty (180) days after the effective date of the registration statement for the IPO, the Company receives a request from Holders of a majority of the Registrable Securities then outstanding that the Company file a Form S-1 registration statement with respect to at least twenty-five percent (25%) of the Registrable Securities then outstanding (or a lesser percent if the anticipated aggregate offering price, net of Selling Expenses, would exceed $5 million), then the Company shall (x) within ten (10) days after the date such request is given, give notice thereof (the "***Demand Notice***") to all Holders other than the Initiating Holders; and (y) as soon as practicable, and in any event within sixty (60) days after the date such request is given by the Initiating Holders, file a Form S-1

registration statement under the Securities Act covering all Registrable Securities that the Initiating Holders requested to be registered and any additional Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Subsections 2.1(c) and 2.3.

(b) Form S-3 Demand. If at any time when it is eligible to use a FormS-3 registration statement, the Company receives a request from Holders of Registrable Securities that the Company file a Form S-3 registration statement with respect to outstanding Registrable Securities of such Holders having an anticipated aggregate offering price, net of Selling Expenses, of at least $1 million, then the Company shall (i) within ten (10) days after the date such request is given, give a Demand Notice to all Holders other than the Initiating Holders; and (ii) as soon as practicable, and in any event within forty-five (45) days after the date such request is given by the Initiating Holders, file a Form S-3 registration statement under the Securities Act covering all Registrable Securities requested to be included in such registration by any other Holders, as specified by notice given by each such Holder to the Company within twenty (20) days of the date the Demand Notice is given, and in each case, subject to the limitations of Subsections 2.1(c) and 2.3.

(c) Notwithstanding the foregoing obligations, if the Company furnishes to Holders requesting a registration pursuant to this Subsection 2.1 a certificate signed by the Company's chief executive officer stating that in the good faith judgment of the Board of Directors it would be materially detrimental to the Company and its stockholders for such registration statement to either become effective or remain effective for as long as such registration statement otherwise would be required to remain effective, because such action would (i) materially interfere with a significant acquisition, corporate reorganization, or other similar transaction involving the Company; (ii) require premature disclosure of material information that the Company has a bona fide business purpose for preserving as confidential; or (iii) render the Company unable to comply with requirements under the Securities Act or Exchange Act, then the Company shall have the right to defer taking action with respect to such filing, and any time periods with respect to filing or effectiveness thereof shall be tolled correspondingly, (x) with respect to any registration under Subsection 2.1(a), for a period of not more than ninety (90) days after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than once in any twelve (12) month period; and provided further that the Company shall not register any securities for its own account or that of any other stockholder during such ninety (90) day period other than an Excluded Registration., and (y) with respect to any registration under Subsection 2.1(b), for a period of not more than sixty (60) days after the request of the Initiating Holders is given; provided, however, that the Company may not invoke this right more than twice in any twelve (12) month period; and provided further that the Company shall not register any securities for its own account or that of any other stockholder during such sixty (60) day period other than an Excluded Registration.

(d) The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant toSubsection 2.1(a): (i) prior to the earlier of (A) the third anniversary of the date of this Agreement, and (B) an IPO; (ii) during the period that is thirty (30) days before the Company's good faith estimate of the date of filing of, and ending on a date

that is one hundred eighty (180) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; (iii) after the Company has effected two registrations pursuant to Subsection 2.1(a); or (iv) if the Initiating Holders propose to dispose of shares of Registrable Securities that may be immediately registered on Form S-3 pursuant to a request made pursuant to Subsection 2.1(b). The Company shall not be obligated to effect, or to take any action to effect, any registration pursuant to Subsection 2.1(b) (x) during the period that is thirty (30) days before the Company's good faith estimate of the date of filing of, and ending on a date that is ninety (90) days after the effective date of, a Company-initiated registration, provided that the Company is actively employing in good faith commercially reasonable efforts to cause such registration statement to become effective; or (y) if the Company has effected two registrations pursuant to Subsection 2.1(b) within the twelve (12) month period immediately preceding the date of such request. A registration shall not be counted as "effected" for purposes of this Subsection 2.1(d) until such time as the applicable registration statement has been declared effective by the SEC, unless the Initiating Holders withdraw their request for such registration, elect not to pay the registration expenses therefor, and forfeit their right to one demand registration statement pursuant to Subsection 2.6, in which case such withdrawn registration statement shall be counted as "effected" for purposes of this Subsection 2.1(d).

2.2 Company Registration. If the Company proposes to register (including, for this purpose, a registration effected by the Company for stockholders other than the Holders) any of its securities under the Securities Act in connection with the public offering of such securities solely for cash (other than in an Excluded Registration), the Company shall, at such time, promptly give each Holder notice of such registration. Upon the request of each Holder given within twenty (20) days after such notice is given by the Company, the Company shall, subject to the provisions of Subsection 2.3, cause to be registered all of the Registrable Securities that each such Holder has requested to be included in such registration. The Company shall have the right to terminate or withdraw any registration initiated by it under this Subsection 2.2 before the effective date of such registration, whether or not any Holder has elected to include Registrable Securities in such registration. The expenses (other than Selling Expenses) of such withdrawn registration shall be borne by the Company in accordance with Subsection 2.6.

2.3 Underwriting Requirements.

(a) If, pursuant to Subsection 2.2, the Initiating Holders intend to distribute the Registrable Securities covered by their request by means of an underwriting, they shall so advise the Company as a part of their request made pursuant to Subsection 2.2, and the Company shall include such information in the Demand Notice. The underwriter(s) will be selected by the Company and shall be reasonably acceptable to a majority in interest of the Initiating Holders. In such event, the right of any Holder to include such Holder's Registrable Securities in such registration shall be conditioned upon such Holder's participation in such underwriting and the inclusion of such Holder's Registrable Securities in the underwriting to the extent provided herein. All Holders proposing to distribute their securities through such underwriting shall (together with the Company as provided in Subsection 2.4(e)) enter into an underwriting agreement in customary form with the underwriter(s) selected for such underwriting. Notwithstanding any other provision of this Subsection 2.3, if the managing

underwriter(s) advise(s) the Initiating Holders in writing that marketing factors require a limitation on the number of shares to be underwritten, then the Initiating Holders shall so advise all Holders of Registrable Securities that otherwise would be underwritten pursuant hereto, and the number of Registrable Securities that may be included in the underwriting shall be allocated among such Holders of Registrable Securities, including the Initiating Holders, in proportion (as nearly as practicable) to the number of Registrable Securities owned by each Holder or in such other proportion as shall mutually be agreed to by all such selling Holders; provided, however, that the number of Registrable Securities held by the Holders to be included in such underwriting shall not be reduced unless all other securities are first entirely excluded from the underwriting. Any notice or certificate the Company is required to provide the FF Investor under this Subsection 2.3 must also be provided to the FF Beneficial Investor.

(b) In connection with any offering involving an underwriting of shares of the Company's capital stock pursuant toSubsection 2.2, the Company shall not be required to include any of the Holders' Registrable Securities in such underwriting unless the Holders accept the terms of the underwriting as agreed upon between the Company and its underwriters, and then only in such quantity as the underwriters in their sole discretion determine will not jeopardize the success of the offering by the Company. If the total number of securities, including Registrable Securities, requested by stockholders to be included in such offering exceeds the number of securities to be sold (other than by the Company) that the underwriters in their reasonable discretion determine is compatible with the success of the offering, then the Company shall be required to include in the offering only that number of such securities, including Registrable Securities, which the underwriters and the Company in their sole discretion determine will not jeopardize the success of the offering. If the underwriters determine that less than all of the Registrable Securities requested to be registered can be included in such offering, then the Registrable Securities that are included in such offering shall be allocated among the selling Holders in proportion (as nearly as practicable to) the number of Registrable Securities owned by each selling Holder or in such other proportions as shall mutually be agreed to by all such selling Holders. Notwithstanding the foregoing, in no event shall (i) the number of Registrable Securities included in the offering be reduced unless all other securities (other than securities to be sold by the Company) are first entirely excluded from the offering, or (ii) the number of Registrable Securities included in the offering be reduced below thirty-three percent (33%) of the total number of securities included in such offering, unless such offering is the IPO, in which case the selling Holders may be excluded further if the underwriters make the determination described above and no other stockholder's securities are included in such offering. For purposes of the provision in this Subsection 2.3(b) concerning apportionment, for any selling Holder that is a partnership, limited liability company, or corporation, the partners, members, retired partners, retired members, stockholders, and Affiliates of such Holder, or the estates and Immediate Family Members of any such partners, retired partners, members, and retired members and any trusts for the benefit of any of the foregoing Persons, shall be deemed to be a single "selling Holder," and any pro rata reduction with respect to such "selling Holder" shall be based upon the aggregate number of Registrable Securities owned by all Persons included in such "selling Holder," as defined in this sentence.

(c) For purposes of Subsection 2.1, a registration shall not be counted as "effected" if, as a result of an exercise of the underwriter's cutback provisions in Subsection 2.3(a), fewer than fifty percent (50%) of the total number of Registrable Securities that Holders have requested to be included in such registration statement are actually included.

2.4 Obligations of the Company. Whenever required under this Section 2 to effect the registration of any Registrable Securities, the Company shall, as expeditiously as reasonably possible:

(a) prepare and file with the SEC a registration statement with respect to such Registrable Securities and use its commercially reasonable efforts to cause such registration statement to become effective and, upon the request of the Holders of a majority of the Registrable Securities registered thereunder, keep such registration statement effective for a period of up to one hundred twenty (120) days or, if earlier, until the distribution contemplated in the registration statement has been completed; provided, however, that (i) such one hundred twenty (120) day period shall be extended for a period of time equal to the period the Holder refrains, at the request of an underwriter of Common Stock (or other securities) of the Company, from selling any securities included in such registration, and (ii) in the case of any registration of Registrable Securities on Form S-3 that are intended to be offered on a continuous or delayed basis, subject to compliance with applicable SEC rules, such one hundred twenty (120) day period shall be extended for up to ninety (90) days, if necessary, to keep the registration statement effective until all such Registrable Securities are sold;

(b) prepare and file with the SEC such amendments and supplements to such registration statement, and the prospectus used in connection with such registration statement, as may be necessary to comply with the Securities Act in order to enable the disposition of all securities covered by such registration statement;

(c) furnish to the selling Holders such numbers of copies of a prospectus, including a preliminary prospectus, as required by the Securities Act, and such other documents as the Holders may reasonably request in order to facilitate their disposition of their Registrable Securities;

(d) use its commercially reasonable efforts to register and qualify the securities covered by such registration statement under such other securities or blue-sky laws of such jurisdictions as shall be reasonably requested by the selling Holders (which includes the FF Beneficial Investor for so long as the FF Investor is a selling Holder); provided that the Company shall not be required to qualify to do business or to file a general consent to service of process in any such states or jurisdictions, unless the Company is already subject to service in such jurisdiction and except as may be required by the Securities Act;

(e) in the event of any underwritten public offering, enter into and perform its obligations under an underwriting agreement, in usual and customary form, with the underwriter(s) of such offering;

(f) use its commercially reasonable efforts to cause all such Registrable Securities covered by such registration statement to be listed on a national securities exchange or trading system and each securities exchange and trading system (if any) on which similar securities issued by the Company are then listed;

(g) provide a transfer agent and registrar for all Registrable Securities registered pursuant to this Agreement and provide a CUSIP number for all such Registrable Securities, in each case not later than the effective date of such registration;

(h) promptly make available for inspection by the selling Holders (which includes the FF Beneficial Investor for so long as the FF Investor is a selling Holder), any managing underwriter(s) participating in any disposition pursuant to such registration statement, and any attorney or accountant or other agent retained by any such underwriter or selected by the selling Holders, all financial and other records, pertinent corporate documents, and properties of the Company, and cause the Company's officers, directors, employees, and independent accountants to supply all information reasonably requested by any such seller, underwriter, attorney, accountant, or agent, in each case, as necessary or advisable to verify the accuracy of the information in such registration statement and to conduct appropriate due diligence in connection therewith;

(i) notify each selling Holder, promptly after the Company receives notice thereof, of the time when such registration statement has been declared effective or a supplement to any prospectus forming a part of such registration statement has been filed; and

(j) after such registration statement becomes effective, notify each selling Holder of any request by the SEC that the Company amend or supplement such registration statement or prospectus.

In addition, the Company shall ensure that, at all times after any registration statement covering a public offering of securities of the Company under the Securities Act shall have become effective, its insider trading policy shall provide that the Company's directors may implement a trading program under Rule 10b5-1 of the Exchange Act.

2.5 Furnish Information. It shall be a condition precedent to the obligations of the Company to take any action pursuant to this Section 2 with respect to the Registrable Securities of any selling Holder that such Holder (which includes the FF Beneficial Investor for so long as the FF Investor is a selling Holder) shall furnish to the Company such information regarding itself, the Registrable Securities held by it, and the intended method of disposition of such securities as is reasonably required to effect the registration of such Holder's Registrable Securities.

2.6 Expenses of Registration. All expenses (other than Selling Expenses) incurred in connection with registrations, filings, or qualifications pursuant to Section 2, including all registration, filing, and qualification fees; printers' and accounting fees; fees and disbursements of counsel for the Company; and the reasonable fees and disbursements of one counsel for the selling Holders (which includes the FF Beneficial Investor for so long as the FF Investor is a selling Holder) ("***Selling Holder Counsel***"), shall be borne and paid by the Company;provided, however, that the Company shall not be required to pay for any expenses of any registration proceeding begun pursuant to Subsection 2.1 if the registration request is subsequently withdrawn at the request of the Holders of a majority of the Registrable Securities to be registered (in which case all selling Holders shall bear such expenses pro rata based upon the number of Registrable Securities that were to be included in the withdrawn registration),

unless the Holders of a majority of the Registrable Securities agree to forfeit their right to one registration pursuant to Subsections 2.1(a) or 2.1(b), as the case may be; provided further that if, at the time of such withdrawal, the Holders shall have learned of a material adverse change in the condition, business, or prospects of the Company from that known to the Holders at the time of their request and have withdrawn the request with reasonable promptness after learning of such information then the Holders shall not be required to pay any of such expenses and shall not forfeit their right to one registration pursuant to Subsections 2.1(a) or 2.1(b). All Selling Expenses relating to Registrable Securities registered pursuant to this Section 2 shall be borne and paid by the Holders pro rata on the basis of the number of Registrable Securities registered on their behalf.

2.7 Delay of Registration. No Holder shall have any right to obtain or seek an injunction restraining or otherwise delaying any registration pursuant to this Agreement as the result of any controversy that might arise with respect to the interpretation or implementation of this Section 2.

2.8 Indemnification. If any Registrable Securities are included in a registration statement under this Section 2:

(a) To the extent permitted by law, the Company will indemnify and hold harmless each selling Holder (which includes the FF Beneficial Investor for so long as the FF Investor is a selling Holder), and the partners, members, officers, directors, and stockholders of each such Holder; legal counsel, accountants and investment advisers for each such Holder; any underwriter (as defined in the Securities Act) for each such Holder; and each Person, if any, who controls such Holder or underwriter within the meaning of the Securities Act or the Exchange Act, against any Damages, and the Company will pay to each such Holder, underwriter, controlling Person, or other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(a) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Company, which consent shall not be unreasonably withheld, nor shall the Company be liable for any Damages to the extent that they arise out of or are based upon actions or omissions made in reliance upon and in conformity with written information furnished by or on behalf of any such Holder, underwriter, controlling Person, or other aforementioned Person expressly for use in connection with such registration.

(b) Except as otherwise provided in Subsection 6.17, to the extent permitted by law, each selling Holder, severally and not jointly, will indemnify and hold harmless the Company, and each of its directors, each of its officers who has signed the registration statement, each Person (if any), who controls the Company within the meaning of the Securities Act, legal counsel and accountants for the Company, any underwriter (as defined in the Securities Act), any other Holder (which includes the FF Beneficial Investor for so long as the FF Investor is a Holder) selling securities in such registration statement, and any controlling Person of any such underwriter or other Holder (which includes the FF Beneficial Investor for so long as the FF Investor is a Holder), against any Damages, in each case only to the extent that such Damages arise out of or are based upon actions or omissions made in reliance upon and in

conformity with written information furnished by or on behalf of such selling Holder expressly for use in connection with such registration; and each such selling Holder will pay to the Company and each other aforementioned Person any legal or other expenses reasonably incurred thereby in connection with investigating or defending any claim or proceeding from which Damages may result, as such expenses are incurred; provided, however, that the indemnity agreement contained in this Subsection 2.8(b) shall not apply to amounts paid in settlement of any such claim or proceeding if such settlement is effected without the consent of the Holder (which includes the FF Beneficial Investor for so long as the FF Investor is a Holder), which consent shall not be unreasonably withheld; and provided further that in no event shall the aggregate amounts payable by any Holder (which includes the FF Beneficial Investor for so long as the FF Investor is a Holder) by way of indemnity or contribution under Subsections 2.8(b) and 2.8(d) exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of fraud or willful misconduct by such Holder.

(c) Promptly after receipt by an indemnified party under this Subsection 2.8 of notice of the commencement of any action (including any governmental action) for which a party may be entitled to indemnification hereunder, such indemnified party will, if a claim in respect thereof is to be made against any indemnifying party under this Subsection 2.8, give the indemnifying party notice of the commencement thereof. The indemnifying party shall have the right to participate in such action and, to the extent the indemnifying party so desires, participate jointly with any other indemnifying party to which notice has been given, and to assume the defense thereof with counsel mutually satisfactory to the parties; provided, however, that an indemnified party (together with all other indemnified parties that may be represented without conflict by one counsel) shall have the right to retain one separate counsel, with the fees and expenses to be paid by the indemnifying party, if representation of such indemnified party by the counsel retained by the indemnifying party would be inappropriate due to actual or potential differing interests between such indemnified party and any other party represented by such counsel in such action. The failure to give notice to the indemnifying party within a reasonable time of the commencement of any such action shall relieve such indemnifying party of any liability to the indemnified party under this Subsection 2.8, to the extent that such failure materially prejudices the indemnifying party's ability to defend such action. The failure to give notice to the indemnifying party will not relieve it of any liability that it may have to any indemnified party otherwise than under this Subsection 2.8.

(d) To provide for just and equitable contribution to joint liability under the Securities Act in any case in which either: (i) any party otherwise entitled to indemnification hereunder makes a claim for indemnification pursuant to this Subsection 2.8 but it is judicially determined (by the entry of a final judgment or decree by a court of competent jurisdiction and the expiration of time to appeal or the denial of the last right of appeal) that such indemnification may not be enforced in such case, notwithstanding the fact that this Subsection 2.8 provides for indemnification in such case, or (ii) contribution under the Securities Act may be required on the part of any party hereto for which indemnification is provided under this Subsection 2.8, then, and in each such case, such parties will contribute to the aggregate losses, claims, damages, liabilities, or expenses to which they may be subject (after contribution from others) in such proportion as is appropriate to reflect the relative fault of each of the indemnifying party and the indemnified party in connection with the statements, omissions, or

other actions that resulted in such loss, claim, damage, liability, or expense, as well as to reflect any other relevant equitable considerations. The relative fault of the indemnifying party and of the indemnified party shall be determined by reference to, among other things, whether the untrue or allegedly untrue statement of a material fact, or the omission or alleged omission of a material fact, relates to information supplied by the indemnifying party or by the indemnified party and the parties' relative intent, knowledge, access to information, and opportunity to correct or prevent such statement or omission; provided, however, that, in any such case (x) no Holder (which includes the FF Beneficial Investor for so long as the FF Investor is a Holder) will be required to contribute any amount in excess of the public offering price of all such Registrable Securities offered and sold by such Holder pursuant to such registration statement, and (y) no Person guilty of fraudulent misrepresentation (within the meaning of Section 11(f) of the Securities Act) will be entitled to contribution from any Person who was not guilty of such fraudulent misrepresentation; and provided further that in no event shall the liability of a Holder (which includes the FF Beneficial Investor for so long as the FF Investor is a Holder) pursuant to this Subsection 2.8(d), when combined with the amounts paid or payable by such Holder pursuant to Subsection 2.8(b), exceed the proceeds from the offering received by such Holder (net of any Selling Expenses paid by such Holder), except in the case of willful misconduct or fraud by such Holder.

(e) Unless otherwise superseded by an underwriting agreement entered into in connection with the underwritten public offering, the obligations of the Company and Holders (which includes the FF Beneficial Investor for so long as the FF Investor is a Holder) under this Subsection 2.8 shall survive the completion of any offering of Registrable Securities in a registration under this Section 2, and otherwise shall survive the termination of this Agreement.

2.9 Reports Under Exchange Act. With a view to making available to the Holders (which includes the FF Beneficial Investor for so long as the FF Investor is a Holder) the benefits of SEC Rule 144 and any other rule or regulation of the SEC that may at any time permit a Holder to sell securities of the Company to the public without registration or pursuant to a registration on Form S 3, the Company shall:

(a) make and keep available adequate current public information, as those terms are understood and defined in SEC Rule 144, at all times after the effective date of the registration statement filed by the Company for the IPO;

(b) use commercially reasonable efforts to file with the SEC in a timely manner all reports and other documents required of the Company under the Securities Act and the Exchange Act (at any time after the Company has become subject to such reporting requirements); and

(c) furnish to any Holder, so long as the Holder owns any Registrable Securities, forthwith upon request (i) to the extent accurate, a written statement by the Company that it has complied with the reporting requirements of SEC Rule 144 (at any time after ninety (90) days after the effective date of the registration statement filed by the Company for the IPO), the Securities Act, and the Exchange Act (at any time after the Company has become subject to such reporting requirements), or that it qualifies as a registrant whose securities may be resold

pursuant to Form S 3 (at any time after the Company so qualifies); (ii) a copy of the most recent annual or quarterly report of the Company and such other reports and documents so filed by the Company; and (iii) such other information as may be reasonably requested in availing any Holder of any rule or regulation of the SEC that permits the selling of any such securities without registration (at any time after the Company has become subject to the reporting requirements under the Exchange Act) or pursuant to Form S 3 (at any time after the Company so qualifies to use such form).

2.10 Limitations on Subsequent Registration Rights. From and after the date of this Agreement, the Company shall not, without the prior written consent of the Holders of a majority of the Registrable Securities then outstanding, enter into any agreement with any holder or prospective holder of any securities of the Company that would allow such holder or prospective holder to include such securities in any registration unless, under the terms of such agreement, such holder or prospective holder may include such securities in any such registration only to the extent that the inclusion of such securities will not reduce the number of the Registrable Securities of the Holders that are included; provided that this limitation shall not apply to any additional Investor who becomes a party to this Agreement in accordance with Subsection 6.9.

2.11 "***Market Stand-off***" Agreement. Each Holder hereby agrees that it will not, without the prior written consent of the managing underwriter, (a) during the period commencing on the date of the final prospectus relating to the registration by the Company for its own behalf of shares of its Common Stock or any other equity securities under the Securities Act on a registration statement on Form S-1 or Form S-3, and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (180) days in the case of the IPO), or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports, and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2241, or any successor provisions or amendments thereto (the "***Initial Lock-Up Period***"), and (b) if approved by the Holders of a majority of the Registrable Securities then outstanding, the 90-day period following the effective date of a secondary offering occurring prior to the end of the InitialLock-Up Period or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on (1) the publication or other distribution of research reports, and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2711(f)(4) or NYSE Rule 472(f)(4), or any successor provisions or amendments thereto, (i) lend; offer; pledge; sell; contract to sell; sell any option or contract to purchase; purchase any option or contract to sell; grant any option, right, or warrant to purchase; or otherwise transfer or dispose of, directly or indirectly, any shares of Common Stock or any securities convertible into or exercisable or exchangeable (directly or indirectly) for Common Stock (held immediately before the effective date of the registration statement for such offering) or (ii) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of such securities, whether any such transaction described in clause (i) or (ii) above is to be settled by delivery of Common Stock or other securities, in cash, or otherwise. The foregoing provisions of this Subsection 2.11 shall apply only to the IPO, and shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, or to the transfer of any shares to any trust for the direct or indirect benefit of the Holder or the

immediate family of the Holder, or to the transfer of any shares by the FF Investor or the FF Beneficial Investor to an FF Permitted Transferee, provided that the trustee of the trust or the FF Permitted Transferee agrees to be bound in writing by the restrictions set forth herein, and provided further that any such transfer shall not involve a disposition for value, and shall be applicable to the Holders only if all officers, directors and all stockholders individually owning more than one percent (1%) of the Company's outstanding Common Stock (after giving effect to conversion into Common Stock of all outstanding Preferred Stock) are subject to the same restrictions. The underwriters in connection with such registration are intended third-party beneficiaries of this Subsection 2.11 and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. Each Holder further agrees to execute such agreements as may be reasonably requested by the underwriters in connection with such registration that are consistent with this Subsection 2.11 or that are necessary to give further effect thereto. Any discretionary waiver or termination of the restrictions of any or all of such agreements by the Company or the underwriters shall apply pro rata to all Holders, based on the number of Registrable Securities then outstanding held by Holders and the holders of capital stock receiving the waiver or termination of such restrictions. In the event that any underwriter requests an Investor to sign a lock-up agreement (an "***Investor Lock-Up Agreement***"), the Company shall use its best efforts to require all directors, officers and holders of more than one percent (1%) of the Company's outstanding capital stock to sign a lock-up agreement with the same terms as the Investor Lock-Up Agreement. The Company shall notify the Investors if it is aware of any lock-up agreements relating to the Company with more favorable terms than the Investor Lock-Up Agreement. Any release by the Company of this lock-up shall be pro rata without approval of the Requisite Investors (as defined below). In the event that the Company becomes aware that an underwriter has released any director or officer, or any holders of more than one percent of the Company's outstanding capital stock from their lock-up agreements pursuant to this Subsection 2.11 the Company shall require the underwriters to release the Investors pro rata and the Company shall not consent to any release that is not pro rata without the approval of the Requisite Investors. The Company shall also use its best efforts to cause any future holders of one percent (1%) or more of the Company's outstanding capital stock to agree to a lock-up provision similar to this Subsection 2.11. Notwithstanding the foregoing, neither the FF Investor nor the FF Beneficial Investor shall be required to execute any agreements pursuant to this Subsection 2.11, unless such agreement contains a limitation of liability provision substantially in the form of Subsection 6.17.

2.12 Restrictions on Transfer.

(a) The Preferred Stock and the Registrable Securities shall not be sold, pledged, or otherwise transferred, and the Company shall not recognize and shall issue stop-transfer instructions to its transfer agent with respect to any such sale, pledge, or transfer, except upon the conditions specified in this Agreement, which conditions are intended to ensure compliance with the provisions of the Securities Act. A transferring Holder will cause any proposed purchaser, pledgee, or transferee of the Preferred Stock and the Registrable Securities held by such Holder to agree to take and hold such securities subject to the provisions and upon the conditions specified in this Agreement. Notwithstanding the foregoing, (i) the FF Investor and the FF Beneficial Investor may transfer or assign any Preferred Stock or Registrable Securities, or any beneficial interest in respect of such Preferred Stock or Registrable Securities, to any FF Permitted Transferee and (ii) the Company shall not require any transferee of shares pursuant to an effective registration statement or, following the IPO, SEC Rule 144 to be bound by the terms of this Agreement.

(b) Each certificate, instrument, or book entry representing (i) any series of Preferred Stock, (ii) the Registrable Securities, and (iii) any other securities issued in respect of the securities referenced in clauses (i) and (ii), upon any stock split, stock dividend, recapitalization, merger, consolidation, or similar event, shall (unless otherwise permitted by the provisions of Subsection 2.12(c)) be notated with a legend substantially in the following form:

THE SECURITIES REPRESENTED HEREBY HAVE BEEN ACQUIRED FOR INVESTMENT AND HAVE NOT BEEN REGISTERED UNDER THE SECURITIES ACT OF 1933. SUCH SHARES MAY NOT BE SOLD, PLEDGED, OR TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR A VALID EXEMPTION FROM THE REGISTRATION AND PROSPECTUS DELIVERY REQUIREMENTS OF SAID ACT.

THE SECURITIES REPRESENTED HEREBY MAY BE TRANSFERRED ONLY IN ACCORDANCE WITH THE TERMS OF AN INVESTORS' RIGHTS AGREEMENT BETWEEN THE COMPANY AND THE STOCKHOLDER, A COPY OF WHICH IS ON FILE WITH THE SECRETARY OF THE COMPANY.

The Holders consent to the Company making a notation in its records and giving instructions to any transfer agent of the Restricted Securities in order to implement the restrictions on transfer set forth in this Subsection 2.12.

(c) The holder of such Restricted Securities, by acceptance of ownership thereof, agrees to comply in all respects with the provisions of this Section 2. Before any proposed sale, pledge, or transfer of any Restricted Securities, unless there is in effect a registration statement under the Securities Act covering the proposed transaction or, following the IPO, the transfer is made pursuant to SEC Rule 144, the Holder thereof shall give notice to the Company of such Holder's intention to effect such sale, pledge, or transfer, provided that the Wellington Investors shall not be required to provide such notice in advance of any trade, sale, pledge or transfer pursuant to SEC Rule 144. Each such notice shall describe the manner and circumstances of the proposed sale, pledge, or transfer in sufficient detail and, if reasonably requested by the Company, shall be accompanied at such Holder's expense by either (i) a written opinion of legal counsel who shall, and whose legal opinion shall, be reasonably satisfactory to the Company, addressed to the Company, to the effect that the proposed transaction may be effected without registration under the Securities Act; (ii) a "no action" letter from the SEC to the effect that the proposed sale, pledge, or transfer of such Restricted Securities without registration will not result in a recommendation by the staff of the SEC that action be taken with respect thereto; or (iii) any other evidence reasonably satisfactory to counsel to the Company to the effect that the proposed sale, pledge, or transfer of the Restricted Securities may be effected without registration under the Securities Act, whereupon the Holder of such Restricted Securities shall be entitled to sell, pledge, or transfer such Restricted Securities in accordance with the terms of the notice given by the Holder to the Company. The Company will not require such a legal opinion or "no action" letter (x) in any transaction in compliance with SEC Rule 144; or (y)

in any transaction in which such Holder distributes Restricted Securities to an Affiliate of such Holder for no consideration; provided that, other than in connection with a transaction in compliance with SEC Rule 144 following the IPO, each transferee agrees in writing to be subject to the terms of this Subsection 2.12. Each certificate, instrument, or book entry representing the Restricted Securities transferred as above provided shall be notated with, except if such transfer is made pursuant to SEC Rule 144 or pursuant to an effective registration statement, the appropriate restrictive legend set forth in Subsection 2.12(b), except that such certificate instrument, or book entry shall not be notated with such restrictive legend if, in the opinion of counsel for such Holder and the Company, such legend is not required in order to establish compliance with any provisions of the Securities Act.

2.13 Termination of Registration Rights. The right of any Holder (which includes the FF Beneficial Investor for so long as the FF Investor is a Holder) to request registration or inclusion of Registrable Securities in any registration pursuant to Subsections 2.1 or 2.2 shall terminate upon the earliest to occur of:

(a) the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation; and

(b) such time after consummation of the IPO as Rule 144 or another similar exemption under the Securities Act is available for the sale of all of such Holder's shares without limitation during a three-month period without registration.

3. Information and Observer Rights.

3.1 Delivery of Financial Statements. The Company shall deliver to each Major Investor, provided that the Board of Directors has not reasonably determined that such Major Investor is a Competitor of the Company:

(a) as soon as practicable, but in any event within one hundred twenty (120) days after the end of each fiscal year of the Company (i) a balance sheet as of the end of such year, (ii) statements of income and of cash flows for such year and a comparison between (x) the actual amounts as of and for such fiscal year and (y) the comparable amounts for the prior year and as included in the Budget (as defined in Subsection 3.1(e)) for such year, with an explanation of any material differences between such amounts and a schedule as to the sources and applications of funds for such year, and (iii) a statement of stockholders' equity as of the end of such year, all such financial statements audited and certified by independent public accountants selected by the Company (to include the affirmative approval of at least two of the Preferred Directors);

(b) as soon as practicable, but in any event within forty-five (45) days after the end of each of the first three (3) quarters of each fiscal year of the Company, unaudited statements of income and cash flows for such fiscal quarter, and an unaudited balance sheet and a statement of stockholders' equity as of the end of such fiscal quarter, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments; and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(c) as soon as practicable, but in any event within forty-five (45) days after the end of each quarter of each fiscal year of the Company, a statement showing the number of shares of each class and series of capital stock and securities convertible into or exercisable for shares of capital stock outstanding at the end of the period, the Common Stock issuable upon conversion or exercise of any outstanding securities convertible or exercisable for Common Stock and the exchange ratio or exercise price applicable thereto, and the number of shares of issued stock options and stock options not yet issued but reserved for issuance, if any, all in sufficient detail as to permit the Major Investors to calculate their respective percentage equity ownership in the Company, and certified by the chief financial officer or chief executive officer of the Company as being true, complete, and correct;

(d) as soon as practicable, but in any event within thirty (30) days of the end of each month, an unaudited income statement and statement of cash flows for such month, and an unaudited balance sheet and statement of stockholders' equity as of the end of such month, each compared against the Budget, all prepared in accordance with GAAP (except that such financial statements may (i) be subject to normal year-end audit adjustments and (ii) not contain all notes thereto that may be required in accordance with GAAP);

(e) as soon as practicable, but in any event sixty (60) days before the end of each fiscal year, a budget and business plan for the next fiscal year (collectively, the "***Budget***"), approved by the Board of Directors and prepared on a monthly basis, including balance sheets, income statements, and statements of cash flow for such months and, promptly after prepared, any other budgets or revised budgets prepared by the Company; and

(f) such other information relating to the financial condition, business, prospects, or corporate affairs of the Company as any Major Investor may from time to time reasonably request; provided, however, that the Company shall not be obligated under this Subsection 3.1 to provide information (i) that the Company reasonably determines in good faith to be a trade secret; or (ii) the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

If, for any period, the Company has any subsidiary whose accounts are consolidated with those of the Company, then in respect of such period the financial statements delivered pursuant to the foregoing sections shall be the consolidated and consolidating financial statements of the Company and all such consolidated subsidiaries.

Notwithstanding anything else in this Subsection 3.1 to the contrary, the Company may cease providing the information set forth in this Subsection 3.1 during the period starting with the date forty-five (45) days before the Company's good-faith estimate of the date of filing of a registration statement if it reasonably concludes it must do so to comply with the SEC rules applicable to such registration statement and related offering; provided that the Company's covenants under this Subsection 3.1 shall be reinstated at such time as the Company is no longer actively employing its commercially reasonable efforts to cause such registration statement to become effective.

3.2 Inspection. The Company shall permit each Major Investor (provided that the Board of Directors has not reasonably determined that such Major Investor is a Competitor of the Company), at such Major Investor's expense, to visit and inspect the Company's properties; examine its books of account and records; and discuss the Company's affairs, finances, and accounts with its officers, during normal business hours of the Company as may be reasonably requested by Major Investor; provided, however, that the Company shall not be obligated pursuant to this Subsection 3.2 to provide access to any information that it reasonably and in good faith considers to be a trade secret or the disclosure of which would adversely affect the attorney-client privilege between the Company and its counsel.

3.3 Observer Rights.

(a) Tribeca Observer. As long as Tribeca or its Affiliates owns not less than 1,449,270 shares of Series A Preferred Stock (or an equivalent amount of Common Stock issued upon conversion thereof), as adjusted for stock splits, dividends and the like, the Company shall invite a representative of Tribeca (the "***Tribeca Observer***") to attend all meetings of its Board of Directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that such representative shall agree to hold in confidence with respect to all information so provided; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest, or if such Investor or its representative is a Competitor of the Company. The Company shall reimburse Tribeca for all reasonable out-of-pocket travel expenses of the Tribeca Observer incurred in connection with attending meetings of the Board of Directors, Board Committee (as defined below) meetings and any other meetings or events attended on behalf of the Company at the Company's request (such as trade shows).

(b) ASV Observer. As long as ASV or its Affiliates owns not less than 687,942 shares of Series A Preferred Stock (or an equivalent amount of Common Stock issued upon conversion thereof), as adjusted for stock splits, dividends and the like, the Company shall invite a representative of ASV (the "***ASV Observer***") to attend all meetings of its Board of Directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that such representative shall agree to hold in confidence with respect to all information so provided; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest, or if such Investor or its representative is a Competitor of the Company. The Company shall reimburse ASV for all reasonable out-of-pocket travel expenses of the ASV Observer incurred in connection with attending meetings of the Board of Directors, Board Committee (as defined below) meetings and any other meetings or events attended on behalf of the Company at the Company's request (such as trade shows).

(c) Series Seed 2 Preferred Stock Observer. As long as the holders of Series Seed 2 Preferred Stock own not less than 3,349,800 shares of the Series Seed 2 Preferred Stock (or an equivalent amount of Common Stock issued upon conversion thereof), as adjusted for stock splits, dividends and the like, the Company shall invite a representative of the holders of Series Seed 2 Preferred Stock (the "***Series Seed Observer***") to attend all meetings of its Board of Directors in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that such representative shall agree to hold in confidence with respect to all information so provided; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest, or if such Investor or its representative is a Competitor of the Company. The Company shall reimburse the Series Seed Observer for all reasonable out-of-pocket travel expenses of the Series Seed Observer incurred in connection with attending meetings of the Board of Directors, Board Committee (as defined below) meetings and any other meetings or events attended on behalf of the Company at the Company's request (such as trade shows).

(d) Wellington Observer. As long as Wellington or its Affiliates owns not less than 3,164,442 shares of Series E Preferred Stock (or an equivalent amount of Common Stock issued upon conversion thereof), as adjusted for stock splits, dividends and the like, the Company shall invite a representative of Wellington (the "***Wellington Observer***") to attend all meetings of its Board of Directors and each Board Committee (as defined below) in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that such representative shall agree to hold in confidence with respect to all information so provided pursuant to the terms of Section 3.5 below and the Wellington Side Letter; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest, or if such Investor or its representative is a Competitor of the Company. The Company shall reimburse Wellington for all reasonable out-of-pocket travel expenses of the Wellington Observer incurred in connection with attending meetings of the Board of Directors, Board Committee (as defined below) meetings and any other meetings or events attended on behalf of the Company at the Company's request (such as trade shows).

(e) Durable Observer. As long as Durable or its Affiliates owns not less than 3,376,040 shares of Series E-1 Preferred Stock (or an equivalent amount of Common Stock issued upon conversion thereof), as adjusted for stock splits, dividends and the like, the Company shall invite a representative of Durable (the "***Durable Observer***") to attend all meetings of its Board of Directors and each Board Committee (as defined below) in a nonvoting observer capacity and, in this respect, shall give such representative copies of all notices, minutes, consents, and other materials that it provides to its directors at the same time and in the same manner as provided to such directors; provided, however, that all information so provided

shall be subject to the terms of Section 3.5 below and the Durable Side Letter; and provided further, that the Company reserves the right to withhold any information and to exclude such representative from any meeting or portion thereof if access to such information or attendance at such meeting could adversely affect the attorney-client privilege between the Company and its counsel or result in disclosure of trade secrets or a conflict of interest. The Company shall reimburse Durable for all reasonable out-of-pocket travel expenses of the Durable Observer incurred in connection with attending meetings of the Board of Directors, Board Committee (as defined below) meetings and any other meetings or events attended on behalf of the Company at the Company's request (such as trade shows).

3.4 Termination of Information, Inspection and Observer Rights. The covenants set forth in Subsection 3.1, Subsection 3.2, Subsection 3.3 and Subsection 3.5 shall terminate and be of no further force or effect (i) immediately before the consummation of the IPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon the closing of a Deemed Liquidation Event (as such term is defined in the Certificate of Incorporation), where the proceeds are cash, freely-tradeable equity securities registered under the Exchange Act and listed on the New York Stock Exchange (the "***NYSE***"), the NYSE American or the NASDAQ Global Select Market and/or equity securities of a private company if the sale for which the equity securities of a private company are to be received as consideration is an arms' length transaction in which the acquiring company does not control, is not controlled by, nor under common control with any stockholder or board member of the Company, whichever event under (i), (ii) or (iii) shall occur first.

3.5 Confidentiality. Subject to the Future Fund Side Letter, the Wellington Side Letter and the Durable Side Letter, each Investor (which includes the FF Beneficial Investor for so long as the FF Investor is an Investor) agrees that such Investor will keep confidential and will not disclose, divulge, or use for any purpose (other than to monitor its investment in the Company) any confidential information obtained from the Company pursuant to the terms of this Agreement (including notice of the Company's intention to file a registration statement), unless such confidential information (a) is known or becomes known to the public in general (other than as a result of a breach of this Subsection 3.5 by such Investor), (b) is or has been independently developed or conceived by such Investor without use of the Company's confidential information, or (c) is or has been made known or disclosed to such Investor by a third party without a breach of any obligation of confidentiality such third party may have to the Company; provided, however, that an Investor (which includes the FF Beneficial Investor for so long as the FF Investor is an Investor) may disclose confidential information (i) to its attorneys, accountants, consultants, and other professionals to the extent necessary to obtain their services in connection with monitoring its investment in the Company; (ii) to any prospective purchaser of any Registrable Securities from such Investor, if such prospective purchaser agrees to be bound by the provisions of this Subsection 3.5; (iii) to any existing or prospective Affiliate, partner, member, stockholder, or wholly owned subsidiary of such Investor in the ordinary course of business, provided that such Investor informs such Person that such information is confidential and directs such Person to maintain the confidentiality of such information; or (iv) as may otherwise be required by law, provided that the Investor promptly notifies the Company of such disclosure and takes reasonable steps to minimize the extent of any such required disclosure.

4. Rights to Future Stock Issuances.

4.1 Right of First Offer. Subject to the terms and conditions of this Subsection 4.1 and applicable securities laws, if the Company proposes to offer or sell any New Securities, the Company shall first offer such New Securities to each Major Investor. A Major Investor shall be entitled to apportion the right of first offer hereby granted to it, in such proportions as it deems appropriate, among (i) itself, (ii) its Affiliates and (iii) its beneficial interest holders, such as limited partners, members or any other Person having "beneficial ownership," as such term is defined in Rule 13d-3 promulgated under the Exchange Act, of such Major Investor ("***Investor Beneficial Owners***"); provided that each such Affiliate or Investor Beneficial Owner (x) is not a Competitor, unless such party's purchase of New Securities is otherwise consented to by the Board of Directors, (y) agrees to enter into this Agreement and each of the Fifth Amended and Restated Voting Agreement and Fifth Amended and Restated Right of First Refusal and Co-Sale Agreement of even date herewith among the Company, the Investors and the other parties named therein, as the same may be amended and/or restated from time to time, as an "***Investor***" under each such agreement (provided that any Competitor shall not be entitled to any rights as a Major Investor under Subsections 3.1, 3.2 and 4.1 hereof), and (z) agrees to purchase at least such number of New Securities as are allocable hereunder to the Major Investor holding the fewest number of Preferred Stock and any other Derivative Securities.

(a) The Company shall give notice (the "***Offer Notice***") to each Major Investor, stating (i) its bona fide intention to offer such New Securities, (ii) the number of such New Securities to be offered, and (iii) the price and terms, if any, upon which it proposes to offer such New Securities.

(b) By notification to the Company within twenty (20) days after the Offer Notice is given, each Major Investor may elect to purchase or otherwise acquire, at the price and on the terms specified in the Offer Notice, up to that portion of such New Securities which equals the proportion that the Common Stock then held by such Major Investor (including all shares of Common Stock then issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held by such Major Investor) bears to the total Common Stock of the Company then outstanding (assuming full conversion and/or exercise, as applicable, of all Preferred Stock and other Derivative Securities). At the expiration of such twenty (20) day period, the Company shall promptly notify each Major Investor that elects to purchase or acquire all the shares available to it (each, a "***Fully Exercising Investor***") of any other Major Investor's failure to do likewise. During the ten (10) day period commencing after the Company has given such notice, each Fully Exercising Investor may, by giving notice to the Company, elect to purchase or acquire, in addition to the number of shares specified above, up to that portion of the New Securities for which Major Investors were entitled to subscribe but that were not subscribed for by the Major Investors which is equal to the proportion that the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of Preferred Stock and any other Derivative Securities then held, by such Fully Exercising Investor bears to the Common Stock issued and held, or issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held, by all Fully Exercising Investors who wish to purchase such unsubscribed shares. The closing of any sale pursuant to this Subsection 4.1(b) shall occur within the later of ninety (90) days of the date that the Offer Notice is given and the date of initial sale of New Securities pursuant to Subsection 4.1(c).

(c) If all New Securities referred to in the Offer Notice are not elected to be purchased or acquired as provided in Subsection 4.1(b), the Company may, during the ninety (90) day period following the expiration of the periods provided in Subsection 4.1(b), offer and sell the remaining unsubscribed portion of such New Securities to any Person or Persons at a price not less than, and upon terms no more favorable to the offeree than, those specified in the Offer Notice. If the Company does not enter into an agreement for the sale of the New Securities within such period, or if such agreement is not consummated within thirty (30) days of the execution thereof, the right provided hereunder shall be deemed to be revived and such New Securities shall not be offered unless first reoffered to the Major Investors in accordance with this Subsection 4.1.

(d) The right of first offer in this Subsection 4.1 shall not be applicable to (i) Exempted Securities (as defined in the Certificate of Incorporation); (ii) the issuance of shares of Series E-1 Preferred Stock to Additional Purchasers pursuant to the Purchase Agreement and (iii) shares of Common Stock issued in the IPO.

4.2 Termination. The covenants set forth in Subsection 4.1 shall terminate and be of no further force or effect (i) immediately before the consummation of the QPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, whichever event occurs first.

5. Additional Covenants.

5.1 Insurance. The Company shall use its commercially reasonable efforts to maintain Directors and Officers liability insurance until such time as the Board of Directors, including at least two of the Preferred Directors, determines that such insurance should be discontinued. Notwithstanding any other provision of this Subsection 5.1 to the contrary, for so long as at least one Preferred Director is serving on the Board of Directors, the Company shall not cease to maintain a Directors and Officers liability insurance policy in an amount of at least two million dollars ($2,000,000) unless approved by at least two of the Preferred Directors, and the Company shall annually, within ninety (90) days after the end of each fiscal year of the Company, deliver to the Board of Directors a certification that such a Directors and Officers liability insurance policy remains in effect. The Company shall use its commercially reasonable efforts to maintain in full force and effect, term life insurance in the amount of at least two million dollars ($2,000,000) on the life of George Chamoun (for so long as he remains an employee of the Company); naming the Company as beneficiary. Such policies will not be cancelable by the Company without the prior approval of the Board of Directors (including the affirmative approval of at least two of the Preferred Directors).

5.2 Employee Agreements. Unless waived by the Board of Directors (including the affirmative approval of at least two of the Preferred Directors), the Company will cause each person now or hereafter employed by it or by any subsidiary (or engaged by the Company or any subsidiary as a consultant/independent contractor) with access to confidential information and/or trade secrets (i) to enter into a nondisclosure and proprietary rights assignment agreement and (ii) to enter into a one (1) year noncompetition and nonsolicitation agreement, substantially in the form approved by the Board of Directors. In addition, the Company shall not amend, modify, terminate, waive, or otherwise alter, in whole or in part, any of the above-referenced agreements or any restricted stock agreement between the Company and any employee, without the consent of at least two of the Preferred Directors.

5.3 Employee Stock. Unless otherwise approved by the Board of Directors, including at least two of the Preferred Directors, all future employees and consultants of the Company who purchase, receive options to purchase, or receive awards of shares of the Company's capital stock after the date hereof shall be required to execute restricted stock or option agreements, as applicable, providing for (i) vesting of shares over a four-year period, with the first twenty five percent (25%) of such shares vesting following twelve (12) months of continued employment or service, and the remaining shares vesting in equal monthly installments over the following thirty six (36) months, and (ii) a market stand-off provision substantially similar to that in Section 2.11. In addition, unless otherwise approved by the Board of Directors, including at least two of the Preferred Directors, the Company shall retain a "right of first refusal" on employee transfers until the Company's IPO and shall have the right to repurchase unvested shares at cost upon termination of employment of a holder of restricted stock. Unless approved by the Board of Directors, including at least two of the Preferred Directors, the Company shall not grant any stock option or stock equivalent.

5.4 Matters Requiring Investor Director Approval. So long as the holders of Series A Preferred Stock, Series B Preferred Stock and Series D Preferred Stock are entitled to elect at least two Preferred Directors, the Company hereby covenants and agrees with each of the Investors and the FF Beneficial Investor that it shall not, without approval of the Board of Directors, which approval must include the affirmative vote of at least two of the Preferred Directors:

(a) incur any indebtedness for borrowed money in excess of one million dollars ($1,000,000) not contemplated by the Company's Budget;

(b) make or approve capital expenditures (including, without limitation, capital improvements, Company infrastructure expenditures and capital expenditures under capitalized leases) in excess of one million dollars ($1,000,000) in the aggregate not included in the Budget;

(c) amend or otherwise increase the authorized number of shares reserved for issuance pursuant to the Company's 2015 Long-Term Incentive Plan, as amended and restated (the "***Plan***"), or adopt or amend any other similar stock plan or arrangement;

(d) create any committee of the Board of Directors;

(e) enter into transactions or extend or renew any existing transactions between the Company and any members of the Board of Directors or their immediate families or Affiliates thereof;

(f) approve the Company's Budget or operate the Company in a manner materially inconsistent with such Budget;

(g) change the Company's existing principal business, enter into any material new line of business or exit any material current line of business;

(h) hire or terminate the Chief Executive Officer of the Company;

(i) establish or invest in any joint venture;

(j) acquire all or substantially all of the equity or assets of any other business entity (whether by stock or asset purchase, merger, consolidation or otherwise); or

(k) permit any direct or indirect subsidiary of the Company to effect or validate any action (whether by amendment, merger, consolidation, or otherwise) that is similar to any of the actions listed in subsections 5.4(a)—(j) above.

5.5 Subsidiaries. No Subsidiary shall take any action without the approval of the Board of Directors to the extent approval of the Board of Directors would be required in the event such action was to be taken by the Company itself, including the requisite groups of directors whose approval would be required in the event such action was to be taken by the Company itself.

5.6 Board Matters. Unless otherwise determined by the vote of a majority of the directors then in office, the Board of Directors shall meet at least every twelve (12) weeks, in accordance with an agreed-upon schedule. The Company shall reimburse the Preferred Directors for all reasonable out-of-pocket travel expenses incurred in connection with attending meetings of the Board of Directors, Board Committee (as defined below) meetings and any other meetings or events attended on behalf of the Company at the Company's request (such as trade shows). Each of the Preferred Directors shall have the right, at their election, to be a member of any committee of the Board of Directors ("***Board Committee***").

5.7 Successor Indemnification. If the Company or any of its successors or assignees consolidates with or merges into any other Person and is not the continuing or surviving corporation or entity of such consolidation or merger, then to the extent necessary, proper provision shall be made so that the successors and assignees of the Company assume the obligations of the Company with respect to indemnification of members of the Board of Directors as in effect immediately before such transaction, whether such obligations are contained in the Bylaws, the Certificate of Incorporation, or elsewhere, as the case may be.

5.8 Indemnification Matters. The Company hereby acknowledges that one (1) or more of the directors nominated to serve on the Board of Directors by the Investors (each a "***Fund Director***") may have certain rights to indemnification, advancement of expenses and/or insurance provided by one or more of the Investors and certain of their affiliates (collectively, the "***Fund Indemnitors***"). The Company hereby agrees (a) that it is the indemnitor of first resort (i.e., its obligations to any such Fund Director are primary and any obligation of the Fund Indemnitors to advance expenses or to provide indemnification for the same expenses or liabilities incurred by such Fund Director are secondary), (b) that it shall be required to advance

the full amount of expenses incurred by such Fund Director and shall be liable for the full amount of all expenses, judgments, penalties, fines and amounts paid in settlement by or on behalf of any such Fund Director to the extent legally permitted and as required by the Certificate of Incorporation or Bylaws (or any agreement between the Company and such Fund Director), without regard to any rights such Fund Director may have against the Fund Indemnitors, and, (c) that it irrevocably waives, relinquishes and releases the Fund Indemnitors from any and all claims against the Fund Indemnitors for contribution, subrogation or any other recovery of any kind in respect thereof. The Company further agrees that no advancement or payment by the Fund Indemnitors on behalf of any such Fund Director with respect to any claim for which such Fund Director has sought indemnification from the Company shall affect the foregoing and the Fund Indemnitors shall have a right of contribution and/or be subrogated to the extent of such advancement or payment to all of the rights of recovery of such Fund Director against the Company.

5.9 Right to Conduct Activities. The Company hereby agrees and acknowledges that each of BCV and its affiliated advisors and funds, Bessemer and its affiliated advisors and funds, Tribeca and its affiliated advisors and funds, Wellington and its affiliated advisors and funds and Durable and its affiliated advisors and funds, are professional investment managers and/or funds, and as such, invest in numerous portfolio companies, some of which may be deemed competitive with the Company's business (as conducted or proposed to be conducted). Neither BCV, Bessemer, Tribeca, Wellington nor Durable, nor any of their affiliates (including affiliated advisors and funds) shall be liable to the Company for any claim arising out of, or based upon, (i) the investment by BCV, Bessemer, Tribeca, Wellington, Durable or any affiliated fund of BCV, Bessemer, Tribeca, Wellington or Durable in any entity competitive to the Company, or (ii) actions taken by any advisor, partner, officer or other representative of BCV, Bessemer, Tribeca, Wellington, Durable or any affiliated fund of BCV, Bessemer, Tribeca, Wellington or Durable to assist any such competitive company, whether or not such action was taken as a board member of such competitive company, or otherwise; provided, however, that the foregoing shall not relieve (x) any of the Investors from liability associated with the unauthorized disclosure of the Company's confidential information obtained pursuant to this Agreement, or (y) any director or officer of the Company from any liability associated with his or her fiduciary duties to the Company.

5.10 FCPA. The Company represents that it shall not (and shall not permit any of its subsidiaries or affiliates or any of its or their respective directors, officers, managers, employees, independent contractors, representatives or agents to) promise, authorize or make any payment to, or otherwise contribute any item of value to, directly or indirectly, to any third party, including any Non-U.S. Official (as such term is defined in the U.S. Foreign Corrupt Practices Act of 1977, as amended (the "***FCPA***")), in each case, in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further represents that it shall (and shall cause each of its subsidiaries and affiliates to) cease all of its or their respective activities, as well as remediate any actions taken by the Company, its subsidiaries or affiliates, or any of their respective directors, officers, managers, employees, independent contractors, representatives or agents in violation of the FCPA, the U.K. Bribery Act, or any other applicable anti-bribery or anti-corruption law. The Company further covenants to maintain systems or internal controls (including, but not limited to, accounting systems, purchasing systems and billing systems) to ensure compliance with the FCPA or any

other applicable anti-bribery or anti-corruption law (such as Part 12 of the United States Anti-Terrorism, Crime and Security Act of 2001; the United States Money Laundering Control Act of 1986; the United States International Money Laundering Abatement and Anti-Terrorist Financing Act of 2001; the United States Foreign Corrupt Practices Act, as amended; and laws applicable in the United Kingdom that prohibit bribery, corrupt practices or money laundering, including, for the avoidance of doubt, the Bribery Act 2010). Upon request, the Company agrees to provide responsive information and/or certifications concerning its compliance with applicable anti-corruption laws. The Company shall promptly notify each Investor if the Company becomes aware of any Enforcement Action (as defined in the Purchase Agreement). The Company shall, and shall cause any direct or indirect subsidiary or entity controlled by it, whether now in existence or formed in the future, to comply with the FCPA. The Company shall use its best efforts to cause any direct or indirect subsidiary, whether now in existence or formed in the future, to comply in all material respects with all applicable laws.

5.11 Real Property Holding Corporation. If at any time the Company determines that it is a "United States real property holding corporation" (a "***USRPHC***") as defined in the Code and any applicable regulations promulgated thereunder, it shall promptly inform the Investors in writing of such determination. In addition, upon the Investor's request, the Company shall promptly determine whether or not it is a USRPHC and shall promptly inform Bessemer, Tribeca, the FF Investor and the FF Beneficial Investor in writing of such determination.

5.12 Investments in Australian Companies. The company will notify Bessemer if it currently owns, or in future acquires, any voting securities of an Australian entity either listed on an exchange in Australia or having more than 50 members or persons holding equity interests.

5.13 Export. The Company agrees to inform Bessemer if the Company does conduct, or expects to conduct, operations from or do business directly or indirectly in or with Cuba, Northern Ireland, Myanmar, Iran, or Sudan.

5.14 Munitions. The Company covenants not to control any weapon or explosive device, nuclear or otherwise.

5.15 Termination of Covenants. The covenants set forth in this Section 5, except forSubsections 5.7 and 5.8, shall terminate and be of no further force or effect (i) immediately before the consummation of the QPO, (ii) when the Company first becomes subject to the periodic reporting requirements of Section 12(g) or 15(d) of the Exchange Act, or (iii) upon the closing of a Deemed Liquidation Event, as such term is defined in the Certificate of Incorporation, whichever event occurs first.

6. Miscellaneous.

6.1 Successors and Assigns. The rights under this Agreement may be assigned (but only with all related obligations) by a Holder (which includes the FF Beneficial Investor for so long as the FF Investor is a Holder) to a transferee of Registrable Securities that (i) is an Affiliate of a Holder; (ii) is a Holder's Immediate Family Member or trust for the benefit

of an individual Holder or one or more of such Holder's Immediate Family Members; or (iii) after such transfer, holds at least 725,000 shares of Registrable Securities (subject to appropriate adjustment for stock splits, stock dividends, combinations, and other recapitalizations) or all of the Registrable Securities held by such Holder; provided, however, that (x) the Company is, within a reasonable time after such transfer, furnished with written notice of the name and address of such transferee and the Registrable Securities with respect to which such rights are being transferred; and (y) such transferee agrees in a written instrument delivered to the Company to be bound by and subject to the terms and conditions of this Agreement, including the provisions of Subsection 2.11. For the purposes of determining the number of shares of Registrable Securities held by a transferee, the holdings of a transferee (1) that is an Affiliate or stockholder of a Holder; (2) who is a Holder's Immediate Family Member; or (3) that is a trust for the benefit of an individual Holder or such Holder's Immediate Family Member shall be aggregated together and with those of the transferring Holder; provided further that all transferees who would not qualify individually for assignment of rights shall have a single attorney-in-fact for the purpose of exercising any rights, receiving notices, or taking any action under this Agreement. The terms and conditions of this Agreement inure to the benefit of and are binding upon the respective successors and permitted assignees of the parties. Nothing in this Agreement, express or implied, is intended to confer upon any party other than the parties hereto or their respective successors and permitted assignees any rights, remedies, obligations or liabilities under or by reason of this Agreement, except as expressly provided herein.

6.2 Governing Law. This Agreement shall be governed by the internal law of the State of Delaware.

6.3 Counterparts. This Agreement may be executed in two (2) or more counterparts, each of which shall be deemed an original, but all of which together shall 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, e.g., 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.

6.4 Titles and Subtitles. The titles and subtitles used in this Agreement are for convenience only and are not to be considered in construing or interpreting this Agreement.

6.5 Notices. All notices and other communications given or made pursuant to this Agreement shall be in writing and shall be deemed effectively given upon the earlier of actual receipt or (i) personal delivery to the party to be notified; (ii) when sent, if sent by electronic mail or facsimile during the recipient's normal business hours, and if not sent during normal business hours, then on the recipient's next business day; (iii) five (5) days after having been sent by registered or certified mail, return receipt requested, postage prepaid; or (iv) one (1) business day after the business day of deposit with a nationally recognized overnight courier, freight prepaid, specifying next-day delivery, with written verification of receipt. All communications shall be sent to the respective parties at their addresses as set forth on Schedule A or their signature page hereto, or to the principal office of the Company and to the attention of the Chief Executive Officer, in the case of the Company, or to such email address, facsimile number, or address as subsequently modified by written notice given in accordance with this

Subsection 6.5. If notice is given to the Company, a copy shall also be sent to Lowenstein Sandler LLP, 1251 Avenue of the Americas, New York, NY 10020 Attention: Anthony O. Pergola, if notice is given to Durable, a copy shall also be given to Greenberg Traurig, LLP, One International Place, Suite 2000, Boston, MA 02110, Attention: Bradley A. Jacobson, Telephone: 617-310-6205, E-Mail: jacobsonb@gtlaw.com, if notice is given to BCV, a copy shall also be given to Ropes & Gray LLP, The Prudential Tower, 800 Boylston Street, Boston, MA 02199, Attention: Joel F. Freedman, Telephone: 617-951-7309, Fax: 617-951-7050, and if notice is given to Bessemer, FF Investor, FF Beneficial Investor or Tribeca, a copy shall also be given to DLA Piper LLP (US), One Fountain Square, 11911 Freedom Drive, Suite 300, Reston, Virginia 20190-5602, Attention: Eric S. Grossman/Matt VanderGoot, and if notice is given to the FF Investor, a copy should also be given to the FF Beneficial Investor. Notwithstanding the foregoing, with respect to the Wellington Investors, all notices shall be sent **only** to: c/o Wellington Management Company LLP, Legal and Compliance, 280 Congress Street, Boston, MA 02210, Attn: Emily Babalas, email: #legal-ecm@wellington.com, with a copy (which shall not constitute notice) to: Cooley LLP, 500 Boylston Street, 14th Floor, Boston, MA 02116, Attn: Joshua D. Rottner, email: jrottner@cooley.com.

6.6 Amendments and Waivers. Any term of this Agreement may be amended and the observance of any term of this Agreement may be waived (either generally or in a particular instance, and either retroactively or prospectively) only with the written consent of the Company and the holders of a majority of the Registrable Securities issued or issuable upon conversion of the then outstanding Series A Preferred Stock, Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock, Series E Preferred Stock and Series E-1 Preferred Stock (voting together as a single class on an as-converted to Common Stock basis) (the "***Requisite Investors***"); provided that the Company may in its sole discretion waive compliance withSubsection 2.12(c) (and the Company's failure to object promptly in writing after notification of a proposed assignment allegedly in violation ofSubsection 2.12(c) shall be deemed to be a waiver); and provided further that any provision hereof may be waived by any waiving party on such party's own behalf, without the consent of any other party. Notwithstanding the foregoing, (a) this Agreement may not be amended or terminated and the observance of any term hereof may not be waived with respect to any Investor (or the FF Beneficial Investor) without the written consent of such Investor, unless such amendment, termination, or waiver applies to all Investors in the same fashion (it being agreed that a waiver of the provisions of Section 4 with respect to a particular transaction shall only require the consent of Major Investors holding a majority of the shares of Preferred Stock then held by Major Investors and shall be deemed to apply to all Investors in the same fashion if such waiver does so by its terms, notwithstanding the fact that certain Investors may nonetheless, by agreement with the Company, purchase securities in such transaction, provided, that, in the event that in any transaction with respect to which a waiver of the provisions of Section 4 was obtained any securities become available for purchase by any of the Major Investors (such securities, the "***Available Securities***"), then each Major Investor shall be entitled to purchase apro-rata portion of such Available Securities. A Major Investor's pro-rata portion, for purposes of the preceding sentence, is equal to the ratio of (x) the number of shares of Common Stock then held by such Major Investor (including all shares of Common Stock then issuable (directly or indirectly) upon conversion and/or exercise, as applicable, of the Preferred Stock and any other Derivative Securities then held by such Major Investor) to (y) the total Common Stock of the Company then owned by all the Major Investors (assuming full conversion and/or exercise, as applicable, of all

Preferred Stock and other Derivative Securities)), or (b) Subsection 6.17 of this Agreement may not be amended, terminated or waived without the written consent of the FF Investor and the FF Beneficial Investor and the second sentence of this Subsection 6.6 shall not be amended, terminated or waived without the written consent of Wellington Investors. The Company shall give notice of any amendment or termination hereof or waiver hereunder to any party hereto that did not consent in writing to such amendment, termination, or waiver; provided that the failure to provide such notice shall not invalidate any amendment, modification, termination or waiver hereunder. Any amendment, termination, or waiver effected in accordance with this Subsection 6.6 shall be binding on all parties hereto, regardless of whether any such party has consented thereto. No waivers of or exceptions to any term, condition, or provision of this Agreement, in any one or more instances, shall be deemed to be or construed as a further or continuing waiver of any such term, condition, or provision.

6.7 Severability. In case any one or more of the provisions contained in this Agreement is for any reason held to be invalid, illegal or unenforceable in any respect, such invalidity, illegality, or unenforceability shall not affect any other provision of this Agreement, and such invalid, illegal, or unenforceable provision shall be reformed and construed so that it will be valid, legal, and enforceable to the maximum extent permitted by law.

6.8 Aggregation of Stock. All shares of Registrable Securities held or acquired by Affiliates shall be aggregated together for the purpose of determining the availability of any rights under this Agreement and such Affiliated persons may apportion such rights as among themselves in any manner they deem appropriate.

6.9 Additional Investors. Notwithstanding anything to the contrary contained herein, if the Company issues additional shares of Series E-1 Preferred Stock after the date hereof, any purchaser of such shares of Series E-1 Preferred Stock may become a party to this Agreement by executing and delivering an additional counterpart signature page to this Agreement, and thereafter shall be deemed an "***Investor***" for all purposes hereunder. No action or consent by the Investors shall be required for such joinder to this Agreement by such additional Investor, so long as such additional Investor has agreed in writing to be bound by all of the obligations as an "***Investor***" hereunder.

6.10 Entire Agreement. This Agreement (including any Schedules and Exhibits hereto) constitutes the full and entire understanding and agreement among the parties with respect to the subject matter hereof, and any other written or oral agreement relating to the subject matter hereof existing between the parties is expressly canceled. Notwithstanding the foregoing, in the event of a conflict between the terms of this Agreement and the Future Fund Side Letter, the terms and conditions of the Future Fund Side Letter will control and prevail to the extent of the conflict or inconsistency. Notwithstanding the foregoing, in the event of a conflict between the terms of this Agreement and the Wellington Side Letter, the terms and conditions of the Wellington Side Letter will control and prevail to the extent of the conflict or inconsistency.

6.11 Dispute Resolution. The parties (a) hereby irrevocably and unconditionally submit to the jurisdiction of the state courts of New York or the United States District Court for the Southern District of New York for the purpose of any suit, action or other proceeding arising out of or based upon this Agreement, (b) agree not to commence any suit, action or other proceeding arising out of or based upon this Agreement except in the state courts of New York or the United States District Court for the Southern District of New York, and (c) hereby waive, and agree not to assert, by way of motion, as a defense, or otherwise, in any such suit, action or proceeding, any claim that it is not subject personally to the jurisdiction of the above-named courts, that its property is exempt or immune from attachment or execution, that the suit, action or proceeding is brought in an inconvenient forum, that the venue of the suit, action or proceeding is improper or that this Agreement or the subject matter hereof may not be enforced in or by such court.

WAIVER OF JURY TRIAL: EACH PARTY HEREBY WAIVES ITS RIGHTS TO A JURY TRIAL OF ANY CLAIM OR CAUSE OF ACTION BASED UPON OR ARISING OUT OF THIS AGREEMENT, THE OTHER TRANSACTION DOCUMENTS, THE SECURITIES OR THE SUBJECT MATTER HEREOF OR THEREOF. THE SCOPE OF THIS WAIVER IS INTENDED TO BE ALL-ENCOMPASSING OF ANY AND ALL DISPUTES THAT MAY BE FILED IN ANY COURT AND THAT RELATE TO THE SUBJECT MATTER OF THIS TRANSACTION, INCLUDING, WITHOUT LIMITATION, CONTRACT CLAIMS, TORT CLAIMS (INCLUDING NEGLIGENCE), BREACH OF DUTY CLAIMS, AND ALL OTHER COMMON LAW AND STATUTORY CLAIMS. THIS SECTION HAS BEEN FULLY DISCUSSED BY EACH OF THE PARTIES HERETO AND THESE PROVISIONS WILL NOT BE SUBJECT TO ANY EXCEPTIONS. EACH PARTY HERETO HEREBY FURTHER WARRANTS AND REPRESENTS THAT SUCH PARTY HAS REVIEWED THIS WAIVER WITH ITS LEGAL COUNSEL, AND THAT SUCH PARTY KNOWINGLY AND VOLUNTARILY WAIVES ITS JURY TRIAL RIGHTS FOLLOWING CONSULTATION WITH LEGAL COUNSEL.

6.12 Specific Performance. In addition to any and all other remedies that may be available at law in the event of any breach of this Agreement, each Investor shall be entitled to specific performance of the agreements and obligations of the Company hereunder and to such other injunction or other equitable relief as may be granted by a court of competent jurisdiction.

6.13 Attorneys' Fees. If any action at law or in equity (including, arbitration) is necessary to enforce or interpret the terms of any of this Agreement, the prevailing party shall be entitled to reasonable attorneys' fees, costs and necessary disbursements in addition to any other relief to which such party may be entitled.

6.14 Delays or Omissions. No delay or omission to exercise any right, power, or remedy accruing to any party under this Agreement, upon any breach or default of any other party under this Agreement, shall impair any such right, power, or remedy of such nonbreaching or nondefaulting party, nor shall it be construed to be a waiver of or acquiescence to any such breach or default, or to any similar breach or default thereafter occurring, nor shall any waiver of any single breach or default be deemed a waiver of any other breach or default theretofore or thereafter occurring. All remedies, whether under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

6.15 Acknowledgment. The Company acknowledges that the Investors are in the business of venture capital investing and therefore review the business plans and related proprietary information of many enterprises, including enterprises which may have products or services which compete directly or indirectly with those of the Company. Nothing in this Agreement shall preclude or in any way restrict the Investors from investing or participating in any particular enterprise whether or not such enterprise has products or services which compete with those of the Company.

6.16 Effect on Prior Agreement. Upon the execution and delivery of this Agreement by the Company and the holders of a majority of the shares of Common Stock issued or issuable upon conversion of the shares of the Series A Preferred Stock, the Series B Preferred Stock, Series C Preferred Stock, Series D Preferred Stock and Series E Preferred Stock held by the Investors (voting together as a single class on an as-converted to Common Stock basis), the Prior Agreement automatically shall terminate and be of no further force and effect and shall be amended and restated in its entirety as set forth in this Agreement.

6.17 FF Investor Limitation of Liability. The FF Investor enters into and is liable under (a) this Agreement, (b) any other document or agreement which the FF Investor may be required to provide under this Agreement and (c) any document or agreement executed by the Company or any other person as agent or attorney of the FF Investor under this Agreement only in its capacity as custodian for the FF Beneficial Investor, and to the extent that it is actually indemnified by the FF Beneficial Investor. To the extent this Subsection 6.17 operates to reduce the amounts for which the FF Investor would otherwise be liable to any person, the FF Beneficial Investor will pay or procure the payment of such amounts to such person.

[Remainder of Page Intentionally Left Blank]

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

ACV AUCTIONS INC.

By: */s/ George Chamoun*
Name: George Chamoun
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

DURABLE CAPITAL MASTER FUND LP

By: Durable Capital Partners LP, as investment manager

By: */s/ Michael Blandino*
Name: Michael Blandino

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

HADLEY HARBOR MASTER INFESTORS (CAYMAN) II L.P.

/s/ Valerie N. Tipping

By: Wellington Management Company LLP, as investment adviser
Name: Valerie N. Tipping
Title; Managing Director and Counsel

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

BAIN CAPITAL VENTURE FUND 201, L.P.

By: Bain Capital Venture Investors 2019, LLC
its general partner
By: Bain Capital Venture Investors, LLC
its manager

By: */s/ Paul Zurlo*
Name: Paul Zurlo
Title: Managing Director

BCV 2019-MD PRIMARY, L.P.

By: Bain Capital Venture Investors 2019, LLC
its general partner
By: Bain Capital Venture Investors, LLC
its manager

By: */s/ Paul Zurlo*
Name: Paul Zurlo
Title: Managing Director

BCIP VENTURE ASSOCIATES II, L.P.

By: Boylston Coinvestors, LLC, its General Partner

By: */s/ Paul Zurlo*
Name: Paul Zurlo
Title: Authorized Signatory

BCIP VENTURE ASSOCIATES II-B, L.P.

By: Boylston Coinvestors, LLC, its General Partner

By: */s/ Paul Zurlo*
Name: Paul Zurlo
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

BESSEMER VENTURE PARTNERS IX L.P.
BESSEMER VENTURE PARTNERS IX INSTITUTIONAL L.P.

By: Deer IX & Co. L.P., their General Partner
By: Deer IX & Co. Ltd., its General Partner

By: */s/ Scott Ring*
Name: Scott Ring
Title: General Counsel

Notice Address:

c/o Bessemer Venture Partners
1865 Palmer Avenue
Suite 104
Larchmont, NY 10538
Tel. 914-833-5300
Transactions@bvp.com

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

TRIBECA VENTURE FUND II, L.P.

By: Tribeca Venture Fund II GP, L.P., its General Partner
By: Tribeca Venture Partners II GP, LLC, its General Partner

By: */s/ Brian Hirsch*
Name: Brian Hirsch
Title: Managing Partner

TRIBECA VENTURE FUND II NEW YORK, L.P.

By: Tribeca Venture Fund II GP, L.P., its General Partner
By: Tribeca Venture Partners II GP, LLC, its General Partner

By: */s/ Brian Hirsch*
Name: Brian Hirsch
Title: Managing Partner

TRIBECA ACCESS FUND, L.P.

By: Tribeca Access Fund GP, LLC
Its: General Partner

By: */s/ Brian Hirsch*
Name: Brian Hirsch
Title: Managing Partner

TRIBECA ACV HOLDINGS, LLC
By: Tribeca Venture Partners, LLC, its Manager

By: */s/ Brian Hirsch*
Name: Brian Hirsch
Title: Managing Partner

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

ARMORY SQUARE VENTURES, LP

By: Armory Square Ventures GP, LLC, its General Partner

By: */s/ Somak Chattopadhyay*
Name: Somak Chattopadhyay
Title: Managing Member

ARMORY SQUARE VENTURES ACV CO-INVEST, LLC

By: Armory Square Ventures GP, LLC, its manager

By: */s/ Somak Chattopadhyay*
Name: Somak Chattopadhyay
Title: Managing Member

ARMORY SQUARE VENTURES ACV CO-INVEST II, LLC

By: Armory Square Ventures GP, LLC, its General Partner

By: */s/ Somak Chattopadhyay*
Name: Somak Chattopadhyay
Title: Managing Member

ARMORY SQUARE VENTURES II, LP

By: Armory Square Ventures GP, LLC,
its General Partner

By: */s/ Somak Chattopadhyay*
Somak Chattopadhyay
Managing Member

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

SCP BUFFALO INCUBATOR INNOVATE NY FUND, L.P.

By: Z280 Labs, LLC,
its General Partner

By: */s/ Jodan Levy*
Name: Jordan Levy
Title: Manager

SOFTBANK CAPITAL TECHNOLOGY NEW YORK FUND II L.P.

By: SB Capital Managers New York II LLC,
its General Partner

By: */s/ Jodan Levy*
Name: Jordan Levy
Title: Manager

SOFTBANK CAPITAL TECHNOLOGY NEW YORK PARALLEL FUND II L.P.

By: SB Capital Managers New York II LLC,
its General Partner

By: */s/ Jodan Levy*
Name: Jordan Levy
Title: Manager

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

JOSEPH S. NEIMAN

/s/ Joseph S. Neiman

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

GEORGE CHAMOUN

/s/ George Chamoun

On the date set forth below, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement.

FF INVESTOR:

EXECUTED on behalf of **THE NORTHERN TRUST COMPANY (ABN 62 126 279 918)**, a company incorporated in the State of Illinois in the United States of America, in its capacity as custodian for the Future Fund Investment Company No.4 Pty Ltd (ACN 134 338 908), by JAMES MCLAREN
being a person who, in accordance with the laws of that territory, is acting under the authority of the company:

Date: 02 September 2020

/s/ James McLaren
By executing this agreement the signatory warrants that the signatory is duly authorized to execute this agreement on behalf of **THE NORTHERN TRUST COMPANY**

On the date set forth below, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement.

FF BENEFICIAL INVESTOR:

EXECUTED by **Future Fund Investment Company No.4 Pty Ltd ACN 134 338 908** by its attorney under power of attorney dated 10 July 2019 (who, by signing, confirms they have received no notice of revocation of that power):

/s/ Kylie Yong
Attorney Signature

Kylie Yong
Print Name

2 September 2020
Date

Level 42, 120 Collins Street
Melbourne Vic 3000
Australia

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

G3ACV, LLC

By: */s/ Robert F. Tasca III*
Name: Robert F. Tasca III
Title: Member

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

/s/ Monica Vaughan
Monica Vaughan

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

ATREIDES FOUNDATION MASTER FUND LP

By: Atreides Foundation Fund GP, LLC,
its General Partner

By: */s/ Dunyelle Rosen*
Name: Dunyelle Rosen
Title: General Counsel & CCO

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

WINSLOW GROWTH CAPITAL FUND II, L.P.
By: Winslow Growth Capital GP II, LLC
Its: General Partner

By: Winslow Capital Management, LLC
Its: Manager

By: */s/ Jeff Wieneke*
Name: Jeff Wieneke
Title: CFO

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

/s/ Robert F. Tasca III
Robert F. Tasca III

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

PACK AUTOMOTIVE GROUP LTD

By: */s/ Sam Pack*
Name: Sam Pack
Title: President

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

PRESTON HYUNDAI INC.

By: */s/ Dave Wilson*
Name: Dave Wilson
Title: President

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

/s/ Fred Beans
Fred Beans

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

TRITON AUTOMOTIVE GROUP, LLC

By: */s/ Joseph Campbell*
Name: Joseph Campbell
Title: Chief Executive Officer

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

CAVU LLC

By: */s/ JP Miller*
Name: JP Miller
Title: President

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

MERIDIAN GROWTH FUND

By: its Investment Adviser
ArrowMark Colorado Holdings, LLC

By: */s/ David Corkins*
Name: David Corkins
Title: Managing Member

MERIDIAN SMALL CAP GROWTH FUND

By: its Investment Adviser
ArrowMark Colorado Holdings, LLC

By: */s/ David Corkins*
Name: David Corkins
Title: Managing Member

AP INVESTMENT SERIES, LLC

By: */s/ David Corkins*
Name: David Corkins
Title: Managing Member

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

FIDELITY SECURITIES FUND:
FIDELITY BLUE CHIP GROWTH FUND

By: */s/ Chris Maher*
Name: Chris Maher
Title: Authorized Signatory

FIDELITY BLUE CHIP GROWTH COMMINGLED POOL

By: Fidelity Management Trust Company, as Trustee

By: */s/ Chris Maher*
Name: Chris Maher
Title: Authorized Signatory

FIDELITY SECURITIES FUND:
FIDELITY FLEX LARGE CAP GROWTH FUND

By: */s/ Chris Maher*
Name: Chris Maher
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

FIDELITY SECURITIES FUND:
FIDELITY BLUE CHIP GROWTH K6 FUND

By: */s/ Chris Maher*
Name: Chris Maher
Title: Authorized Signatory

FIDELITY BLUE CHIP GROWTH INSTITUTIONAL TRUST

By its manager Fidelity Investments Canada ULC

By: */s/ Chris Maher*
Name: Chris Maher
Title: Authorized Signatory

FIDELITY SECURITIES FUND:
FIDELITY SERIES BLUE CHIP GROWTH FUND

By: */s/ Chris Maher*
Name: Chris Maher
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

FIAM TARGET DATE BLUE CHIP GROWTH COMMINGLED POOL

By: Fidelity Institutional Asset Management Trust Company as Trustee

By: */s/ Chris Maher*
Name: Chris Maher
Title: Authorized Signatory

VARIABLE INSURANCE PRODUCTS FUND III: GROWTH OPPORTUNITIES PORTFOLIO

By: */s/ Chris Maher*
Name: Chris Maher
Title: Authorized Signatory

FIDELITY ADVISOR SERIES I: FIDELITY ADVISOR GROWTH OPPORTUNITIES FUND

By: */s/ Chris Maher*
Name: Chris Maher
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

FIDELITY ADVISOR SERIES I:
FIDELITY ADVISOR SERIES GROWTH OPPORTUNITIES FUND

By: */s/ Chris Maher*
Name: Chris Maher
Title: Authorized Signatory

IN WITNESS WHEREOF, the parties have executed this Fifth Amended and Restated Investors' Rights Agreement as of the date first written above.

INVESTORS:

CARMAX AUTO SUPERSTORES, INC.

By: */s/ Terence Rasmussen*
Name: Terence Rasmussen
Title: AVP, Corporate and Business Development

ADOPTION AGREEMENT

This Adoption Agreement ("Adoption Agreement") is executed on September 17, 2020 by the undersigned (the "Holder") pursuant to the terms of that certain (i) Sixth Amended and Restated Voting Agreement dated as of September 2, 2020, by and among ACV Auctions Inc. (the "Company") and those certain persons defined as "Investors" and "Key Holders" therein (as the same may be amended and/or restated from time to time, the "Voting Agreement"), (ii) Sixth Amended and Restated Right of First Refusal and Co-Sale Agreement dated as of September 2, 2020, by and among the Company and those certain persons defined as "Investors" and "Key Holders" therein (as the same may be amended and/or restated from time to time, the "ROFR Agreement") and (iii) Fifth Amended and Restated Investors' Rights Agreement dated as of September 2, 2020, by and among the Company and those certain persons defined as "Investors" therein (the "IRA", and together with the Voting Agreement, and the ROFR Agreement, the "Shareholder Agreements").

1.1 Acknowledgement. Holder acknowledges that Holder is acquiring certain shares of SeriesE-1 Preferred Stock, par value $0.001 per share, of the Company (the "Stock"):

☒ as an additional party, in accordance with Section 7.1(a) of the Voting Agreement, as an "Investor" and a "Stockholder" for all purposes of the Voting Agreement;

☒ as an additional party, in accordance with Section 6.11 of the ROFR Agreement, as an "Investor" for all purposes of the ROFR Agreement; and

☒ as an additional investor, in accordance with Section 6.9 of the IRA, as an "Investor" for all purposes of the IRA.

1.2 Agreement. Holder hereby (a) agrees that the Stock, and any other shares of capital stock subsequently acquired by the Holder, or any other shares of capital stock or securities required by the Shareholder Agreements to be bound thereby, shall be bound by and subject to the terms of the Shareholder Agreements and (b) adopts each of the Shareholder Agreements with the same force and effect as if Holder were originally a party thereto.

1.3 Notice. Any notice required or permitted by the Shareholder Agreements shall be given to Holder at the address ore-mail listed below Holder's signature hereto.

[Signature Pages to Follow]

ACCEPTED AND AGREED:

ACV AUCTIONS INC.

By: */s/ George Chamoun*
Name: George Chamoun
Title: CEO

HOLDER:

BRIAN RADECKI

/s/ *Brian Radecki*

[Signature Page to ACV Auctions Inc. Adoption Agreement to Shareholder Agreements]

SCHEDULE A
Investors

Name and Address

DURABLE CAPITAL MASTER FUND LP
c/o Durable Capital Partners LP
5425 Wisconsin Avenue, Suite 802
Chevy Chase, MD 20815
Attn: Julie Jack, General Counsel
Email: legalnotices@durablecap.com

HADLEY HARBOR MASTER INVESTORS (CAYMAN) II L.P.
c/o Wellington Management Company LLP
Legal and Compliance
280 Congress Street
Boston, MA 02210
Attn: Emily Babalas

BAIN CAPITAL VENTURE FUND 2019, L.P.
BCV 2019-MD PRIMARY, L.P.
BCIP VENTURE ASSOCIATES II, L.P.
BCIP VENTURE ASSOCIATES II-B, L.P.
200 Clarendon Street, Fl. 39
Boston, MA 02116
Attn: Brian Goldsmith

THE NORTHERN TRUST COMPANY (ABN 62 126 279 918), A
COMPANY INCORPORATED IN THE STATE OF ILLINOIS IN THE UNITED STATES OF AMERICA, IN ITS CAPACITY AS CUSTODIAN FOR FUTURE FUND INVESTMENT COMPANY NO.4 PTY LTD (ACN 134 338 908)
Level 47, 80 Collins Street
Melbourne, VIC 3000, Australia

BESSEMER VENTURE PARTNERS IX L.P.
1865 Palmer Avenue, Suite 104
Larchmont, NY 10538
Transactions@bvp.com
Attn: Scott Ring

BESSEMER VENTURE PARTNERS IX
INSTITUTIONAL L.P.
1865 Palmer Avenue, Suite 104
Larchmont, NY 10538
Transactions@bvp.com
Attn: Scott Ring

TRIBECA VENTURE FUND II, L.P.
99 Hudson Street, 15th Floor
New York, NY 10013
Attn: Brian Hirsch

Name and Address

TRIBECA VENTURE FUND II NEW YORK, L.P.
99 Hudson Street, 15th Floor
New York, NY 10013
Attn: Brian Hirsch

TRIBECA ACCESS FUND, L.P.
99 Hudson Street, 15th Floor
New York, NY 10013
Attn: Brian Hirsch

TRIBECA ACV HOLDINGS, LLC
99 Hudson Street, 15th Floor
New York, NY 10013
Attn: Brian Hirsch

THORNTREE CAPITAL MASTER FUND LP
800 Boylston Street, Suite 1520
Boston, MA 02199

THORNTREE CO-INVESTMENT FUND LP
800 Boylston Street, Suite 1520
Boston, MA 02199

ATREIDES FOUNDATION MASTER FUND LP
28 State Street, 23rd Floor
Boston, MA 02109

ATREIDES SPECIAL CIRCUMSTANCES FUND, LLC – SERIES A DIS
28 State Street, 23rd Floor
Boston, MA 02109

WINSLOW GROWTH CAPITAL FUND II, L.P.
Winslow Capital Management LLC
4400 IDS Center
80 South Eighth Street
Minneapolis, MN 55402

ENESSA CARBONE

FIDELITY SECURITIES FUND: FIDELITY BLUE CHIP GROWTH FUND
M.Gardiner & Co
C/O JPMorgan Chase Bank, N.A
P.O. Box 35308
Newark, NJ 07101-8006
Email: Fidelity.crcs@jpmorgan.com
Jpmorganinformation.services@jpmorgan.com
Fax number: 469-477-1510

Name and Address
FIDELITY BLUE CHIP GROWTH COMMINGLED POOL Mag & Co. c/o Brown Brothers Harriman & Co. Attn: Corporate Actions /Vault 140 Broadway New York, NY 10005 BBH.Fidelity.CA.Notifications@BBH.com
FIDELITY SECURITIES FUND: FIDELITY FLEX LARGE CAP GROWTH FUND The Northern Trust Company Attn: Fidelity Client Team – GFS Custody, C-1N 801 South Canal Street Chicago, IL 60607 Fidelity Securities Fund: Fidelity Flex Large Cap Growth Fund Reference Account # F70628 Email: NTINQUIRY@NTRS.COM Fax number: 312-557-5417
FIDELITY SECURITIES FUND: FIDELITY BLUE CHIP GROWTH K6 FUND The Northern Trust Company Attn: Fidelity Client Team – GFS Custody, C-1N 801 South Canal Street Chicago, IL 60607 Fidelity Securities Fund: Fidelity Blue Chip Growth K6 Fund Reference Account # F71082 Email: NTINQUIRY@NTRS.COM Fax number: 312-557-5417
FIDELITY BLUE CHIP GROWTH INSTITUTIONAL TRUST State Street Bank & Trust PO Box 5756 Boston, Massachusetts 02206 Attn: Nominee fbo fund name Email: SSBCORPACTIONS@StateStreet.com Fax number: 617-988-9110
FIDELITY SECURITIES FUND: FIDELITY SERIES BLUE CHIP GROWTH FUND State Street Bank & Trust PO Box 5756 Boston, Massachusetts 02206 Attn: WAVECHART + CO fbo Fidelity Securities Fund: Fidelity Series Blue Chip Growth Fund Email: SSBCORPACTIONS@StateStreet.com Fax number: 617-988-9110

Name and Address

FIAM TARGET DATE BLUE CHIP GROWTH COMMINGLED POOL
State Street Bank & Trust
PO Box 5756
Boston, Massachusetts 02206
Attn: FLAPPER CO fbo FIAM Target Date Blue Chip Growth Commingled Pool
Email: SSBCORPACTIONS@StateStreet.com
Fax number: 617-988-9110

VARIABLE INSURANCE PRODUCTS FUND III: GROWTH OPPORTUNITIES PORTFOLIO
The Northern Trust Company
Attn: Fidelity Client Team – GFS Custody, C-1N
801 South Canal Street
Chicago, IL 60607
Ref: Variable Insurance Products Fund III: Growth Opportunities Portfolio, acct # F83514
Email: NTINQUIRY@NTRS.COM
Fax number: 312-557-5417

FIDELITY ADVISOR SERIES I: FIDELITY ADVISOR GROWTH OPPORTUNITIES FUND
Mag & Co.
c/o Brown Brothers Harriman & Co.
Attn: Corporate Actions /Vault
140 Broadway
New York, NY 10005
bbh.ca.fidelity.notifications@bbh.com

FIDELITY ADVISOR SERIES I: FIDELITY ADVISOR SERIES GROWTH OPPORTUNITIES FUND
State Street Bank & Trust
PO Box 5756
Boston, Massachusetts 02206
Attn: WARMWIND + CO fbo Fidelity Advisor Series I: Fidelity Advisor Series Growth Opportunities Fund
Email: SSBCORPACTIONS@StateStreet.com
Fax number: 617-988-9110

ARMORY SQUARE VENTURES II, L.P.
211 West Jefferson Street, 2nd Floor
Syracuse, NY 13202
Attn: Somak Chattopadhyay

Name and Address

ARMORY SQUARE VENTURES, L.P.
ARMORY SQUARE VENTURES ACV CO-INVEST, LLC
ARMORY SQUARE VENTURES ACV CO-INVEST II LLC
211 West Jefferson Street, 2nd Floor
Syracuse, NY 13202
Attn: Somak Chattopadhyay

G3ACV, LLC
1300 Pontiac Avenue
Cranston, RI 02920
Attn: Bob Tasca III

JONATHAN D. KLEIN

PETER BORCHES AND ELIZABETH BORCHES
970 Windsor Road
Charlottesville, VA 22901

PACK AUTOMOTIVE GROUP, LTD.

MAP Equity Investco Inc.
148 Fullarton St., Suite 1601
London, Ontario, Canada N6A 5P3

VIKAS MEHTA

SOFTBANK CAPITAL TECHNOLOGY NEW YORK FUND II L.P.
640 Ellicott Street, Suite 108
Buffalo, NY 14203
Attention: Jordan Levy/Adam Petrie

SOFTBANK CAPITAL TECHNOLOGY NEW YORK PARALLEL
FUND II L.P.
640 Ellicott Street, Suite 108
Buffalo, NY 14203
Attention: Jordan Levy/Adam Petrie

SCP BUFFALO INCUBATOR INNOVATE NY FUND LP
640 Ellicott Street, Suite 108
Buffalo, New York 14203

AKKADIAN VENTURES IV, LP
PO Box 5559
Avon, CO 81620

AP INVESTMENT SERIES, LLC
100 Fillmore St.
Suite 325
Denver, CO 80206

Name and Address
MERIDIAN GROWTH FUND 100 Fillmore St. Suite 325 Denver, CO 80206
MERIDIAN SMALL CAP GROWTH FUND 100 Fillmore St. Suite 325 Denver, CO 80206
THE ASHOK SUBRAMANIAN AND LARISSA SHAHMATOVA LIVING TRUST
ALAN ALPERT
JAMES DAVOS
ARTHUR KARGEN
BENJAMIN J. & TAMMY J. KLEINMAN
JOSEPH S. NEIMAN
GEORGE CHAMOUN
AMELIA PANDOLFI
STUART SCHEFF
ROGER ZLOTOFF
RICHARD J. BUCKLEY, JR.
S1 CONSULTANTS

Name and Address

THE CLATSKANIE TRUST

DAVID AND ANN NEWMAN

ERIC REICH

JOSEPH A. AND DARLENE M. PIPARO

Michael Weisman Living Trust dated October 9, 2014

HERB NEIMAN

THOMAS M. AND ANN M. MCMAHON

15 ANGELS III LLC
1865 Palmer Avenue
Suite 104
Larchmont, NY 10538

NAC REAL ESTATE LLC
1135 Millersport Highway
Amherst, NY 14226
Attention: Harold B. Erbacher

HAROLD B. ERBACHER

CALABRESE FAMILY TRUST

RAND CAPITAL SBIC, INC.
2200 Rand Building
Buffalo, New York 14203
Attention: Allen Grum

TODD CAPUTO

Name and Address

DANIEL T CIPORIN

CARMAX AUTO SUPERSTORES, INC.
12800 Tuckahoe Creek Parkway
Richmond, VA 23238
Attn: Terence Rasmussen
Cc: Legal Department

STEVE GIRSKY

CRIMSON VENTURES LLC
601 Columbia Turnpike
East Greenbush, NY 12061

HYDE PARK 5, LLC
2887 Alpine Terrace
Cincinnati, Ohio 45208

MATTHEW D. GEORGE

VERONICA K. GEORGE

43NORTH, LLC

CAVU LLC
1201 Delong Place
Lexington, KY 40515

FRED BEANS

MONICA VAUGHAN

PRESTON HYUNDAI INC.
Bill Snyder c/o DHW Holdings LLC
101 Bay Street Suite 12A
Easton, MD 21601

ROBERT F TASCA III

Name and Address

TRITON AUTOMOTIVE GROUP INC.
c/o Josh Gallion
Tricor Automotive Group
3003 E. 98th Street, Suite 107
Carmel, IN 46280

SCRAPYARD CAPITAL LLC
11657 N. Annette Avenue
Mequon, WI 53092

BRIAN RADECKI

ACV AUCTIONS INC.
2015 LONG-TERM INCENTIVE PLAN
(As amended and restated effective as of November 14, 2020)

WHEREAS, the Company previously amended the Plan on each of February 27, 2017, January 17, 2018 and December 6, 2018 to increase the number of shares of Stock covered by the Plan and the Company now desires to further amend and restate the Plan as set forth herein as of the date hereof.

Section 1. Purpose. The purpose of the amended and restated ACV Auctions Inc. 2015 Long-Term Incentive Plan (the "Plan") is to assist the Company in attracting, motivating and retaining selected individuals to serve as employees, directors, officers and Consultants by providing incentives to such individuals through the ownership and performance of the Company's common stock.

Section 2. Definitions

(a) "Affiliate" means, with respect to a Person, a Person that directly or indirectly Controls, or is Controlled by, or is under common Control with, such Person.

(b) "Award" means an Option, Restricted Stock, Unrestricted Stock or Restricted Stock Unit granted under the Plan.

(c) "Award Agreement" means the document or agreement evidencing the grant of an Award by the Company.

(d) "Board" means the board of directors of the Company.

(e) "Cause" means, unless such term or an equivalent term is otherwise defined with respect to an Award by the Participant's Award Agreement or by a written contract of employment or service, that a Participant has: (i) committed a material act of dishonesty or fraud relating to the Company or any of the Company's subsidiaries or Affiliates; (ii) misappropriated, embezzled, or stolen funds or property (A) of the Company or the Company's subsidiaries or Affiliates or (B) of customers of the Company or the Company's subsidiaries or Affiliates; (iii) committed, been indicted, convicted or pled guilty or nolo contender to any felony under state or federal law; (iv) materially failed to perform his employment duties or to comply with reasonable directions of the Board for a period of thirty (30) days following receipt of notice of such failure to perform or comply; (v) been guilty of or engaged in willful misconduct or gross negligence in the performance of Participant's duties; or (vi) materially breached any representations, warranties, covenants or conditions in any employment, non-competition, confidentiality or other agreement to which the Company or any subsidiary and such Participant is a party.

(f) "Change in Control" means, unless such term or an equivalent term is otherwise defined with respect to an Award by the Participant's Award Agreement or written contract of employment or service, the occurrence of any of the following events:

(i) any Exchange Act Person becomes the owner, directly or indirectly, of securities of the Company representing more than 50 percent 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 by an investor, any affiliate thereof or any other Exchange Act Person from the Company 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 (B) 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 shareholders of the Company immediately prior thereto do not own, directly or indirectly, either (A) outstanding voting securities representing more than 50 percent of the combined outstanding voting power of the surviving entity in such merger, consolidation or similar transaction or (B) more than 50 percent 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 relative to each other as their ownership of the outstanding voting securities of the Company immediately prior to such transaction;

(iii) the complete dissolution or liquidation of the Company;

(iv) there is consummated a sale, lease, exclusive license or other disposition of all or substantially all of the consolidated assets of the Company and its Affiliates, other than a sale, lease, license or other disposition of all or substantially all of the consolidated assets of the Company and its Affiliates to an entity, more than 50 percent of the combined voting power of the voting securities of which are owned by shareholders of the Company in substantially the same proportions relative to each other as their ownership of the outstanding voting securities of the Company immediately prior to such sale, lease, license or other disposition; or

(v) individuals who, immediately following the Effective Date, are members of the Board (the "Incumbent Board") cease for any reason to constitute at least a majority of the members of the Board within any 24-month period; 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 the Plan, be considered as a member of the Incumbent Board.

(g) "Code" means the Internal Revenue Code of 1986, as amended. Any reference to the Code shall be deemed to include a reference to any regulations promulgated thereunder.

(h) "Committee" means the committee appointed by the Board from among its members to administer the Plan. If a separate Committee has not been specifically established, the Board shall constitute the Committee, and all references hereunder to the Committee shall refer to the Board. In addition, the Board shall have the right to exercise, in whole or in part, the authority of the Committee hereunder with respect to certain persons or classes of persons as Participants, in which case as to those persons and as to such authority taken or retained by the Board, references to the Committee herein shall refer to the Board. If and when the shares of Stock become registered under the Exchange Act, the Board shall appoint a Committee of not less than two members, each member of which shall be an "outside director" within the meaning of Section 162(m) of the Code and a "non-employee director" as defined in Rule 16b-3 promulgated under the Exchange Act, as well as comply with the applicable requirements of the exchange upon which the Stock is traded.

(i) "Company" means ACV Auctions Inc., a Delaware corporation.

(j) "Consultant" means any natural person who is engaged by the Company or any Affiliate to render bona fide consulting or advisory services.

(k) Control" means, as to any Person, the power to direct or cause the direction of the management and policies of such Person, or the power to appoint directors of the Company, whether through the ownership of voting securities, by contract or otherwise (the terms "Controlled by" and "under common Control with" shall have correlative meanings).

(l) "Date of Grant" means the date on which the Committee adopts a resolution, or takes other appropriate action, expressly granting an Award to a Participant that specifies the key terms and conditions of the Award or, if a later date is set forth in such resolution, then such date as is set forth in such resolution.

(m) "Director" means a non-employee member of the Board.

(n) "Disability" means, with respect to a Participant, the 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.

(o) "Effective Date" of this amended and restated Plan means the date that the Plan is approved by the Board.

(p) "Eligible Person" means any employee or Director of the Company or an Affiliate, or a Consultant who provides services to the Company or an Affiliate, whom the Committee determines to be an Eligible Person.

(q) "Exchange Act" means the Securities Exchange Act of 1934, as amended.

(r) "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" shall not include (i) the Company or any Affiliate of the Company, (ii) any employee benefit plan of the Company or any Affiliate of the Company or any trustee or other fiduciary holding securities under an employee benefit plan of the Company or any Affiliate of the Company, (iii) an underwriter temporarily holding securities pursuant to an offering of such securities, (iv) an entity owned, directly or indirectly, by the shareholders of the Company in substantially the same proportions as their ownership of stock of the Company; or (v) any natural person, entity or "group" (within the meaning of Section 13(d) or 14(d) of the Exchange Act) that, as of the Effective Date, is the owner, directly or indirectly, of securities of the Company representing more than 50 percent of the combined voting power of the Company's then outstanding securities.

(s) "Fair Market Value" of Stock, means, as of any date: (i) the closing price of the Stock as reported on the principal nationally recognized stock exchange on which the type of Stock is traded on such date, or if no prices are reported with respect to such Stock on such date, the closing price of the Stock on the last preceding date on which there were reported prices of such Stock or (ii) if Stock of that type is not listed or admitted to unlisted trading privileges on a nationally recognized stock exchange, the Fair Market Value will be determined in good faith by the Board acting in its discretion based upon the reasonable application of a reasonable valuation method taking into account the facts and circumstances existing on the valuation date, which determination will be conclusive.

(t) "Good Reason" means, unless such term or an equivalent term is otherwise defined with respect to an Award by the Participant's Award Agreement or by a written contract of employment or service, the occurrence of one or more of the following without the Participant's express written consent, which circumstances are not remedied by the Company within thirty (30) days of its receipt of a written notice from the Participant describing the applicable circumstances (such period, the "Cure Period") (which notice must be provided by the Participant within ninety (90) days of the Participant's knowledge of the applicable circumstances), and Participant's resignation from all positions held with the Company must be effective not later than ninety (90) days after the expiration of the Cure Period:

(i) any material, adverse change in the Participant's duties, responsibilities, authority, title, status or reporting structure;

(ii) a material reduction in the Participant's base salary or target bonus opportunity; or

(iii) a geographical relocation of the Participant's principal office location that increases the Participant'sone-way commute by more than 50 miles as compared to such Participant's then-current principal office location immediately prior to such relocation[; *provided that* if the Participant works remotely during any period in which such Participant's regular principal office location is a Company office that is closed, then neither Participant's relocation to remote work or back to the office from remote work will be considered a relocation of such Participant's principal office location for purposes of this definition].

(u) "Incentive Stock Option" means a stock option granted under Section 5 that is intended to meet the requirements of Section 422 of the Code.

(v) "Non-Qualified Stock Option" means a stock option granted under Section 5 that is not intended to be an Incentive Stock Option.

(w) "Option" means an Incentive Stock Option or a Non-Qualified Stock Option.

(x) "Participant" means an Eligible Person who receives an Award under the Plan.

(y) "Person" means any individual, partnership, firm, trust, corporation, limited liability company or other similar entity. When two or more Persons act as a partnership, limited partnership, syndicate or other group for the purpose of acquiring, holding or disposing of Common Stock, such partnership, limited partnership, syndicate or group shall be deemed a "Person"

(z) "Restricted Stock" means shares of Stock granted under Section 6 with the restriction that the Participant may not sell, transfer, pledge or assign such shares and with such other restrictions as the Committee, in its sole discretion, may impose (including any restriction on the right to vote such shares and the right to receive any dividends).

(aa) "Restricted Stock Unit" means an unfunded and unsecured promise to deliver Stock, cash or other securities or other property granted under Section 7 with such restrictions as the Committee, in its sole discretion, may impose.

(bb) "Stock" means the common stock of the Company, par value $0.001 per share.

(cc) "Substitute Awards" means Awards granted by the Company in assumption of, or in substitution or exchange for, awards previously granted, or the right or obligation to make future awards, in each case by a company acquired by the Company or any Affiliate or with which the Company or any Affiliate combines.

(dd) "Ten Percent Stockholder" means an individual who owns (or is deemed to own pursuant to Section 424(d) of the Code) more than ten percent of the total combined voting power of all classes of stock of the Company or an Affiliate.

(ee) "Unrestricted Stock" means shares of Stock, other than Restricted Stock, granted under Section 6 subject to such terms and condition as the Committee, in its sole discretion, may impose.

Section 3. Available Shares

(a) Aggregate Shares Available. Subject to adjustment as provided in Section 13(b), a total of 26,834,352 shares of Stock shall be authorized for issuance under the Plan. Shares of stock to be issued under the Plan may be either authorized but unissued shares, or shares that have been reacquired by the Company.

(b) Accounting for Awards.

(i) For purposes of Section 3(a), if an Award entitles the holder thereof to receive or purchase shares of Stock, the number of shares covered by such Award or to which such Award relates shall be counted on the Date of Grant of such Award against the aggregate number of shares of Stock available for granting Awards under the Plan.

(ii) For purposes of Section 3(a), if any shares of Stock subject to an Award are forfeited, expire or otherwise terminate without issuance of such shares, or any Award is settled for cash or otherwise does not result in the issuance of all or a portion of the shares of Stock subject to such Award, such shares shall, to the extent of such forfeiture, expiration, termination, cash settlement or non-issuance, again be available for issuance under the Plan.

(iii) For purposes of Section 3(a), in the event that (1) any Award granted hereunder is exercised through the tendering of shares of Stock (either actually or by attestation) or by the withholding of shares of Stock by the Company, or (2) withholding tax liabilities arising from such Award are satisfied by the tendering of shares of Stock (either actually or by attestation) or by the withholding of shares of Stock by the Company, then the shares so tendered or withheld shall be available for issuance under the Plan.

Section 4. Eligibility and Administration

(a) Eligibility. Any Eligible Person shall be eligible to be designated a Participant. In determining which Eligible Persons shall receive an Award and the terms of any Award, the Committee may take into account the nature of the services rendered by the respective Eligible Persons, their present and potential contributions to the success of the Company or such other factors as the Committee, in its discretion, shall deem relevant. Notwithstanding the foregoing, an Incentive Stock Option may only be granted to an employee and an Incentive Stock Option may not be granted to an employee of an Affiliate unless such Affiliate is also a "subsidiary corporation" of the Company within the meaning of Section 424(f) of the Code.

(b) Administration. The Plan shall be administered by the Committee. The Committee shall have full power and authority, subject to the provisions of the Plan to: (i) select the Eligible Persons to receive Awards; (ii) determine the type or types of Awards to be granted to each Participant; (iii) determine the number of shares of Stock to be covered by each Award; (iv) determine the terms and conditions, not inconsistent with the provisions of the Plan, of any Award; (v) determine whether, to what extent and under what circumstances Awards may be settled in cash, shares of Stock or other property; (vi) determine whether, to what extent and under what circumstances any Award shall be canceled or suspended; (vii) interpret and administer the Plan and any Award Agreement; (viii) correct any defect, supply any omission or reconcile any inconsistency in the Plan or any Award in the manner and to the extent that the Committee shall deem desirable to carry it into effect; (ix) establish such rules and regulations and appoint such agents as it shall deem appropriate for the proper administration of the Plan; and (x) make any

other determination and take any other action that the Committee deems necessary or desirable for administration of the Plan. Decisions of the Committee shall be final, conclusive and binding on all persons or entities, including the Company, any Participant, and any Affiliate. Notwithstanding the foregoing, any action or determination by the Committee specifically affecting or relating to an Award to a Director shall require the prior approval of the Board.

Section 5. Options

(a) Grant. Each Option shall be subject to the terms and conditions of this Section and to such additional terms and conditions, not inconsistent with the provisions of the Plan, as the Committee shall deem desirable and as are set forth in the applicable Award Agreement. The receipt of an Option pursuant to the Plan shall impose no obligation on the recipient to exercise such Option.

(b) Exercise Price. Other than in connection with Substitute Awards, and except as otherwise provided by Section 5(e)(ii), the exercise price per share of each Option shall not be less than 100 percent of the Fair Market Value of one share of Stock on the Date of Grant of such Option.

(c) Term. The term of each Option shall be fixed by the Committee in its sole discretion; provided that, except as otherwise provided by Section 5(e)(iii), no Option shall be exercisable after the expiration of ten years from the date the Option is granted.

(d) Exercise.

(i) Vested Options granted under the Plan shall be exercised by the Participant (or by the Participant's executors, administrators, guardian or legal representative, as may be provided in an Award Agreement) as to all or part of the vested shares of Stock covered thereby, by giving notice of exercise to the Company or its designated agent, specifying the number of shares of Stock to be purchased. The notice of exercise shall be in such form, made in such manner, and in compliance with such other requirements consistent with the provisions of the Plan as the Committee may prescribe from time to time.

(ii) Unless otherwise provided in an Award Agreement, full payment of an Option's exercise price shall be made at the time of exercise and shall be made: (A) in cash or cash equivalents (including certified check or bank check or wire transfer of immediately available funds), (B) with the consent of the Committee, by tendering previously acquired shares of Stock (either actually or by attestation, valued at their then Fair Market Value), (C) with the consent of the Committee, by withholding shares of Stock otherwise issuable in connection with the exercise of the Option, (D) through any other method specified in an Award Agreement, or (E) any combination of any of the foregoing. The notice of exercise, accompanied by such payment, shall be delivered to the Company at its principal business office or such other office as the Committee may from time to time direct, and shall be in such form, containing such further provisions consistent with the provisions of the Plan, as the Committee may from time to time prescribe. In no event may any Option be exercised for a fraction of a share. No adjustment shall be made for cash dividends or other rights for which the record date is prior to the date of such issuance.

(e) Incentive Stock Options. The Committee may grant Incentive Stock Options to any employee of the Company or any Affiliate (provided such Affiliate is also a "subsidiary corporation" of the Company within the meaning of Section 424(f) of the Code), subject to the requirements of Section 422 of the Code. Solely for purposes of determining whether shares of Stock are available for the grant of Incentive Stock Options under the Plan, the maximum aggregate number of shares of Stock that may be issued pursuant to "incentive stock options" granted under the Plan shall be 26,834,352 shares, subject to adjustments provided in Section 13(b).

(i) *Limitation on Exercisable Value.* The aggregate Fair Market Value (determined at the time the Incentive Stock Option is granted) of the shares of Stock with respect to which Incentive Stock Options are exercisable for the first time by any Participant during any calendar year under the Plan and under any other option plan of the Company shall not exceed $100,000. Any Option granted in excess of this limitation shall be treated as a Nonqualified Stock Option.

(ii) *Limitation on Exercise Price.* In the case of a Ten Percent Stockholder of the Company, the exercise price of an Incentive Stock Option shall not be less than 110 percent of the Fair Market Value of a share on the date the Incentive Stock Option is granted.

(iii) *Limitation on Term.* In the case of a Ten Percent Stockholder of the Company, an Incentive Stock Option shall not exercisable after the expiration of five years from the date the Incentive Stock Option is granted.

(iv) *Disqualifying Dispositions*. Any Participant who shall make a "disposition" (as defined in Section 424 of the Code) of all or any portion of shares of Stock acquired upon exercise of an Incentive Stock Option within two years from the Date of Grant of such Incentive Stock Option or within one year after the issuance of the shares of Stock acquired upon exercise of such Incentive Stock Option (a "Disqualifying Disposition") shall be required to immediately advise the Company in writing as to the occurrence of the sale and the price realized upon the sale of such shares of Stock.

(f) Market-Standoff. Following the effective date of an initial public offering or any secondary offering by the Company, the Board may, in its sole discretion, subject the Participant for up to a 180 day period to certain restrictions with respect to the sale, grant, transfer or disposition of the Options and any Stock acquired on exercise thereof to the same extent and in the same manner as such provisions apply to holders of Stock.

Section 6. Awards of Restricted Stock and Unrestricted Stock

(a) Grant. Awards of Restricted Stock may be issued to Eligible Persons either alone or in addition to other Awards granted under the Plan. The Committee has absolute discretion to determine whether any consideration (other than services) is to be received by the Company or any Affiliate as a condition precedent to the issuance of Restricted Stock.

(b) Vesting and Restrictions on Transfer. Shares of Stock issued pursuant to any Award of Restricted Stock may (but need not) be made subject to vesting conditions based upon the satisfaction of such service requirements, conditions, restrictions or performance criteria as shall be established by the Committee and set forth in the Award Agreement evidencing such Award. The Company may also grant or offer for sale to an Eligible Person Unrestricted Stock in such amounts and subject to such terms and conditions as the Committee shall determine.

(c) Rights of Holders of Restricted Stock. Unless otherwise provided in the Award Agreement, beginning on the Date of Grant of an Award of Restricted Stock, the Participant shall become a shareholder of the Company with respect to all shares of Stock subject to the Award and shall have all of the rights of a shareholder, including the right to vote such shares of Stock and the right to receive distributions made with respect to such shares. Except as otherwise provided in an Award Agreement, any shares of Stock or other property distributed as a dividend or otherwise with respect to any Award of Restricted Stock as to which the restrictions have not yet lapsed shall be subject to the same restrictions as the underlying Restricted Stock, and such shares of Stock or other property shall be paid to the Participant within 30 days of the vesting (or if earlier, the lapse of the substantial risk of forfeiture) of the underlying Restricted Stock.

(d) Issuance and Delivery of Shares. The shares of Stock underlying any Award of Restricted Stock granted under the Plan shall be issued at the time such Awards are granted and may be evidenced in such manner as the Committee may deem appropriate, including book-entry registration (including without limitation through eShares or a similar platform to the extent used by the Company) or, issuance of a stock certificate or certificates, which certificate or certificates shall be held by the Company by or on behalf of the Company. Such certificate or certificates shall be registered in the name of the Participant and shall bear an appropriate legend referring to the restrictions applicable to such Restricted Stock. If and when shares of Stock underlying an Award are no longer subject to restrictions, the Company (or eShares or a similar platform, if used by the Company) will, upon the Participant's request, and subject to the payment of any applicable fees required by eShares or a similar platform, provide a stock certificate or certificates with respect to such shares of Stock without restrictive legends.

Section 7. Restricted Stock Units.

(a) Subject to the other terms of the Plan, the Committee may grant Restricted Stock Units to Eligible Persons and may impose conditions on such units as it may deem appropriate. Each grant of a Restricted Stock Unit shall be evidenced by an Award Agreement in the form that is approved by the Committee and that is not inconsistent with the terms and conditions of the Plan.

(b) Subject to vesting any and other conditions imposed by the Committee in the Award Agreement, each grant of a Restricted Stock Unit shall entitle the Participant to whom it is granted a distribution from the Company in an amount equal to the Fair Market Value (at the time of the distribution) of one share of Stock. Distributions may be made in cash, shares of Stock, a combination of cash and shares of Stock, as determined by the Committee and contained in the Award Agreement. All other terms governing Restricted Stock Units, such as vesting conditions, time and form of payment and termination and forfeiture of Restricted Stock Units shall be set forth in the Award Agreement.

(c) To the extent provided in an Award Agreement, the holder of Restricted Stock Units may be entitled to be credited with dividend equivalent payments (upon the payment by the Company of dividends on shares of Stock) either in cash or, at the sole and absolute discretion of the Committee, in shares of Stock having a Fair Market Value equal to the amount of such dividends (and interest may, at the sole and absolute discretion of the Committee, be credited on the amount of cash dividend equivalents at a rate and subject to such terms as provided by the Committee), which accumulated dividend equivalent amounts shall be payable to the Participant upon the vesting of the Restricted Stock Units to which such dividend equivalent amounts relate, and to the extent such Restricted Stock Units are forfeited, the related dividend equivalent amounts shall also be forfeited.

Section 8. Standard Forms of Award Agreements

(a) Award Agreements. The terms of an Award granted under the Plan shall be set forth in a written Award Agreement which shall contain provisions determined by the Committee and not inconsistent with the Plan. No Award or purported Award shall be a binding obligation of the Company unless evidenced by a fully executed Award Agreement.

(b) Authority to Vary Terms. The terms of Awards need not be the same with respect to each type of Award or each Participant. The Committee shall have the authority from time to time to vary the terms of any standard form of Award Agreement either in connection with the grant or amendment of an individual Award or in connection with the authorization of a new standard form or forms; provided, however, that the terms and conditions of any such new, revised or amended standard form or forms of Award Agreement are not inconsistent with the terms of the Plan.

Section 9. Termination of Employment or Services The Committee shall determine and set forth in each Award Agreement whether any Awards granted in such Award Agreement will continue to be eligible to vest or be exercisable, and the terms of such vesting or exercise, on and after the date that a Participant ceases to be employed by, or to provide services to, the Company or any Affiliate (including as a Director), whether by reason of death, Disability, voluntary or involuntary termination of employment or services, or otherwise. The date of termination of a Participant's employment or services will be determined by the Committee, which determination will be final. The Committee, in its sole discretion, may cause an Award Agreement to provide for the accelerated vesting of Awards in the event of the Participant's death, Disability or termination of employment or services.

Section 10. Change in Control.

(a) Effect of Change in Control on Awards. Subject to the requirements and limitations of Section 409A of the Code, if applicable, the Committee may provide for any one or more of the following:

(i) *Accelerated Vesting*. The Committee may, in its discretion, provide in any Award Agreement or, in the event of a Change in Control, may take such actions as it deems appropriate to provide for the acceleration of the exercisability, vesting and/or settlement in connection with such Change in Control of each or any outstanding Award or portion thereof and shares acquired pursuant thereto upon such conditions, including termination of the Participant's employment or service prior to, upon, or following such Change in Control, to such extent as the Committee shall determine.

(ii) *Assumption, Continuation or Substitution.* In the event of a Change in Control, the surviving, continuing, successor, or purchasing corporation or other business entity or parent thereof, as the case may be (the *"*Acquiror*"*), may, without the consent of any Participant, either assume or continue the Company's rights and obligations under each or any Award or portion thereof outstanding immediately prior to the Change in Control or substitute for each or any such outstanding Award or portion thereof a substantially equivalent award with respect to the Acquiror's stock, as applicable. For purposes of this Section, if so determined by the Committee, in its discretion, an Award denominated in shares of Stock shall be deemed assumed if, following the Change in Control, the Award confers the right to receive, subject to the terms and conditions of the Plan and the applicable Award Agreement, for each share of Stock subject to the Award immediately prior to the Change in Control, the consideration (whether stock, cash, other securities or property or a combination thereof) to which a holder of a share of Stock on the effective date of the Change in Control was entitled; provided, however, that if such consideration is not solely common stock of the Acquiror, the Committee may, with the consent of the Acquiror, provide for the consideration to be received upon the exercise or settlement of the Award, for each share of Stock subject to the Award, to consist solely of common stock of the Acquiror equal in Fair Market Value to the per share consideration received by holders of Stock pursuant to the Change in Control. Notwithstanding the foregoing, in the event of a Change in Control the Board may, in its sole discretion, subject each Participant to substantially the same escrow, holdback, indemnification, earn-out and similar obligations, contingencies and encumbrances contained in the definitive agreement relating to the Change in Control as other stockholders of the Company may be subject (including, without limitation, the requirement to contribute a proportionate number of shares of Stock issued as a result of the exercise or vesting of an Award, or any cash or property that may be received upon exercise or exchange of an Award, to an escrow fund, or otherwise have a proportionate amount of such shares of Stock, cash or other property encumbered by the indemnification, escrow and similar provisions of such definitive agreement); provided that such obligations, contingencies or encumbrances do not cause an Award to fail to comply with Section 409A of the Code. By accepting an Award, a Participant agrees to execute such documents and instruments as the Board may reasonably require for the Participant to be bound by such obligations.

(iii) *Cash-Out of Awards*. The Committee may, in its discretion and without the consent of any Participant, determine that, upon the occurrence of a Change in Control, each or any Award or a portion thereof outstanding immediately prior to the Change in Control and not previously exercised shall be canceled in exchange for a payment with respect to each vested share of Stock or vested Restricted Stock Unit (and each unvested share of Stock or vested Restricted Stock Unit, if so determined by the

Committee) subject to such canceled Award in: (A) cash, (B) stock of the Company or of a corporation or other business entity a party to the Change in Control, or (C) other property which, in any such case, shall be in an amount having a Fair Market Value equal to the Fair Market Value of the consideration to be paid per share of Stock in the Change in Control, reduced by the exercise or purchase price per share under such Award to the extent applicable. Notwithstanding the foregoing, in the event of a Change in Control the Board may, in its sole discretion, subject each Participant to substantially the same escrow, holdback, indemnification, earn-out and similar obligations, contingencies and encumbrances contained in the definitive agreement relating to the Change in Control as other stockholders of the Company may be subject (including, without limitation, the requirement to contribute a proportionate number of shares of Stock issued as a result of the exercise or vesting of an Award, or any cash or property that may be received upon exercise or exchange of an Award, to an escrow fund, or otherwise have a proportionate amount of such shares of Stock, cash or other property encumbered by the indemnification, escrow and similar provisions of such definitive agreement); provided that such obligations, contingencies or encumbrances do not cause an Award to fail to comply with Section 409A of the Code. By accepting an Award, a Participant agrees to execute such documents and instruments as the Board may reasonably require for the Participant to be bound by such obligations.

(b) Suspension of Option Exercises. The Board, in its sole discretion, may suspend the exercise of Options for a limited period of time preceding the Change in Control of the Company (the "Suspension Period") if such suspension is administratively necessary to facilitate the consummation of the Change in Control. The length of the Suspension Period shall be determined by the Board and shall not exceed 90 days.

(c) Federal Excise Tax Under Section 4999 of the Code.

(i) *Excess Parachute Payment.* In the event that any acceleration of vesting pursuant to an Award and any other payment or benefit received or to be received by a Participant would subject the Participant to any excise tax pursuant to Section 4999 of the Code due to the characterization of such acceleration of vesting, payment or benefit as an "excess parachute payment" under Section 280G of the Code, the Participant may elect, in his or her sole discretion, to reduce the amount of any acceleration of vesting called for under the Award in order to avoid such characterization; provided, however, that no such election shall be made if such election would subject the Participant to taxation under Section 409A of the Code.

(ii) *Determination by Independent Accountants.* To aid the Participant in making any election called for under Section 10(c)(i), no later than the date of the occurrence of any event that might reasonably be anticipated to result in an "excess parachute payment" to the Participant as described in Section 10(c)(i), the Company shall request a determination in writing by independent public accountants selected by the Company (the "Accountants"). As soon as practicable thereafter, the Accountants shall determine and report to the Company and the Participant the amount of such acceleration of vesting, payments and benefits which would produce the greatest after-tax benefit to the Participant. For the purposes of such determination, the Accountants may rely on

reasonable, good faith interpretations concerning the application of Sections 280G and 4999 of the Code. The Company and the Participant shall furnish to the Accountants such information and documents as the Accountants may reasonably request in order to make their required determination. The Company shall bear all fees and expenses the Accountants may reasonably charge in connection with their services contemplated by this Section 10(c)(ii).

Section 11. Tax Withholding.

(a) In General. The Company shall have the right to make all payments or distributions pursuant to the Plan to a Participant net of any applicable federal, state and local taxes required to be paid or withheld as a result of: (i) the grant of any Award, (ii) the exercise of an Award, (iii) the vesting and/or delivery of shares of Stock or cash or (iv) any other event occurring pursuant to the Plan. The Company or any Affiliate shall have the right to withhold from wages or other amounts otherwise payable to such Participant such withholding taxes as may be required by law, or to otherwise require the Participant to pay such withholding taxes. If the Participant shall fail to make such tax payments as are required, the Company or its Affiliates shall, to the extent permitted by law, have the right to deduct any such taxes from any payment of any kind otherwise due to such Participant or to take such other action as may be necessary to satisfy such withholding obligations.

(b) Withholding in Shares. The Committee shall be authorized, but not required, to establish procedures for Participants to satisfy such obligation for the payment of such withholding taxes described in Section 11(a) by (i) tendering previously acquired shares of Stock (either actually or by attestation, valued at their then Fair Market Value), (ii) by directing the Company to retain shares of Stock (up to the Participant's minimum required tax withholding rate or such other rate that will not trigger a negative accounting impact) otherwise deliverable in connection with the Award or (iii) by such other method as may be set forth in the Award Agreement.

Section 12. Amendment and Termination of the Plan. The Board may, from time to time, alter, amend, suspend or terminate the Plan as it shall deem advisable, subject to any requirement for shareholder approval imposed by applicable law. The Board may not, without the approval of the Company's shareholders, amend the Plan to: (a) increase the number of shares of Stock available under the Plan (except for adjustments pursuant to Section 13(b)); (b) expand the types of awards available under the Plan; (c) materially expand the class of persons eligible to participate in the Plan; (d) amend any provision of Section 5(b); or (e) take any other action that requires the approval of the Company's shareholders. In addition, no amendments to, or termination of, the Plan shall in any way impair the rights of a Participant under any Award previously granted without such Participant's consent.

Section 13. Miscellaneous

(a) Forfeiture Events and Repayment. To the extent applicable, any amount paid under the Plan shall be subject to recoupment in accordance with The Dodd-Frank Wall Street Reform and Consumer Protection Act and any implementing regulations thereunder, any clawback policy adopted by the Company, or as is otherwise required by applicable law or stock exchange listing condition. The Committee may specify in an Award Agreement that the Participant's rights, payments, and benefits with respect to an Award shall be subject to reduction, cancellation, forfeiture, or recoupment upon the occurrence of specified events, in addition to any otherwise applicable vesting or performance conditions of an Award. Such events may include, but shall not be limited to, termination of employment or service for Cause or any act by a Participant, whether before or after termination of employment or service, that would constitute Cause for termination of employment or service.

(b) Adjustments. In the event of any merger, reorganization, consolidation, recapitalization, dividend or distribution (whether in cash, shares or other property, other than a regular cash dividend), stock split, reverse stock split, spin-off or similar transaction or other change in corporate structure affecting the shares of Stock or the value thereof, such adjustments and other substitutions shall be made to the Plan and to Awards as the Committee, in its sole discretion, deems equitable or appropriate taking into consideration the accounting and tax consequences, including such adjustments in the aggregate number, class and kind of securities that may be delivered under the Plan, the maximum number of shares of Stock that may be issued as Incentive Stock Options and the number, class, kind and exercise price of securities subject to outstanding Awards granted under the Plan (including, if the Committee deems appropriate, the substitution of similar options to purchase the shares of, or other awards denominated in the shares of, another company) as the Committee may determine to be appropriate in its sole discretion; provided, however, that the number of shares of Stock subject to any Award shall always be a whole number.

(c) No Right to Awards or to Continued Employment or Service Nothing in the Plan nor the grant of an Award hereunder shall confer upon any Eligible Person the right to continue in the employment or service of the Company or any Affiliate or affect any right that the Company or any Affiliate may have to terminate the employment or service of (or to demote or to exclude from future Awards under the Plan) any such Participant at any time for any reason. Except as specifically provided by the Committee, the Company shall not be liable for the loss of existing or potential profit from an Award granted in the event of termination of an employment or other relationship. No Participant shall have any claim to be granted any Award under the Plan, and there is no obligation for uniformity of treatment of Participants under the Plan. Without limiting the generality of the foregoing, the Committee shall be entitled to make non-uniform and selective determinations, amendments and adjustments, and to enter intonon-uniform and selective Award Agreements.

(d) Transferability of Awards. No Award and no shares of Stock subject to Awards that have not been issued may be sold, assigned, transferred, pledged or otherwise encumbered, other than by will or the laws of descent and distribution, and such Award may be exercised during the life of the Participant only by the Participant or the Participant's guardian or legal representative.

(e) Substitute Awards. Notwithstanding any other provision of the Plan, the terms of Substitute Awards may vary from the terms set forth in the Plan to the extent the Committee deems appropriate to conform, in whole or in part, to the provisions of the awards in substitution for which they are granted.

(f) Cancellation of Award. Notwithstanding anything to the contrary contained herein, an Award Agreement may provide that the Award shall be canceled if the Participant, without the consent of the Company, while employed by the Company or any Affiliate or after termination of such employment or service, establishes a relationship with a competitor of the Company or any Affiliate or engages in activity that is in conflict with or adverse to the interest of the Company or any Affiliate, as determined by the Committee in its sole discretion. The Committee may provide in an Award Agreement that if within the time period specified in the Agreement the Participant establishes a relationship with a competitor or engages in an activity referred to in the preceding sentence, the Participant will forfeit any gain realized on the exercise of the Award and must repay such gain to the Company.

(g) Restrictions. All certificates for shares of Stock delivered under the Plan pursuant to any Award shall be subject to such restrictions as the Committee may deem advisable under any applicable federal or state securities law, and the Committee may cause a legend or legends to be put on any such certificates to make appropriate reference to such restrictions.

(h) Nature of Payments. All Awards granted under the Plan are in consideration of services performed or to be performed for the Company or any Affiliate, division or business unit of the Company. Any income or gain realized pursuant to an Award granted under the Plan shall constitute a special incentive payment to the Participant and shall not be taken into account, to the extent permissible under applicable law, as compensation for purposes of any of the employee benefit plans of the Company or any Affiliate except as may be determined by the Committee or by the Board or board of directors of the applicable Affiliate or as may be required by the terms of any employee benefit plans of the Company or any Affiliate.

(i) Other Plans. Nothing contained in the Plan shall prevent the Board from adopting other or additional compensation arrangements, subject to shareholder approval if such approval is required; and such arrangements may be either generally applicable or applicable only in specific cases.

(j) Severability. If any provision of the Plan shall be held unlawful or otherwise invalid or unenforceable in whole or in part by a court of competent jurisdiction, such provision shall (i) be deemed limited to the extent that such court of competent jurisdiction deems it lawful, valid and/or enforceable and as so limited shall remain in full force and effect, and (ii) not affect any other provision of the Plan or part thereof, each of which shall remain in full force and effect. If the making of any payment or the provision of any other benefit required under the Plan shall be held unlawful or otherwise invalid or unenforceable by a court of competent jurisdiction, such unlawfulness, invalidity or unenforceability shall not prevent any other payment or benefit from being made or provided under the Plan, and if the making of any payment in full or the provision of any other benefit required under the Plan in full would be unlawful or otherwise invalid or unenforceable, then such unlawfulness, invalidity or unenforceability shall not prevent such payment or benefit from being made or provided in part, to the extent that it would not be unlawful, invalid or unenforceable, and the maximum payment or benefit that would not be unlawful, invalid or unenforceable shall be made or provided under the Plan.

(k) Unfunded Plan. The adoption of the Plan and any reservation of shares of Stock or cash amounts by the Company to discharge its obligations hereunder shall not be deemed to create a trust or other funded arrangement. Except upon the issuance of Stock pursuant to an Award, any rights of a Participant under the Plan shall be those of a general unsecured creditor of the Company, and neither a Participant nor the Participant's permitted transferees or estate shall have any other interest in any assets of the Company by virtue of the Plan. Notwithstanding the foregoing, the Company shall have the right to implement or set aside funds in a grantor trust, subject to the claims of the Company's creditors or otherwise, to discharge its obligations under the Plan.

(l) Governing Law. The Plan and all determinations made and actions taken thereunder, to the extent not otherwise governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware, without reference to principles of conflict of laws, and construed accordingly.

(m) Effective Date & Termination of the Plan. Awards may be granted under the Plan at any time and from time to time on or prior to the ten-year anniversary of the Effective Date of the Plan, on which date the Plan will expire except as to Awards then outstanding under the Plan; provided, that such outstanding Awards shall remain in effect until they have been exercised or terminated or have expired; provided further, that no Option shall be exercised (or, in the case of an Award of Restricted Stock, Unrestricted Stock or Restricted Stock Unit, shall be granted) unless and until the Plan has been approved by the shareholders of the Company, which approval shall be within twelve (12) months before or after the date the Plan is adopted by the Board.

(n) Section 409A. The Plan and the grant of Awards under the Plan are intended to either be exempt from, or to comply with, the requirements of Section 409A of the Code, and shall be administered and interpreted in a manner that is consistent with such intention.

(o) Captions. The captions in the Plan are for convenience of reference only, and are not intended to narrow, limit or affect the substance or interpretation of the provisions contained herein.

* * * * *

CALIFORNIA SUPPLEMENT

Pursuant to Section 12 of the Plan, the Board has adopted this supplement for purposes of satisfying the requirements of Section 25102(o) of the California Law:

Any Awards granted under the Plan to a Participant who is a resident of the State of California on the date of grant (a "California Participant") shall be subject to the following additional limitations, terms and conditions:

1. Additional Limitations on Options.

(a) Maximum Duration of Options. No Options granted to California Participants shall have a term in excess of 10 years measured from the Option grant date.

(b) Minimum Exercise Period Following Termination. Unless a California Participant's employment is terminated for cause (as defined by applicable law, the terms of any contract of employment between the Company and such Participant, or in the instrument evidencing the grant of such Participant's Option), in the event of termination of employment of such Participant, such Participant shall have the right to exercise an Option, to the extent that he or she was otherwise entitled to exercise such Option on the date employment terminated, until the earlier of (i) at least six months from the date of termination, if termination was caused by such Participant's death or "permanent and total disability" (within the meaning of Section 22(e)(3) of the Code), (ii) at least 30 days from the date of termination, if termination was caused other than by such Participant's death or "permanent and total disability" (within the meaning of Section 22(e)(3) of the Code), and (iii) the Option expiration date.

(c) Adjustment to shares of Stock. In the event of any stock split, reverse stock split, stock dividend, recapitalization, combination, reclassification or other distribution of the issuer's equity securities without the receipt of consideration by the issuer, proportionate adjustments shall be made as appropriate to (i) the number of shares of Stock purchasable under an Option and (ii) the exercise price of any Option.

(d) Transferability of Right to Purchase. Subject to such further restrictions as may be provided in the Plan, Options are not transferable except by will, by the laws of descent and distribution, to a revocable trust, or as permitted by Rule 701 of the Securities Act of 1933, as amended.

(e) Final Date for Grants. Subject to such further restrictions as may be set forth in the Plan, Options must be granted within ten (10) years from the date the Plan is adopted by the Board, or the date the Plan is approved by the stockholders of the Company, whichever is earlier.

ACV AUCTIONS INC.
2015 LONG-TERM INCENTIVE PLAN
NOTICE OF EXERCISE

The undersigned Participant hereby elects to exercise the Option pursuant to the ACV Auctions Inc. 2015 Long-Term Incentive Plan, as amended (the "Plan") with the Date of Grant set forth below to purchase the number of shares of common stock, par value $0.001 per share (the "Stock"), of ACV Auctions Inc. (the "Company") set forth below for the Total Exercise Price set forth below.

Option Information:

Date of Grant: _____	Type of Option: Non-Qualified Stock Option
Exercise Price Per Share: $ _____	Total Number of Option Shares: _____

Exercise Information:

Total Exercise Price: $ _____
Number of Shares of Stock as to which the Option is Exercised: _____
Name in which Stock Certificates are to be Issued: _____

eShares Payment:

☐ Payment of the Total Exercise Price and Tax Withholding through eShares using a linked account

Other Payment Methods:

☐ Payment of the Total Exercise Price and Tax Withholding through one of the alternative methods specified below.

These payment methods require that this Notice of Exercise be printed and submitted by the Participant to the Company at:

ACV Auctions Inc.
Attention: Chief Financial Officer
640 Ellicott Street
Buffalo, New York 14203

Payment of Exercise Price:

☐ A check for $_____, made payable to the order of "ACV Auctions Inc."

☐ Delivery to the Company of owned and unencumbered shares of Stock (contact the Company to determine the number of shares)

☐ Reduction in the number of shares of Stock otherwise deliverable upon exercise of the Option

Payment of Tax Withholding:

☐ A check for $_____, made payable to the order of "ACV Auctions Inc."

Stockholders Agreements

The exercise of the Option is conditioned upon the Participant having signed the Stockholder Agreements of the Company or such other similar agreements as the Company may reasonably request. If the Participant has not already signed such agreement(s), the Participant should contact the Company at the address provided above to obtain a copy for execution.

Participant

_____

Signature

Name (print): _____

Date: _____

ACV AUCTIONS INC.
2015 LONG-TERM INCENTIVE PLAN
STOCK OPTION AWARD AGREEMENT

This Stock Option Award Agreement (this "Agreement") is made effective as of the Date of Grant specified below, by and between ACV Auctions Inc., a Delaware corporation (the "Company"), and the Participant.

Participant:	*As set forth in eShares.*
Date of Grant:	*As set forth in eShares.*
Number of Option Shares:	*As set forth in eShares.*
Exercise Price Per Share:	*As set forth in eShares.*
Option Expiration Date:	*As set forth in eShares.*
Type of Option:	*As set forth in eShares.*
Vested Shares:	The Number of Option Shares that become Vested Shares as of any date is determined pursuant to Appendix A attached to this Agreement.

The purpose of this Agreement is to establish a written agreement evidencing the Option granted pursuant to the ACV Auctions Inc. 2015 Long-Term Incentive Plan (the "Plan"). All of the terms and conditions of the Plan are fully incorporated herein by reference. Unless the context clearly indicates otherwise, capitalized terms used but not defined herein will have the meaning given to such terms in the Plan.

Section 1. Grant of Option.

(a) Grant. Pursuant to Section 5 of the Plan, the Company hereby grants to the Participant an option (the "Option") to purchase the total number of shares of Stock of the Company equal to the Number of Option Shares set forth above, at the Exercise Price Per Share set forth above and on the terms and conditions and subject to the restrictions set forth in this Agreement and the Plan.

(b) Consideration. The grant of the Option is made in consideration of the services to be rendered by the Participant to the Company.

Section 2. Exercise of the Option.

(a) Right to Exercise. Except as otherwise provided herein, prior to the termination of the Option (as provided in Section 7), the Option shall be exercisable in an amount not to exceed the number of Vested Shares less the number of shares previously acquired upon exercise of the Option. In no event shall the Option be exercisable for more shares than the Number of Option Shares, as adjusted pursuant to Section 12(b) of the Plan.

(b) Method of Exercise. The Option, to the extent vested and exercisable, may be exercised in whole or in part, provided that the Option may not be exercised for less than one share of Stock in any single transaction. The Option shall be exercised by written notice given by the Participant to the Company on the form provided by the Company for such purpose specifying the number of shares of Stock that the Participant elects to purchase and the exercise price being paid, accompanied by full payment of such exercise price.

(c) Payment of Exercise Price. Payment of the exercise price for the number of shares of Stock for which the Option is being exercised may be made in:

(i) in cash or cash equivalents (including certified check or bank check or wire transfer of immediately available funds);

(ii) by delivery to the Company of other shares of Stock, duly endorsed for transfer to the Company, with a Fair Market Value on the date of delivery equal to the exercise price (or portion thereof) due for the number of shares being acquired, or by means of attestation whereby the Participant identifies for delivery specific shares that have a Fair Market Value on the date of attestation equal to the exercise price (or portion thereof) and receives a number of shares equal to the difference between the number of shares thereby purchased and the number of identified attestation shares;

(iii) by reduction in the number of shares otherwise deliverable upon exercise of the Option with a Fair Market Value equal to the aggregate exercise price at the time of exercise; or

(iv) any combination of any of the foregoing.

(d) Issuance of Shares of Stock. Upon determining that compliance with the Plan and this Agreement has occurred, including compliance with Section 3, Section 4, Section 5 and Section 6, the Company shall issue certificates for the shares of Stock purchased; if the Participant has elected to pay the exercise price (or applicable tax withholding pursuant to Section 3) using shares of Stock to be received from his or her exercise of the Option, the Company shall issue certificates for the shares of Stock purchased, less the number of shares of Stock used in payment of the exercise price (and applicable tax withholding, if applicable). Under no circumstances will fractional shares of Stock be issued; if the Participant elects to pay the exercise price using shares of Stock already owned by him or her, or shares of Stock to be received from his or her exercise of the Option and such payment involves a fraction of a share, the remaining fraction of such share shall be redeemed by the Company and the Company shall pay the Participant the Fair Market Value of such fractional shares of Stock in lieu of issuing such fractional share.

Section 3. Tax Withholding.

(a) Prior to the issuance of shares of Stock upon the exercise of the Option, the Participant shall be required to pay to the Company, and the Company shall have the right to deduct from any compensation paid to the Participant pursuant to the Plan, the amount of any required withholding taxes in respect of the exercise of the Option and to take all such other action as the Committee deems necessary to satisfy all obligations for the payment of such withholding taxes. The Committee may permit the Participant to satisfy any federal, state or local tax withholding obligation by any of the following means, or by a combination of such means:

(i) tendering a cash payment;

(ii) authorizing the Company to withhold shares of Stock from the shares of Stock otherwise issuable to the Participant as a result of the exercise of the Option; provided, however, that no shares of Stock are withheld with a value exceeding the higher of the minimum amount of tax required to be withheld by law or such other amount that will not trigger a negative accounting impact; or

(iii) delivering to the Company previously owned and unencumbered shares of Common Stock.

(b) Notwithstanding any action the Company takes with respect to any or all income tax, social insurance, payroll tax, or othertax-related withholding (the "Tax-Related Items"), the ultimate liability for all Tax-Related Items is and remains the Participant's responsibility and the Company: (i) makes no representation or undertakings regarding the treatment of any Tax-Related Items in connection with the grant or exercise of the Option or the subsequent sale of any shares of Stock; and (ii) does not commit to structure the Option to reduce or eliminate the Participant's liability for Tax-Related Items.

Section 4. Stockholders Agreements. The exercise of the Option shall be conditioned upon the Participant executing a joinder agreement (in a form acceptable to the Company) to that certain Series Seed Preferred Stock Investment Agreement among the Company and the Purchaser and Key Holder parties thereto, dated as of April 3, 2015 (the "Investment Agreement"), pursuant to which the Participant shall agree that any shares of Stock acquired by the Participant upon exercise of the Option shall be subject to Section 5 of the Investment Agreement (Restrictions on Transfer; Drag Along), Section 7 of the Investment Agreement (Election of Board of Directors; Other Board Matters), and the related definitions set forth on Exhibit A to the Investment Agreement, or, if such agreement is no longer in effect at such time, a stockholders agreement of the Company in effect at such time or such other similar agreements as the Company may reasonably request (the "Stockholders Agreements"), if the Participant is not already a party thereto at the time of exercise. The Participant acknowledges and agrees that if a stockholders agreement of the Company is in effect at the time the Participant exercises the Option, any shares of Stock subject to this Option shall be Restricted Stock under such stockholders agreement. The Participant also acknowledges and agrees that any shares of Stock acquired by the Participant upon exercise of the Option shall automatically be subject to any restrictions on transfer contained in the First Amended and Restated Bylaws of the Company, as may be amended after the date hereof.

Section 5. Restrictions on Issuance of Shares. If at any time the Company determines that listing, registration or qualification of the shares of Stock covered by the Option upon any securities exchange or under any state or federal law, or the approval of any governmental agency, is necessary or advisable as a condition to the exercise of the Option, the Option may not be exercised in whole or in part unless and until such listing, registration, qualification or approval shall have been effected or obtained free of any conditions not acceptable to the Company. Shares will be issued in accordance with the procedures set forth by eShares, or such other similar platform as the Company may use from time to time.

Section 6. Securities Law Matters.

(a) As a precondition to the Company's execution of this Agreement and the grant of the Option hereunder, the Participant represents to the Company that the Option is being, and (unless a Registration Statement with respect thereto shall then be effective under the Securities Act of 1933, as amended (the "Act")) any shares of Stock acquired by the Participant upon exercise of the Option shall be, acquired by the Participant solely for investment and not with a view to, or for sale in connection with, any distribution thereof, nor with any present intention of selling, transferring or disposing of the same.

(b) The Participant acknowledges and agrees that the Option may not be offered for sale, sold, pledged, hypothecated or otherwise transferred or disposed of in any manner inconsistent with this Agreement or the Plan, and that any shares of Stock acquired upon exercise of the Option may not be offered for sale, sold or otherwise transferred or disposed of unless: (i) a Registration Statement with respect thereto shall then be effective under the Act, and the Participant shall have provided proof satisfactory to counsel for the Company that he or she has complied with all applicable state securities laws; or (ii) the Company shall have received an opinion of counsel in form and substance satisfactory to counsel for the Company that the proposed offer for sale, sale or transfer of the shares of Stock is exempt from the registration requirements of the Act and may otherwise be effected in compliance with any other applicable law, including all applicable state securities laws.

(c) The Participant understands that neither the Option nor any shares of Stock underlying the Option have been registered under the Act by reason of a specific exemption under the provisions of the Act which depends on his or her intention to hold the Option and the shares of Stock for investment purposes. The Participant understands that the shares of Stock must be held in a manner consistent with the rules and regulations of the Securities and Exchange Commission unless they are subsequently registered under the Act or an exemption from registration is available, and that the Company is under no obligation to register the shares of Stock or to effect compliance with any exemption from such registration requirements. The Participant understands that because the shares of Stock have not been registered under the Act and cannot be resold unless they are subsequently registered under the Act or an exemption from registration is available, he or she must bear the economic risk of his or her investment in the shares of Stock for an indefinite period of time.

(d) The Participant confirms that the Company is relying upon the representations contained in this Section 6 in connection with the issuance of the Option and, upon due exercise, any shares of Stock underlying the Option. The Participant undertakes to notify the Company immediately of any change in any representation, warranty or other information set forth in this Section 6, and agrees that such representations and warranties and agreements, undertakings and acknowledgements contained herein shall survive the exercise of the Option. In consideration of such issuance, the Participant hereby indemnifies and holds harmless the Company, and the officers, directors, employees and agents thereof, from and against any and all liability, losses, damages, expenses and attorneys' fees which they may hereafter incur, suffer or be required to pay by reason of the falsity of, or the Participant's failure to comply with, any representation or agreement contained in this Section 6.

Section 7. Termination of the Option. The Option shall terminate and may no longer be exercised after the first to occur of: (a) the close of business on the Option Expiration Date; (b) the close of business on the last date for exercising the Option following termination of the Participant's employment or service as described in Section 8; or (c) a Change in Control, to the extent provided in Section 9.

Section 8. Effect of Termination of Employment or Service

(a) Exercisability. The Option shall terminate immediately upon the Participant's termination of employment or service to the extent that it is then unvested and shall be exercisable after the Participant's termination of Service to the extent it is then vested only during the applicable time period as determined below and thereafter shall terminate.

(i) *Disability*. If the Participant's employment or service terminates because of the Disability of the Participant, the Option, to the extent unexercised and exercisable for Vested Shares on the date on which the Participant's employment or service is terminated, may be exercised by the Participant (or the Participant's guardian or legal representative) at any time prior to the expiration of one year after the date on which the Participant's employment or service is terminated, but in any event no later than the Option Expiration Date.

(ii) *Death*. If the Participant's employment or service terminates because of the death of the Participant, the Option, to the extent unexercised and exercisable for Vested Shares on the date on which the Participant's employment or service terminated, may be exercised by the Participant's legal representative or other person who acquired the right to exercise the Option by reason of the Participant's death at any time prior to the expiration of one year after the date on which the Participant's employment or service terminated, but in any event no later than the Option Expiration Date.

(iii) *Termination for Cause*. If the Participant's employment or service is terminated for Cause or if, following the Participant's termination of employment or service and during any period in which the Option otherwise would remain exercisable, the Participant engages in any act that would constitute Cause, the Option shall terminate in its entirety and cease to be exercisable immediately upon such termination of employment or act.

(iv) *Other Termination of Employment or Service*. If the Participant voluntarily terminates employment or service for any reason or the Participant's employment or service terminates for any reason except Disability, death or termination for Cause, the Option, to the extent unexercised and exercisable for Vested Shares by the Participant on the date on which the Participant's employment or service terminated, may be exercised by the Participant at any time prior to the expiration of three months after the date on which the Participant's employment or service terminated, but in any event no later than the Option Expiration Date.

Section 9. Effect of Change in Control. In the event of a Change in Control, Section 9 of the Plan will govern the treatment of the Option.

Section 10. Miscellaneous.

(a) Legends. A legend may be placed on any certificate(s) or other document(s) delivered to the Participant indicating the restrictions on transferability of the shares of Stock issued upon exercise of the Option pursuant to the applicable Stockholders Agreements or any other restrictions that the Committee may deem advisable under the rules, regulations and other requirements of the Securities and Exchange Commission, any applicable federal or state securities laws or any stock exchange on which the shares of Stock are then listed or quoted.

(b) Transferability. The Option and the rights and privileges conferred thereby may not be transferred, assigned, pledged or hypothecated in any manner (whether by operation of law or otherwise) other than by will or applicable laws of decent and distribution. Upon any attempt to transfer, assign, pledge, hypothecate or otherwise dispose of the Option or any right or privilege conferred thereby, contrary to the provisions of the Plan or this Agreement, or upon the sale or levy or attachment or similar process upon the rights and privileges conferred thereby, the Option shall immediate terminate and become null and void.

(c) Rights as Stockholder. The Participant shall have no rights as a stockholder with respect to the shares of Stock purchased pursuant to the exercise of the Option until the date of the issuance of a certificate of stock representing such shares of Stock.

(d) Adjustments. If any change is made to the outstanding Stock or the capital structure of the Company, if required, the shares of Stock underlying the Option shall be adjusted in any manner as contemplated by Section 12(b) of the Plan.

(e) No Right to Continued Employment or Service. The Participant's right, if any, to continue to serve the Company or any Affiliate as an employee or otherwise will not be enlarged or otherwise affected by the Plan or this Agreement. This Agreement does not restrict the right of the Company or any Affiliate to terminate the Participant's employment or service at any time, with or without Cause.

(f) Amendment. The Committee has the right to amend, alter, suspend, discontinue or cancel the Option, prospectively or retroactively; provided, that, no such amendment shall adversely affect the Participant's rights under this Agreement without the Participant's consent.

(g) Cancellation of Award. Notwithstanding Section 10(f) of this Agreement, if the Participant in any way violates the terms of any confidentiality, non-competition, or non-solicitation agreement, or other similar agreements entered into between the Company and the Participant, then the Committee in its sole discretion may cancel the Option.

(h) Notices. All notices and other communications required or permitted under this Agreement shall be written and shall be either delivered personally or sent by registered or certified first-class mail, postage prepaid and return receipt requested, or by telex or telecopier, addressed as follows: (i) if to the Company, to the Company's principal corporate office; and (ii) if to the Participant or his or her successor, to the address last furnished by such person to the Company. Each such notice and other communication delivered personally shall be deemed to have been given when delivered. Each such notice and other communication

delivered by mail shall be deemed to have been given when it is deposited in the United States mail in the manner specified herein, and each such notice and other communication delivered by telex or telecopier shall be deemed to have been given when it is so transmitted and the appropriate answer-back is received. A party may change its address for the purpose hereof by giving notice in accordance with the provisions of this Section 10(h).

(i) Successors and Assigns. The Company may assign any of its rights under this Agreement. This Agreement will be binding upon and inure to the benefit of the successors and assigns of the Company. Subject to the restrictions on transfer set forth herein, this Agreement will be binding upon the Participant and the Participant's beneficiaries, executors, administrators and the person(s) to whom the Option may be transferred by will or the laws of descent or distribution.

(j) Discretionary Nature of Plan. The Plan is discretionary and may be amended, cancelled or terminated by the Company at any time, in its discretion. The grant of the Option in this Agreement does not create any contractual right or other right to receive any Options or other Awards in the future. Future Awards, if any, will be at the sole discretion of the Company. Any amendment, modification, or termination of the Plan shall not constitute a change or impairment of the terms and conditions of the Participant's employment with the Company.

(k) No Impact on Other Benefits. The value of the Participant's Option is not part of his or her normal or expected compensation for purposes of calculating any severance, retirement, welfare, insurance or similar employee benefit.

(l) Interpretation. This Agreement is subject to and controlled by the Plan. Any inconsistency between this Agreement and the Plan shall be resolved in favor of the Plan. Any dispute regarding the interpretation of this Agreement shall be submitted by the Participant or the Company to the Committee for review. The resolution of such dispute by the Committee shall be final and binding on the Participant and the Company. This Agreement is the final, complete and exclusive expression of the understanding between the parties and supersedes any prior or contemporaneous agreement or representation, oral or written, between them. In the event that any provision of this Agreement shall be held to be illegal or unenforceable, such provision shall be severed from this Agreement and the entire Agreement shall not fail on account thereof, but shall otherwise remain in full force and effect. As used herein, the masculine pronoun shall include the feminine and the neuter, as appropriate to the context. Unless the context otherwise requires, references herein to a "Section" means a Section of this Agreement. Section headings contained herein are for convenience only and shall not alter any of the parties' respective rights or obligations hereunder.

(m) Governing Law. This Agreement, to the extent not otherwise governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware, without reference to principles of conflict of laws, and construed accordingly.

(n) Counterpart Execution. This Agreement may be executed in any number of counterparts, each of which shall be deemed an original but all of which together shall be deemed one and the same instrument. Facsimile signatures shall have the effect of actual signatures for purposes of this Agreement.

(o) Acceptance. The Participant hereby acknowledges receipt of a copy of the Plan and this Agreement. The Participant has read and understands the terms and provisions thereof, and accepts the Option subject to all of the terms and conditions of the Plan and this Agreement. The Participant acknowledges that there may be adverse tax consequences upon exercise of the Option or disposition of the underlying shares and that the Participant should consult a tax advisor prior to such exercise or disposition.

(signature page immediately follows)

IN WITNESS WHEREOF, this Agreement has been executed effective as of the date first set forth above.

ACV AUCTIONS, INC.

By: _____
Name:
Title:

Participant

_____
Name (print):

Appendix A
Vesting Schedule

Provided that the Participant provides continuous services to the Company or any Affiliate through each such date, and, subject to earlier termination under Section 7 of this Agreement, the Number of Option Shares that become Vested Shares (disregarding any resulting fractional share) as of any date is determined as set forth in eShares, or such other similar platform as the Company may use from time to time.

ACV AUCTIONS INC.
2015 LONG-TERM INCENTIVE PLAN
(As amended and restated effective as of November 14, 2020)

RESTRICTED STOCK UNIT GRANT NOTICE

ACV Auctions Inc. (the "**Company**"), pursuant to its 2015 Long-Term Incentive Plan, as amended and restated effective as of November 14, 2020 (the "**Plan**"), hereby grants to Participant an award of Restricted Stock Units ("**RSUs**"). This grant of RSUs is subject to the terms and conditions set forth herein and in the Restricted Stock Unit Award Agreement (the "**RSU Award Agreement**") and the Plan. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan.

PARTICIPANT: _____
DATE OF GRANT: _____
NUMBER OF RSUs: _____
VESTING COMMENCEMENT DATE: _____
VESTING SCHEDULE: _____

Two vesting requirements must be satisfied on or before the Forfeiture Date (as defined below) in order for the RSUs to vest – a time and service-based requirement as described under the heading "Time-Based Component" below (the "**Time-Based Component**") and the occurrence of a Liquidity Event as described under the heading Performance-Based Component" below (the "**Performance-Based Component**").

The RSUs will not vest (in whole or in part) unless both the Time-Based Component and the Performance-Based Component requirements are satisfied. If both vesting requirements are satisfied, the vesting date ("**Vesting Date**") of an RSU will be the first date upon which both of those requirements were satisfied with respect to that particular RSU.

Time-Based Component: [*use for monthly vesting*] [The Time-Based Component will be satisfied as to 25% of the RSUs on the one-year anniversary of the Vesting Commencement Date and 1/36 of the remaining RSUs will be satisfied on each monthly anniversary of the Vesting Commencement Date thereafter (such that the Time-Based Component shall be satisfied as to 100% of the RSUs on the four-year anniversary of the Vesting Commencement Date), provided that Participant remains an employee, Director or Consultant of the Company or any of its Affiliates ("**Service Provider**") through each applicable date.]

[*use for quarterly vesting*] [The Time-Based Component will be satisfied as to 25% of the RSUs on the first Quarterly Date on or following the one-year anniversary of the Vesting Commencement Date and 1/12 of the remaining RSUs will be satisfied on each Quarterly Date thereafter (such that the Time-Based Component shall be satisfied as to 100% of the RSUs on the four-year anniversary of the first Quarterly Date on or following the Vesting Commencement Date), provided that Participant remains an employee, Director or Consultant of the Company or any of its Affiliates ("**Service Provider**") through each applicable date. "**Quarterly Date**" means January 15, April 15, July 15 and October 15.]

[Notwithstanding the foregoing, the Time-Based Component will be satisfied upon Participant's termination by the Company without Cause or Participant's resignation for Good Reason (in either case, an "**Involuntary Termination**) within three (3) months prior to, or twelve (12) months following, the consummation of a Change in Control.] [*use when double-trigger time-based acceleration is being provided*]

Performance-Based Component: The Performance-Based Component will be satisfied upon the occurrence of a Liquidity Event on or prior to the Forfeiture Date and provided that Participant remains a Service Provider through the date of the Liquidity Event. "**Liquidity Event**" means the earlier of (i) a Change in Control, provided that such Change in Control qualifies as a "change in control event" within the meaning of Treasury Regulation 1.409A-3(i)(5), or any successor thereto (the "**Change in Control Event**"), or (ii) the effective date of a registration statement of the Company filed under the U.S. Securities Act of 1933, as amended, for the first sale or resale of the Company's Common Stock pursuant to a registration statement on Form S-1 (or any successor thereto) with the United States Securities and Exchange Commission (the "**IPO**").

Forfeiture Date: The Forfeiture Date will be the first to occur of: (i) the seven (7)-year anniversary of the Date of Grant; (ii) in the event that Participant ceases to be a Service Provider due to a termination for Cause or a determination is made that Participant engaged in conduct that would be grounds for a termination for Cause (whether or not Participant's service relationship is terminated for Cause or Participant resigns prior to such determination), the date Participant's service is terminated; or (iii) the occurrence of a forfeiture under Section F of the RSU Award Agreement.

By Participant's signature and the signature of the Company's representative below, Participant and the Company agree that the RSUs are granted under and governed by the terms and conditions of this Grant Notice, the RSU Award Agreement, and the Plan, which are attached hereto. Participant has reviewed the Plan, this Grant Notice and the RSU Award Agreement in their entirety, has had an opportunity to obtain the advice of counsel prior to executing this Grant Notice and fully understands all provisions of the Plan, this Grant Notice and the RSU Award Agreement. In the event of any conflict with this Grant Notice, the Plan and the RSU Award Agreement shall control. Participant hereby agrees to accept as binding, conclusive and final all decisions or interpretations of the Board upon any questions relating to the Plan, this Grant Notice and the RSU Award Agreement.

This Grant Notice may be executed and delivered electronically whether via the Company's intranet or the Internet site of a third party or via email or any other means of electronic delivery specified by the Company. This Grant Notice may be executed in any number of counterparts, each of which when so executed and delivered will be deemed an original, and all of which together shall constitute one and the same agreement. By executing this Grant Notice and accepting an Award, the undersigned acknowledges receipt of the RSU Award Agreement and Plan.

PARTICIPANT		**ACV AUCTIONS INC.**	
By:	_____	**By:**	_____
Name:	_____	**Name:**	_____
Print Name:	_____	**Title:**	_____
Date:	_____	**Date:**	_____

Attachments:

1. Restricted Stock Unit Award Agreement
2. 2015 Long-Term Incentive Plan, as amended and restatedeffective as of [Date].

ACV AUCTIONS INC.
2015 LONG-TERM INCENTIVE PLAN
(As amended and restated effective as of November 14, 2020)

RESTRICTED STOCK UNIT AWARD AGREEMENT

Pursuant to the terms of the Restricted Stock Unit Grant Notice (the "**Grant Notice**") and this Restricted Stock Unit Award Agreement (this "**Agreement**"), ACV Auctions Inc., a Delaware corporation (the "**Company**"), has granted to Participant (as defined in the Grant Notice) Restricted Stock Units ("**RSUs**") under its 2015 Long-Term Incentive Plan, as amended and restated effective as of November 14, 2020 (the "**Plan**"), as indicated in the Grant Notice. Capitalized terms used but not otherwise defined herein shall have the meanings set forth in the Plan. Participant agrees to be bound by the terms and conditions of the Plan, which control in case of any conflict with this Agreement.

A**. VESTING.** Subject to the limitations contained herein and therein, the RSUs will vest as provided in the Grant Notice.

B. **TERMINATION**. In the event Participant ceases to be a Service Provider for any or no reason, all RSUs that remain unvested (i.e., have not met the Time-Based Component and the Performance-Based Component) as of such termination will immediately terminate upon such termination; [provided that, if such Participant ceases to be a Service Provider as a result of an Involuntary Termination, the unvested RSUs will remain outstanding to the extent necessary to give effect to the potential vesting acceleration set forth in the Grant Notice]][*use bracketed provision when double-trigger time-based acceleration is being provided*]. Further, if the Performance-Based Component is not satisfied on or before the Forfeiture Date, all RSUs (regardless of whether or not, or the extent to which, the Time-Based Component had been satisfied as to such RSUs) will automatically terminate upon such date. Upon a termination of one or more RSUs pursuant to this Section B, Participant will have no further rights with respect to such RSUs. Notwithstanding anything herein or in the Plan to the contrary, Participant shall not be entitled to any Settlement (as defined below) with respect to the RSUs following a termination of employment or engagement, as applicable, unless Participant executes (and does not revoke) a general release, in a form to be prepared by the Company, of any and all claims against the Company and its affiliates, directors and officers (the "**Release**") within sixty (60) days following such date of termination of employment, or engagement, as applicable, or such earlier date by which Settlement would be required to be made in order to constitute a "short term deferral" for purposes of Code Section 409A of the Code (**"Section 409A**").

C. **SETTLEMENT**. Subject to satisfaction of the Withholding Obligation set forth in Section I below, for each vested RSU, the Company will issue or deliver to Participant one (1) share of Stock, cash or a combination of both, as determined by the Company, in its sole discretion ("**Settlement**") on the applicable Vesting Date for such Vested RSU or, if such Vesting Date is not a business day, on the next following business day, on the following schedule (each such date below, a "**Settlement Date**"):

- if the Vesting Date occurs as a result of an IPO, the vested RSUs shall be settled on the earlier to occur of (1) the date that is six months following the Vesting Date; (2) March 15th of the year following the calendar year in which the Vesting Date occurred; and (3) such earlier date determined by the Board or Committee;

- if the Vesting Date occurs as a result of a Change in Control Event, the vested RSUs shall be settled no later than 30 days following the Vesting Date;
- if the Vesting Date occurs under the Time-Based Component following satisfaction of the Performance-Based Component, the vested RSUs shall be settled on the Vesting Date or on a later date determined by the Board or Committee, as applicable, that is not later than December 31 of the calendar year in which the Vesting Date occurred, or, if and only if permitted in a manner that complies with Treasury RegulationsSection 1.409A-1(b)(4), not later than March 15th of the year following the calendar year in which the Vesting Date occurred.

Notwithstanding the foregoing provisions of Section C, with respect to Vesting Dates that occur following the IPO:

If the Vesting Date does not occur (1) during an "open window period" applicable to the Participant, 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 the Participant is otherwise permitted to sell shares of 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**")), *and*

(i) either (1) no Withholding Obligation applies, or (2) the Company decides, prior to the Vesting Date, (A) not to satisfy the Withholding Obligation by withholding shares of Stock from the shares of Stock otherwise due, on the Vesting Date, to Participant under the RSU, and (B) not to permit the Participant to enter into a "same day sale" commitment with a broker-dealer pursuant to Section I of this Agreement (including but not limited to a commitment under a 10b5-1 Arrangement) and (C) not to permit the Participant to pay the Withholding Obligation in cash,

(ii) then the shares of Stock that would otherwise be settled to the Participant on the Vesting Date will not be settled on such Vesting Date and will instead be settled on the first business day when the Participant is not prohibited from selling shares of Stock in the open public market, but in no event later than (a) December 31 of the calendar year in which the Vesting 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 March 15th of the year immediately following the calendar year in which the Vesting Date occurred.

Each RSU that is settled in shares of Stock shall be settled on aone-to-one basis. Upon the issuance of shares of Stock, Participant shall thereafter have all the rights of a stockholder of the Company with respect to such Stock, subject to Section H below, if applicable.

D. **STOCKHOLDERS AGREEMENTS.** If any of the vested RSUs are settled in shares of Stock, Participant shall, if requested by the Company, be required to execute and deliver one or more stockholders agreements (pursuant to which, among other features, Participant's shares would be subject to a drag-along right with a proxy to vote the shares of Stock in favor of a transaction) in such form as the Board or Committee shall require.

E. **STOCKHOLDER RIGHTS; DIVIDEND EQUIVALENTS**. Participant shall not have any rights of a stockholder with respect to the shares of Stock underlying the RSUs (including, without limitation, any voting rights or any right to dividends paid with respect to the shares of Stock underlying the RSUs), unless and until Participant actually receives settlement of the shares of Stock of the Company underlying the RSUs. Dividend equivalents shall not be credited to Participant during the term of the RSUs.

F. **COVENANTS AGREEMENT; VIOLATION OF POLICY**. Notwithstanding anything herein or elsewhere to the contrary, any and all outstanding RSUs are subject to forfeiture in the event Participant (i) breaches any agreement between Participant and the Company with respect to non-competition, non-solicitation, assignment of inventions and contributions and/or non-disclosure obligations of Participant or (ii) materially violates any agreement between Participant and the Company or its Affiliates or any Company policy previously provided or made available to Participant, including, without limitation, any policy related to workplace conduct and behavior, sexual harassment or discrimination.

G. **COMPLIANCE WITH LAWS.** Notwithstanding anything in this Agreement to the contrary, no shares of Stock shall be issued unless such issuance complies with the requirements relating to the administration of stock option plans and other applicable equity plans under U.S. state corporate laws, U.S. federal and state securities laws, the Code, any stock exchange or quotation system on which the Stock is listed or quoted, and the applicable laws of any foreign country or jurisdiction where stock grants or other applicable equity grants are made under the Plan.

H. **LOCK-UP AGREEMENT.** In addition to any other limitation on transfer or other restrictions applicable to shares of Stock issued in settlement of the RSUs, the lock-up agreement contained in this Section shall apply to the Stock and other securities of the Company however and whenever acquired upon conversion of or in exchange for the Stock (other than those included in the IPO registration). The Participant hereby agrees that the Participant will not, without the prior written consent of the Company and the managing underwriter of the IPO, during the period commencing on the date of the final prospectus relating to the IPO and ending on the date specified by the Company and the managing underwriter (such period not to exceed one hundred eighty (l80) days), or such other period as may be requested by the Company or an underwriter to accommodate regulatory restrictions on: (1) the publication or other distribution of research reports; and (2) analyst recommendations and opinions, including, but not limited to, the restrictions contained in FINRA Rule 2241, or any successor provisions or amendments thereto), (a) lend, offer, pledge, sell, contract to sell, sell any option or contract to purchase, purchase any option or contract to sell, grant any option, right or warrant to purchase, or otherwise transfer or dispose of, directly or indirectly, any shares of Stock held immediately prior to the effectiveness of the registration statement for the IPO; or (b) enter into any swap or other arrangement that transfers to another, in whole or in part, any of the economic consequences of ownership of the Stock, whether any such transaction described in clause (a) or (b) above is to be settled by delivery

of Stock or other securities, in cash or otherwise. The foregoing provisions of this Section shall not apply to the sale of any shares to an underwriter pursuant to an underwriting agreement, and shall only be applicable to the Participant if all officers, directors and holders of more than one percent (1%) of the Company's outstanding Stock (after giving effect to the conversion into Stock of all outstanding Preferred Stock) enter into similar agreements. The underwriters in connection with the IPO are intended third-party beneficiaries of this Section and shall have the right, power and authority to enforce the provisions hereof as though they were a party hereto. The Participant further agrees to execute such agreements as may be reasonably requested by the underwriters in the IPO that are consistent with this Section 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 the shares of Stock of the Participant (and transferees and assignees thereof) until the end of such restricted period.

I. **WITHHOLDING**. As a condition to the issuance of Shares pursuant to the RSUs, Participant agrees to make arrangements satisfactory to the Company for the payment of the Withholding Obligation (as defined below) that arises upon grant, vesting and/or settlement of the RSUs (or any portion thereof) and at any other time as reasonably requested by the Company in accordance with applicable tax laws. In furtherance of the foregoing, Participant hereby authorizes any required withholding from the Shares issuable to Participant and/or otherwise agrees to make adequate provision, including in cash, for any sums required to satisfy the federal, state, local and foreign tax withholding obligations of the Company (or any Affiliate, if applicable) that arise in connection with Participant's RSU Award (the "**Withholding Obligation**").

By accepting this RSU Award, Participant acknowledges and agrees that the Company or any Affiliate of the Company may, in its sole discretion, satisfy all or any portion of the Withholding Obligation relating to Participant's RSUs by any of the following means or by a combination of such means, and Participant's acceptance of this RSU Award constitutes Participant's consent to any such actions: (i) causing Participant to pay any portion of the Withholding Obligation in cash, check or wire of immediately available funds; (ii) withholding from any compensation otherwise payable to Participant by the Company (or Affiliate, if applicable); (iii) withholding shares of Stock from the shares of Stock issued or otherwise issuable to Participant in connection with the RSU Award with a Fair Market Value as of the applicable date of determination equal to the amount of such Withholding Obligation; provided, however, that the number of such shares of Stock so withheld will not exceed the amount necessary to satisfy the Withholding Obligation using up to (but not in excess of) the applicable minimum statutory or other withholding rates; and provided, further, that to the extent necessary to qualify for an exemption from application of Section 16(b) of the Exchange Act, if applicable, such share withholding procedure will be subject to the express prior approval of the Board or the compensation committee thereof, as applicable; (iv) permitting or requiring Participant to enter into a "same day sale" or "sell to cover" arrangement, if applicable, with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "**FINRA Dealer**"), pursuant to this authorization and without further consent, whereby Participant irrevocably elects to sell a portion of the shares of Stock to be delivered in connection with Participant's RSUs to satisfy the Withholding Obligation and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the Withholding Obligation directly to the Company and/or its Affiliates; or (v) any other method of withholding determined by the Company and permitted by applicable law. Unless the Withholding Obligation is satisfied or deemed to be not applicable in the sole discretion of the Board or Committee, the Company will have no obligation to deliver to Participant any shares of Stock or any other consideration pursuant to the RSUs to which the Withholding Obligation relates.

In the event the Withholding Obligation arises prior to the delivery to Participant of shares of Stock or it is determined after the delivery of shares of Stock to Participant that the amount of the Withholding Obligation was greater than the amount withheld by the Company, Participant agrees to indemnify and hold the Company (or any applicable Affiliate) harmless from any failure by the Company to withhold the proper amount.

J. **SECTION 409A.** This award of RSUs is intended to constitute a "short term deferral" for purposes of Section 409A to the greatest extent possible, and otherwise is intended to comply with Section 409A, and the RSUs will be administered and interpreted in accordance with that intent. Each issuance of shares of Stock or payment of cash following a Vesting Date shall be considered a separate payment. The Company makes no representation or warranty that the RSUs are compliant with, or exempt from, Section 409A and shall have no liability to Participant or any other person if any amounts provided under this Agreement are determined to constitute deferred compensation subject to Section 409A but do not satisfy an exemption from, or the conditions of, Section 409A. Without limiting the foregoing and notwithstanding anything contained herein to the contrary, to the extent required in order to avoid accelerated taxation and/or tax penalties under Section 409A, amounts that would otherwise be payable and benefits that would otherwise be provided pursuant to this Agreement during the six-month period immediately following Participant's separation from service shall instead be paid on the first business day after the date that is six months following Participant's separation from service (or, if earlier, Participant's date of death).

K. **NON-TRANSFERABILITY**. No RSUs, or any rights relating thereto, may be transferred, pledged, assigned, otherwise encumbered or disposed of by Participant, other than by will or by the laws of descent and distribution, and any such purported transfer, pledge, assignment, other encumbrance or disposition shall be null and void. The terms of the Plan and this Agreement shall be binding upon the executors, administrators, heirs, successors and assigns of Participant.

L. **OTHER PLANS**. No amounts of income received by Participant pursuant to this Agreement shall be considered compensation for purposes of any pension or retirement plan, insurance plan or any other employee benefit plan of the Company or its subsidiaries, unless otherwise provided in such plan.

M. **NO GUARANTEE OF CONTINUED SERVICE. PARTICIPANT ACKNOWLEDGES AND AGREES THAT THIS AGREEMENT AND THE PLAN DO NOT CONSTITUTE AN EXPRESS OR IMPLIED PROMISE OF CONTINUED EMPLOYMENT OR SERVICE AND SHALL NOT INTERFERE WITH PARTICIPANT'S RIGHT OR THE COMPANY'S RIGHT TO TERMINATE THE EMPLOYMENT OR SERVICE RELATIONSHIP AT ANY TIME, WITH OR WITHOUT CAUSE.**

N. **ENTIRE AGREEMENT; GOVERNING LAW AND VENUE**. The Plan, this Agreement and the Grant Notice, constitutes the entire agreement between the parties hereto with respect to the subject matter hereof, and supersedes all prior agreements and understandings relating to the subject matter of this Agreement. This Agreement and all matters arising directly or indirectly herefrom shall be construed under the laws of the State of Delaware, without regard to conflict of laws principles.

O. **BINDING EFFECT**. This Agreement shall be binding upon and inure to the benefit of the Company and Participant and their respective permitted successors, assigns, heirs, beneficiaries and representatives. This Agreement is personal to Participant and may not be assigned by Participant without the prior consent of the Company. Any attempted assignment in violation of this Section shall be null and void.

P. **AMENDMENT**. This Agreement may be amended or modified only by a written instrument executed by both the Company and Participant. Notwithstanding the foregoing, this Agreement may be amended solely by the Board or Committee by a writing which specifically states that it is amending this Agreement, so long as a copy of such amendment is delivered to Participant, and *provided that*, except as otherwise expressly provided in the Plan, no such amendment may adversely affect Participant's rights hereunder without Participant's written consent. Without limiting the foregoing, the Committee reserves the right to change, by written notice to Participant, the provisions of this Agreement in any way it may deem necessary or advisable to carry out the purpose of the grant as a result of any change in applicable laws or regulations or any future law, regulation, ruling, or judicial decision, provided that any such change will be applicable only to rights relating to that portion of the RSU Award which is then subject to restrictions as provided herein.

Q. **REPRESENTATIONS AND WARRANTIES OF PARTICIPANT.** Participant represents and warrants to the Company that: (i) Participant has the absolute and unrestricted capacity, right, power and authority to enter into and to perform Participant's obligations under this Agreement; and (ii) this Agreement constitutes the legal, valid and binding obligation of Participant, enforceable against Participant in accordance with its terms, except as limited by (a) applicable bankruptcy, insolvency, reorganization, moratorium, and other laws of general application affecting enforcement of creditors' rights generally and (b) laws relating to the availability of specific performance, injunctive relief, or other equitable remedies.

R. **HEADINGS**. The titles, captions and headings of this Agreement are included for ease of reference only and will be disregarded in interpreting or construing this Agreement.

S. **SEVERABILITY**. If any provision of this Agreement is determined by any court or arbitrator of competent jurisdiction to be invalid, illegal or unenforceable in any respect, such provision will be enforced to the maximum extent possible given the intent of the parties hereto. If such clause or provision cannot be so enforced, such provision shall be stricken from this Agreement and the remainder of this Agreement shall be enforced as if such invalid, illegal or unenforceable clause or provision had (to the extent not enforceable) never been contained in this Agreement.

AMENDMENT TO
ACV AUCTIONS INC.
2015 LONG-TERM INCENTIVE PLAN
(As amended and restated effective as of November 14, 2020)

THIS AMENDMENT TO ACV AUCTIONS INC. 2015 LONG-TERM INCENTIVE PLAN, AS AMENDED AND RESTATED (this "Amendment") is made as of February 4, 2021, by ACV AUCTIONS INC., a Delaware corporation ("Company").

Recitals:

A. The Company authorized and approved that certain ACV Auctions Inc. 2015 Long-Term Incentive Plan, as amended and restated effective as of November 14, 2020 (the "Plan").

B. The Company desires to amend the Plan in order to increase the number of shares of the common stock of the Company, par value $0.001 per share, available for issuance under the Plan from 26,834,352 to 27,584,352

Agreement:

NOW, THEREFORE, in consideration of the mutual promises set forth herein, the foregoing recitals, which are incorporated herein, and intending to be legally bound hereby, the parties agree as follows:

1. Defined Terms. Each capitalized term used in this Amendment shall have the same meaning ascribed to such term in the Plan, unless otherwise defined in this Amendment.

2. Amendments to the Plan.

a. Section 3(a) of the Plan is hereby amended by deleting the reference to "26,834,352" contained therein and in its stead inserting a reference to "27,584,352".

b. Section 5(e) of the Plan is hereby amended by deleting the reference to "26,834,352" contained therein and in its stead inserting a reference to "27,584,352".

3. Conflict. If any conflict exists between the terms or provisions of the Plan and the terms or provisions of this Amendment, the terms and provisions of this Amendment shall govern and control.

4. Effect of Amendment. The terms and provisions of this Amendment shall modify and supersede all inconsistent terms and provisions of the Plan. As amended by this Amendment, the Plan shall remain in full force and effect and is ratified by the parties hereto. This Amendment contains the entire agreement of the parties with respect to the matters set forth herein, all preliminary negotiations with respect thereto are merged into and superseded by this Amendment and all references to the Plan shall mean the Plan as amended by this Amendment.

5. Binding Effect. This Amendment shall be binding upon and inure to the benefit of the participants in the Plan and their respective successors, assigns, and nominees permitted under the Plan.

6. Governing Law. This Amendment and all determinations made and actions taken hereunder, to the extent not otherwise governed by the Code or the laws of the United States, shall be governed by the laws of the State of Delaware, without reference to principles of conflict of laws, and construed accordingly.

7. Electronic Signature. This Amendment may be executed by means of facsimile or email in .pdf or similar format, which shall be deemed an original signature.

[Signature page follows.]

IN WITNESS WHEREOF, the parties hereto have executed this Amendment to be effective as of the date first set forth above.

ACV AUCTIONS INC.

By: /s/ George Chamoun
Name: George Chamoun
Title: Chief Executive Officer

Exhibit 10.6

Execution Version

AMENDED AND RESTATED
EMPLOYMENT AGREEMENT

This **AMENDED AND RESTATED EMPLOYMENT AGREEMENT** (as amended from time to time in accordance with Section 6.9, this "*Agreement*") is made and entered into as of August 12, 2016 but is not deemed to be effective until September 16, 2016 (the "*Effective Date*") by and between ACV Auctions Inc., a Delaware corporation (the "*Company*"), and George Chamoun ("*Executive*").

1. DEFINITIONS.

1.1 Defined Terms. The following terms are defined for purposes of this Agreement as follows:

"*Annual Bonus*" has the meaning ascribed thereto in Section 3.2.

"*Base Salary*" has the meaning ascribed thereto in Section 3.1.

"*Base Termination Obligations*" means, as of the date Executive's employment with the Company terminates, the following: (a) any earned and unpaid Base Salary through the date of his termination (which, for clarification, does not include earned but unused paid time off unless the Company's policy in effect at the time of termination provides otherwise), (b) any unpaid Annual Bonus in respect of any fiscal year that has ended prior to the date of termination, (c) any unreimbursed business expenses incurred in accordance with the Company's policies, subject to the submission of any required substantiation and documentation as specified pursuant to such policies, and (d) all benefits to which Executive is entitled under the terms of this Agreement and the Company's benefit plans, programs or arrangements in which he participates (other than severance, bonus or other incentive compensation plans, programs or arrangements), as in effect immediately prior to the date of termination.

"*Board*" means the Board of Directors of the Company or, with respect to any particular duty or responsibility, a committee of the Board of Directors of the Company to which the Board of Directors of the Company expressly delegates such duty or responsibility.

"*Cause*" means, as determined in the reasonable judgment of a majority of disinterested members of the Board with the Executive abstaining from such vote to the extent the Executive is a member of the Board: (A) conviction of, or plea of nolo contendere to, any felony or of any other crime involving dishonesty or moral turpitude; (B) Executive's breach of any material provision of this Agreement, the Consulting Agreement or the Restrictive Covenant Agreement; (C) Executive's refusal to abide by or comply with lawful directives of the Company or Board (not to include any individual or Company performance-based criteria); (D) Executive's willful dishonesty, fraud, or misconduct with respect to the business or affairs of the Company, including, without limitation, any willful breach of Executive's fiduciary duty to the Company; (E) intentional and material damage to any property of the Company; (F) threats, acts of violence or unlawful harassment in the workplace or in the course or scope of any

business activity on behalf of the Company; or (G) conduct by Executive which demonstrates gross unfitness to serve (with "gross unfitness to serve" defined to mean, (i) improper fraternization, flirtation and/or advances made by Executive to any Company personnel or any customers or prospects of the Company, (ii) use of alcohol or drugs that interferes with the performance of Executive's duties or compromises the integrity and reputation of the Company, (iii) unauthorized possession of weapons, firearms, ammunitions or explosives by Executive while on Company premises, or while rendering services on behalf of the Company, or (iv) making malicious or derogatory statements that are reasonably likely to damage the integrity or reputation of the Company, its products and performance, or its officers, employees or directors). Prior to any termination pursuant to each such event listed above, to the extent such event(s) is capable of being cured by Executive, the Company shall give the Executive written notice thereof describing in reasonable detail the circumstances constituting Cause and the Executive shall have the opportunity to remedy same within twenty (20) days of receiving written notice.

"*Code*" means the Internal Revenue Code of 1986, as amended, and the rules and regulations promulgated thereunder.

"*Code Section 409A*" means Section 409A of the Code, any applicable state or local tax law or regulation that incorporates Section 409A of the Code into its tax laws specifically or generally or any state or local tax law, rule or regulation that is materially similar to Section 409A of the Code.

"*Consulting Agreement*" means that certain Amended and Restated Consulting Agreement between the Company and Executive dated the date first written above

"*Corporate Transaction*" shall mean a Deemed Liquidation Event (as defined in the Company's Certificate of Incorporation as of the Effective Date).

"*Employment Period*" has the meaning ascribed thereto in Section 4.1.

"*Good Reason*" shall exist if the Executive does not remain a member of the Board prior to a Corporation Transaction (other than in the case of a voluntary resignation or a removal for cause) or if, without Executive's consent, the Company (A) requires that the Executive or his principal office be relocated to, or based in, any location that increases the one-way driving commute of Executive by more than fifty (50) miles, (B) reduces Executive's salary (other than any reduction which is part of a general reduction or other concessionary arrangement affecting a majority of the Company's senior executive officers), (C) materially reduces the Executive's title, responsibility or authority prior to a Corporate Transaction, or (D) materially reduces the Executive's title, responsibility or authority on or following a Corporate Transaction unless Executive is performing duties and responsibilities for the Company or its successor that are similar to those Executive was performing for the Company immediately prior to such transaction (for example, if the Company becomes a division or unit of a larger entity and Executive is performing duties for such division or unit that are similar to those Executive was performing prior to such transaction but under a different title as Executive had prior to

such transaction, no "*Good Reason*" for shall exist); *provided that*, (i) prior to any termination for Good Reason, Executive shall first provide the Board with reasonable written notice, setting forth in reasonable detail the circumstances that Executive believes exist that give rise to Good Reason for resignation, (ii) and there shall be no Good Reason for resignation with respect to any such circumstances cured by the Company within twenty (20) days after the delivery of such notice. In addition, in order for a resignation by Executive to constitute a resignation for Good Reason, Executive must give notice of resignation to the Company within five (5) days after the expiration of the twenty (20) day cure period described in the foregoing sentence.

"*Investment Event*" means the completion of an equity financing by the Company with gross proceeds to the Company in excess of $3 million.

"*Release Deadline Date*" has the meaning ascribed thereto in Section 4.4(g).

"*Release of Claims*" means a general release of claims in the form provided to Executive by the Company.

"*Restrictive Covenant Agreement*" means that certain Amended and Restated Confidentiality, Non-Competition and Invention Assignment Agreement between the Company and Executive dated the date first written above.

"*Salary Continuation Period*" means the 6-month period commencing on the day on which Executive's employment with the Company terminates. Notwithstanding the foregoing, if an Investment Event occurs after the date of this Agreement and before September 16, 2017, then, the Salary Continuation Period shall increase to the 12-month period commencing on the day on which Executive's employment with the Company terminates.

"*Severance Benefits*" has the meaning ascribed thereto in Section 4.4(g).

"*Total Disability*" means the occurrence of a physical or mental impairment that the Board determines, in good faith based on the opinion of a licensed physician selected by the Company or its insurers, prevents Executive from fulfilling his obligations under this Agreement for a period of one hundred twenty (120) days or more.

2. EMPLOYMENT OF EXECUTIVE.

2.1 Duties and Status. As of the Effective Date, the Company will employ Executive as the Chief Executive Officer of the Company, and Executive accepts such employment, on the terms and subject to the conditions set forth in this Agreement. Executive will faithfully exercise and perform such duties on behalf of the Company as are normally associated with the title and position of authority then held by Executive, and such other or different duties as the Board reasonably determines from time to time. For service as a director, officer and employee of the Company, the Company agrees that the Executive shall be entitled to the full protection of the applicable indemnification provisions of the charter documents of the Company.

2.2 Time and Effort. During the Employment Period, Executive will devote his full working time, energy, skill and best efforts to the performance of his duties hereunder in a manner that will faithfully and diligently further the business and interests of the Company Group and will not engage in any other business or occupation. Executive agrees that he will abide by, and will conduct business in accordance with and subject to, all applicable written policies and procedures of the Company that are delivered or are made available to Executive from time to time, including all written business ethics and conflict of interest policies that are delivered or are made available to Executive from time to time. Notwithstanding the foregoing, nothing herein shall prohibit the Executive from making personal investments or engaging in other activities or serving on the boards of other companies, profit or non-profit as forth on Schedule A attached hereto and such other entities as approved in advance by the Company's Board of Directors, provided, such outside activities shall not interfere with the performance of the Executive's duties hereunder, and shall not conflict with the Executive's obligations under Restrictive Covenant Agreement.

3. COMPENSATION AND BENEFITS.

3.1 Base Salary. For all of the services rendered by Executive to the Company Group, the Company will pay (or cause to be paid) to Executive $250,000 per annum during the Employment Period (the "*Base Salary*"). Executive's Base Salary will be payable in installments in accordance with the regular payroll practices of the Company in effect from time to time. During the Employment Period, Executive's performance will be reviewed by the Board from time to time to determine whether Executive's Base Salary then in effect should be increased. When the Company reaches $25,000,000 in annual sales, the Board shall engage a compensation consultant to conduct a review of the Base Salary and other compensation.

3.2 Annual Bonus. During the Employment Period, Executive will be eligible for and be paid an annual incentive bonus award (the "*Annual Bonus*") under an annual bonus plan to be established by the Board in respect of each fiscal year during the Employment Period. The target Annual Bonus shall be at least 50% of Executive's Base Salary paid by the Company in such fiscal year subject to meeting objectives set by the Board or the Compensation Committee of the Board. Executive shall not have a vested right in any bonus payment from the Company until final determination is made by the Board or the Compensation Committee of the Board, as applicable, regarding the amount, if any, of such Annual Bonus. Such Annual Bonus shall be paid within 45 days following the completion of the Company's annual financial statements and shall be subject to standard federal and state withholding requirements.

3.3 Options and Equity Investment. In consideration of his employment with the Company, the Company, shall, subject to the approval by the Board, grant shares of the Company to Executive in accordance with the Restricted Stock Grant Agreement.

3.4 Employee Benefits. During the Employment Period, Executive will be entitled to participate in any benefit plans, including any disability, retirement, vacation, welfare benefit plans or programs, as may from time to time be made generally available to other senior executives of the Company in accordance with and subject to the terms and conditions of such plans and programs, which programs shall include family health insurance, dental insurance, optical insurance and disability insurance. To the extent allowed by applicable law, such family

health insurance, dental insurance, optical insurance and disability insurance benefits shall be provided at no cost to Executive. However, if applicable law would prohibit the Company from providing such health insurance, dental insurance, optical insurance or disability insurance at no cost to Executive while at the same time imposing cost-sharing on other employees of the Company for such insurance benefits, the Company shall not be required to provide Executive with such insurance benefits at no cost. Nothing contained herein will be construed to limit the Company's ability to amend, suspend or terminate any employee benefit plan or program at any time in accordance with the terms thereof, and the right to do so is expressly reserved, provided that the insurance benefits set forth above are not impacted. Notwithstanding anything herein to the contrary, the aggregate annual cost to the Company of the employee benefits provided hereunder shall not exceed $20,000.

3.5 Business Expense Reimbursement. The Company will reimburse Executive for all reasonable business expenses incurred by Executive during the Employment Period in the performance of Executive's duties under this Agreement, in accordance with the Company's employee business expense reimbursement policies in effect from time to time.

4. TERMINATION.

4.1 At Will Arrangement; Employment Period. Executive's employment with the Company is an "at will" arrangement and therefore may be terminated at any time by either party, for Cause or without Cause, for any reason or for no reason and without an opportunity to cure. The period from the Effective Date until the date Executive's employment with the Company terminates is referred to herein as the "*Employment Period*."

4.2 Effect on Directorships, Etc. Immediately upon the termination of Executive's employment for any reason with the Company, Executive will, unless the stockholders of the Company otherwise agree, be deemed to have resigned from any and all directorships, committee memberships and any other offices or positions Executive holds with the Company and, at the Company's request, Executive will provide the Company with a formal written resignation from any such directorships, committee memberships and any other offices or positions Executive holds with the Company, provided, receipt of such written resignation will not be required for such deemed resignation to be effective.

4.3 Termination of Employment.

(a) By the Company for Cause. The Company may terminate Executive's employment hereunder for Cause by providing Executive with written notice specifying in reasonable detail the grounds for termination for Cause. Executive's employment will terminate immediately upon delivery of such notice unless otherwise specified by the Board; provided, with respect to any Cause termination providing for a cure period, such termination for Cause will occur upon the expiration of the applicable cure period specified in the definition of Cause (if any) if Executive fails to cure the grounds for termination for Cause before such cure period expires.

(b) By the Company upon Total Disability. The Company may terminate Executive's employment hereunder on five days' prior written notice upon Executive suffering a Total Disability. Notwithstanding any provision of this Agreement to the contrary, during any period that Executive is unable to perform his duties by reason of a physical or mental disability or infirmity but prior to any date that Executive experiences a Total Disability, Executive may continue as an employee of the Company but may be suspended from his position, authority and duties during such period, with full compensation and benefits (including payment of salary) to the extent not otherwise received by Executive pursuant to the Company's short-term or long-term disability programs, and in no event will any such suspension constitute an event pursuant to which Executive may terminate employment with Good Reason or otherwise constitute a breach hereunder.

(c) By the Company without Cause. The Company may terminate Executive's employment hereunder for any reason or no reason, in the Company's sole discretion.

(d) By Executive with Good Reason. Executive may terminate his employment hereunder for Good Reason with Good Reason by providing the Company with 60 days' prior written notice, specifying in reasonable detail the alleged grounds for Good Reason, which notice must be given within 30 days of Executive's actual knowledge of the circumstances that are alleged to constitute Good Reason first arising and must indicate that Executive plans to terminate if the circumstances are not cured; further provided, however, that termination for Good Reason will not be effective if, within 15 days of receiving written notice from Executive, the Company cures the grounds set forth in Executive's Good Reason notice or Executive's Good Reason notice does not satisfy the foregoing requirements.

(e) By Executive without Good Reason. Executive may terminate his employment hereunder without Good Reason after providing 30 days' prior written notice to the Company.

(f) Death of Executive. Executive's employment hereunder will terminate upon the death of Executive.

4.4 Compensation and Benefits Following Termination. Except as expressly provided in this Section 4.4, any and all obligations of the Company to make payments to Executive under this Agreement will cease following the termination of Executive's employment hereunder.

(a) Upon Termination For Cause. If the Company terminates the employment of Executive for Cause, Executive will only be entitled to the Base Termination Obligations (which will be paid as they come due in the ordinary course), and Executive will not be entitled to any further payments from the Company pursuant to this Agreement or otherwise.

(b) Upon Termination for Total Disability. If the employment of Executive is terminated by the Company upon his Total Disability pursuant to Section 4.3(b), Executive will only be entitled to the Base Termination Obligations (which will be paid as they come due in the ordinary course), and Executive will not be entitled to any further payments from the Company pursuant to this Agreement or otherwise.

(c) Upon Termination without Cause. If the Company terminates the employment of Executive without Cause pursuant to Section 4.3(c) (which, for clarification, is deemed not to include a termination due to Total Disability or a termination for Cause), then Executive will only be entitled to (1) Base Termination Obligations (which will be paid as they come due in the ordinary course), (2) salary continuation during the Salary Continuation Period based on the Base Salary in effect at the time of termination, payable in accordance with the Company's payroll practices; and (3) a pro rata portion of the Annual Bonus in respect of the fiscal year of the date of termination, provided that Executive has worked at least six (6) months during such fiscal year.

(d) By Executive with Good Reason. In the event Executive terminates Executive's employment with Good Reason pursuant to Section 4.3(d), then Executive will only be entitled to (1) Base Termination Obligations (which will be paid as they come due in the ordinary course), (2) salary continuation during the Salary Continuation Period based on the Base Salary in effect at the time of termination, payable in accordance with the Company's payroll practices; and (3) a pro rata portion of the Annual Bonus in respect of the fiscal year of the date of termination, provided that Executive has worked at least six (6) months during such fiscal year.

(e) By Executive without Good Reason. In the event Executive terminates his employment without Good Reason pursuant to Section 4.3(e), Executive will only be entitled to the Base Termination Obligations (which will be paid as they come due in the ordinary course), and Executive will not be entitled to any further payments from the Company pursuant to this Agreement or otherwise.

(f) Upon Death. In the event that the Employment Period terminates pursuant to Section 4.3(f) on account of the death of Executive, then Executive's estate or his beneficiaries will only be entitled to Base Termination Obligations (which will be paid as they come due in the ordinary course).

(g) Release. Notwithstanding any provision herein to the contrary, the payment of any amount or provision of any benefit pursuant to this Section 4.4 (other than the Base Termination Obligations) (collectively, the "*Severance Benefits*") will be conditioned upon Executive's execution and delivery to the Company a Release of Claims provided by the Company with such Release of Claims becoming irrevocable in accordance with its terms no later than the eighth day following the applicable Release Expiration Date (as defined in the Release of Claims) (the "*Release Deadline Date*"). If Executive fails to execute the Release of Claims in such a timely manner so as to permit any revocation period to expire prior to the Release Deadline Date, or timely revokes his acceptance of such release following its execution, Executive will not be entitled to any of the Severance Benefits. Any Severance Benefits that are scheduled to be paid following the date of Executive's termination of employment hereunder and prior to the Release Deadline Date will not be paid until the first regularly scheduled payroll date following the Release Deadline Date, at which time, so long as the Release of Claims has become effective and irrevocable, Executive will be paid, in a single cash lump sum, an amount equal to the aggregate amount of all Severance Benefits that were otherwise scheduled to be paid prior thereto, and any remaining Severance Benefits will thereafter be provided to Executive according to the applicable schedule set forth in this Agreement. In the event of Executive's death or Total Disability after or upon termination of employment, Executive's obligations herein to execute and not revoke the Release of Claims may be satisfied on his behalf by his estate or a person having legal power of attorney over his affairs.

(h) Offset. In the event of any termination of Executive's employment under this Agreement for any reason or for no reason, the Company's obligation to make any payments to Executive under this Agreement will be subject to offset to the maximum extent permitted by Code Section 409A for any loans, debts, obligations or expenses that Executive owes to the Company Group; provided, to the extent any amount so subject to offset is payable in installments hereunder, such offset will not modify the applicable payment date of any installment, and to the extent an obligation cannot be satisfied by reduction of a single installment payment, any portion not satisfied will remain an outstanding obligation of Executive and will be applied to the next installment only at such time the installment is otherwise payable pursuant to the specified payment schedule.

5. RESTRICTIVE COVENANTS. As a condition of Executive's employment with the Company and entitlement to Severance Benefits, Executive hereby agrees and covenants to the obligations set forth in the Restrictive Covenant Agreement. The obligations in the Restrictive Covenant Agreement will survive the termination of the Employment Period. Executive acknowledges and agrees that Executive's material breach of the Restrictive Covenant Agreement will constitute a material breach of this Agreement.

6. MISCELLANEOUS.

6.1 Representations and Warranties of Executive. Executive represents and warrants to the Company that (a) Executive is entering into this Agreement voluntarily and that his employment hereunder and compliance with the terms and conditions hereof will not conflict with or result in the breach by him of any agreement to which he is a party or by which he may be bound, and (b) Executive has not violated and, in connection with his employment with the Company on the terms hereof will not violate, any non-solicitation, non-competition, confidentiality or other similar covenant or agreement of any prior employer by which he is bound. In connection with his employment with the Company, Executive will not use any confidential or proprietary information he may have obtained in connection with employment with any prior employer.

6.2 Governing Law and Jurisdiction. Executive and the Company agree that, except where preempted by federal law, the validity, interpretation, construction, and performance of this Agreement is governed by and is to be construed under the laws of the State of New York applicable to agreements made and to be performed in that state, without regard to conflict of laws rules. As a specifically bargained for inducement for the Company and Executive to enter into this Agreement (after having the opportunity to consult with counsel), each party hereto: (a) agrees that any dispute or claim arising out of or relating to this Agreement or claim of breach hereof will be brought exclusively in the United States District Court for the Western District of New York, to the extent federal jurisdiction exists, and in any State court sitting in Erie County, New York but only in the event federal jurisdiction does not exist, and any applicable appellate courts; (b) expressly waives the right to trial by jury in any lawsuit or proceeding relating to or arising in any way from this Agreement or the matters contemplated hereby; (c) submits to the jurisdiction of the above-listed courts, in any action or proceeding arising out of or relating to this Agreement and agrees that all claims in respect of the action or proceeding will be heard and determined in any such court; and (d) agrees not to bring any action or proceeding arising out of or relating to this Agreement in any other court.

6.3 Headings. The headings and captions set forth herein are for convenience of reference only and will not affect the construction or interpretation hereof.

6.4 Notices. Any notice or other communication required, permitted, or desirable hereunder will be hand delivered (including delivery by a commercial courier service) or sent by United States registered or certified mail, postage prepaid, addressed (a) to Executive, in accordance with the notice information set forth below Executive's signature on this Agreement or (b) to the Company, as follows:

If to the Company:	ACV Auctions Inc. 640 Ellicott Street Buffalo, New York 14203 Attention: Joseph S. Neiman
With a copy to:	Harter Secrest & Emery LLP 1600 Bausch & Lomb Place Rochester, New York 14604 Attention: Mario Fallone, Esq.

or, in each case, to such other addresses as is furnished by one party to the other party in accordance with thisSection 6.4. Any such notice or communication will be deemed to have been given as of the date so delivered in person or three business days after so mailed.

6.5 Successors and Assigns. Executive may not assign his rights or delegate his duties under this Agreement without the prior written consent of the Company. Executive understands and agrees that this Agreement will be binding upon and inure to the benefit of the Company and its legal representatives, successors and assigns. Without limiting the generality of the foregoing sentence, this Agreement may be assigned by the Company without the consent of Executive to any purchaser of all or substantially all of the assets or equity interests of the Company, whether by purchase, merger, or other similar transaction. Executive also understands and agrees that this Agreement will be binding upon and inure to the benefit of Executive's heirs and executors or administrators.

6.6 Withholding. The Company may withhold from any payments made under this Agreement all applicable taxes, including but not limited to income, employment and social insurance taxes, as will be required by law. Executive acknowledges and represents that the Company has not provided any tax advice to him in connection with this Agreement and that he has been advised by the Company to seek tax advice from his own tax advisors regarding this Agreement and payments that may be made to him pursuant to this Agreement, including specifically, the application of the provisions of Code Section 409A to such payments.

6.7 Section 409A of the Code. The Company and Executive intend that payments and benefits under this Agreement be exempt from or comply with Code Section 409A to the extent subject thereto, and, accordingly, to the maximum extent permitted, this Agreement will be interpreted and administered to be in compliance therewith. While the payments and benefits provided hereunder are intended to be structured in a manner to avoid the implication of any penalty taxes under Code Section 409A, in no event whatsoever will any member of the Company Group or any of their respective Affiliates be liable for any additional tax, interest, or penalties that may be imposed on Executive as a result of Code Section 409A or any damages for failing to comply with Code Section 409A (other than for withholding obligations or other obligations applicable to employers, if any, under Code Section 409A).

6.8 Entire Agreement. This Agreement sets forth the entire agreement and understanding of the parties with respect to the subject matter hereof, and there are no other contemporaneous written or oral agreements, undertakings, promises, warranties or covenants not specifically referred to or contained herein, including, without limitation, that certain Employment Agreeement dated July 28, 2016 between the Company and the Executive. Notwithstanding the foregoing, this Agreement does not supersede or otherwise affect the Restricted Stock Grant Agreement or any other definitive agreement entered into by and between Executive and the Company contemporaneously with entering into and delivering this Agreement.

6.9 Waiver and Amendments. Any waiver, amendment, modification or termination of any of the terms of this Agreement will be valid only if made by a written instrument signed by the Company and Executive. No waiver by either of the parties hereto of their rights hereunder will be deemed to constitute a waiver with respect to any subsequent occurrences or transactions hereunder unless such waiver specifically states that it is to be construed as a continuing waiver.

6.10 Execution of Counterparts. This Agreement may be executed in two or more counterparts, each of which will be deemed an original and all of which together will constitute one and the same agreement. This Agreement may be delivered by facsimile or electronic transmission of an originally executed copy to be followed by immediate delivery of the original of such executed copy.

6.11 Severability. If any provision, clause or part of this Agreement, or the applications thereof under certain circumstances, is held invalid or unenforceable for any reason, the remainder of this Agreement, or the application of such provision, clause or part under other circumstances, will not be affected thereby.

6.12 Survival of Operative Sections. The provisions of this Agreement will survive the termination of Executive's employment to the extent necessary to give effect to the provisions thereof.

6.13 No Reliance. Executive represents and warrants that (a) he has not relied on any representation, warranty or other statements of any owner, director, manager, officer, employee, agent or representative of any member of the Company in connection with entering into this Agreement, accepting employment by the Company or evaluating the compensation elements of such employment and (b) he has been advised by the Company to seek independent advice from his own counsel and tax and financial advisors in connection with such matters, and he has sought the advice that he has deemed necessary.

6.14 Prevailing Party's Expenses. In the event of litigation between the Company and Executive related to this Agreement, thenon-prevailing party will reimburse the prevailing party for any costs and expenses (including, without limitation, attorneys' fees) reasonably incurred by the prevailing party in connection therewith.

[Signature page follows.]

IN WITNESS WHEREOF, the parties have executed this Agreement as of the day and year first above written.

ACV AUCTIONS INC.

By: /s/ *Joseph S. Neiman*
Name: Joseph S. Neiman
Title: Chief Executive Officer

/s/ *George Chamoun*
George Chamoun

Schedule A

Launch New York, Inc. - Non-Profit Venture Development Organization. The Executive is currently the Chairman of the Board.

Loupe - Restaurant loyalty company. The Executive is currently Chairman of the Board.

Exhibit 10.7

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is made as of the 30th day of November, 2017, by and between 640 Ellicott Street, LLC, a New York limited liability company with offices at 640 Ellicott Street, Suite 400, Buffalo, New York 14203 (the "Landlord") and ACV Auctions Inc., a Delaware corporation with offices at 640 Ellicott Street, Buffalo, New York 14203 (the "Tenant").

NOW, THEREFORE, in consideration of the rents to be paid and covenants to be performed by Tenant hereinafter provided, Landlord leases to Tenant and Tenant leases from Landlord a minimum of ten thousand (10,000) rentable square feet on the third floor of the Building located at 640 Ellicott Street, Buffalo, New York, and Tenant shall at all times have unlimited and unrestricted ingress and egress and access to the Premises.

ARTICLE 1. BASIC LEASE INFORMATION

1.1 Basic Lease Information. As used in this Lease, the following basic lease terms shall have the meanings ascribed thereto:

(a)	**Landlord:**	640 Ellicott Street, LLC
(b)	**Landlord's Address:**	640 Ellicott Street, Suite 401 Buffalo, New York, NY 14203
(c)	**Tenant:**	ACV Auctions Inc.
(d)	**Tenant's Address:**	Prior to commencement: 640 Ellicott Street Suite 108 Buffalo, New York, NY 14203 After commencement: At the Premises
(e)	**Premises:**	Approximately ten thousand (10,000) rentable square feet ("RSF"), which is to be located on the third floor (collectively, the "Premises") of the building located at 640 Ellicott Street, Buffalo, New York 14203 (the "Building") in the location labeled "Premises" on **Exhibit A**, attached hereto and incorporated herein, subject to expansion in accordance with the terms of **Section 3.7(a)**. For the purposes of Base Rent calculation, the RSF includes Tenant's occupancy and usage of any and all common areas in the Building.
(f)	**Term:**	The Term shall be sixty (60) months, subject to renewal in accordance with **Section 2.3**.
(g)	**Commencement Date:**	Upon substantial completion of the Premises as set forth in **Section 2.3**.
(h)	**Security Deposit:**	$23,333.00
(i)	**Base Rent:**	$14.00/RSF, annually for the first twenty-four (24) months. Rent shall escalate as set forth in **Section 3.1**.

(j) **Additional Rent:** Any amounts that this Lease requires Tenant to pay in addition to Base Rent, including Operating Expenses, and shall be payable throughout the entire Term.

(k) **Rent:** The Base Rent and Additional Rent.

If any other provision of this Lease contradicts any definition of this Article, the other provision will prevail.

ARTICLE 2. AGREEMENT AND TERM

2.1 Grant of Lease. Landlord leases the Premises to Tenant, and Tenant leases the Premises from Landlord, together with thenon-exclusive use of any and all common areas within the Building, on the terms and conditions set forth in this Lease. A copy of the Building's floor plan is attached hereto as **Exhibit A.** Landlord and Tenant acknowledge that the final determination of the actual rentable square feet of the Leased Premises will be determined based upon the design drawings prepared by Landlord's architect pursuant to **Section 10.2** below and in accordance with the standards in ANSI/BOMA Z65.1-2010.

2.2 Renovations. Landlord may make alterations to the total square footage of the Building, including a potential change in the usable space due to renovation; provided that the same does not materially and adversely affect Tenant's Premises, increase Tenant's obligations under this Lease, or unreasonably interfere with its access to the Premises. Landlord may increase building square footage through building additions, and Tenant's pro rata share shall be equitably adjusted upon any such increase.

2.3 Term. The Term of this Lease shall be for sixty months beginning on the Commencement Date. The Commencement Date shall occur upon the date that: (i) Landlord delivers the initial ten thousand (10,000) RSF of the Premises to Tenant upon substantial completion of the Tenant Improvements, as determined by Landlord's architect subject only to completion of minor punch list items and (ii) a certificate of occupancy is received for the Premises. Tenant shall commence the conduct of its business in the Premises within ten (10) days of the Commencement Date. If the Commencement Date is other than the first day of a month, the Term of this Lease shall begin on the first day of the month following the Commencement Date, but the terms of this Lease shall be in effect as of the Commencement Date and Tenant shall pay to Landlord the Base Rent and Additional Rent in accordance with **Section 3.1 and 3.2** herein, pro-rated for any such partial month. As long as Tenant is not in default of this Lease at such time or at the end of the initial Term, Tenant shall have an option to extend the Term for an additional sixty (60) months (the "Renewa1 Term") by providing Landlord with written notice of Tenant's intent to do so six (6) months prior to expiration of the initial Term. The Renewal Term shall be on the same terms as this Lease but Base Rent shall increase as set forth in **Section 3.1**.

2.4 Holdover. Unless, prior to the expiration of the Term, Landlord has executed a lease for the Premises with a new tenant, Tenant shall have the right to holdover on a month-to-month basis following the expiration of this Lease, at a rate of 150% of the final Base Rent, payable pursuant to**Article 3** below. If Tenant remains in possession of all or and part of the Premises after the expiration of the Term, with the express or implied consent of Landlord, such tenancy will not constitute a renewal or extension of this Lease for any further Term, such tenancy may be terminated by Landlord upon the earlier of thirty (30) days' prior written notice or the earliest date permitted by law. Such month-to-month tenancy will be subject to every other term, condition, and covenant contained in this Lease.

2.5 Intentionally omitted.

ARTICLE 3. RENT

3.1 Payment of Base Rent. During the first twenty-four (24) months of the Term, Tenant will pay Base Rent to Landlord in the annual amount of $14.00 RSF (i.e. for the first 10,000 RSF, Base Rent shall be One Hundred Forty Thousand U.S. Dollars ($140,000.00) annually with equal monthly payments of Eleven Thousand Six Hundred Sixty-Six U.S. Dollars and Sixty-Seven Cents ($11,666.66) each), the first of which shall become due on the Commencement Date (pro-rated if other than the first day of the month) with successive installments to be paid on or before the first day of each month thereafter through the last day of the second year of the Term. Base Rent shall thereafter increase to Fifteen U.S. Dollars ($15.00) per RSF, payable in equal monthly the first of which shall become due on the first day of the first month of the third year of the Term, with successive installments to be paid on or before the first day of each month thereafter through the last day of the fifth (5th) year of Term. In the event that Tenant elects to extend this Lease pursuant to **Section 2.3**, Base Rent shall increase to an annual amount of Sixteen U.S. Dollars ($16.00) per RSF, payable in equal monthly installments, the first of which shall come due on the first day of the first month of the first year of the Renewal Term, with successive installments to be paid on or before the first day of each month thereafter through the last day of the second year of the Renewal Term. Thereafter for the remainder of the Renewal Term, Base Rent shall increase to an annual amount of Seventeen U.S. Dollars ($17.00) per RSF, payable in equal monthly installments with successive installments to, paid on or before the first day of each month thereafter through the last day of the final year of the Renewal Term.

Base Rent will be paid to Landlord, without written notice or demand without duction or offset, in lawful money of the United States of America at Landlord's Address, or to such other address as Landlord may from time to time designate in writing, or by wire transfer.

3.2 Payment of Operating Expenses. Beginning upon expiration of the Base Year (as hereinafter defined), Tenant shall be responsible for its pro rata share of Operating Expenses (as hereinafter defined) in excess of those incurred by Landlord during the 2018 fiscal year (the "Base Year"). Tenant's pro rata share shall be calculated as the percentage of the Building's RSF occupied by Tenant pursuant to this Lease, which initially equates to approximately ten thousand (10,000) RSF out of the total 110,950 RSF in the Building, or approximately 9.04%. Tenant's pro rata share shall increase accordingly as the Premises increases in accordance with **Section 3.7**. "Operating Expenses" shall be defined as Landlord's reasonable and actual expenses of operating the Building and include, but not be limited to, utilities supplied to the common areas of the Building, maintenance of, insurance, and real property taxes affecting the Building. Operating Expenses shall not include:

(a) all design and construction costs as well as costs of correcting defects in the original construction, design or materials of the Building, parking facilities and other Common Areas;

(b) repair and maintenance of structural walls, foundation and spaces not in the Common Areas and other capital expenditures;

(c) interest and amortization on mortgages and other debt costs;

(d) ground lease payments, if any;

(e) depreciation of buildings and other improvements;

(f) expenses covered by warranty, insurance or other reimbursement;

(g) except as otherwise set forth herein, leasing costs (including fees/costs for consulting, marketing, advertising, brokerage, legal fees and disbursements, rent concessions, refurbishment or improvement);

(h) improvements, alterations, repairs and maintenance performed in any tenant's exclusive space and he cost of providing any service for a particular tenant;

(i) costs incurred due to violations by the Landlord of any of the terms and conditions of any other leases in the Building (including legal fees and disbursements);

(j) any costs and expenses to collect rent and recover possession from other tenants in the Building (including all legal fees and disbursements);

(k) testing, removal and clean up of hazardous materials from the Building not caused by Tenant;

(l) fines or penalties imposed upon Landlord due to violations of law, rule or regulation;

(m) managing agents' fees or commissions in excess of the rates then customarily charged by owner/operators for building management for buildings of like class and character;

(n) salaries, fringe benefits and other compensation of Landlord's personnel above the grade of Building manager; or otheroff-site personnel;

(o) expenditures for capital improvements except for capital expenditures required by law enacted or first in effect after the Commencement Date, in either of which cases the cost thereof shall be included in Operating Expenses for the year in which the costs are incurred and subsequent years, amortized on a straight line basis over the useful life thereof as determined by generally accepted accounting principles consistently applied, with an interest factor equal to the prime rate of the JP Morgan Chase, New York, (or the successor thereto) at the time of Landlord's having incurred said expenditure;

(p) amounts received by Landlord through proceeds of insurance to the extent the proceeds are compensation for expenses which were previously included in Operating Expenses hereunder;

(q) cost of repairs or replacements incurred by reason of fire or other casualty to the extent to which Landlord is compensated therefor through proceeds of insurance, or caused by the exercise of the right of eminent domain;

(r) advertising and promotional expenditures;

(s) legal fees for disputes with tenants and legal and auditing fees, other than legal and auditing fees reasonably incurred in connection with the maintenance and operation of the Building or in connection with the preparation of statements required pursuant to Additional Rent;

(t) transfer, gains, franchise, inheritance, estate, occupancy, succession, gift, corporation, unincorporated business, gross receipts, profit and income taxes imposed upon Landlord;

(u) bad debt losses, rent losses or reserves for either, and financing and refinancing costs;

(v) costs incurred with respect to a sale or transfer of all or any portion of the Building or any interest therein;

(w) amounts otherwise includable in Operating Expenses but reimbursed to Landlord directly by Tenant or other tenants;

(x) to the extent any costs includable in Operating Expenses are incurred with respect to both the Building and other properties (including, without limitation, salaries, fringe benefits and other compensation of Landlord's personnel who provide services to both the Building and other properties), there shall be excluded from Operating Expenses a fair and reasonable percentage thereof which is properly allocable to such other properties; and

(y) costs associated with the operation of the legal entity that constitutes Landlord (such as, by way of example, legal entity formation, organization and qualification) as distinguished from the cost of the operation of the Building.

It is acknowledged that the total annual Operating Expenses to be paid by the Tenant pursuant to the provisions of this Section 3.2 cannot be determined except on an annual basis. It is therefore agreed that, in addition to the payment of individual items of Additional Rent as may be provided for elsewhere in this Lease, the Tenant shall pay an estimated monthly sum whish amount shall be determined by Landlord pursuant to a budget prepared by Landlord with respect to its actual Operating Expenses for the current year. Said estimated Operating Expense payment shall be paid in advance, on the first day of each month during the Term, and shall be based on an annual period from January 1 through December 31 during each year of the Term hereof, and shall be adjusted annually following the conclusion of each such annual period by written notice delivered by Landlord to Tenant. Said notice shall set forth the total amount of the Operating Expenses incurred by Landlord for such annual period, the sum over the Base Year which represents the portion to be paid by the Tenant, the sum actually paid by Tenant for such period, and the amount of any require adjustment. Said notice shall also set forth the estimated monthly payment to be paid by Tenant for the following annual period.

3.3 Intentionally Omitted.

3.4 Janitorial Services. Tenant shall be solely responsible for the cost of cleaning the Premises and shall retain, and shall pay for, Landlord's janitorial services vendor for the cost of cleaning the Premises. If Tenant does not retain. Landlord's janitorial services vendor, Tenant shall remain obligated to retain a janitorial services vendor, beginning on the Commencement Date, to clean the Premises, but such janitorial services vendor must first be approved by Landlord in its reasonable discretion.

3.5 Late Payment. In the event that any payment of Rent due hereunder shall not be paid by the fifth (5th) day after which it is due, a late charge of two and one half percent (2.5%) for each dollar not paid may be charged by Landlord for each month or part thereof that the same remains overdue. This charge shall be in addition to and not in lieu of any other remedy Landlord may have and is in addition to any reasonable fees and charges of any agents or attorneys Landlord may employ as a result of any default in the payment of Rent hereunder, whether authorized herein or by law. Any such "late charges" if not previously paid shall, at the option of Landlord, be added to and become part of the succeeding Rent payment to be made hereunder and shall be deemed to constitute Additional Rent.

3.6 Security Deposit. Prior to the Commencement Date, Tenant shall pay to Landlord the Security Deposit, in the sum set forth in **Section 1.1(h)**. The Security Deposit shall serve as security for any and all damages caused to the Premises during the Term. If Tenant fully complies with all the terms of this Lease, Landlord will return the Security Deposit within thirty (30) days after the expiration of Term, less any set-off for damages caused to the Premises during the Term. If Tenant does not fully comply with the terms of this Lease, Landlord may, in its sole discretion, use any or all of the Security Deposit to pay amounts owed by Tenant, including payment for any damages under this Lease owed by Tenant. If Landlord sells the Premises, Landlord shall transfer the Security Deposit to the buyer. Tenant will look only to the buyer for the return of the Security Deposit. In damages to the Premises during the Term exceed the amount of the Security Deposit, Tenant agrees and acknowledges that it shall be responsible for the costs, and such costs shall be deemed Additional Rent hereunder.

3.7 Landlord's Provision of Additional Rentable Square Feet; Tenant's Request for Additional Rentable Square Feet

(a) Within six (6) months of the Commencement Date related to the initial Premises Landlord shall provide Tenant with an additional approximately ten thousand (10,000) RSF as such additional space is highlighted on Exhibit A attached hereto (the "Phase 2 Space"). Such Phase 2 Space shall be completed by Landlord upon the same terms as set forth in **Section 10.2** herein except that the process set forth in **Section 10.2** as it relates to the Phase 2 Space shall not begin until the Commencement Date related to the initial Premises and shall be completed within six (6) months of said date. Upon the substantial completion of the Phase 21 Space as determined by Landlord's architect subject only to completion of minor punch list items and the receipt by Landlord and Tenant of a certificate of occupancy for the Phase 2 Space, Landlord and Tenant shall execute an acknowledgment of completion of such Phase 2 Space and attach it as an addendum to this Lease. Such Phase 2 Space shall be deemed part of the Premises and subject to the terms of this Lease.

(b) In addition to the Right of First Refusal set forth in **Section 3.8** below, during the Term Tenant shall have the option to request to expand into additional space in the Building by providing Landlord with written notice of such request including the amount of additional RSF Tenant desires to lease. Such written notice must be provided by Tenant to Landlord at least six (6) months prior to the desired commencement date for such additional space. In the event Tenant exercises its option pursuant to this **Section 3.7(b)**, the Parties shall enter into a separate lease for such additional space. In the event that Landlord does not have the ability to provide Tenant with such additional space, Tenant shall have the right to terminate this Lease with a termination date no earlier than the thirty- sixth (36th) month of the Term and along with such written notice, Tenant shall pay to Landlord an early termination fee in the amount of three (3) month's Base Rent based on the then current monthly Base Rent.

3.8 Right of First Refusal. During the Term, Tenant shall have the right of first refusal to lease any other space in the Building (other than the Premises described herein) that is under lease upon the Commencement Date (the "Expansion Space"), upon and subject to the following terms and conditions:

(a) If dining the Term, Landlord becomes aware that any lease on any Expansion Space will not be renewed, Landlord shall during the last six (6) months of such lease on such Expansion Space but no later than four (4) months prior to expiration thereof, provide Tenant with written notice of the availability of such Expansion Space which notice shall provide information related to the premises available for lease including the date such premises will be available for lease by Tenant, the annual base rent for such Expansion Space, and the amount of any Tenant Allowance, if any, that Landlord will provide to Tenant for the buildout of such Expansion Space (the "Expansion Notice"). Within fifteen (15) days after receipt of the Expansion Notice, Tenant shall notify Landlord in writing whether or not Tenant desires to lease the Expansion Space identified in the Expansion Notice on the terms and conditions contained in the Expansion Notice. If Landlord has not received such written notice from Tenant within such fifteen (15) day period, or if Tenant elects not to lease such Expansion Space, then Tenant's rights pursuant to such Expansion Space shall automatically lapse and Landlord shall have the right to lease such space to any other party. The terms of the lease for such Expansion Space shall be on the same terms as contained in this Lease except for any difference in the Base Rent to be paid by Tenant for such Expansion Space and any Tenant Allowance to be provided for the Expansion Space, if any.

(b) If Tenant fails to execute an amendment to this Lease or a new lease incorporating the foregoing conditions, within thirty (30) days after receipt of an amendment or new lease containing such terms from Landlord, then Tenant's rights pursuant to this **Section 3.8** shall automatically, lapse as to such Expansion Space only and Landlord shall have the right to lease such Expansion Space to any other party.

(c) If a default has occurred under this Lease on the date an Expansion Notice is given to Tenant by Landlord or at any time thereafter prior to the date the Expansion Space is occupied by Tenant, then, at Landlord's option, Tenant's rights pursuant to this **Section 3.8** as to such Expansion Space only shall lapse and be of no further force or effect.

(d) Tenant's rights under this **Section 3.8** may be exercised only by Tenant, and may not be exercised by any transferee, sublessee or assignee of Tenant.

(e) If at any time during the Term, any portion of the Premises has been subleased or assigned, then during such time Tenant's rights pursuant this **Section 3.8** shall lapse and of no further force or effect.

(f) Tenant has the right under this **Section 3.8** to lease the entire space identified in an Expansion Notice only, unless the Expansion Space so identified is already separately demised into smaller units, in which case Tenant may exercise its rights under this **Section 3.8** with respect to one or more of the units. Except as set forth in the foregoing sentence, Tenant has no right to lease less nor more than the entire Expansion Space so identified.

(g) If any Expansion Space is offered to Tenant hereunder and Tenant fails to lease the Expansion Space, then the rights granted to Tenant under this **Section 3.8** regarding the specific Expansion Space shall immediately lapse and expire, and Tenant shall have no rights hereunder with respect to that same Expansion Space in the event that it becomes available at a later date during the Term.

(h) Tenant's rights pursuant to this **Section 3.8** shall not apply to any space in the Building that is not encumbered by a lease at the time of the Commencement Date.

ARTICLE 4. INSURANCE

4.1 Landlord's Insurance. At all times during the Term, Landlord will carry and maintain insurance covering the Building in an amount not less than the full replacement cost, as well as commercial general liability insurance with coverage for bodily injury and property damage liability.

4.2 Tenant's Insurance. At all times during the Term, Tenant will carry and maintain, at Tenant's expense, the following insurance, in the amounts specified below or such other amounts as Landlord may from time to time reasonably request:

(a) commercial general liability insurance with coverage for bodily injury and property damage liability, with a combined single occurrence limit of not less than $2,000,000.00 U.S. Dollars;

(b) insurance covering all of Tenant's furniture and fixtures, machinery, equipment, stock, and any other personal property owned and used in Tenant's business and found in, on, or about the Premises, and any leasehold improvements to the Premises in an amount not less than the full replacement cost. Property forms shall provide coverage on a road form basis insuring against "all risks of direct physical loss";

(c) worker's compensation insurance insuring against and satisfying Tenant's obligations and liabilities under the worker's compensation laws of the State of New York;

(d) special event insurance when Tenant hosts special events at the Premises (and Tenant shall provide Landlord with proof of such insurance naming Landlord and BNMC as additional insureds prior to hosting any special event in the Premises or in the Building), including dram shop liability, to the extent required by applicable law; and

(e) if Tenant operates owned, hired, ornon-owned vehicles on or about the Premises, comprehensive automobile liability at a limit of liability not less than $500,000.00 U.S. Dollars combined bodily injury and property damage.

4.3 Forms of Policies. Certificates of insurance, together with copies of the endorsements, when applicable, will be delivered to Landlord prior to Tenant's occupancy of the Premises and from time to time upon Landlord's request. All commercial general liability or comparable policies maintained by Tenant will name Landlord and Buffalo Niagara Medical Campus, Inc. ("BNMC") as an additional insured entitling BNMC, and Landlord, to recover under such policies for any loss sustained by BNMC or Landlord, and their respective affiliates and/or subsidiaries and/or employees as a result of the acts or omissions of Tenant. All such policies maintained by Tenant will provide that they may not be terminated nor may coverage be materially reduced except after thirty (30) days' prior written notice. All commercial general liability and property policies maintained by Tenant will be written as primary policies, not contributing with and not supplemental to the coverage that Landlord may carry.

4.4 Waiver of Subrogation. Landlord and Tenant each waive any and all rights to recover against the other, or against the officers, directors, shareholders, partners, joint venturers, employees, agents, customers, invitees, or business visitors of such other party, for any loss or damage to such waiving party arising from any cause covered by any property insurance required to be carried by such party pursuant to this **Article 4** or any other property insurance actually carried by such party to the extent of the limits of such policy. Landlord and Tenant from time to time will cause their respective insurers to issue appropriate waiver of subrogation rights endorsements if necessary, to all property insurance policies carried in connection with the Building or the Premises or the contents of the Building or the Premises. Tenant agrees to cause all other occupants of the Premises claiming by, under, or through Tenant to execute and deliver to Landlord such a waiver of claims and to obtain such waiver of subrogation rights endorsements.

4.5 Adequacy of Coverage. Landlord, its agents, and employees make no representation that the limits of liability specified to be carried by Tenant pursuant to this **Article 4** are adequate to protect Tenant. If Tenant believes that any of such insurance coverage is inadequate, Tenant shall obtain such additional insurance coverage as Tenant deems adequate, at Tenant's sole expense.

ARTICLE 5. USE

5.1 Tenant's Use of the Premises. Tenant shall use the Premises for general, administrative and executive office space and uses ancillary thereto, including without limitation and use of kitchen/breakroom space and hosting of special events for no greater than one hundred (100) customers and/or employees at each event. Tenant may host events larger than one hundred 100) persons subject to Landlord's reasonable consent. Tenant shall be permitted to use the Premises 24 hours pe day, 7 days per week, 365 days per year. Tenant will use the Premises in a careful, safe, and proper manner. Tenant will not use or permit the Premises to be used or occupied for any purpose or in any manner prohibited by any applicable laws. Tenant will not commit waste or suffer or permit waste to be committed in, on, or about the Premises. Tenant will conduct its business and control its employees, agents, and invitees in such a manner as not to create any nuisance or interfere with, annoy, or disturb Landlord in its operation of the Building.

5.2 Food Vendors. Tenant shall have the opportunity to provide input to Landlord on the selection of food vendors in the Building.

5.3 Signage. Tenant shall have the right to install signage on the exterior of the Building in a size and manner consistent with the Building's current exterior signage. The installation and maintenance costs associated with the signage shall be deducted from the Tenant Allowance as defined in **Section 10.2**.

5.4 Parking. Landlord, through its affiliated entities, shall make eleven and one half (11.5) parking permits per one thousand (1,000) RSF of the Premises, available to Tenant for use by Tenant's employees; such parking permits to be charged at market rates, as such rates may be modified from time to time. As an inducement to Tenant to enter into the Lease, Landlord shall provide a monthly rebate to Tenant equal to the amount paid by Tenant for such parking permits in excess of seventy-five ($75.00) per parking permit per month purchased by Tenant for use by Tenant's employees, in the form of a credit against Base. Rent. Landlord shall use its best efforts to make parking available at the parking lot located at 589 Ellicott Street, Buffalo New York, 14203 ("589 Ellicott Street"). In the event there are no spaces available at the parking lot at 589 Ellicott Street, Landlord shall use its best efforts to accommodate parking at additional parking lots at a mutually agreed upon location. Tenant shall work with Landlord's affiliate on development and introduction of an alternative transportation program to introduce Tenant's employees to commuting options that may offer more cost effective and environmentally conscious alternatives to single mode car share.

ARTICLE 6. REQUIREMENTS OF LAW: FIRE INSURANCE

6.1 General. At its sole cost and expense, Tenant will promptly comply with all laws, statutes, ordinances, and governmental rules, regulations, or requirements now in force or in force after the Commencement Date, with the requirements of any board of fire underwriters or other similar body, with any direction or occupancy certificate issued pursuant to any law by any public officer or officers, as well as with the is with e provisions of all recorded documents affecting the Premises, insofar as they relate to the condition following the Commencement Date, use, or occupancy of the Premises.

6.2 Hazardous Materials.

(a) For purposes of this Lease, "Hazardous Materials" means any asbestos, asbestos containing materials, petroleum, petroleum products, explosives, radioactive materials, hazardous wastes, or hazardous substances, including without limitation substances defined as "hazardous substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601-9657; the Hazardous Materials Transportation Act of 1976, 49 U.S.C. §§ 1801-1812; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§ 6901-6987; or any other federal, state, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning hazardous materials, waste, or substances now or at any time hereafter in effect (collectively, the "Hazardous Materials Laws").

(b) Tenant will not cause or permit the storage, use, processing, generation, or disposition of any Hazardous Materials in, on, or about the Premises or the Building by Tenant, its agents, employees, or contractors, except in the normal course of business. Tenant will not permit the Premises to be used or operated in a manner that may cause the Premises or the Building to be contaminated by any Hazardous Materials in violation of any Hazardous Materials Laws. Tenant will immediately advise Landlord in writing of (i) any and all enforcement, cleanup, remedial, removal, or other governmental or regulatory actions instituted, completed, or threatened pursuant to any Hazardous Materials Laws relating, to any Hazardous Materials affecting the Premises or the Building; and (ii) all claims made or threatened by any third party against Tenant, Landlord, or the Premises or the Building relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from any Hazardous Materials in or about the Premises or the Building. Without Landlord's prior written consent, Tenant will not take any remedial action or enter into any agreements or settlements in response to the presence of any Hazardous Materials in, on, or about the Premises or the Building.

(c) Tenant will be solely responsible for and will defend, indemnify and hold Landlord, its agents, and employees harmless from and against ,all claims, costs, and liabilities, including reasonable attorneys' fees and costs, arising out of or in connection with Tenant's breach of its obligations in this **Article 6** or any Hazardous Materials introduced to the Premises or the Building by Tenant. Tenant will be solely responsible for and will defend, indemnify, and hold Landlord, its agents, and employees harmless from and against any and all claims, costs, and liabilities, including attorneys' fees and costs, arising out of or in connection with the removal, cleanup, and restoration work and materials necessary to return the Premises, the Building and any other property of whatever nature located on the Premises to their condition existing prior to the appearance of Tenant's Hazardous Materials in the Premises or in the Building. Tenant's obligations under this **Article 6** will survive the expiration or other termination of this Lease.

6.3 Certain Insurance Risks. Tenant will not do or permit to be done any act or thing upon the Premises or the Building which would (a) jeopardize or be in conflict with fire insurance policies covering the Building or fixtures and property in the Building; or (b) subject Landlord to any liability or responsibility for injury to any person or persons or to property by reason of any business or operation being carried on upon the Premises.

ARTICLE 7. ASSIGNMENT AND SUBLETTING

7.1 General. Tenant, for itself, its heirs, distributees, executors, administrators, legal representatives, successors, and assigns, covenants that it will not assign, mortgage, or encumber this Lease, nor sublease, nor permit the Premises or any part of the Premises to be used or occupied by others, including a change in ownership of more than fifty (50%) of the ownership interest in Tenant's corporation, without the prior written consent of Landlord in each instance, which consent shall not be unreasonably withheld or delayed. Any assignment or sublease in violation of this **Article 7** will be void. To the extent that Landlord consents to Tenant's sublease or assignment of the Premises, Tenant shall not be relieved of its obligations under this Lease. Landlord shall be entitled to receipt of any rental amount received by Tenant through any such sublease or assignment to the extent that the rental amount exceeds the Base Rent payable to Landlord under this Lease.

Notwithstanding anything to the contrary in this Lease, Tenant may enter into any of the following Transfers (a "Permitted Transfer") without Landlord's prior written consent; a sublease of all or part of the Premises or an assignment of its interest in this Lease (by operation of law or otherwise) to (each, a "Permitted Transferee"): (i) any entity which controls, is controlled by, or is under common control with Tenant; (ii) an entity which results from a merger, acquisition, consolidation or other reorganization, whether by operation of law or otherwise, whether or not Tenant is the surviving corporation, so long as the surviving entity has a net worth at the time of such assignment or sublease that is equal to or greater than the net worth of Tenant as of the Commencement Date; (iii) an entity which purchases or otherwise acquires all or substantially all of the assets or membership interest of Tenant, whether by operation of law or otherwise, so long as the surviving entity has a net worth at the time of such assignment or sublease that is equal to or greater than the net worth of Tenant as of the Commencement Date; and (iv) any entity resulting from a change to the corporate structure of Tenant. Notwithstanding the foregoing, Landlord's consent to a Permitted Transfer shall not be required solely as long as Tenant has provided Landlord with written notice of such sublease or assignment at least thirty (30) days prior to such Permitted Transfer and provided Landlord with documentation reasonably satisfactory to Landlord regarding the sublessee or assignee.

ARTICLE 8. LIMITATION OF LANDLORD'S LIABILITY

8.1 Limitation on Liability. To the extent permitted by law, Landlord will not be in default under this Lease or be liable to Tenant or any other person for consequential damages, or otherwise, for any failure to supply any heat, air conditioning, cleaning, lighting, security; for surges or interruptions of electricity; or for other services Landlord has agreed to supply during any period when Landlord uses reasonable diligence to supply such services, unless any such failure is due to the gross negligence or willful misconduct of Landlord. Landlord will diligently work to remedy any interruption in the furnishing of such services. Landlord reserves the right temporarily to discontinue such services at such times as may be necessary by reason of accident; repairs, alterations or improvements; strikes; lockouts; riots; acts of God; governmental preemption in connection with a national or local emergency; any rule, order, or regulation of any governmental agency; conditions of supply and demand that make any product unavailable; Landlord's compliance with any mandatory governmental energy conservation or environmental protection program, or any voluntary governmental energy conservation program at the request of or with consent or acquiescence of Tenant; or any other happening beyond the reasonable control of Landlord. To the extent permitted by law, Landlord will not be liable to Tenant or any other person or entity for direct or consequential damages resulting from the admission to or exclusion from the Building of any person. To the extent permitted by law, Landlord will not be liable to Tenant or any other person or entity for direct or consequential damages resulting from the services rendered by Tenant to third parties. In the event of invasion, mob, riot, public excitement, strikes, lockouts, or other circumstances rendering such action advisable in Landlord's sole but commercially reasonable opinion, Landlord will have the right to prevent access to the Building during the continuance of the same by such means as Landlord, in its sole discretion, may deem appropriate, including without limitation, locking doors and closing parking areas and other common areas in and around the Building. Landlord will not be liable for damages to person or property or for injury to, or interruption of, business for any discontinuance permitted under this. Article 8, nor will such discontinuance in any way be construed as an eviction of Tenant or cause an abatement of Rent or operate to release Tenant from any of Tenant's obligations under this Lease except as set forth herein.

Landlord shall not be responsible or liable to Tenant, or those claiming by, through or under Tenant, for any loss or damage to person(s) or property resulting from the acts or omissions of persons occupying space adjoining or adjacent to the Premises or connected to the Premises or any other part of the Building caused by, but not limited to, events such as the breaking or falling of electrical cables or wires, or the breaking, bursting, stoppage or leaking of water, gas, sewer or steam pipes or loss of HVAC. None of the above events shall constitute, an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of Rents, or relieve Tenant from any of its obligations under this Lease except as set forth herein.

Notwithstanding anything to the contrary set forth herein, in the event of a failure or disruption of the services to the Premises described in this **Section 8.1** that Landlord has agreed to be responsible for, which disruption is (a) caused by Landlord's negligence or omission to act, (b) unreasonably interferes with the conduct of Tenant's business in the Premises, and (c) lasts for more than five (5) business days, Tenant shall be permitted to an abatement of Rent after the fifth (5th) business day until the service has been restored.

The provisions of this **Section 8.1** shall not be deemed to relieve Landlord from liability for damage to the Premises or Tenant's equipment, trade fixtures or the like caused by the negligent and/or intentional acts and/or omissions of. Landlord; provided, however, that in the event such loss is insured against by Tenant or required hereunder to be covered by Tenant's insurance, Tenant shall first look to its insurer for such loss as required in the Waiver of Subrogation provision set forth in **Section 4.4** above.

ARTICLE 9. MAINTENANCE AND REPAIRS

9.1 Maintenance. Tenant shall, at its sole expense, be responsible for maintaining the Premises in good order and a safe condition. Tenant shall be solely responsible, for maintenance of all furniture, fixtures and equipment located in the Premises including all office equipment. Tenant shall, at its sole expense, be responsible for maintaining all elements of the Premises not otherwise referenced in **Sections 9.2** and **9.3** herein, in good order and a safe condition. Tenant shall notify Landlord of any and all repairs required to be made to the Premises. Tenant may request that Landlord perform maintenance services to the Premises with the express understanding that such maintenance will be at an additional cost to Tenant.

9.2 Landlord's Responsibilities. Landlord shall, at Landlord's sole expense, provide structural repairs to the roof, walls, and foundations of the Building and all Building systems (except those systems exclusively serving the. Premises), as needed in its reasonable judgment, unless such repairs are necessary due to the misuse or negligence of Tenant, its employees or invitees in which case, Tenant shall be solely liable for such expense. Landlord shall arrange and pay for snow plowing of the parking lot, landscaping, and shoveling of the sidewalks for the Building.

9.3 Condition of Building and Landlord Work. Landlord, shall at its sole cost and expense, ensure that all building systems, including the HVAC system, are in good working order and condition upon the commencement of this Lease.

9.4 Vendors. Landlord must approve any and all vendors proposed to be utilized by Tenant in connection with matters related to any modifications to Tenant Improvements and systems related to the Building and/or the Premises, excluding any vendors providing services related to Tenant's personal property or the operation of Tenant's business.

9.5 Environment. Landlord shall 'be responsible, at its sole cost and expense, for the cost of cleanup and/or any other remedial measures required for any contamination .to the Building existing prior to the commencement of this Lease, or caused at any time during the Term by Landlord. Tenant shall not be responsible for remediation of any environmental contamination except to the extent that such contamination was caused by, contributed to, or introduced into the Building by Tenant.

9.6 No Abatement of Rent. Tenant shall not be entitled to any partial or total abatement of Rent for periods during which repairs are required to be made pursuant to this Article 9, whether such repairs are the responsibility of Landlord or Tenant.

ARTICLE 10. ALTERATIONS

10.1 General.

(a) During the Term, Tenant will not make or allow to be made any structural or material alterations, additions, or improvements to or of the Premises or any part of the Premises, or attach any fixtures or equipment to the Premises that cannot be removed without damaging the Premises, without first obtaining Landlord's written consent, not to be unreasonably withheld, conditioned or delayed. All such alterations, additions, and improvements consented to by Landlord, and capital improvements that are required to be made to the Building as, a result of the nature of Tenant's use of the Premises will be performed by contractors approved by Landlord and subject to commercially reasonable conditions specified by Landlord (which may include requiring the posting of a mechanic's or materialmen's lien bond).

(b) Subject to Tenant's rights in this Article 10, all alterations, additions, fixtures, and improvements that are permanent in character, made in or upon the Premises either by Tenant or Landlord, will immediately become Landlord's property and at the end of the Term will remain on the Premises without compensation to Tenant, unless Landlord advises Tenant in writing at the time such alterations, additions, fixtures and/or improvements are made by Tenant, that such alterations, additions, fixtures, or improvements must be removed at the expiration or other termination of this Lease (provided that no Tenant Improvements shall be subject to removal by Tenant).

(c) In accordance with the terms of this Lease, Tenant shall have the right without Landlord's consent (but with ten (10) days prior written notice to Landlord), to perform non-structural, cosmetic alterations to the Premises (the "Permitted Alterations") that (i) do not affect the Building systems or affect the structure of the Building; and (ii) do not require a building permit, including, but not limited to (A) painting and installation of wall coverings and (B) installation and removal of office furniture or equipment other than office furniture or equipment purchased with the Tenant Allowance. In no event shall Tenant, without the prior written consent of Landlord, install or remove light fixtures, soffits, cabling or wiring in the Premises or make alterations to the HVAC or plumbing affecting or running through, the Premises. Prior to conducting any form of non-structural, cosmetic alterations or any other form of alterations to the Premises, Tenant shall provide Landlord with proof of insurance by any such vendors performing such alterations to the Premises with coverage naming Landlord and BNMC as additional insureds with limits of insurance reasonably acceptable to Landlord.

10.2 Tenant Build-Out Allowance. Landlord shall provide Tenant with a build-out allowance (the "Tenant Allowance") in an amount not to exceed $100.00 per RSF of the Premises, to pay for the initial build out and fit up of the Premises, including the installation of a kitchen breakroom and bathroom facilities in compliance with all applicable laws, statutes, ordinances, and governmental rules, regulations, and requirements (the "Tenant Improvements"). The Tenant Allowance will be bid out by Landlord and may be used for architectural, mechanical, plumbing, electrical design and construction and other reasonable design work related to the Tenant Improvements within the Premises, subject to Landlord's prior written approval. Tenant shall be permitted to use any remaining funds of the Tenant Allowance after completion of the construction of the Premises, for the purchase of certain furniture, fixtures, and equipment for the Premises (such furniture, fixtures and equipment included in the definition of "Tenant Improvements"). All furniture, fixtures, and equipment purchased with the Tenant Allowance shall remain the property of the Landlord at the end of the Term. Tenant shall be responsible for providing all office equipment and furnishings not included in the Tenant Improvements.

Upon the execution of this Lease, Landlord's architect shall prepare detailed construction drawings of the Premises based on input from Tenant. Landlord's architect will prepare a good faith estimate of the costs of such work and a construction schedule and deliver it to Tenant for Tenant's reasonable review and approval prior to the commencement of the design work which approval (together with the approval of the construction drawings) shall be documented in writing by both Landlord and Tenant in a written acknowledgment (the "First Acknowledgment") in substantially the same form as set forth on **Exhibit B** attached hereto. The cost of such design work shall be charged against the Tenant Allowance. Landlord shall provide and be responsible for the construction of all Tenant Improvements in accordance with all applicable laws, statutes, ordinances and governmental rules, regulations and requirements', and with the designs selected by Tenant, which selections shall be made within ten (10) business days of Landlord's notification of the need thereof In the event the Tenant shall fail to select any design for the Premises within ten (10) business days of the request therefore by Landlord, Landlord shall have the right to make such selection on Tenant's behalf in order to proceed with the timely completion of the initial Tenant Improvement& Tenant shall cooperate fully and completely with any and all demands, requests, or inquiries made by Landlord in a timely manner related to Landlord's completion of the Tenant Improvements. Landlord shall keep Tenant apprised of construction progress and allow Tenant to inspect the Premises throughout the construction process so long as Tenant does not disrupt or delay the construction progress. Landlord shall use its best efforts to co-design the Tenant Improvements with Tenant, obtain all required building permits from any and all municipalities, and complete the Tenant Improvements, provided. Tenant is fully in compliance with the provisions of this **Section 10.2**, in accordance with the construction schedule mutually agreed upon by the parties. In the event that a Landlord Delay causes the Tenant Improvements to not be completed (including all required governmental sign offs and issuance of certificate of occupancy for the Premises) within sixty (60) days of the completion date agreed upon by the parties, Tenant shall receive a rent credit in the amount of two (2) days, for every one (1) day that such completion is delayed beyond such sixty (60) days. In the event that a Landlord Delay causes the Tenant Improvements to not be completed within ninety (90) days of the completion date agreed upon by the parties, Tenant shall have the option to terminate this Lease upon notice to Landlord. For purposes of this Lease, a "Landlord Delay" shall mean any actual delay in the design, construction or installation of the Landlord Improvements which is caused by any of the following:

(a) Landlord's knowing or negligent failure to ask for or give approvals or disapprovals as required within the time periods specified in this **Section 10.2**; or

(b) any grossly negligent or intentional act or failure to act of Landlord which Landlord-is not entitled to do under the provisions of this Lease, and which actually interferes with and delays the substantial completion of the Tenant Improvements and/or is not the direct or indirect result of an ad or an omission to act by Tenant as required pursuant to this Lease.

A Landlord Delay shall in no way include Landlord's delayed receipt of any necessary permits or approvals by any governmental authority.

In the event that during the build-out of the Premises, it is determined that the good faith estimate agreed to by the parties will deviate by more than five percent (5%) of such estimated amount, the parties shall enter into a second acknowledgment (the "Second Acknowledgment") in writing in substantially the same form as set forth on Exhibit C attached hereto.

Tenant acknowledges that Landlord is providing the Tenant Allowance to provide an incentive for Tenant to locate to the Buffalo Niagara Medical Campus. In consideration for Landlord's provision of such Tenant Allowance, Tenant shall, at Landlord's request, promptly provide any and all requested information, including non-confidential employment information. Tenant specifically agrees to, execute and deliver to Landlord, from time to time but in any event no less frequently than on an annual basis, a Report of Employment in a form substantially similar to that set forth on **Exhibit D** attached hereto along with a copy of its Form NYS-45, Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance. Report and NYS-45-ATT, Quarterly Combined Withholding, Wage Reporting and Unemployment Insurance Return – Attachment, both of which are required to be provided by Landlord to the New York State Urban Development Corporation d/b/a Empire State Development.

10.3 Tenant Improvement Costs in Excess of Tenant Funds. Tenant shall be solely responsible for any costs incurred over the Tenant Allowance.

10.4 Removal. If Landlord has required Tenant to remove upon expiration or sooner termination of the Lease any or all alterations, additions, fixtures, and improvements that are made in or upon the Premises pursuant to **Section 10.1(b)**, Tenant shall remove such alterations, additions, fixtures, and improvements at Tenant's sole cost and shall restore the Premises to the condition in which they were before such alterations, additions, fixtures, improvements, and additions were made, reasonable wear and tear excepted:

10.5 Coordination Fee. In the event that Tenant performs any permanent alterations, additions, or improvements to the Premises (other than the Tenant Improvements or Permitted Alterations), Tenant shall compensate Landlord with the payment of a coordination/supervision fee not to exceed five percent (5%) of the project cost, to review Tenant's plans and specifications, to provide any services necessary or appropriate to assure that such work does not interfere with the use and enjoyment of the Building by other tenants and to review the finished work performed by Tenant.

10.6 Bidding. Landlord shall have the right to bid on the proposed work using Landlord's vendors.

ARTICLE 11. UTILITY SERVICE

11.1 Utility Service for Building and Premises. For each year of the Term, Tenant shall pay for its pro rata share of such natural gas, sanitary sewer, and water expenses which exceed Landlord's fiscal year expenses in accordance with **Section 3.2**. Tenant shall be exclusively responsible for, and shall pay for all metered or allocated electrical services used in or to be supplied to the Premises. Landlord shall install as part of the Tenant Improvements a check-meter to the Premises for all electrical usage. Except as set forth in **Section 11.2**, Tenant shall arrange for, and pay for, all telecommunication services, and shall have access to secured and dedicated utilities rooms for such services. Landlord shall not be liable for any failure of a utility company or governmental authority to supply such service or for any loss or damage or injury caused by or related to such service. Tenant shall provide Landlord with immediate written notice of any interruption of utility services to the Premise& In the event that utility services are interrupted to the Premises due to the fault of Landlord, Tenant shall be entitled to exercise self-help solely in order to resume such utilities services if Landlord has failed to remedy the interruption within three (3) business days following receipt of such written notice. In the event that Tenant resorts to such self-help, Landlord shall be responsible for reimbursing Tenant for all reasonable out of pocket costs resulting from Tenant exercising its self-help within thirty (30) days of receipt of invoices with appropriate back up documentation. In addition, in the event of an interruption of utility services to the Premises caused by the Landlord's conduct or negligence that lasts for more than five (5) business days and causes the Premises to be untenantable, Tenant shall be permitted to an abatement of Rent after the 5th business day until the service has been restored.

11.2 Internet Service. Landlord shall provide internet service at no charge to Tenant up to a maximum capacity of 250 megabits per second ("MBPS"). In the event Tenant requests capacity in excess of that amount, Tenant shall be billed at the incremental cost paid by Landlord to its internet service provider. For reference Landlord's internet service provider has provided the following incremental costs for additional capacity on a one (1) year contract (i) Additional 500 MBPS: $400.00 per month; (ii) Additional 1,500 MBPS: $700.00 per month; and (iii) Additional 4,500 MBPS: $1,700 per month. The aforementioned pricing was provided solely for informational purposes only and changes in Landlord's internet service provider pricing are beyond Landlord's control. Tenant shall at all times use the internet in accordance with all applicable laws and shall not use or allow the internet to be used for any unlawful purpose. Tenant shall not and shall not allow anyone using the internet through Tenant to, publish, post, upload, distribute or disseminate any inappropriate, profane, defamatory, obscene, indecent or unlawful topic, name, material or information on or through the internet or upload, or otherwise make available, files that contain images, photographs, software or other material protected by intellectual property laws, including, by way of example, and not as limitation, copyright or trademark laws (or by rights of privacy or publicity) unless Tenant or such person owns or controls the rights thereto or has received all necessary consent to do the same.

Notwithstanding the foregoing, Tenant shall have the right to procure its own internet service independently of Landlord and use its own contractors to install and maintain such service, to the extent that such service does not interfere with Landlord's service arrangements with its internet backbone provider.

ARTICLE 12. END OF TERM

12.1 End of Term. At the end of this Lease, Tenant shall promptly quit and surrender the Premises broom-clean, in good order and repair, ordinary wear and tear excepted. If Tenant is not then in default, Tenant shall remove from the Premises any trade fixtures, equipment, and movable furniture placed in the owned by Tenant, excluding those items of furniture, fixtures, or equipment (including laboratory equipment) purchased in accordance with the Tenant Allowance set forth in **Section 10.2** above). Tenant will not remove any trade fixtures or equipment without Landlord's prior written consent if such fixtures or equipment are used in the operation of the Building, or if the removal of such fixtures or equipment will result in impairing the structural strength of the Building. Whether or not Tenant is in default, Tenant shall remove such alterations, additions, and improvements, trade fixtures, equipment, and furniture as Landlord has required to be removed pursuant to **Section 10.4** above. Tenant shall fully repair any damage occasioned by the removal of any trade fixtures, equipment, furniture, alterations, additions, and improvements. All non-fixed assets in the Premises, including trade fixtures, equipment, furniture, inventory, effects, alterations, additions, and improvements on the Premises after the end of the Term will be deemed conclusively to have been abandoned and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Landlord without written notice to Tenant or any other person and without obligation to account for them. Tenant shall pay Landlord for all expenses incurred in connection with the removal of such property, including but not limited to the cost of repairing any damage to the Building or Premises caused by the removal of such property. Tenant's obligation to observe and perform this covenant will survive the expiration or other termination of this Lease.

ARTICLE 13. EMINENT DOMAIN; DAMAGE AND DESTRUCTION

13.1 Eminent Domain. In the event that all or any portion of the Premises shall be taken by any governmental authority under the exercise of its right of eminent domain or similar right (or by act in lieu thereof), all right, title and interest in and to any award granted (or sums paid in lieu thereof) shall belong entirely to Landlord and Tenant shall deliver to Landlord any award received by Tenant, if any, directly attributable to such taking. Notwithstanding the prior sentence, nothing contained herein shall preclude Tenant from seeking a separate award from the condemning authority for its relocation expenses and loss of any improvements, alterations, equipment, personal property or trade fixtures provided that the same does not diminish Landlord's award. In the event of a partial permanent taking, Rent shall be reduced as of the date of, such taking by an amount which equitably reflects the portion of the Premises taken. If the taking is permanent and of such a substantial nature that Tenant cannot conduct its usual and customary operations on the Premises, Tenant shall have the option, to be exercised by notice in writing to the Landlord within thirty (30) days after such taking, of terminating this Lease, or, if such taking be total, this Lease shall terminate upon the taking. In the event that this Lease is terminated pursuant to this Section 1-313.1, Tenant shall not have any claim against Landlord for the balance of the unexpired term of this Lease and neither party shall have any further rights or obligations hereunder except for any rights or obligations of the parties existing at the time of such termination.

13.2 Fire or Other. Casualty. In the event that the Building or all or any part of the Premises shall be damaged or destroyed or rendered completely or partially untenantable on account of fire or other casualty, the Rent hereunder shall be abated in the proportion that the untenantable area of the Premises bears to the total area of the Premises, for the period from the date of the damage or destruction until the earlier of such time as (a) the Lease is terminated as permitted herein or (b) the Building and Premises (including the Tenant Improvements) are restored and Tenant can commence its normal business operations within the Premises. Following such fire or other casualty, Landlord shall be entitled to the proceeds of all applicable insurance maintained by Landlord, and shall, at its option, either (x) terminate this Lease by giving Tenant written notice thereof within forty-five (45) days from the later to occur of (i) the date of said damage or destruction or (ii) notification from a Mortgagee that it shall not permit the entire insurance proceeds required for restoration of the Building to be used for such purpose, or (y) repair or replace the Premises or the Building to substantially the same condition as prior to the damage or destruction (including the Tenant Improvements but exclusive of other alterations made by Tenant, if any). If (i)

Landlord fails to commence to repair the damage or destruction to the Premises or the Building within sixty (60) days from the date of its occurrence; (ii) the Premises or the Building shall not have been substantially replaced or repaired within two hundred ten (210) days after the date of the damage or destruction; (iii) Landlord's good faith estimate of the time required to complete restoration exceeds two hundred ten (210) days after the date of the damage or destruction; or (iv) the damage or destruction occurs within the last twelve (12) months of the Term, either party may at its option, terminate this Lease by giving fifteen (15) days written notification to the other party, in which event neither party shall have any further rights or obligations hereunder, except for any rights or obligations of the parties existing at the time of such termination and Tenant shall have no claim against Landlord for compensation or damages by reason of interruption of its business through any such destruction or damage to the Premises or the Building. Following any such loss, this Lease shall continue in full force and effect unless terminated as herein provided, and Tenant shall be required to pay the Rent herein reserved (except to the extent such. Rent is abated as set forth above). In the event that any damage or destruction occurs during the last twelve (12) months of the term of this Lease, to the extent of fifty (50%) percent or more of the insured value of the Building, either party may elect to terminate this Lease by giving notice of such election to the other within thirty (30) days after such damage or destruction In such event, Landlord shall receive the proceeds of Landlord's insurance policies without obligation to rebuild or restore the Premises or the Building, and Tenant shall execute any waiver which may be required of it by any insurer or Landlord.

ARTICLE 14. ENTRY BY LANDLORD

14.1 Landlord's Right of Entry. Landlord, its agents, employees, and contractors may enter the Premises at any time in response to an emergency and at all other times at reasonable hours and upon prior notice to:

(a) inspect the Premises;

(b) exhibit the Premises to prospective purchasers; or lenders-er, and during the last six (6) months of the Term, prospective tenants of the Building;

(c) determine whether Tenant is complying with all of its obligations in this Lease;

(d) supply services to be provided by Landlord to Tenant according to this Lease;

(e) post written notices of nonresponsibility or similar notices; and

(f) at any other time with Tenant's prior approval, such approval not to be unreasonably withheld.

Tenant, by this **Article 14**, waives any claim against Landlord, its agents, employees, or contractors for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, or any other loss occasioned by any entry in accordance with this Article 14. Landlord will at all times have and retain a key with which to unlock all of the doors in, on or about the Premises. Landlord will have the right to use any and all means it may deem proper to open doors in and to the Premises in an emergency in order to obtain entry to the Premises, and Tenant shall indemnify and hold Landlord harmless from and against any losses, damages and expenses resulting therefrom, including, without limitation, any necessary repair expense& Any entry to the Premises by Landlord in accordance with this Article 14 will not be construed or deemed to be a forcible or unlawful entry into or a detainer of the Premises or an eviction, actual or constructive, of Tenant from the Premises or any portion of the Premises, nor will any such entry entitle Tenant to damages or an abatement of Base Rent, Additional Rent, or other charges that this Lease requires Tenant to pay. Landlord shall have the right of ingress and egress over driveways and parking areas to that part of the Building and the other buildings on the land which are not leased by the Tenant Landlord shall use commercially reasonable efforts to minimize interference with Tenant's operations in the Premises during any such entry, and Tenant shall have the right to have a representative present during same.

ARTICLE 15. INDEMNIFICATION

15.1 Indemnification. Subject to the provisions of **Section 4.4** and to the extent permitted by law, except for any injury or damage to persons or property on the Premises that is caused solely by an act of Landlord, its employees, or agents, Tenant will neither hold nor attempt to hold Landlord, its employees, or agents liable for, and Tenant will indemnify and hold harmless Landlord, its employees, and agents from and against, any and all losses, demands, claims, causes of action, fines, penalties, damages (including, but not limited to consequential damages), liabilities, judgments, and expenses (including without limitation reasonable attorneys' fees and disbursements) incurred in connection with or arising from:

(a) the use or occupancy or manner of use or occupancy of the Premises by Tenant or any person claiming under Tenant, including Tenant's provision of services to third persons;

(b) any activity, work, or thing done or permitted by Tenant in or about the Premises or the Building;

(c) any breach by Tenant or its employees, agents, contractors, or invitees of this Lease; and/or

(d) any injury or damage to the person, property, or business of Tenant, its employees, agents, contractors, or invitees.

If any action or proceeding is brought against Landlord, its employees, or agents by reason of any such claim for which Tenant has agreed to indemnify Landlord, Tenant, upon written notice from Landlord, will defend the same at Tenant's expense, with counsel reasonably satisfactory to Landlord.

Tenant's indemnification obligation hereunder shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity that otherwise would exist under the law of New York State, including, but not limited to General Obligations Law §5-321.

Landlord hereby agrees to indemnify, and protect and hold Tenant harmless from and against all liabilities, losses, claims, demands, costs, expenses (including reasonable attorneys' fees and expenses) and judgments of any nature, (except to the extent Tenant is compensated by insurance maintained by Landlord or Tenant hereunder and except for such of the foregoing as arise from the negligence, recklessness or willful misconduct of Tenant, including Tenant's agents), arising, or alleged to arise, from or in connection with a material breach or default in the performance of any obligation of Landlord to be performed under the terms of this Lease. Landlord will resist and defend any action, suit or proceeding brought against Tenant by reason of any such occurrence by independent counsel selected by Landlord, which is reasonably acceptable to Tenant. The obligations of Landlord under this paragraph shall survive any termination of this Lease.

ARTICLE 16. WAIVER AND RELEASE

16.1 Waiver and Release. To the extent permitted by law, Tenant, as a material part of the consideration to Landlord for this Lease, by this **Section 16.1** waives and releases all claims against Landlord, its employees, and agents with respect to all matters for which Landlord has disclaimed liability pursuant to the provisions of this Lease.

ARTICLE 17. QUIET ENJOYMENT

17.1 Covenant of Quiet Enjoyment. Landlord covenants and agrees with Tenant that so long as Tenant pays the Rent and observes and performs all the terms, covenants, and conditions of this Lease on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the Premises subject, nevertheless, to the terms and conditions of this Lease, and Tenant's possession will not be disturbed by anyone claiming by, through, or under Landlord.

ARTICLE 18. DEFAULT

18.1 Events of Default. The following events are referred to, collectively, as "Events of Default" or, individually, as an "Event of Default:"

(a) Tenant defaults in the due and punctual payment of Rent, and such default continues for five (5) business days after Tenant's receipt of written notice of such default from Landlord;

(b) Tenant vacates or abandons the Premises;

(c) this Lease or the Premises or any part of the Premises are taken upon execution or by other process of law directed against Tenant, or are taken upon or subject to any attachment by any creditor of Tenant or claimant against Tenant, and said attachment is not discharged or disposed of within thirty (30) days after its levy;

(d) Tenant files a petition in bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy laws of the United States or under any insolvency act of any state, or admits the material allegations of any such petition by answer or otherwise, or is dissolved or makes an assignment for the benefit of creditors;

(e) involuntary proceedings under any such bankruptcy law or insolvency act or for the dissolution of Tenant are instituted against Tenant, or a receiver or trustee is appointed for all or substantially all of the property of Tenant, and such proceeding is not stayed, dismissed or such receivership or trusteeship vacated within sixty (60) days after such institution or appointment; or

(f) Tenant fails to take possession of the Premises within thirty (30) days of the Commencement Date; or

(g) Tenant breaches any of the other agreements, terms, covenants, or conditions that this Lease requires Tenant to perform and such breach continues for a period of thirty (30) days after written notice from Landlord to Tenant or, if such breach cannot be cured reasonably within such thirty (30) day period, if Tenant fails to diligently commence to cure such breach within thirty (30) days after written notice from Landlord and to complete such cure within a reasonable time thereafter.

18.2 Landlord's Remedies.

(a) If an Event of Default as set forth in**Section 18.1(a)** occurs then Landlord has the right, without further demand or notice, to commence summary proceedings in the City Court of Buffalo seeking an order of eviction permitting Landlord to reenter and take possession of the Premises or any part of the Premises, repossess the same, expel Tenant and those claiming through or under Tenant, and remove the effects of both or either, using such force for such purposes as may be necessary, without being liable for prosecution, without being deemed guilty of any manner of trespass, and without prejudice to any remedies for arrears of Rent or other amounts payable under this Lease or as a result of any preceding breach of covenants or conditions.

(b) If any one or more of the Events of Default set forth in**Section 18.1(b)-(g)** occurs then Landlord has the right, at its election:

(i) to give Tenant five (5) business days' written notice of the expiration of the Term and upon the giving of such notice and the expiration of such five (5) business day period, Tenant's right to possession of the Premises will cease and this Lease will be terminated, except as to Tenant's liability, as if the expiration of the term fixed in such notice were the end of the Term; or

(ii) without further demand or notice to cure any Event of Default and to charge Tenant for the cost of effecting such cure, including without limitation reasonable attorneys' fees and interest on the amount so advanced at the rate of eight percent (8%) per annum, provided that Landlord will have no obligation to cure any such Event of Default of Tenant. Should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided by law, Landlord shall take all commercially reasonable efforts to, without terminating this Lease,

relet the Premises or any part of the Premises in Landlord's or Tenant's name, but for the account of Tenant, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Term) and on such conditions and upon such other terms (which may include concessions of free rent and alteration and repair of the Premises) as Landlord, in its reasonable discretion, may determine, and Landlord may collect and receive the rent, and in Landlord's sole discretion, apply such rents against the penalties, fees, and rents due to Landlord by Tenant Landlord will in no way be responsible or liable for any failure to relet the Premises, or any part of the Premises, or for any failure to collect any rent due upon such reletting. No such reentry or taking possession of the Premises by Landlord will be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention is given to Tenant No written notice from Landlord under this Section or under a forcible or unlawful entry and detainer statute or similar law will constitute an election by Landlord to terminate this Lease unless such notice specifically so states. Landlord reserves the right following any such reentry or reletting to exercise its right to terminate this Lease by giving Tenant such written notice, in which event this Lease will terminate as specified in such notice.

18.3 Certain Damages. In the event that Landlord does not elect to terminate this Lease as permitted in **Section 18.2**, but on the contrary elects to take possession as provided in **Section 18.2**, Tenant will pay to Landlord Rent (including any Additional Rent) and other sums as provided in this Lease that would be payable under this Lease if such repossession had not occurred, less the net proceeds, if any, of any reletting of the Premises after deducting all of Landlord's reasonable expenses in, connection with such reletting, including without limitation all repossession costs, brokerage commissions, attorneys' fees, expenses of employees, alteration and repair costs, and expenses of preparation for such reletting. If, in connection with any reletting, the new lease term extends beyond the scheduled expiration of the existing Term, or the Premises covered by such new lease include other premises not part of the Premises, a fair apportionment of the rent received from such reletting and the expenses incurred in connection with such reletting as provided in this Section will be made in determining the net proceeds from such reletting, and any rent concessions will be equally apportioned over the term of the new lease. Tenant will pay such rent and other sums to Landlord on the days on which the Rent would have been payable under this Lease if possession had not been retaken, and Landlord will be entitled to receive such Rent and other sums from Tenant on each such day.

18.4 Continuing Liability After Termination. If this Lease is terminated on account of the occurrence of an Event of Default, Tenant will remain liable to Landlord for damages in an amount equal to Rent (including any Additional Rent) and other amounts that would have been owing by Tenant for the balance of the Term, had this Lease not been terminated, less the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to such termination, after deducting all of Landlord's reasonable expenses in connection with such reletting in accordance with **Section 18.3**. Landlord shall be entitled to collect such reasonable damages from Tenant on the days on which Rent (including any Additional Rent) and other amounts would, have been payable under this Lease if this Lease had not been terminated, and Landlord shall be entitled to receive such Rent (including any Additional Rent) and other amounts from Tenant on each such day.

18.5 Cumulative Remedies. Any suit or suits for the recovery of the amounts and damages set forth in **Sections 183 and 18.4** may be brought by Landlord, from time to time, at Landlord's election, and nothing in this Lease will be deemed to require Landlord to await the date upon which this Lease would have expired had there occurred no Event of Default Each right and remedy provided for in this Lease is cumulative and is in addition to every other right or remedy provided for in this Lease now or after the Commencement Date existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Lease now or after the. Commencement Date existing at law or in equity or by statute or otherwise will not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this Lease now or after the Commencement Date existing at law or in equity or by statute or otherwise. All costs incurred by Landlord in collecting any amounts, and damages owing by Tenant pursuant to the provisions of this Lease or to enforce any provision of this Lease, including reasonable attorneys' fees from the date any such matter is turned over to an attorney, whether or not one or more actions are commenced by Landlord, will also be recoverable by Landlord from Tenant.

ARTICLE 19. SUBORDINATION

19.1 This Lease is subject and subordinate to each mortgage and all security documents which now encumber or shall hereafter encumber the Premise& This clause shall be self-operative and no further instrument of subordination need be required by any such mortgagee or Landlord. In confirmation of such subordination, Tenant shall, at Landlord's request, promptly execute any commercially reasonable certificate or instrument that Landlord may request Landlord shall obtain from each such mortgagee commercially reasonable non-disturbance agreements to the effect that Tenant's possession of the Premises shall not be disturbed in the event of the termination of the Lease or foreclosure of such mortgage, as the case may be, provided that Tenant is not in default of any of its obligations hereunder.

ARTICLE 20. FAILURE TO INSIST ON STRICT PERFORMANCE

20.1 The failure of either party to insist, in any one or more instances, upon a strict performance of any covenant, term, provision or agreement of this Lease shall not be construed as a waiver or relinquishment thereof, but the same shall continue and remain in full force and effect, notwithstanding any law, usage or custom to the contrary. The receipt by Landlord of Rent with knowledge of the breach of any covenant or agreement hereunder shall not be deemed a waiver of the rights of Landlord with respect to such breach. No waiver by a party of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the waiving party.

ARTICLE 21. MISCELLANEOUS

21.1 No Waiver. The waiver by Landlord of any agreement, condition, or provision contained in this Lease will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision contained m' this Lease, nor will any custom or practice that may grow up between the parties in the administration of the terms of this Lease be construed to waive or to lessen the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms of this Lease. The subsequent acceptance of Rent by Landlord will not be deemed to be a waiver of any preceding breach by Tenant of any agreement, condition, or provision of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent.

21.2 No Merger. The voluntary or other surrender of this Lease by Tenant or the cancellation of this Lease by mutual agreement of Tenant and Landlord or the termination of this Lease on account of Tenant's default will not work a merger, and will, at Landlord's option, (a) terminate all or any subleases and subtenancies or (b) operate as an assignment to Landlord of all or any subleases or subtenancies. Landlord's option under this **Section 21.2** will be exercised by written notice to Tenant and all known subtenants or subtenants in the Premises or any part of the Premises.

21.3 Notices. Any notice, request, demand, consent, approval, or other communication required or permitted under this Lease must be in writing and will be deemed to have been given when personally delivered, sent by facsimile with receipt acknowledged (if each party has provided the other party with the correct fax number for such party), deposited with any nationally recognized overnight carrier that routinely issues receipts, or deposited in any depository regularly maintained by the United States Postal Service, postage prepaid, certified mail, return receipt requested, addressed to the party for whom it is intended at its address set forth in **Section 1.1**. A copy of all notices to Tenant shall be sent to Lowenstein Sandler LLP, One Lowenstein Drive, Roseland, New Jersey 07068, Attention: Kimberly E Lomot, Esq. Either Landlord or Tenant may add additional addresses or change its address for purposes of receipt of any such communication by, giving ten (10) days' prior written notice of such change to the other party in the manner prescribed in this **Section 21.3**.

21.4 Severability. If any provision of this Lease proves to be illegal, invalid, or unenforceable, the remainder of this Lease will not be affected by such finding, and in lieu of each provision of this Lease that is illegal, invalid, or unenforceable a provision will be added as a part of this Lease as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

21.5 Written Amendment Required. No amendment, alteration, modification of, or addition to this Lease will be valid or binding unless expressed in writing and signed by Landlord and Tenant Tenant agrees to make any modifications of the terms and provisions of this Lease required or requested by any lending institution with a mortgage on the Premises.

21.6 Entire Agreement. This Lease, the Exhibits and addenda, if any, contain the entire agreement between Landlord and Tenant. No promises or representations, except as contained in this Lease, have been made to Tenant respecting the condition or the manner of operating the Premises or the Building.

21.7 Captions. The captions of the various articles and sections of this Lease are for convenience only and do not necessarily define, limit, describe, or construe the contents of such articles or sections.

21.8 Governing Law/Venue. This Lease will be governed by and construed pursuant to the laws of New York, without regard to principles of conflict of laws. Any disputes, actions, or claims arising out of this Lease shall be adjudicated in a court of competent jurisdiction located within Erie County, New York.

21.9 Binding Effect. The covenants, conditions, and agreements contained in this Lease will bind and inure to the benefit of Landlord and Tenant and their respective heirs, distributees, executors, administrators, successors, and, except as otherwise provided in this Lease, their assignees.

21.10 No Affiliation. By signing this Lease, Tenant is in no way a part of or affiliated with Landlord or Landlord's parent company, affiliates or subsidiaries. Unless otherwise agreed to in any other agreement, Tenant shall not and has no authority to, advertise in any way that it is affiliated with Landlord, or Landlord's parent company, affiliates or subsidiaries, and shall have no right to use the Buffalo Niagara Medical Campus, Inc. name or logo with any of its communications other than to say that Tenant is located on the Buffalo Niagara Medical Campus.

21.11 Counterparts. This Lease may be executed in counterparts and delivered via email or facsimile transmission, each of which shall be deemed an original and all of which, shall constitute one and the same instrument.

21.12 Brokers. Each party represents and warrants to the other that it has used no broker in connection with this Lease. Landlord and Tenant hereby agree to indemnify, defend and hold the other harmless from and against any and all claims, suits, damages, liabilities, reasonable counsel fees, costs, expenses, orders and judgments imposed upon, incurred by or asserted against Landlord or Tenant by reason of the actions or inactions of the indemnifying party or a breach by the indemnifying party of the aforesaid representation and warranty.

21.13 Access Cards. Landlord shall provide "swipe" cards at the cost to Tenant of Ten U.S. Dollars ($10.00) per card, for access to the Building and/or the Premises, as applicable, to all employees of Tenant Tenant hereby agrees that is shall only provide swipe cards to its employees and Tenant shall immediately notify. Landlord in writing in the event that Tenant terminates an employee who was provided a swipe card with such written notice containing the terminated employee's name. Tenant shall be solely responsible for obtaining swipe cards from former employees and upon termination of any, employee shall require the immediate return of such terminated employee's swipe card. Landlord shall have no liability for Tenant's failure to abide by the terms of this **Section 21.13** and such obligation shall survive the termination of this Lease.

[Signature Page Follows]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

Landlord: 640 ELLICOTT STREET, LLC

By: */s/ Matthew K. Enstice*
Buffalo Niagara Medical Campus, Inc., Member, by
Matthew K. Enstice, Executive Director

TENANT: ACV AUCTIONS INC.

By: */s/ George Chamoun*
Name: George Chamoun
Title: Chief Executive Officer

[Signature Page to Lease Agreement]

EXHIBIT A
BUILDING FLOOR PLAN

See attached.

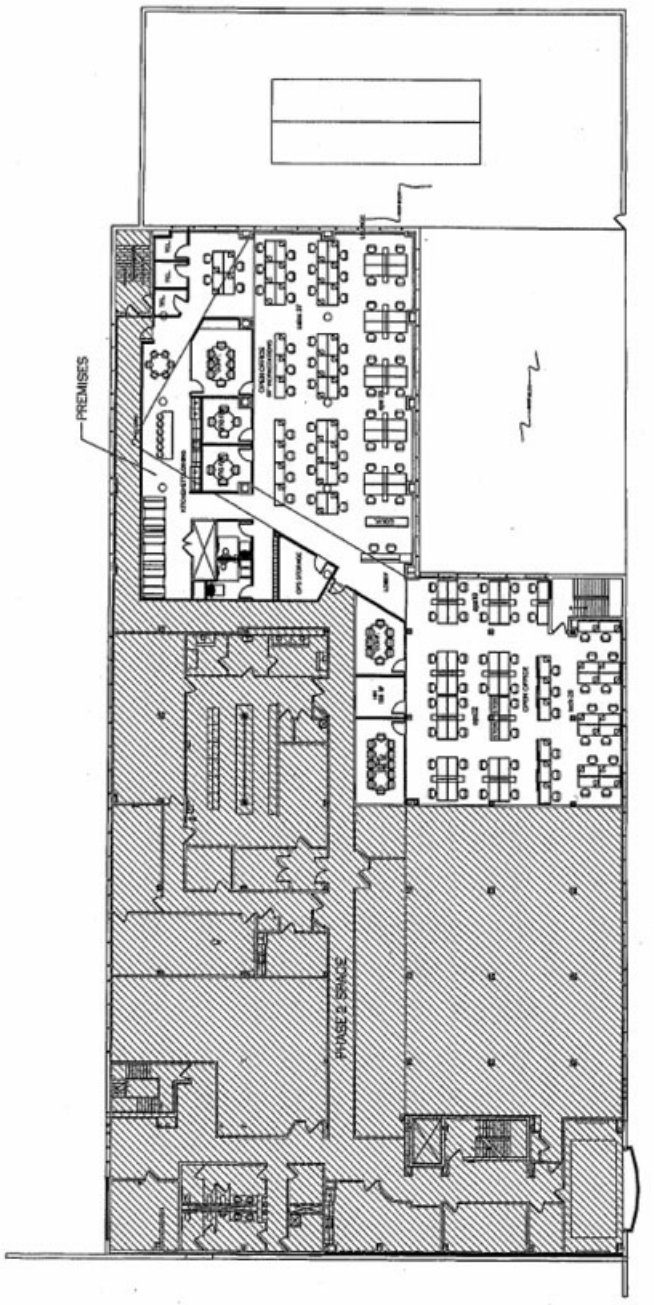
PREMISES
PHASE 2 SPACE

EXHIBIT B
FIRST ACKNOWLEDGMENT

See attached.

EXECUTION COPY

FIRST ACKNOWLEDGMENT

This First Acknowledgment (the "First Acknowledgment") is entered as of _____, 201_ by and between 640 Ellicott Street, LLC, a New York limited liability company with offices at 640 Ellicott Street, Suite 400, Buffalo, New York 14203 (the "Landlord") and ACV Auctions Inc., a Delaware corporation with offices at 640 Ellicott Street, Buffalo, New York 14203 (the "Tenant"). Capitalized terms used herein, but not otherwise defined shall have the meaning given to them in the lease agreement (the "Lease") dated _____, 2017 entered into by and between Tenant and Landlord.

WHEREAS, pursuant to Section 10.2 of the Lease, prior to commencement of the design work related to thebuild-out to the Premises, Landlord and Tenant agreed to acknowledge and approve the plans, estimated build-out costs and construction schedule.

NOW, THEREFORE, in consideration of the mutual promises contained in the Lease and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be bound hereby, the parties hereto agree as follows:

1. Tenant Allowance. Pursuant to **Section 10.2** of the Lease, the Tenant Allowance equals _____ ($_____).

2. Estimated Total Cost of Build-Out. The total cost (the "Total Cost") of thebuild-out to the Premises is estimated to equal _____ ($_____).

3. Estimated Costs above Tenant Allowance. The Total Cost is estimated to equal _____ ($_____) in excess of the Tenant Allowance.

4. Approved Plans. The plans attached hereto as Exhibit A are hereby approved by the parties.

5. Approved Construction Schedule. The construction schedule attached hereto asExhibit B is hereby approved by the parties.

6. Acknowledgment. Tenant hereby acknowledges and agrees that in accordance with Section 10.3 of the Lease, Tenant shall be solely responsible for the amount in excess of the Tenant Allowance.

7. Adjustment to Estimated Costs. The parties agree that if during thebuild-out of the Premises the estimated costs set forth above deviate by greater than five percent (5%) of the estimated costs set forth above, then the parties shall sign a second acknowledgement memorializing their approval of such change.

This First Acknowledgment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute only one original.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this First Acknowledgment as of the date first above written.

LANDLORD: 640 ELLICOTT STREET, LLC

By: _____
Buffalo Niagara Medical Campus, Inc.,
Member, by Matthew K. Enstice, Executive Director

TENANT: ACV AUCTIONS INC.

By: _____
George Chamoun, Chief Executive Officer

[Signature Page to First Acknowledgment]

EXHIBIT A
APPROVED PLANS

See attached.

EXHIBIT B
APPROVED CONSTRUCTION SCHEDULE

See attached.

EXHIBIT C
SECOND ACKNOWLEDGMENT

See attached.

EXECUTION COPY

SECOND ACKNOWLEDGMENT

This Second Acknowledgment (the "Second Acknowledgment") is entered as of _____, 201_ by and between 640 Ellicott Street, LLC, a New York limited liability company with offices at 640 Ellicott Street, Suite 400, Buffalo, New York 14203 (the "Landlord") and ACV Auctions Inc., a Delaware corporation with offices at 640 Ellicott Street, Buffalo, New York 14203 (the "Tenant"). Capitalized terms used herein, but not otherwise defined shall have the meaning given to them in the lease agreement (the "Lease") dated _____, 2017 entered into by and between Tenant and Landlord.

WHEREAS, pursuant to **Section 10.2** of the Lease, upon execution of the Lease Landlord and Tenant acknowledged and approved the estimated build-out costs (the "Estimated Costs") to the Premises in an acknowledgement (the "First Acknowledgment") dated as of the date of the Lease; and

WHEREAS, pursuant to **Section 10.2** of the Lease, the parties agreed that in the event that during thebuild-out of the Premises it is determined that the Estimated Costs will deviate by more than five percent (5%) of the Estimated Costs set forth in the First Acknowledgment, that the parties would enter into this Second Acknowledgment.

NOW, THEREFORE, in consideration of the mutual promises contained in the Lease and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be bound hereby, the parties hereto agree as follows:

1. Tenant Allowance. Pursuant to Section 10.2 of the Lease, the Tenant Allowance equals _____ ($_____).

2. Original Estimated Total Cost of Build-Out. The original total cost (the "Total Cost") of thebuild-out of the Premises was estimated to equal _____ ($_____).

3. Amended Estimated Total Cost of Build-Out. The amended total cost (the "Amended Total Cost") of thebuild-out to the Premises is now estimated to equal _____ ($_____).

4. Estimated Costs above Tenant Allowance. The Amended Total Cost is estimated to equal _____ ($_____) in excess of the Tenant Allowance.

5. Acknowledgment. Tenant hereby acknowledges and agrees that in accordance with Section 10.3 of the Lease, Tenant shall be solely responsible for the amount in excess of the Tenant Allowance.

6. Replacement of First Acknowledgment. The parties acknowledge and agree that this Second Acknowledgment replaces in its entirety the First Acknowledgment and the parties agree to be bound hereto.

This Second Acknowledgment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute only one original.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Second Acknowledgment as of the date first above written.

LANDLORD: 640 ELLICOTT STREET, LLC

By: _____
Buffalo Niagara Medical Campus, Inc.,
Member, by Matthew K. Enstice, Executive Director

TENANT: ACV AUCTIONS INC.

By: _____
George Chamoun, Chief Executive Officer

[Signature Page to Second Acknowledgment]

EXHIBT D
REPORT OF EMPLOYMENT

See attached.

EXECUTION COPY

EXHIBIT D: REPORT OF EMPLOYMENT

TO: 640 Ellicott Street, LLC
640 Ellicott Street, Suite 400
Buffalo, NY 14203

FROM: Tenant Name: ACV Auctions Inc.
Address: 640 Ellicott Street, Buffalo, New York 14203 Phone: _____
Federal Taxpayer ID #: _____

Complete EITHER Table A (as Annual Report) OR Table B (with every Payment Request)

FULL-TIME PERMANENT EMPLOYEES

NOTE: If these reported employment figures vary in a material respect from those reported to the New York State Department of Labor (DOL) on Form NYS-45, please attach an explanation identifying reasons for any difference.

For purposes of this Agreement, a **Full-time Permanent Employee shall mean**

(a) a full-time, permanent, private-sector employee on the Tenant's payroll, who has worked at the Premises for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Tenant to other employees with comparable rank and duties; or

(b) two part-time, permanent, private-sector employees on Tenant's payroll, who have worked at the Premises for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Tenant to other employees with comparable rank and duties.

Table A: Annual report due every February 1 for prior calendar year

FULL-TIME PERMANENT EMPLOYEES	As of Grantee's last payroll date on or prior to the end of the designated quarter				ANNUAL AVERAGE (based on the four quarterly numbers)
	March 31, 20__	June 30, 20__	Sept. 30, 20__	Dec. 31, 20__	
At Premises					
At Other New York Locations (if applicable)					

Table B: With every Payment Request

FULL-TIME PERMANENT EMPLOYEES	As of ____/____/____ (date of request)
At Premises	
At Other New York Locations (if applicable)	

The information included herein is correct to the best of my knowledge and belief.

Signature: _____ Date: _____

Print Name and Title: _____

Any false statement herein may cause the borrower or grantee to be in default under its grant disbursement agreement with ESDC.

EXHIBT E
FINAL ACKNOWLEDGEMENT

See attached.

EXECUTION COPY

FINAL ACKNOWLEDGMENT

This Final Acknowledgment (the "Final Acknowledgment") is entered as of _____, 201_ by and between 640 Ellicott Street, LLC, a New York limited liability company with offices at 640 Ellicott Street, Suite 400, Buffalo, New York 14203 (the "Landlord") and ACV Auctions Inc., a Delaware Corporation with offices at 640 Ellicott Street, Buffalo, New York 14203 (the "Tenant"). Capitalized terms used herein, but not otherwise defined shall have the meaning given to them in the lease agreement (the "Lease") dated _____, 2017 entered into by and between Tenant and Landlord.

WHEREAS, the certificate of compliance for the Premises was received by Landlord on _____, 201__; and

WHEREAS, Landlord promptly presented Tenant with such certificate of compliance so as to begin the commencement of the Lease; and

WHEREAS, pursuant to Section 10.2 of the Lease, Landlord and Tenant acknowledged and approved the estimatedbuild-out costs (the "Estimated Costs") to the Premises in an acknowledgement (the "First Acknowledgment") dated as of _____, 201__; and

WHEREAS, it was anticipated in the First Acknowledgment that Tenant's costs under Article X of the Lease would exceed the Tenant Allowance; and

WHEREAS, pursuant to Section 10.3 of the Lease, Tenant has agreed to be solely responsible for anybuild-out costs incurred over the Tenant Allowance; and

WHEREAS, the final build-out costs of the Premises did in fact exceed the Tenant Allowance; and

WHEREAS, the parties have decided to enter into this Final Acknowledgment to set forth the Commencement Date of the Lease, the amount of the Tenant Allowance provided by Landlord pursuant to Section 10.2 of the Lease and the total build-out costs to the Premises that Tenant is solely responsible for pursuant to the terms of the Lease.

NOW, THEREFORE, in consideration of the mutual promises contained in the Lease and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be bound hereby, the parties hereto agree as follows:

1. Commencement Date. The Commencement Date of the Lease shall be _____, 201__.
2. Total Cost of Build-Out. The total cost (the "Total Cost") of thebuild-out to the Premises equals _____ ($_____).
3. Tenant Allowance. Pursuant to Section 10.2 of the Lease, the Tenant Allowance equals _____ ($_____).

4. Costs above Tenant Allowance. The Total Cost equals _____ ($_____) in excess of the Tenant Allowance.

5. Costs above Tenant Allowance. The Total Cost includes _____ ($_____) in excess of the Tenant Allowance.

6. Tenant Responsibility. Tenant is solely responsible for the amount in excess of the Tenant Allowance set forth above. The Excess Amount set forth in Paragraph 5 above is the sole responsibility of Tenant and has been paid by Tenant to Landlord via check as of the date of this Final Acknowledgment.

7. Final Acknowledgment. This Final Acknowledgment replaces any other acknowledgment entered into between the parties regarding the build-out costs of the Premises and shall be final and binding upon the parties.

This Final Acknowledgment may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute only one original.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties hereto have duly executed this Final Acknowledgment as of the date first above written.

LANDLORD: 640 ELLICOTT STREET, LLC

By: _____
Buffalo Niagara Medical Campus, Inc.,
Member, by Matthew K. Enstice, Executive Director

TENANT: ACV AUCTIONS INC.

By: _____
George Chamoun, Chief Executive Officer

[Signature Page to Final Acknowledgment]

LEASE AGREEMENT

THIS LEASE AGREEMENT (this "Lease") is made as of the 26th day of September, 2019, by and between Innovation Center Annex, LLC, a New York limited liability company with offices at 640 Ellicott Street, Suite 400, Buffalo, New York 14203 (the "Landlord") and ACV Auctions Inc., a Delaware corporation with offices at 640 Ellicott Street, Buffalo, New York 14203 (the "Tenant").

NOW, THEREFORE, in consideration of the rents to be paid and covenants to be performed by Tenant hereinafter provided, Landlord leases to Tenant and Tenant leases from Landlord eleven thousand (11,000) rentable square feet on the first floor of the Building located at 847 Main Street, Buffalo, New York, and Tenant shall at all times have unlimited and unrestricted ingress and egress and access to the Premises.

ARTICLE 1 BASIC LEASE INFORMATION

1.1 Basic Lease Information. As used in this Lease, the following basic lease terms shall have the meanings ascribed thereto:

(a)	**Landlord:**	Innovation Center Annex, LLC
(b)	**Landlord's Address:**	640 Ellicott Street, Suite 401 Buffalo, New York 14203
(c)	**Tenant:**	ACV Auctions Inc.
(d)	**Tenant's Address:**	640 Ellicott Street Suite 321 Buffalo, New York 14203
(e)	**Premises:**	Approximately thirteen thousand fifty (13,050) rentable square feet ("RSF"), which is to be located on the first floor (collectively, the "Premises") of the building located at 847 Main Street, Buffalo, New York 14203 (the "Building") in the location labeled "Premises" on **Exhibit A**, attached hereto and incorporated herein. For the purposes of Base Rent calculation, the RSF includes Tenant's occupancy and usage of any and all common areas in the Building.
(f)	**Term:**	The Term shall commence on the Commencement Date and terminate July 31, 2023, subject to renewal in accordance with **Section 2.3**.
(g)	**Commencement Date:**	Upon substantial completion of the Premises as set forth in **Section 2.3**
(h)	**Security Deposit:**	$39,150.00
(i)	**Base Rent:**	$18.00/RSF, annually for the first twenty-four (24) months. Rent shall escalate as set forth in **Section 3.1**.
(j)	**Additional Rent:**	Any amounts that this Lease requires Tenant to pay in addition to Base Rent, including Operating Expenses, and shall be payable throughout the entire Term.
(k)	**Rent:**	The Base Rent and Additional Rent.

If any other provision of this Lease contradicts any definition of this Article, the other provision will prevail.

ARTICLE 2 AGREEMENT AND TERM

2.1 Grant of Lease. Landlord leases the Premises to Tenant, and Tenant leases the Premises from Landlord, together with thenon-exclusive use of any and all common areas within the Building, on the terms and conditions set forth in this Lease. A copy of the Building's floor plan is attached hereto as **Exhibit A**.

2.2 Renovations. Landlord may make alterations to the total square footage of the Building, including a potential change in the usable space due to renovation; provided that the same does not materially and adversely affect Tenant's Premises, increase Tenant's obligations under this Lease, or unreasonably interfere with its access to the Premises. Landlord may increase building square footage through building additions, and Tenant's pro rata share shall be equitably adjusted upon any such increase.

2.3 Term. The Term of this Lease shall begin on the Commencement Date and continue until July 31, 2023. The Commencement Date shall occur upon the date that: (i) Landlord delivers the Premises to Tenant upon substantial completion of the Tenant Improvements, as determined by Landlord's architect subject only to completion of minor punch list items and (ii) a certificate of occupancy is received for the Premises. Tenant shall commence the conduct of its business in the Premises within ten (10) days of the Commencement Date. If the Commencement Date is other than the first day of a month, the Term of this Lease shall begin on the first day of the month following the Commencement Date, but the terms of this Lease shall be in effect as of the Commencement Date and Tenant shall pay to Landlord the Base Rent and Additional Rent in accordance with **Section 3.1** and **Section 3.2** herein, pro-rated for any such partial month. As long as Tenant is not in default of this Lease at such time or at the end of the initial Term, Tenant shall have an option to extend the Term for an additional sixty (60) months (the "Renewal Term") by providing Landlord with written notice of Tenant's intent to do so six (6) months prior to expiration of the initial Term. The Renewal Term shall be on the same terms as this Lease but Base Rent shall increase as set forth in **Section 3.1**.

2.4 Holdover. Unless, prior to the expiration of the Term, Landlord has executed a lease for the Premises with a new tenant, Tenant shall have the right to holdover on a month-to-month basis following the expiration of this Lease, at a rate of 150% of the final Base Rent, payable pursuant to **Article 3** below. If Tenant remains in possession of all or any part of the Premises after the expiration of the Term, with the express or implied consent of Landlord, such tenancy will not constitute a renewal or extension of this Lease for any further Term, such tenancy may be terminated by Landlord upon the earlier of thirty (30) days' prior written notice or the earliest date permitted by law. Such month-to-month tenancy will be subject to every other term, condition, and covenant contained in this Lease.

2.5 Early Termination. The parties hereto acknowledge that Landlord or a Landlord affiliate (including 640 Ellicott Street, LLC) currently are parties to a separate lease dated as of November 30, 2017 which commenced on August 1, 2018 (the "Other Lease"). Notwithstanding anything to the contrary elsewhere in this Lease, if Tenant terminates the Other Lease in accordance with the terms thereof, then within thirty (30) days of the termination of the Other Lease, Tenant may with a penalty, terminate this Lease upon written notice to Landlord with the termination of this Lease to be effective ninety (90) days after Tenant provides such written notice to Landlord of its intention to terminate this Lease. The amount of the penalty shall be equal to the total sum of three (3) months' Base Rent in effect at the time Tenant provides written notice to Landlord of Tenant's intent to terminate this Lease. If Tenant does not so exercise its right to terminate this Lease by written notice to Landlord within the thirty (30) day period following the termination of the Other Lease, the Tenant's termination right with respect to this Lease shall be deemed terminated and this Lease shall remain in full force and effect. Except as set forth in this **Section 2.5** and as may be otherwise set forth in the Lease, Tenant shall not have any other option to terminate this Lease prior to the expiration of Term. For the avoidance of doubt, Tenant's right to terminate this Lease shall not apply in the event that the certain month-to-month lease by and between 640 Ellicott, LLC and Tenant, is terminated.

ARTICLE 3 RENT

3.1 Payment of Base Rent. During the first twenty-four (24) months of the Term, Tenant will pay Base Rent to Landlord in the annual amount of $18.00 per RSF (i.e. Base Rent shall be Two Hundred Thirty-Four Thousand Nine Hundred U.S. Dollars ($234,900.00) annually with equal monthly payments of Nineteen Thousand Five Hundred Seventy-Five U.S. Dollars ($19,575.00) each, the first of which shall become due on the Commencement Date (pro-rated if other than the first day of the month) with successive installments to be paid on or before the first day of each month thereafter through the last day of the second year of the Term. Base Rent shall thereafter increase to Nineteen U.S. Dollars ($19.00) per RSF, payable in equal monthly installments, the first of which shall become due on the first day of the first month of the third year of the Term, with successive installments to be paid on or before the first day of each month thereafter through the last day of the final year of the Term. In the event that Tenant elects to extend this Lease pursuant to **Section 2.3**, Base Rent shall increase to an annual amount of Twenty U.S. Dollars ($20.00) per RSF, payable in equal monthly installments, the first of which shall become due on the first day of the first month of the first year of the Renewal Term; with successive installments to be paid on or before the first day of each month thereafter through the last day of the second year of the Renewal Term. Thereafter for the remainder of the Renewal Term, Base Rent shall increase to an annual amount of Twenty-One U.S. Dollars ($21.00) per RSF, payable in equal monthly installments with successive installments to be paid on or before the first day of each month thereafter through the last day of the final year of the Renewal Term.

Base Rent will be paid to Landlord, without written notice or demand, and without deduction or offset, in lawful money of the United States of America at Landlord's Address, or to such other address as Landlord may from time to time designate in writing, or by wire transfer.

3.2 Payment of Operating Expenses. Beginning on the Commencement Date, Tenant shall be responsible for its pro rata share of the Operating Expenses (as hereinafter defined) incurred during each year of the Lease. Tenant's pro rata share shall be calculated as the percentage of the Building's RSF occupied by Tenant pursuant to this Lease, which equates to approximately thirteen thousand fifty (13,050) RSF out of the total thirty-five thousand one hundred fifty-eight (35,158) RSF in the Building, or approximately 37.1%. "Operating Expenses" shall be defined as Landlord's reasonable and actual expenses of operating the Building and include, but not be limited to, utilities supplied to the common areas of the Building, maintenance of, insurance, and real property taxes affecting the Building. Operating Expenses shall not include:

(a) all design and construction costs as well as costs of correcting defects in the original construction, design or materials of the Building, parking facilities and other Common Areas;

(b) repair and maintenance of structural walls, foundation and spaces not in the Common Areas and other capital expenditures;

(c) interest and amortization on mortgages and other debt costs;

(d) ground lease payments, if any;

(e) depreciation of buildings and other improvements;

(f) expenses covered by warranty, insurance or other reimbursement;

(g) except as otherwise set forth herein, leasing costs (including fees/costs for consulting, marketing, advertising, brokerage, legal fees and disbursements, rent concessions, refurbishment or improvement);

(h) improvements, alterations, repairs and maintenance performed in any tenant's exclusive space and the cost of providing any service for a particular tenant;

(i) costs incurred due to violations by the Landlord of any of the terms and conditions of any other leases in the Building (including legal fees and disbursements);

(j) any costs and expenses to collect rent and recover possession from other tenants in the Building (including all legal fees and disbursements);

(k) testing, removal and cleanup of hazardous materials from the Building not caused by Tenant;

(l) fines or penalties imposed upon Landlord due to violations of law, rule or regulation;

(m) managing agents' fees or commissions in excess of the rates then customarily charged by owner/operators for building management for buildings of like class and character;

(n) salaries, fringe benefits and other compensation of Landlord's personnel above the grade of Building manager; or otheroff-site personnel;

(o) expenditures for capital improvements except for capital expenditures required by law enacted or first in effect after the Commencement Date, in either of which cases the cost thereof shall be included in Operating Expenses for the year in which the costs are incurred and subsequent years, amortized on a straight line basis over the useful life thereof as determined by generally accepted accounting principles consistently applied, with an interest factor equal to the prime rate of the JP Morgan Chase, New York, (or the successor thereto) at the time of Landlord's having incurred said expenditure;

(p) amounts received by Landlord through proceeds of insurance to the extent the proceeds are compensation for expenses which were previously included in Operating Expenses hereunder;

(q) cost of repairs or replacements incurred by reason of fire or other casualty to the extent to which Landlord is compensated therefor through proceeds of insurance, or caused by the exercise of the right of eminent domain;

(r) advertising and promotional expenditures;

(s) legal fees for disputes with tenants and legal and auditing fees, other than legal and auditing fees reasonably incurred in connection with the maintenance and operation of the Building or in connection with the preparation of statements required pursuant to Additional Rent;

(t) transfer, gains, franchise, inheritance, estate, occupancy, succession, gift, corporation, unincorporated business, gross receipts, profit and income taxes imposed upon Landlord;

(u) bad debt losses, rent losses or reserves for either, and financing and refinancing costs;

(v) costs incurred with respect to a sale or transfer of all or any portion of the Building or any interest therein;

(w) amounts otherwise includable in Operating Expenses but reimbursed to Landlord directly by Tenant or other tenants;

(x) to the extent any costs includable in Operating Expenses are incurred with respect to both the Building and other properties (including, without limitation, salaries, fringe benefits and other compensation of Landlord's personnel who provide services to both the Building and other properties), there shall be excluded from Operating Expenses a fair and reasonable percentage thereof which is properly allocable to such other properties; and

(y) costs associated with the operation of the legal entity that constitutes Landlord (such as, by way of example, legal entity formation, organization and qualification) as distinguished from the cost of the operation of the Building.

It is acknowledged that the total annual Operating Expenses to be paid by the Tenant pursuant to the provisions of this **Section 3.2** cannot be determined except on an annual basis. It is therefore agreed that, in addition to the payment of individual items of Additional Rent as may be provided for elsewhere in this Lease, the Tenant shall pay an estimated monthly sum which amount shall be determined by Landlord pursuant to a budget prepared by Landlord with respect to its actual Operating Expenses for the current year. Said estimated Operating Expense payment shall be paid in advance, on the first day of each month during the Term, and shall be based on an annual period from January 1 through December 31 during each year of the Term hereof, and shall be adjusted annually following the conclusion of each such annual period by written notice delivered by Landlord to Tenant. Said notice shall set forth the total amount of the Operating Expenses incurred by Landlord for such annual period, the sum over the Base Year which represents the portion to be paid by the Tenant, the sum actually paid by Tenant for such period, and the amount of any required adjustment. Said notice shall also set forth the estimated monthly payment to be paid by Tenant for the following annual period.

3.3 Janitorial Services. Tenant shall be solely responsible for the cost of cleaning the Premises and shall retain, and shall pay for, Landlord's janitorial services vendor for the cost of cleaning the Premises. If Tenant does not retain Landlord's janitorial services vendor, Tenant shall remain obligated to retain a janitorial services vendor, beginning on the Commencement Date, to clean the Premises, but such janitorial services vendor must first be approved by Landlord in its reasonable discretion.

3.4 Late Payment. In the event that any payment of Rent due hereunder shall not be paid by the fifth (5th) day after which it is due, a late charge of two and one half percent (2.5%) for each dollar not paid may be charged by Landlord for each month or part thereof that the same remains overdue. This charge shall be in addition to and not in lieu of any other remedy Landlord may have and is in addition to any reasonable fees and charges of

any agents or attorneys Landlord may employ as a result of any default in the payment of Rent hereunder, whether authorized herein or by law. Any such "late charges" if not previously paid shall, at the option of Landlord, be added to and become part of the succeeding Rent payment to be made hereunder and shall be deemed to constitute Additional Rent.

3.5 Security Deposit. Prior to the Commencement Date, Tenant shall pay to Landlord the Security Deposit, in the sum set forth in **Section 1.1(h)**. The Security Deposit shall serve as security for any and all damages caused to the Premises during the Term. If Tenant fully complies with all the terms of this Lease, Landlord will return the Security Deposit within thirty (30) days after the expiration of Term, less any set-off for damages caused to the Premises during the Term. If Tenant does not fully comply with the terms of this Lease, Landlord may, in its sole discretion, use any or all of the Security Deposit to pay amounts owed by Tenant, including payment for any damages under this Lease owed by Tenant. If Landlord sells the Premises, Landlord shall transfer the Security Deposit to the buyer. Tenant will look only to the buyer for the return of the Security Deposit. In the event that damages to the Premises during the Term exceed the amount of the Security Deposit, Tenant agrees and acknowledges that it shall be responsible for the costs, and such costs shall be deemed Additional Rent hereunder.

ARTICLE 4 INSURANCE

4.1 Landlord's Insurance. At all times during the Term, Landlord will carry and maintain insurance covering the Building in an amount not less than the full replacement cost, as well as commercial general liability insurance with coverage for bodily injury and property damage liability.

4.2 Tenant's Insurance. At all times during the Term, Tenant will carry and maintain, at Tenant's expense, the following insurance, in the amounts specified below or such other amounts as Landlord may from time to time reasonably request:

(a) commercial general liability insurance with coverage for bodily injury and property damage liability, with a combined single occurrence limit of not less than $2,000,000.00 U.S. Dollars;

(b) insurance covering all of Tenant's furniture and fixtures, machinery, equipment, stock, and any other personal property owned and used in Tenant's business and found in, on, or about the Premises, and any leasehold improvements to the Premises in an amount not less than the full replacement cost. Property forms shall provide coverage on a broad form basis insuring against "all risks of direct physical loss";

(c) worker's compensation insurance insuring against and satisfying Tenant's obligations and liabilities under the worker's compensation laws of the State of New York;

(d) special event insurance when Tenant hosts special events at the Premises (and Tenant shall provide Landlord with proof of such insurance naming Landlord and BNMC as additional insureds prior to hosting any special event in the Premises or in the Building), including dram shop liability, to the extent required by applicable law; and

(e) if Tenant operates owned, hired, ornon-owned vehicles on or about the Premises, comprehensive automobile liability at a limit of liability not less than $500,000.00 U.S. Dollars combined bodily injury and property damage.

4.3 Forms of Policies. Certificates of insurance, together with copies of the endorsements, when applicable, will be delivered to Landlord prior to Tenant's occupancy of the Premises and from time to time upon Landlord's request. All commercial general liability or comparable policies maintained by Tenant will name Landlord and Buffalo Niagara Medical Campus, Inc. ("BNMC") as an additional insured entitling BNMC, and Landlord, to recover under such policies for any loss sustained by BNMC or Landlord, and their respective affiliates and/or subsidiaries and/or employees as a result of the acts or omissions of Tenant. All such policies maintained by Tenant will provide that they may not be terminated nor may coverage be materially reduced except after thirty (30) days' prior written notice. All commercial general liability and property policies maintained by Tenant will be written as primary policies, not contributing with and not supplemental to the coverage that Landlord may carry.

4.4 Waiver of Subrogation. Landlord and Tenant each waive any and all rights to recover against the other, or against the officers, directors, shareholders, partners, joint venturers, employees, agents, customers, invitees, or business visitors of such other party, for any loss or damage to such waiving party arising from any cause covered by any property insurance required to be carried by such party pursuant to this **Article 4** or any other property insurance actually carried by such party to the extent of the limits of such policy. Landlord and Tenant from time to time will cause their respective insurers to issue appropriate waiver of subrogation rights endorsements if necessary, to all property insurance policies carried in connection with the Building or the Premises or the contents of the Building or the Premises. Tenant agrees to cause all other occupants of the Premises claiming by, under, or through Tenant to execute and deliver to Landlord such a waiver of claims and to obtain such waiver of subrogation rights endorsements.

4.5 Adequacy of Coverage. Landlord, its agents, and employees make no representation that the limits of liability specified to be carried by Tenant pursuant to this **Article 4** are adequate to protect Tenant. If Tenant believes that any of such insurance coverage is inadequate, Tenant shall obtain such additional insurance coverage as Tenant deems adequate, at Tenant's sole expense.

ARTICLE 5 USE

5.1 Tenant's Use of the Premises. Tenant shall use the Premises for general and administrative office space, including automotive inspection training, and uses ancillary thereto, including, without limitation, use of kitchen/breakroom space and hosting of special events for no greater than seventy (70) customers and/or employees at each event. Tenant may host events larger than seventy (70) persons subject to Landlord's reasonable consent. Tenant shall be permitted to use the Premises 24 hours per day, 7 days per week, 365 days per year. Tenant will use the Premises in a careful, safe, and proper manner. Tenant will not use or permit the Premises to be used or occupied for any purpose or in any manner prohibited by any applicable laws. Tenant will not commit waste or suffer or permit waste to be committed in, on, or about the Premises. Tenant will conduct its business and control its employees, agents, and invitees in such a manner as not to create any nuisance or interfere with, annoy, or disturb Landlord in its operation of the Building.

5.2 Signage. Tenant shall have the right to install signage in a size and manner consistent with the Building's current exterior signage.

5.3 Parking. Landlord shall provide Tenant with up to ten (10) parking permits available for use in the parking lot located at 847 Main Street, Buffalo, NY for use by Tenant's employees; such parking permits to be charged at market rates, as such rates may be modified from time to time.

ARTICLE 6 REQUIREMENTS OF LAW; FIRE INSURANCE

6.1 General. At its sole cost and expense, Tenant will promptly comply with all laws, statutes, ordinances, and governmental rules, regulations, or requirements now in force or in force after the Commencement Date, with the requirements of any board of fire underwriters or other similar body, with any direction or occupancy certificate issued pursuant to any law by any public officer or officers, as well as with the provisions of all recorded documents affecting the Premises, insofar as they relate to the condition following the Commencement Date, use, or occupancy of the Premises.

6.2 Hazardous Materials.

(a) For purposes of this Lease, "Hazardous Materials" means any asbestos, asbestos containing materials, petroleum, petroleum products, explosives, radioactive materials, hazardous wastes, or hazardous substances, including without limitation substances defined as "hazardous substances" in the Comprehensive Environmental Response, Compensation and Liability Act of 1980, as amended, 42 U.S.C. §§ 9601-9657; the Hazardous Materials Transportation Act of 1975, 49 U.S.C. §§ 1801-1812; the Resource Conservation and Recovery Act of 1976, 42 U.S.C. §§ 6901-6987; or any other federal, state, or local statute, law, ordinance, code, rule, regulation, order, or decree regulating, relating to, or imposing liability or standards of conduct concerning hazardous materials, waste, or substances now or at any time hereafter in effect (collectively, the "Hazardous Materials Laws").

(b) Tenant will not cause or permit the storage, use, processing, generation, or disposition of any Hazardous Materials in, on, or about the Premises or the Building by Tenant, its agents, employees, or contractors, except in the normal course of business. Tenant will not permit the Premises to be used or operated in a manner that may cause the Premises or the Building to be contaminated by any Hazardous Materials in violation of any Hazardous Materials Laws. Tenant will immediately advise Landlord in writing of (i) any and all enforcement, cleanup, remedial, removal, or other governmental or regulatory actions instituted, completed, or threatened pursuant to any Hazardous Materials Laws relating to any Hazardous Materials affecting the Premises or the Building; and (ii) all claims made or threatened by any third party against Tenant, Landlord, or the Premises or the Building relating to damage, contribution, cost recovery, compensation, loss, or injury resulting from any Hazardous Materials in or about the Premises or the Building. Without Landlord's prior written consent, Tenant will not take any remedial action or enter into any agreements or settlements in response to the presence of any Hazardous Materials in, on, or about the Premises or the Building.

(c) Tenant will be solely responsible for and will defend, indemnify and hold Landlord, its agents, and employees harmless from and against all claims, costs, and liabilities, including reasonable attorneys' fees and costs, arising out of or in connection with Tenant's breach of its obligations in this **Article 6** or any Hazardous Materials introduced to the Premises or the Building by Tenant. Tenant will be solely responsible for and will defend, indemnify, and hold Landlord, its agents, and employees harmless from and against any and all claims, costs, and liabilities, including attorneys' fees and costs, arising out of or in connection with the removal, cleanup, and restoration work and materials necessary to return the Premises, the Building and any other property of whatever nature located on the Premises to their condition existing prior to the appearance of Tenant's Hazardous Materials in the Premises or in the Building. Tenant's obligations under this **Article 6** will survive the expiration or other termination of this Lease.

6.3 Certain Insurance Risks. Tenant will not do or permit to be done any act or thing upon the Premises or the Building which would (a) jeopardize or be in conflict with fire insurance policies covering the Building or fixtures and property in the Building; or (b) subject Landlord to any liability or responsibility for injury to any person or persons or to property by reason of any business or operation being carried on upon the Premises.

ARTICLE7 ASSIGNMENT AND SUBLETTING

7.1 General. Tenant, for itself, its heirs, distributees, executors, administrators, legal representatives, successors, and assigns, covenants that it will not assign, mortgage, or encumber this Lease, nor sublease, nor permit the Premises or any part of the Premises to be used or occupied by others, including a change in ownership of more than fifty (50%) of the ownership interest in Tenant's corporation, without the prior written consent of Landlord in each instance, which consent shall not be unreasonably withheld or delayed. Any assignment or sublease in violation of this **Article 7** will be void. To the extent that Landlord consents to Tenant's sublease or assignment of the Premises, Tenant shall not be relieved of its obligations under this Lease. Landlord shall be entitled to receipt of any rental amount received by Tenant through any such sublease or assignment to the extent that the rental amount exceeds the Base Rent payable to Landlord under this Lease.

Notwithstanding anything to the contrary in this Lease, Tenant may enter into any of the following Transfers (a "Permitted Transfer") without Landlord's prior written consent: a sublease of all or part of the Premises or an assignment of its interest in this Lease (by operation of law or otherwise) to (each, a "Permitted Transferee"): (i) any entity which controls, is controlled by, or is under common control with Tenant; (ii) an entity which results from a merger, acquisition, consolidation or other reorganization, whether by operation of law or otherwise, whether or not Tenant is the surviving corporation, so long as the surviving entity has a net worth at the time of such assignment or sublease that is equal to or greater than the net worth of Tenant as of the Commencement Date; (iii) an entity which purchases or otherwise acquires all or substantially all of the assets or membership interest of Tenant, whether by operation of law or otherwise, so long as the surviving entity has a net worth at the time of such assignment or sublease that is equal to or greater than the net worth of Tenant as of the Commencement Date; and (iv) any entity resulting from a change to the corporate structure of Tenant. Notwithstanding the foregoing, Landlord's consent to a Permitted Transfer shall not be required solely as long as Tenant has provided Landlord with written notice of such sublease or assignment at least thirty (30) days prior to such Permitted Transfer and provided Landlord with documentation reasonably satisfactory to Landlord regarding the sublessee or assignee.

ARTICLE 8 LIMITATION OF LANDLORD'S LIABILITY

8.1 Limitation on Liability. To the extent permitted by law, Landlord will not be in default under this Lease or be liable to Tenant or any other person for consequential damages, or otherwise, for any failure to supply any heat, air conditioning, cleaning, lighting, security; for surges or interruptions of electricity; or for other services Landlord has agreed to supply during any period when Landlord uses reasonable diligence to supply such services, unless any such failure is due to the gross negligence or willful misconduct of Landlord. Landlord will diligently work to remedy any interruption in the furnishing of such services. Landlord reserves the right temporarily to discontinue such services at such times as may be necessary by reason of accident; repairs, alterations or improvements; strikes; lockouts; riots; acts of God; governmental preemption in connection with a national or local emergency; any rule, order, or regulation of any governmental agency; conditions of supply and demand that make any product unavailable; Landlord's compliance with any mandatory governmental energy conservation or environmental protection program, or any voluntary governmental energy conservation program at the request of or with consent or acquiescence of Tenant; or any other happening beyond the reasonable control of Landlord. To the extent permitted by law, Landlord will not be liable to Tenant or any other person or entity for direct or consequential damages resulting from the admission to or exclusion from the Building of any person. To the extent permitted by law, Landlord will not be liable to Tenant or any other person or entity for direct or consequential damages resulting from the services rendered by Tenant to third parties. In the event of invasion, mob, riot, public excitement, strikes, lockouts, or other circumstances rendering such action advisable in Landlord's sole but commercially reasonable opinion, Landlord will have the right to prevent access to the Building during the continuance of the same by such means as Landlord, in its sole discretion, may deem appropriate, including without limitation, locking doors and closing parking areas and other common areas in and around the Building. Landlord will not be liable for damages to person or property or for injury to, or interruption of, business for any discontinuance permitted under this **Article 8**, nor will such discontinuance in any way be construed as an eviction of Tenant or cause an abatement of Rent or operate to release Tenant from any of Tenant's obligations under this Lease except as set forth herein.

Landlord shall not be responsible or liable to Tenant, or those claiming by, through or under Tenant, for any loss or damage to person(s) or property resulting from the acts or omissions of persons occupying space adjoining or adjacent to the Premises or connected to the Premises or any other part of the Building caused by, but not limited to, events such as the breaking or falling of electrical cables or wires, or the breaking, bursting, stoppage or leaking of water, gas, sewer or steam pipes or loss of HVAC. None of the above events shall constitute an actual or constructive eviction, in whole or in part, or entitle Tenant to any abatement or diminution of Rents, or relieve Tenant from any of its obligations under this Lease except as set forth herein.

Notwithstanding anything to the contrary set forth herein, in the event of a failure or disruption of the services to the Premises described in this **Section 8.1** that Landlord has agreed to be responsible for, which disruption is (a) caused by Landlord's negligence or omission to act, (b) unreasonably interferes with the conduct of Tenant's business in the Premises, and (c) lasts for more than five (5) business days, Tenant shall be permitted to an abatement of Rent after the fifth (5th) business day until the service has been restored.

The provisions of this **Section 8.1** shall not be deemed to relieve Landlord from liability for damage to the Premises or Tenant's equipment, trade fixtures or the like caused by the negligent and/or intentional acts and/or omissions of Landlord; provided, however, that in the event such loss is insured against by Tenant or required hereunder to be covered by Tenant's insurance, Tenant shall first look to its insurer for such loss as required in the Waiver of Subrogation provision set forth in **Section 4.4** above.

ARTICLE 9 MAINTENANCE AND REPAIRS

9.1 Maintenance. Tenant shall, at its sole expense, be responsible for maintaining the Premises in good order and a safe condition. Tenant shall be solely responsible for maintenance of all furniture, fixtures and equipment located in the Premises including all office equipment. Tenant shall, at its sole expense, be responsible for maintaining all elements of the Premises not otherwise referenced in **Sections 9.2** and **9.3** herein, in good order and a safe condition. Tenant shall notify Landlord of any and all repairs required to be made to the Premises. Tenant may request that Landlord perform maintenance services to the Premises with the express understanding that such maintenance will be at an additional cost to Tenant.

9.2 Landlord's Responsibilities. Landlord shall, at Landlord's sole expense, provide structural repairs to the roof, walls, and foundations of the Building and all Building systems (except those systems exclusively serving the Premises), as needed in its reasonable judgment, unless such repairs are necessary due to the misuse or negligence of Tenant, its employees or invitees in which case, Tenant shall be solely liable for such expense. Landlord shall arrange and pay for snow plowing of the parking lot, landscaping, and shoveling of the sidewalks for the Building.

9.3 Condition of Building and Landlord Work. Landlord, shall at its sole cost and expense, ensure that all building systems, including the HVAC system, are in good working order and condition upon the commencement of this Lease.

9.4 Vendors. Landlord must approve any and all vendors proposed to be utilized by Tenant in connection with matters related to any modifications to Tenant Improvements and systems related to the Building and/or the Premises, excluding any vendors providing services related to Tenant's personal property or the operation of Tenant's business.

9.5 Environment. Landlord shall be responsible, at its sole cost and expense, for the cost of cleanup and/or any other remedial measures required for any contamination to the Building existing prior to the commencement of this Lease, or caused at any time during the Term by Landlord. Tenant shall not be responsible for remediation of any environmental contamination except to the extent that such contamination was caused by, contributed to, or introduced into the Building by Tenant.

9.6 No Abatement of Rent. Tenant shall not be entitled to any partial or total abatement of Rent for periods during which repairs are required to be made pursuant to this **Article 9**, whether such repairs are the responsibility of Landlord or Tenant.

ARTICLE 10 ALTERATIONS

10.1 General.

(a) During the Term, Tenant will not make or allow to be made any structural or material alterations, additions, or improvements to or of the Premises or any part of the Premises, or attach any fixtures or equipment to the Premises that cannot be removed without damaging the Premises, without first obtaining Landlord's written consent, not to be unreasonably withheld, conditioned or delayed. All such alterations, additions, and improvements consented to by Landlord, and capital improvements that are required to be made to the Building as a result of the nature of Tenant's use of the Premises will be performed by contractors approved by Landlord and subject to commercially reasonable conditions specified by Landlord (which may include requiring the posting of a mechanic's or materialmen's lien bond).

(b) Subject to Tenant's rights in this **Article 10**, all alterations, additions, fixtures, and improvements that are permanent in character, made in or upon the Premises either by Tenant or Landlord, will immediately become Landlord's property and at the end of the Term will remain on the Premises without compensation to Tenant, unless Landlord advises Tenant in writing at the time such alterations, additions, fixtures and/or improvements are made by Tenant, that such alterations, additions, fixtures, or improvements must be removed at the expiration or other termination of this Lease (provided that no Tenant Improvements shall be subject to removal by Tenant).

(c) In accordance with the terms of this Lease, Tenant shall have the right without Landlord's consent (but with ten (10) days prior written notice to Landlord), to perform non-structural, cosmetic alterations to the Premises (the "Permitted Alterations") that: (i) do not affect the Building systems or affect the structure of the Building; and (ii) do not require a building permit, including, but not limited to (A) painting and installation of wall coverings and (B) installation and removal of office furniture or equipment. In no event shall Tenant, without the prior written consent of Landlord, install or remove light fixtures, soffits, cabling or wiring in the Premises or make alterations to the HVAC or plumbing affecting or running through, the Premises. Prior to conducting any form of non-structural, cosmetic alterations or any other form of alterations to the Premises, Tenant shall provide Landlord with proof of insurance by any such vendors performing such alterations to the Premises with coverage naming Landlord and BNMC as additional insureds with limits of insurance reasonably acceptable to Landlord.

10.2 Tenant Improvements. Following the execution of this Lease and in accordance with a schedule to be agreed to by Landlord and Tenant, Tenant, at its sole expense, shall be permitted to make certain improvements to the Premises, such improvements to be completed by Landlord (the "Tenant Improvements") in accordance with the terms of this **Section 10.2**. With respect to the Tenant Improvements, Landlord's architect shall prepare detailed construction drawings of the Premises based on input from Tenant. Landlord's architect will prepare a good faith estimate of the costs of such work and deliver it to Tenant for Tenant's reasonable review and approval prior to the commencement of the design work which approval shall be documented in an addendum to this Lease to be agreed upon in writing by the Landlord and the Tenant. Tenant shall be solely responsible for the cost of all design work and construction to the Premises pursuant to this **Article 10** in accordance with all applicable laws, statutes, ordinances and governmental rules, regulations, and requirements, and shall be invoiced by Landlord for such design work and construction work. Landlord shall provide and be responsible for the construction of all Tenant Improvements in accordance with the designs selected by Tenant, which selections shall be made within ten (10) business days of Landlord's notification of the need thereof. In the event the Tenant shall fail to select any design for the Premises within ten (10) business days of the request therefore by Landlord, Landlord shall have the right to make such selection on Tenant's behalf in order to proceed with the timely completion of the initial Tenant Improvements. Tenant shall cooperate fully and completely with any and all demands, requests, or inquiries made by Landlord in a timely manner related to Landlord's completion of the Tenant Improvements. Landlord shall keep Tenant apprised of construction progress and allow Tenant to inspect the Premises throughout the construction process so long as Tenant does not disrupt or delay the construction progress. Landlord shall use its best efforts to co-design the Tenant Improvements with Tenant, obtain all required building permits from any and all municipalities, and complete the Tenant Improvements, provided Tenant is fully in compliance with the provisions of this **Section 10.2**, within a commercially reasonable timeframe from the date the parties have mutually agreed upon a final design and Landlord obtaining all required building permits. In the event, through no fault of Tenant and exclusive of events outside of Landlord's reasonable control including, but not limited to, Landlord's delayed receipt of any necessary permits or approvals by any governmental authority or a Force Majeure event, the Tenant Improvements are not completed (including all required governmental sign offs and issuance of certificate of occupancy for the Premises) within sixty (60) days of the completion date agreed upon by the parties, Tenant shall receive a rent credit in the amount of two (2) days for every one (1) day that such completion is delayed beyond such sixty (60) days. In the event, through no fault of Tenant and exclusive of events outside of Landlord's reasonable control as described herein, the Tenant Improvements are not completed within ninety (90) days of the completion date agreed upon by the parties, Tenant shall have the option to terminate this Lease upon notice to Landlord.

A "Force Majeure" event shall be Landlord's inability to perform its obligations hereunder for causes beyond Landlord's control including by reason of act of God, strikes, lockouts, labor troubles, inability to procure materials (including energy), power, casualty, inclement weather, restrictive governmental law, orders or regulations, riots, insurrection, war, insurance claims settlements or other reason of a like nature not the fault of such party.

10.3 Removal. If Landlord has required Tenant to remove upon expiration or sooner termination of the Lease any or all alterations, additions, fixtures, and improvements that are made in or upon the Premises pursuant to **Section 10.1(b)**, Tenant shall remove such alterations, additions, fixtures, and improvements at Tenant's sole cost and shall restore the Premises to the condition in which they were before such alterations, additions, fixtures, improvements, and additions were made, reasonable wear and tear excepted.

10.4 Coordination Fee. For all alterations performed to the Premises pursuant to this **Article 10**, Tenant shall compensate Landlord with the payment of a coordination/supervision fee of five percent (5%) of the project cost.

10.5 Bidding. Landlord shall have the right to bid on the proposed work using Landlord's vendors.

ARTICLE 11 UTILITY SERVICE

11.1 Utility Service for Building and Premises. For each year of the Term, Tenant shall pay for its pro rata share of such natural gas, sanitary sewer, and water expenses. Tenant shall be exclusively responsible for, and shall pay for all metered or allocated electrical services used in or to be supplied to the Premises. Tenant shall arrange for, and pay for, all telecommunication services, and shall have access to secured and dedicated utilities rooms for such services. Landlord shall not be liable for any failure of a utility company or governmental authority to supply such service or for any loss or damage or injury caused by or related to such service. Tenant shall provide Landlord with immediate written notice of any interruption of utility services to the Premises. In the event that utility services are interrupted to the Premises due to the fault of Landlord, Tenant shall be entitled to exercise self-help solely in order to resume such utilities services if Landlord has failed to remedy the interruption within three (3) business days following receipt of such written notice. In the event that Tenant resorts to such self-help, Landlord shall be responsible for reimbursing Tenant for all reasonable out of pocket costs resulting from Tenant exercising its self-help within thirty (30) days of receipt of invoices with appropriate back up documentation. In addition, in the event of an interruption of utility services to the Premises caused by the Landlord's conduct or negligence that lasts for more than five (5) business days and causes the Premises to be untenantable, Tenant shall be permitted to an abatement of Rent after the 5th business day until the service has been restored.

ARTICLE 12 END OF TERM

12.1 End of Term. At the end of this Lease, Tenant shall promptly quit and surrender the Premises broom-clean, in good order and repair, ordinary wear and tear excepted. If Tenant is not then in default, Tenant shall remove from the Premises any trade fixtures, equipment, and movable furniture placed in the owned by Tenant. Tenant will not remove any trade fixtures or equipment without Landlord's prior written consent if such fixtures or equipment are used in the operation of the Building, or if the removal of such fixtures or equipment will result in impairing the structural strength of the Building. Whether or not Tenant is in default, Tenant shall remove such alterations, additions, and improvements, trade fixtures, equipment, and furniture as Landlord has required to be removed pursuant to **Section 10.3** above. Tenant shall fully repair any damage occasioned by the removal of any trade fixtures, equipment, furniture, alterations, additions, and improvements. All non-fixed assets in the Premises, including trade fixtures, equipment, furniture, inventory, effects, alterations, additions, and improvements on the Premises after the end of the Term will be deemed conclusively to have been abandoned and may be appropriated, sold, stored, destroyed, or otherwise disposed of by Landlord without written notice to Tenant or any other person and without obligation to account for them. Tenant shall pay Landlord for all expenses incurred in connection with the removal of such property, including but not limited to the cost of repairing any damage to the Building or Premises caused by the removal of such property. Tenant's obligation to observe and perform this covenant will survive the expiration or other termination of this Lease.

ARTICLE 13 EMINENT DOMAIN; DAMAGE AND DESTRUCTION

13.1 Eminent Domain. In the event that all or any portion of the Premises shall be taken by any governmental authority under the exercise of its right of eminent domain or similar right (or by act in lieu thereof), all right, title and interest in and to any award granted (or sums paid in lieu thereof) shall belong entirely to Landlord and Tenant shall deliver to Landlord any award received by Tenant, if any, directly attributable to such taking. Notwithstanding the prior sentence, nothing contained herein shall preclude Tenant from seeking a separate award from the condemning authority for its relocation expenses and loss of any improvements, alterations, equipment, personal property or trade fixtures provided that the same does not diminish Landlord's award. In the event of a partial permanent taking, Rent shall be reduced as of the date of such taking by an amount which equitably reflects the portion of the Premises taken. If the taking is permanent and of such a substantial nature that Tenant cannot conduct its usual and customary operations on the Premises, Tenant shall have the option, to be exercised by notice

in writing to the Landlord within thirty (30) days after such taking, of terminating this Lease, or, if such taking be total, this Lease shall terminate upon the taking. In the event that this Lease is terminated pursuant to this **Section 13.1**, Tenant shall not have any claim against Landlord for the balance of the unexpired term of this Lease and neither party shall have any further rights or obligations hereunder except for any rights or obligations of the parties existing at the time of such termination.

13.2 Fire or Other Casualty. In the event that the Building or all or any part of the Premises shall be damaged or destroyed or rendered completely or partially untenantable on account of fire or other casualty, the Rent hereunder shall be abated in the proportion that the untenantable area of the Premises bears to the total area of the Premises, for the period from the date of the damage or destruction until the earlier of such time as (a) the Lease is terminated as permitted herein or (b) the Building and Premises (including the Tenant Improvements) are restored and Tenant can commence its normal business operations within the Premises. Following such fire or other casualty, Landlord shall be entitled to the proceeds of all applicable insurance maintained by Landlord, and shall, at its option, either (x) terminate this Lease by giving Tenant written notice thereof within forty-five (45) days from the later to occur of (i) the date of said damage or destruction or (ii) notification from a Mortgagee that it shall not permit the entire insurance proceeds required for restoration of the Building to be used for such purpose, or (y) repair or replace the Premises or the Building to substantially the same condition as prior to the damage or destruction (including the Tenant Improvements but exclusive of other alterations made by Tenant, if any). If (i) Landlord fails to commence to repair the damage or destruction to the Premises or the Building within sixty (60) days from the date of its occurrence; (ii) the Premises or the Building shall not have been substantially replaced or repaired within two hundred ten (210) days after the date of the damage or destruction; (iii) Landlord's good faith estimate of the time required to complete restoration exceeds two hundred ten (210) days after the date of the damage or destruction; or (iv) the damage or destruction occurs within the last twelve (12) months of the Term, either party may at its option, terminate this Lease by giving fifteen (15) days written notification to the other party, in which event neither party shall have any further rights or obligations hereunder, except for any rights or obligations of the parties existing at the time of such termination and Tenant shall have no claim against Landlord for compensation or damages by reason of interruption of its business through any such destruction or damage to the Premises or the Building. Following any such loss, this Lease shall continue in full force and effect unless terminated as herein provided, and Tenant shall be required to pay the Rent herein reserved (except to the extent such Rent is abated as set forth above). In the event that any damage or destruction occurs during the last twelve (12) months of the term of this Lease, to the extent of fifty (50%) percent or more of the insured value of the Building, either party may elect to terminate this Lease by giving notice of such election to the other within thirty (30) days after such damage or destruction. In such event, Landlord shall receive the proceeds of Landlord's insurance policies without obligation to rebuild or restore the Premises or the Building, and Tenant shall execute any waiver which may be required of it by any insurer or Landlord.

ARTICLE 14 ENTRY BY LANDLORD

14.1 Landlord's Right of Entry. Landlord, its agents, employees, and contractors may enter the Premises at any time in response to an emergency and at all other times at reasonable hours and upon prior notice to:

(a) inspect the Premises;

(b) exhibit the Premises to prospective purchasers, or lenders or, and during the last six (6) months of the Term, prospective tenants of the Building;

(c) determine whether Tenant is complying with all of its obligations in this Lease;

(d) supply services to be provided by Landlord to Tenant according to this Lease;

(e) post written notices of nonresponsibility or similar notices; and

(f) at any other time with Tenant's prior approval, such approval not to be unreasonably withheld.

Tenant, by this **Article 14**, waives any claim against Landlord, its agents, employees, or contractors for damages for any injury or inconvenience to or interference with Tenant's business, any loss of occupancy or quiet enjoyment of the Premises, or any other loss occasioned by any entry in accordance with this **Article 14**. Landlord will at all times have and retain a key with which to unlock all of the doors in, on or about the Premises. Landlord will have the right to use any and all means it may deem proper to open doors in and to the Premises in an emergency in order to obtain entry to the Premises, and Tenant shall indemnify and hold Landlord harmless from and against any losses, damages and expenses resulting therefrom, including, without limitation, any necessary repair expenses. Any entry to the Premises by Landlord in accordance with this **Article 14** will not be construed or deemed to be a forcible or unlawful entry into or a detainer of the Premises or an eviction, actual or constructive, of Tenant from the Premises or any portion of the Premises, nor will any such entry entitle Tenant to damages or an abatement of Base Rent, Additional Rent, or other charges that this Lease requires Tenant to pay. Landlord shall have the right of ingress and egress over driveways and parking areas to that part of the Building and the other buildings on the land which are not leased by the Tenant. Landlord shall use commercially reasonable efforts to minimize interference with Tenant's operations in the Premises during any such entry, and Tenant shall have the right to have a representative present during same.

ARTICLE 15 INDEMNIFICATION

15.1 Indemnification. Subject to the provisions of **Section 4.4** and to the extent permitted by law, except for any injury or damage to persons or property on the Premises that is caused solely by an act of Landlord, its employees, or agents, Tenant will neither hold nor attempt to hold Landlord, its employees, or agents liable for, and Tenant will indemnify and hold harmless Landlord, its employees, and agents from and against, any and all losses, demands, claims, causes of action, fines, penalties, damages (including, but not limited to consequential damages), liabilities, judgments, and expenses (including without limitation reasonable attorneys' fees and disbursements) incurred in connection with or arising from:

(a) the use or occupancy or manner of use or occupancy of the Premises by Tenant or any person claiming under Tenant, including Tenant's provision of services to third persons;

(b) any activity, work, or thing done or permitted by Tenant in or about the Premises or the Building;

(c) any breach by Tenant or its employees, agents, contractors, or invitees of this Lease; and/or

(d) any injury or damage to the person, property, or business of Tenant, its employees, agents, contractors, or invitees.

If any action or proceeding is brought against Landlord, its employees, or agents by reason of any such claim for which Tenant has agreed to indemnify Landlord, Tenant, upon written notice from Landlord, will defend the same at Tenant's expense, with counsel reasonably satisfactory to Landlord.

Tenant's indemnification obligation hereunder shall not be construed to negate, abridge, or otherwise reduce any other right or obligation of indemnity that otherwise would exist under the law of New York State, including, but not limited to General Obligations Law §5-321.

Landlord hereby agrees to indemnify, and protect and hold Tenant harmless from and against all liabilities, losses, claims, demands, costs, expenses (including reasonable attorneys' fees and expenses) and judgments of any nature, (except to the extent Tenant is compensated by insurance maintained by Landlord or Tenant hereunder and except for such of the foregoing as arise from the negligence, recklessness or willful misconduct of Tenant, including Tenant's agents), arising, or alleged to arise, from or in connection with a material breach or default in the performance of any obligation of Landlord to be performed under the terms of this Lease. Landlord will resist and defend any action, suit or proceeding brought against Tenant by reason of any such occurrence by independent counsel selected by Landlord, which is reasonably acceptable to Tenant. The obligations of Landlord under this paragraph shall survive any termination of this Lease.

ARTICLE 16 WAIVER AND RELEASE

16.1 Waiver and Release. To the extent permitted by law, Tenant, as a material part of the consideration to Landlord for this Lease, by this **Section 16.1** waives and releases all claims against Landlord, its employees, and agents with respect to all matters for which Landlord has disclaimed liability pursuant to the provisions of this Lease.

ARTICLE 17 QUIET ENJOYMENT

17.1 Covenant of Quiet Enjoyment. Landlord covenants and agrees with Tenant that so long as Tenant pays the Rent and observes and performs all the terms, covenants, and conditions of this Lease on Tenant's part to be observed and performed, Tenant may peaceably and quietly enjoy the Premises subject, nevertheless, to the terms and conditions of this Lease, and Tenant's possession will not be disturbed by anyone claiming by, through, or under Landlord.

ARTICLE 18 DEFAULT

18.1 Events of Default. The following events are referred to, collectively, as "Events of Default" or, individually, as an "Event of Default:"

(a) Tenant defaults in the due and punctual payment of Rent, and such default continues for five (5) business days after Tenant's receipt of written notice of such default from Landlord;

(b) Tenant vacates or abandons the Premises;

(c) this Lease or the Premises or any part of the Premises are taken upon execution or by other process of law directed against Tenant, or are taken upon or subject to any attachment by any creditor of Tenant or claimant against Tenant, and said attachment is not discharged or disposed of within thirty (30) days after its levy;

(d) Tenant files a petition in bankruptcy or insolvency or for reorganization or arrangement under the bankruptcy laws of the United States or under any insolvency act of any state, or admits the material allegations of any such petition by answer or otherwise, or is dissolved or makes an assignment for the benefit of creditors;

(e) involuntary proceedings under any such bankruptcy law or insolvency act or for the dissolution of Tenant are instituted against Tenant, or a receiver or trustee is appointed for all or substantially all of the property of Tenant, and such proceeding is not stayed, dismissed or such receivership or trusteeship vacated within sixty (60) days after such institution or appointment; or

(f) Tenant fails to take possession of the Premises within thirty (30) days of the Commencement Date; or

(g) Tenant breaches any of the other agreements, terms, covenants, or conditions that this Lease requires Tenant to perform and such breach continues for a period of thirty (30) days after written notice from Landlord to Tenant or, if such breach cannot be cured reasonably within such thirty (30) day period, if Tenant fails to diligently commence to cure such breach within thirty (30) days after written notice from Landlord and to complete such cure within a reasonable time thereafter.

18.2 Landlord's Remedies.

(a) If an Event of Default as set forth in**Section 18.1(a)** occurs then Landlord has the right, without further demand or notice, to commence summary proceedings in the City Court of Buffalo seeking an order of eviction permitting Landlord to reenter and take possession of the Premises or any part of the Premises, repossess the same, expel Tenant and those claiming through or under Tenant, and remove the effects of both or either, using such force for such purposes as may be necessary, without being liable for prosecution, without being deemed guilty of any manner of trespass, and without prejudice to any remedies for arrears of Rent or other amounts payable under this Lease or as a result of any preceding breach of covenants or conditions.

(b) If any one or more of the Events of Default set forth in **Section 18.1(b)-(g)** occurs then Landlord has the right, at its election:

(i) to give Tenant five (5) business days' written notice of the expiration of the Term and upon the giving of such notice and the expiration of such five (5) business day period, Tenant's right to possession of the Premises will cease and this Lease will be terminated, except as to Tenant's liability, as if the expiration of the term fixed in such notice were the end of the Term; or

(ii) without further demand or notice to cure any Event of Default and to charge Tenant for the cost of effecting such cure, including without limitation reasonable attorneys' fees and interest on the amount so advanced at the rate of eight percent (8%) per annum, provided that Landlord will have no obligation to cure any such Event of Default of Tenant. Should Landlord take possession pursuant to legal proceedings or pursuant to any notice provided by law, Landlord shall take all commercially reasonable efforts to, without terminating this Lease, relet the Premises or any part of the Premises in Landlord's or Tenant's name, but for the account of Tenant, for such term or terms (which may be greater or less than the period which would otherwise have constituted the balance of the Term) and on such conditions and upon such other terms (which may include concessions of free rent and alteration and repair of the Premises) as Landlord, in its reasonable discretion, may determine, and Landlord may collect and receive the rent, and in Landlord's sole discretion, apply such rents against the penalties, fees, and rents due to Landlord by Tenant. Landlord will in no way be responsible or liable for any failure to relet the Premises, or any part of the Premises, or for any failure to collect any rent due upon such reletting. No such reentry or taking possession of the Premises by Landlord will be construed as an election on Landlord's part to terminate this Lease unless a written notice of such intention is given to Tenant. No written notice from Landlord under this Section or under a forcible or unlawful entry and detainer statute or similar law will constitute an election by Landlord to terminate this Lease unless such notice specifically so states. Landlord reserves the right following any such reentry or reletting to exercise its right to terminate this Lease by giving Tenant such written notice, in which event this Lease will terminate as specified in such notice.

18.3 Certain Damages. In the event that Landlord does not elect to terminate this Lease as permitted in **Section 18.2**, but on the contrary elects to take possession as provided in **Section 18.2**, Tenant will pay to Landlord Rent (including any Additional Rent) and other sums as provided in this Lease that would be payable under this Lease if such repossession had not occurred, less the net proceeds, if any, of any reletting of the Premises after deducting all of Landlord's reasonable expenses in connection with such reletting, including without limitation all repossession costs, brokerage commissions, attorneys' fees, expenses of employees, alteration and repair costs, and expenses of preparation for such reletting. If, in connection with any reletting, the new lease term extends beyond the scheduled expiration of the existing Term, or the Premises covered by such new lease include other premises not part of the Premises, a fair apportionment of the rent received from such reletting and the expenses incurred in connection with such reletting as provided in this Section will be made in determining the net proceeds from such reletting, and any rent concessions will be equally apportioned over the term of the new lease. Tenant will pay such rent and other sums to Landlord on the days on which the Rent would have been payable under this Lease if possession had not been retaken, and Landlord will be entitled to receive such Rent and other sums from Tenant on each such day.

18.4 Continuing Liability After Termination. If this Lease is terminated on account of the occurrence of an Event of Default, Tenant will remain liable to Landlord for damages in an amount equal to Rent (including any Additional Rent) and other amounts that would have been owing by Tenant for the balance of the Term, had this Lease not been terminated, less the net proceeds, if any, of any reletting of the Premises by Landlord subsequent to such termination, after deducting all of Landlord's reasonable expenses in connection with such reletting in accordance with **Section 18.3**. Landlord shall be entitled to collect such reasonable damages from Tenant on the days on which Rent (including any Additional Rent) and other amounts would have been payable under this Lease if this Lease had not been terminated, and Landlord shall be entitled to receive such Rent (including any Additional Rent) and other amounts from Tenant on each such day.

18.5 Cumulative Remedies. Any suit or suits for the recovery of the amounts and damages set forth in **Sections 18.3** and **18.4** may be brought by Landlord, from time to time, at Landlord's election, and nothing in this Lease will be deemed to require Landlord to await the date upon which this Lease would have expired had there occurred no Event of Default. Each right and remedy provided for in this Lease is cumulative and is in addition to every other right or remedy provided for in this Lease now or after the Commencement Date existing at law or in equity or by statute or otherwise, and the exercise or beginning of the exercise by Landlord of any one or more of the rights or remedies provided for in this Lease now or after the Commencement Date existing at law or in equity or by statute or otherwise will not preclude the simultaneous or later exercise by Landlord of any or all other rights or remedies provided for in this Lease now or after the Commencement Date existing at law or in equity or by statute or otherwise. All costs incurred by Landlord in collecting any amounts and damages owing by Tenant pursuant to the provisions of this Lease or to enforce any provision of this Lease, including reasonable attorneys' fees from the date any such matter is turned over to an attorney, whether or not one or more actions are commenced by Landlord, will also be recoverable by Landlord from Tenant.

ARTICLE 19 SUBORDINATION

19.1 This Lease is subject and subordinate to each mortgage and all security documents which now encumber or shall hereafter encumber the Premises. This clause shall be self-operative and no further instrument of subordination need be required by any such mortgagee or Landlord. In confirmation of such subordination, Tenant shall, at Landlord's request, promptly execute any commercially reasonable certificate or instrument that Landlord may request. Landlord shall obtain from each such mortgagee commercially reasonable non-disturbance agreements to the effect that Tenant's possession of the Premises shall not be disturbed in the event of the termination of the Lease or foreclosure of such mortgage, as the case may be, provided that Tenant is not in default of any of its obligations hereunder.

ARTICLE 20 FAILURE TO INSIST ON STRICT PERFORMANCE

20.1 The failure of either party to insist, in any one or more instances, upon a strict performance of any covenant, term, provision or agreement of this Lease shall not be construed as a waiver or relinquishment thereof, but the same shall continue and remain in full force and effect, notwithstanding any law, usage or custom to the contrary. The receipt by Landlord of Rent with knowledge of the breach of any covenant or agreement hereunder shall not be deemed a waiver of the rights of Landlord with respect to such breach. No waiver by a party of any provision hereof shall be deemed to have been made unless expressed in writing and signed by the waiving party.

ARTICLE 21 MISCELLANEOUS

21.1 No Waiver. The waiver by Landlord of any agreement, condition, or provision contained in this Lease will not be deemed to be a waiver of any subsequent breach of the same or any other agreement, condition, or provision contained in this Lease, nor will any custom or practice that may grow up between the parties in the administration of the terms of this Lease be construed to waive or to lessen the right of Landlord to insist upon the performance by Tenant in strict accordance with the terms of this Lease. The subsequent acceptance of Rent by Landlord will not be deemed to be a waiver of any preceding breach by Tenant of any agreement, condition, or provision of this Lease, other than the failure of Tenant to pay the particular Rent so accepted, regardless of Landlord's knowledge of such preceding breach at the time of acceptance of such Rent.

21.2 No Merger. The voluntary or other surrender of this Lease by Tenant or the cancellation of this Lease by mutual agreement of Tenant and Landlord or the termination of this Lease on account of Tenant's default will not work a merger, and will, at Landlord's option, (a) terminate all or any subleases and subtenancies or (b) operate as an assignment to Landlord of all or any subleases or subtenancies. Landlord's option under this **Section 21.2** will be exercised by written notice to Tenant and all known subtenants or subtenants in the Premises or any part of the Premises.

21.3 Notices. Any notice, request, demand, consent, approval, or other communication required or permitted under this Lease must be in writing and will be deemed to have been given when personally delivered, sent by facsimile with receipt acknowledged (if each party has provided the other party with the correct fax number for such party), deposited with any nationally recognized overnight carrier that routinely issues receipts, or deposited in any depository regularly maintained by the United States Postal Service, postage prepaid, certified mail, return

receipt requested, addressed to the party for whom it is intended at its address set forth in **Section 1.1**. A copy of all notices to Tenant shall be sent to Lowenstein Sandler LLP, One Lowenstein Drive, Roseland, New Jersey 07068, Attention: Kimberly E. Lomot, Esq. Either Landlord or Tenant may add additional addresses or change its address for purposes of receipt of any such communication by giving ten (10) days' prior written notice of such change to the other party in the manner prescribed in this **Section 21.3**.

21.4 Severability. If any provision of this Lease proves to be illegal, invalid, or unenforceable, the remainder of this Lease will not be affected by such finding, and in lieu of each provision of this Lease that is illegal, invalid, or unenforceable a provision will be added as a part of this Lease as similar in terms to such illegal, invalid, or unenforceable provision as may be possible and be legal, valid, and enforceable.

21.5 Written Amendment Required. No amendment, alteration, modification of, or addition to this Lease will be valid or binding unless expressed in writing and signed by Landlord and Tenant. Tenant agrees to make any modifications of the terms and provisions of this Lease required or requested by any lending institution with a mortgage on the Premises.

21.6 Entire Agreement. This Lease, the Exhibits and addenda, if any, contain the entire agreement between Landlord and Tenant. No promises or representations, except as contained in this Lease, have been made to Tenant respecting the condition or the manner of operating the Premises or the Building.

21.7 Captions. The captions of the various articles and sections of this Lease are for convenience only and do not necessarily define, limit, describe, or construe the contents of such articles or sections.

21.8 Governing Law/Venue. This Lease will be governed by and construed pursuant to the laws of New York, without regard to principles of conflict of laws. Any disputes, actions, or claims arising out of this Lease shall be adjudicated in a court of competent jurisdiction located within Erie County, New York.

21.9 Binding Effect. The covenants, conditions, and agreements contained in this Lease will bind and inure to the benefit of Landlord and Tenant and their respective heirs, distributees, executors, administrators, successors, and, except as otherwise provided in this Lease, their assignees.

21.10 No Affiliation. By signing this Lease, Tenant is in no way a part of or affiliated with Landlord or Landlord's parent company, affiliates or subsidiaries. Unless otherwise agreed to in any other agreement, Tenant shall not and has no authority to, advertise in any way that it is affiliated with Landlord, or Landlord's parent company, affiliates or subsidiaries, and shall have no right to use the Buffalo Niagara Medical Campus, Inc. name or logo with any of its communications other than to say that Tenant is located on the Buffalo Niagara Medical Campus.

21.11 Counterparts. This Lease may be executed in counterparts and delivered via email or facsimile transmission, each of which shall be deemed an original and all of which shall constitute one and the same instrument.

21.12 Brokers. Each party represents and warrants to the other that it has used no broker in connection with this Lease. Landlord and Tenant hereby agree to indemnify, defend and hold the other harmless from and against any and all claims, suits, damages, liabilities, reasonable counsel fees, costs, expenses, orders and judgments imposed upon, incurred by or asserted against Landlord or Tenant by reason of the actions or inactions of the indemnifying party or a breach by the indemnifying party of the aforesaid representation and warranty.

21.13 Access Cards. Landlord shall provide "swipe" cards at the cost to Tenant of Ten U.S. Dollars ($10.00) per card, for access to the Building and/or the Premises, as applicable, to all employees of Tenant. Tenant hereby agrees that is shall only provide swipe cards to its employees and Tenant shall immediately notify Landlord in writing in the event that Tenant terminates an employee who was provided a swipe card with such written notice containing the terminated employee's name. Tenant shall be solely responsible for obtaining swipe cards from former employees and upon termination of any employee shall require the immediate return of such terminated employee's swipe card. Landlord shall have no liability for Tenant's failure to abide by the terms of this **Section 21.13** and such obligation shall survive the termination of this Lease.

21.14 Employment Reporting. Tenant agrees to execute and deliver to Landlord by January 31st of each year during the Term of this Lease, a Report of Employment in form substantially similar to that in Exhibit B attached hereto along with a copy of its FormNYS-45, Quarterly Combined Withholding Wage Reporting and Unemployment Insurance Report and NYS-45-ATT, Quarterly Combined Withholding Wage Reporting and Unemployment Insurance Return – Attachment, both of which are required to be provided by Landlord to New York State Urban Development Corporation d/b/a Empire State Development.

[Signature Page Follows]

IN WITNESS WHEREOF, Landlord and Tenant have executed this Lease as of the day and year first above written.

LANDLORD: INNOVATION CENTER ANNEX, LLC

By: */s/ Matthew K. Enstice*
Buffalo Niagara Medical Campus, Inc., Member, by
Matthew K. Enstice, Executive Director

TENANT: ACV AUCTIONS INC.

By: */s/ Craig Anderson*
Name: Craig Anderson
Title: Chief Corp Dev & Legal Officer

[Signature Page to Lease Agreement]

EXHIBIT A
BUILDING FLOOR PLAN

See attached.

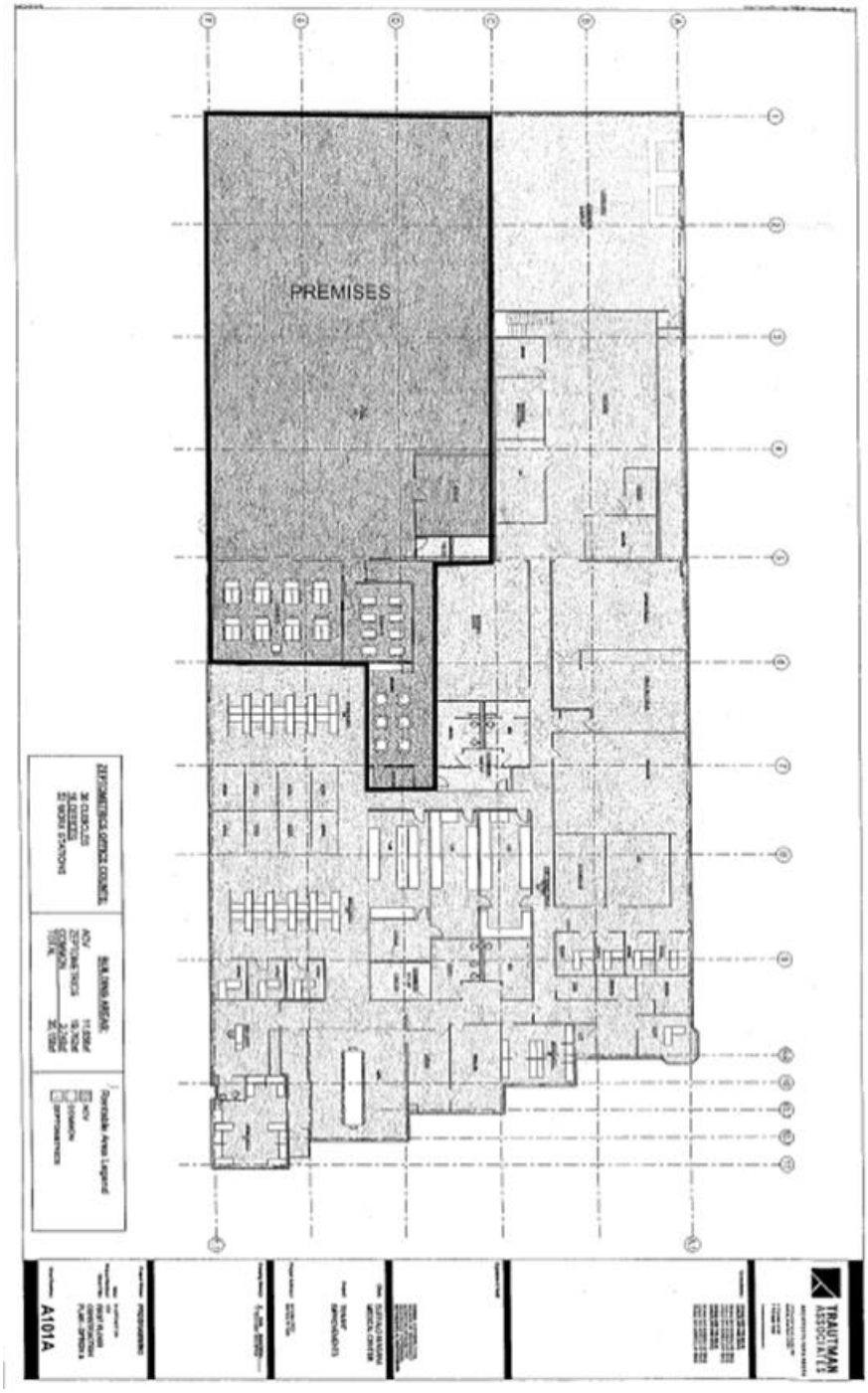
PREMISES
TRAUTMAN ASSOCIATES
A101A

EXHIBIT B
REPORT OF EMPLOYMENT

See attached.

EXHIBIT D: REPORT OF EMPLOYMENT

TO: 640 Ellicott Street, LLC
640 Ellicott Street, Suite 400
Buffalo, NY 14203

FROM: Tenant Name: ACV Auctions Inc.
Address: 640 Ellicott Street, Buffalo, New York 14203 Phone: _____
Federal Taxpayer ID #: _____

Complete EITHER Table A (as Annual Report) OR Table B (with every Payment Request)

FULL-TIME PERMANENT EMPLOYEES

NOTE: If these reported employment figures vary in a material respect from those reported to the New York State Department of Labor (DOL) on Form NYS-45, please attach an explanation identifying reasons for any difference.

For purposes of this Agreement, a **Full-time Permanent Employee shall mean**

(a) a full-time, permanent, private-sector employee on the Tenant's payroll, who has worked at the Premises for a minimum of thirty-five hours per week for not less than four consecutive weeks and who is entitled to receive the usual and customary fringe benefits extended by Tenant to other employees with comparable rank and duties; or

(b) two part-time, permanent, private-sector employees on Tenant's payroll, who have worked at the Premises for a combined minimum of thirty-five hours per week for not less than four consecutive weeks and who are entitled to receive the usual and customary fringe benefits extended by Tenant to other employees with comparable rank and duties.

Table A: Annual Report due every February 1 for prior calendar year

	As of Grantee's last payroll date on or prior to the end of the designated quarter				ANNUAL AVERAGE (Based on the four quarterly numbers)
FULL-TIME PERMANENT EMPLOYEES	March 31, 20__	June 30, 20__	Sept. 30, 20__	Dec. 31, 20__	
At Premises					
At Other New York Locations (if applicable)					

Table B: With every Payment Request

FULL-TIME PERMANENT EMPLOYEES	as of __/__/__ (date of request)
At Premises	
At Other New York Locations (if applicable)	

The information included herein is correct to the best of my knowledge and belief.

Signature: _____ Date: _____

Print Name and Title: _____

Any false statement herein may cause the borrower or grantee to be in default under its grant disbursement agreement with ESDC.

SIDE LETTER AGREEMENT

This Side Letter Agreement (this "***Agreement***"), effective as of the eighteenth day of November, 2019 (the "***Effective Date***"), is by and between Innovation Center Annex, LLC, a New York limited liability company with offices at 640 Ellicott Street, Suite 401, Buffalo, New York 14203 ("***Landlord***") and ACV Auctions Inc.a Delaware corporation with offices at 640 Ellicott Street, Buffalo, New York 14203 ("***Tenant***").Capitalized terms used herein but not defined shall have the meaning set forth in the lease agreement dated as of September 26, 2019 by and between Landlord and Tenant (the "***Lease***").

WHEREAS, pursuant to the Lease, Landlord leases to Tenant approximately 13,050 rentable square feet on the first floor of the building located at 847 Main Street, Buffalo, New York; and

WHEREAS, pursuant to Section 10.2 of the Lease, prior to the commencement of the work related to the Tenant Improvements at the Premises, Landlord and Tenant agreed to approve the estimated costs, the construction plans, and construction schedule related to the Tenant Improvements.

NOW, THEREFORE, in consideration of the mutual promises contained in the Leases and for other good and valuable consideration, the receipt and sufficiency of which are hereby acknowledged, and intending to be bound hereby, the parties hereto agree as follows:

1. Estimated Total Cost of Tenant Improvements. The total cost (the "***Total Cost***") of the Tenant Improvements to the Premises is estimated to equal One Hundred Seventy-Seven Thousand, One Hundred and Thirty-Seven dollars **($177,137**).

2. Approved Plans. The plans attached hereto as**Exhibit A** are hereby approved by the parties.

3. Approved Construction Schedule. The construction schedule attached hereto as Exhibit B is hereby approved by the parties.

4. Acknowledgment. Tenant hereby acknowledges and agrees that in accordance with Section 10.2 of the Lease, Tenant shall be solely responsible for the amount of the Tenant Improvements set forth above which amount shall be considered Additional Rent and be paid by Tenant in accordance with the terms of the Lease.

5. Adjustment to Total Cost. The parties agree that if during the performance of the Tenant Improvements the actual costs for the Tenant Improvements deviate from the estimated costs set forth above, Tenant shall be solely responsible for such excess costs and the parties shall sign an amendment to this Agreement memorializing their approval of such change.

This Agreement may be executed in any number of counterparts, each of which when so executed and delivered shall be deemed an original, and such counterparts together shall constitute only one original.

[Signature Page Follows]

IN WITNESS WHEREOF, the parties have executed this Agreement on the date set forth above.

INNOVATION CENTER ANNEX, LLC

By: */s/ Matthew K. Enstice*
Buffalo Niagara Medical Campus, Inc.,
Member, by Matthew K. Enstice, Executive Director

ACV AUCTIONS INC.

By: */s/ Craig Anderson*
Name: Craig Anderson
Title: Chief Corp. Dev. & Legal Officer

Exhibit A

Approved Plans

Trautman Associates Permit Set dated 10/15/19 including:

A001
A100
A101
A121
A400
P101
FP101
M101
E001
E101

With the following tenant requested cost saving alterations to Permit Set:

- A001
  - Door frames and hardware to be supplied by Owner via attic stock.
  - Delete wall type #3.Type 3 walls to receive level 4 finish as directed per general note #18
- A100
  - Delete note D3 in Training Room A.VCT is now existing to remain
  - Wall type 3 deleted
- A101
  - Bollards to be floor mounted. Light gauge steel, factory finished
  - North wall at end of kitchenette is not to be constructed
- Al21
  - Ultima Square Lay in tile are void
- A400
  - Existing VCT to remain in Training Room A
  - Owner supplied LVT to be installed in kitchen
- M101
  - Delete VRF system
  - All main duct runs to remain with new flex duct as required
- E201
  - Reuse existing florescent lights

Exhibit B
Approved Construction Schedule

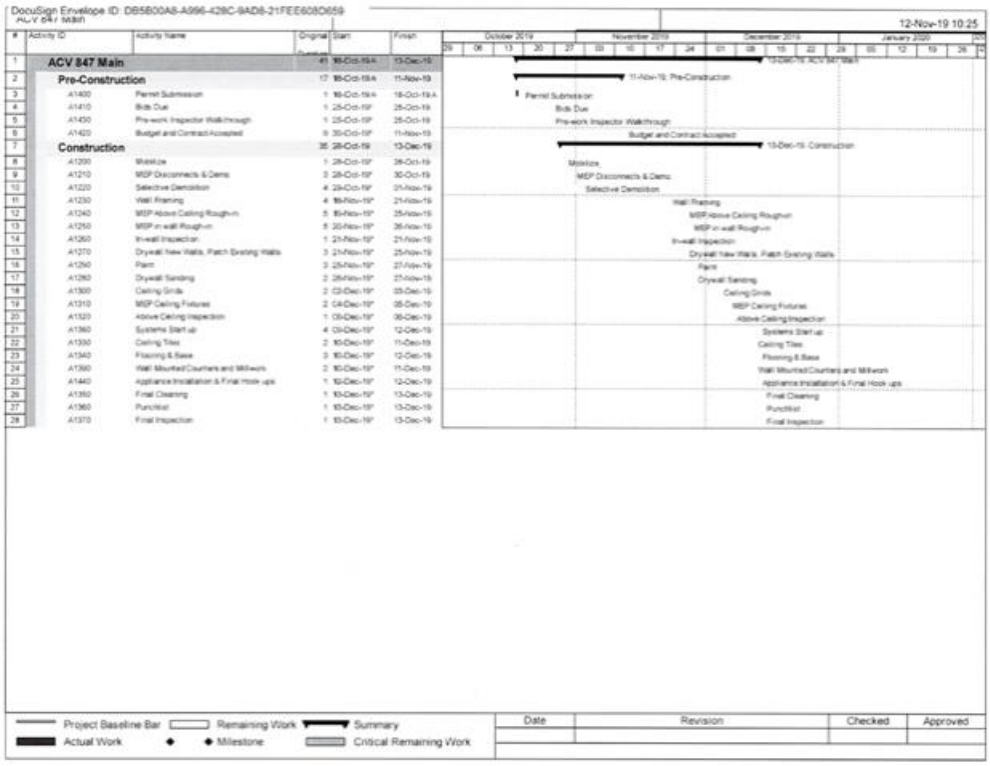

Exhibit 21.1

SUBSIDIARIES

Name	Jurisdiction of Formation
Imperial Acquisition LLC	Delaware
True Partners USA LLC	Florida
1208643 B.C. LTD.	British Columbia (Canada)
ACV Transportation LLC	Delaware
ACV Capital LLC	Delaware
ACV Capital Funding LLC	Delaware

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the reference to our firm under the caption “Experts” and to the use of our report dated February 26, 2021, in the Registration Statement on Form S-1 and related Prospectus of ACV Auctions Inc. for the registration of shares of its common stock.

/s/ Ernst & Young LLP

New York, New York
February 26, 2021