

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

**FORM 8-K**

**CURRENT REPORT**

**Pursuant to Section 13 or 15(d) of  
the Securities Exchange Act of 1934**

**Date of Report (Date of earliest event reported): July 26, 2022**

**ZENDESK, INC.**

(Exact name of Registrant as Specified in Its Charter)

Delaware  
(State or Other Jurisdiction  
of Incorporation)

001-36456  
(Commission  
File Number)

26-4411091  
(IRS Employer Identification No.)

989 Market Street

San Francisco, California  
(Address of Principal Executive Offices)

California

94103  
(Zip Code)

Registrant's Telephone Number, Including Area Code: (415) 418-7506  
(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions:

- Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)
- Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)
- Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))
- Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Securities registered pursuant to Section 12(b) of the Act

<u>Title of each class</u>	<u>Trading symbol(s)</u>	<u>Name of each exchange on which registered</u>
Common Stock, par value \$0.01 per share	ZEN	New York Stock Exchange

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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 13(a) of the Exchange Act.

**Item 2.02. Results of Operations and Financial Condition.**

On July 28, 2022, Zendesk, Inc. (the “Company”) issued a press release announcing its results for the quarter ended June 30, 2022. A copy of the press release is attached as Exhibit 99.1 to this Current Report on Form 8-K and is incorporated herein by reference.

The information in this Item 2.02 (including Exhibit 99.1) shall not be deemed “filed” for purposes of Section 18 of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), or otherwise subject to the liabilities of that section, nor shall it be deemed incorporated by reference in any filing under the Securities Act of 1933, as amended (the “Securities Act”), or the Exchange Act, regardless of any general incorporation language in such filing.

**Item 5.02. Departure of Directors or Certain Officers; Election of Directors; Appointment of Certain Officers; Compensatory; Arrangements of Certain Officers.**

On July 26, 2022, the Company and Alex Constantinople entered into a Transition and Separation Agreement and Release (the “Transition Agreement”), under which Ms. Constantinople will continue to serve in her role as Chief Marketing Officer of Zendesk through September 30, 2022 (or such earlier date as the company may determine), at which time Ms. Constantinople’s employment with the company will end. In consideration of the foregoing, and subject to execution of a release of claims at the end of employment, Ms. Constantinople will receive: (a) a lump sum cash payment equal to approximately \$210,000 (six months of her current base salary), (b) immediate vesting of any then- unvested stock options and time-vesting restricted stock unit awards (excluding the award granted to her June 23, 2022) that are otherwise scheduled to vest on or before March 31, 2023, and (c) a prorated portion of her target bonus for the nine-month period of service during the fiscal year equal to approximately \$189,000 (paid at such time as annual bonuses are payable). In addition, the Company has waived an obligation that Ms. Constantinople otherwise has to repay an amount equal to approximately \$170,000, representing a portion of the signing bonus she received when she commenced employment with the company in 2021. By entering into this Transition Agreement, Ms. Constantinople ceases to be eligible to receive any payments or benefits under any other severance or equity acceleration plans of the Company.

**Item 9.01. Financial Statements and Exhibits.**

(d) Exhibits

99.1 [Press Release issued by Zendesk, Inc., dated July 28, 2022.](#)

99.2 [Transition and Separation Agreement and Release, dated as of July 26, 2022, between Zendesk, Inc. and Alex Constantinople.](#)

104 Cover Page Interactive Data File (embedded within the Inline XBRL document)

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**SIGNATURES**

Pursuant to the requirements of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned thereunto duly authorized.

Zendesk, Inc.  
(Registrant)

By: /s/ Shelagh Glaser  
Chief Financial Officer  
(Principal Financial Officer)

July 28, 2022

**ZENDESK ANNOUNCES SECOND QUARTER 2022 RESULTS****Highlights:**

- Second quarter revenue increased 28% year-over-year to \$407.2 million
- Second quarter GAAP operating loss of \$92.5 million and non-GAAP operating income of \$23.6 million
- GAAP operating loss includes real estate impairments of \$24.9 million and merger-related costs and other expenses of \$12.2 million

SAN FRANCISCO – July 28, 2022 – Zendesk, Inc. (NYSE: ZEN) today reported financial results for the second quarter ended June 30, 2022.

**Results for the Second Quarter 2022**

Revenue was \$407.2 million for the quarter ended June 30, 2022, an increase of 28% over the prior year period. GAAP net loss for the quarter ended June 30, 2022 was \$95.1 million, and GAAP net loss per share (basic and diluted) was \$0.77. Non-GAAP net income was \$18.8 million, and non-GAAP net income per share was \$0.15 (basic) and \$0.14 (diluted). Non-GAAP net income excludes approximately \$75.7 million in share-based compensation and related expenses (including \$1.9 million of employer tax related to employee stock transactions and \$0.4 million of amortization of share-based compensation capitalized in internal-use software), \$24.9 million of real estate impairments, \$12.2 million of merger-related costs and other expenses, \$1.8 million of amortization of purchased intangibles, \$1.4 million of acquisition-related expenses, \$1.2 million of amortization of debt issuance costs, and includes non-GAAP income tax effects and adjustments of \$3.4 million. GAAP net loss per share for the quarter ended June 30, 2022 was based on 122.8 million weighted average shares outstanding (basic and diluted), and non-GAAP net income per share for the quarter ended June 30, 2022 was based on 122.8 million weighted average shares outstanding (basic) and 138.0 million weighted average shares outstanding (diluted).

**Transaction with Private Equity Consortium**

Due to Zendesk's pending acquisition by an investor group led by leading investment firms Hellman & Friedman LLC and Permira Advisers LLC that was announced on June 24, 2022, the Company will not be holding a conference call or live webcast to discuss Zendesk's financial results for the second quarter ended June 30, 2022, or provide a Shareholder Letter for such period. In addition, the Company will not be providing financial guidance for the quarter ending September 30, 2022 and is suspending its financial guidance for the year ending December 31, 2022 in light of the pending transaction.

**About Zendesk**

Zendesk started the customer experience revolution in 2007 by enabling any business around the world to take their customer service online. Today, Zendesk is the champion of great service everywhere for everyone, and powers billions of conversations, connecting more than 100,000 brands with hundreds of millions of customers over telephony, chat, email, messaging, social channels, communities, review sites and help centers. Zendesk products are built with love to be loved. The company was conceived in Copenhagen, Denmark, built and grown in California, taken public in New York City, and today employs more than 6,000 people across the world. Learn more at [www.zendesk.com](http://www.zendesk.com).

References to Zendesk, the "Company," "our," or "we" in this press release refer to Zendesk, Inc. and its subsidiaries on a consolidated basis.

**Forward-Looking Statements**

This press release contains forward-looking statements, including, among other things, statements regarding Zendesk's future financial performance, its continued investment to grow its business, progress toward its long-term financial objectives, and the proposed transaction. Words such as "may," "should," "will," "believe," "expect," "anticipate," "target," "project," and similar phrases that denote future expectation or intent regarding Zendesk's financial results, operations, and other matters are intended to identify forward-looking statements. You should not rely upon forward-looking statements as predictions of future events.

The outcome of the events described in these forward-looking statements is subject to known and unknown risks, uncertainties, and other factors that may cause Zendesk's actual results, performance, or achievements to differ materially, including (i) Zendesk's ability to adapt its products to changing market dynamics and customer preferences or achieve increased market

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acceptance of its products; (ii) the intensely competitive market in which Zendesk operates; (iii) the development of the market for software as a service business software applications; (iv) Zendesk's substantial reliance on its customers renewing their subscriptions and purchasing additional subscriptions; (v) Zendesk's ability to effectively market and sell its products to larger enterprises; (vi) Zendesk's ability to develop or acquire and market new products and to support its products on a unified, reliable shared services platform; (vii) Zendesk's reliance on third-party services, including services for hosting, email, and messaging; (viii) Zendesk's ability to retain key employees and attract qualified personnel, particularly in the primary regions Zendesk operates; (ix) Zendesk's ability to effectively manage its growth and organizational change, including its international expansion strategy; (x) Zendesk's expectation that the future growth rate of its revenues will decline, and that, as its costs increase, Zendesk may not be able to generate sufficient revenues to achieve or sustain profitability; (xi) Zendesk's ability to integrate acquired businesses and technologies successfully or achieve the expected benefits of such acquisitions; (xii) real or perceived errors, failures, or bugs in Zendesk's products; (xiii) potential service interruptions or performance problems associated with Zendesk's technology and infrastructure; (xiv) Zendesk's ability to securely maintain customer data and prevent, mitigate, and respond effectively to both historical and future data breaches; (xv) Zendesk's ability to comply with privacy and data security regulations; (xvi) Zendesk's ability to optimize the pricing for its solutions; (xvii) other adverse changes in general economic or market conditions; and (xviii) known and unknown risks, uncertainties, and other factors related to the proposed transaction, including: the timing, receipt and terms and conditions of any required governmental and regulatory approvals of the proposed transaction that could reduce anticipated benefits or cause the parties to abandon the proposed transaction; the occurrence of any event, change or other circumstances that could give rise to the termination of the merger agreement entered into pursuant to the proposed transaction; the possibility that Zendesk stockholders may not approve the proposed transaction; the risk that the parties to the merger agreement may not be able to satisfy the conditions to the proposed transaction in a timely manner or at all; risks related to disruption of management time from ongoing business operations due to the proposed transaction; the risk that any announcements relating to the proposed transaction could have adverse effects on the market price of Zendesk's common stock; the risk of any unexpected costs or expenses resulting from the proposed transaction; the risk of any litigation relating to the proposed transaction; the risk that the proposed transaction and its announcement could have an adverse effect on the ability of Zendesk to retain customers and retain and hire key personnel and maintain relationships with customers, suppliers, employees, stockholders and other business relationships and on its operating results and business generally; and the risk the pending proposed transaction could distract management of Zendesk.

The forward-looking statements contained in this press release are also subject to additional risks, uncertainties, and factors, including those more fully described in Zendesk's filings with the Securities and Exchange Commission, including its Annual Report on Form 10-K for the year ended December 31, 2021. Further information on potential risks that could affect actual results will be included in the subsequent periodic and current reports and other filings that Zendesk makes with the Securities and Exchange Commission from time to time, including its Quarterly Report on Form 10-Q for the quarter ended June 30, 2022.

Forward-looking statements represent Zendesk's management's beliefs and assumptions only as of the date such statements are made. Zendesk undertakes no obligation to update any forward-looking statements made in this press release to reflect events or circumstances after the date of this press release or to reflect new information or the occurrence of unanticipated events, except as required by law.

#### **Additional Information and Where to Find It**

This communication relates to the proposed transaction involving Zendesk, Inc. ("Zendesk"). In connection with the proposed transaction, Zendesk has filed with the U.S. Securities and Exchange Commission (the "SEC") a preliminary proxy statement on Schedule 14A. The definitive proxy statement (the "Proxy Statement") will be mailed to Zendesk's stockholders when available. This communication is not a substitute for the Proxy Statement or for any other document that Zendesk may file with the SEC and send to its stockholders in connection with the proposed transaction. The proposed transaction will be submitted to Zendesk's stockholders for their consideration. Before making any voting decision, Zendesk's stockholders are urged to read all relevant documents filed or to be filed with the SEC, including the Proxy Statement, as well as any amendments or supplements to those documents, when they become available because they will contain important information about the proposed transaction.

Zendesk's stockholders will be able to obtain a free copy of the Proxy Statement, as well as other filings containing information about Zendesk, without charge, at the SEC's website ([www.sec.gov](http://www.sec.gov)). Copies of the Proxy Statement and the filings with the SEC that will be incorporated by reference therein can also be obtained, without charge, by directing a request to Zendesk, Inc., 989 Market Street, San Francisco, CA 94103, Attention: Investor Relations, email: [ir@zendesk.com](mailto:ir@zendesk.com), or from Zendesk's website [www.zendesk.com](http://www.zendesk.com).

#### **Participants in the Solicitation**

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Zendesk and certain of its directors, executive officers and employees may be deemed to be participants in the solicitation of proxies in respect of the proposed transaction. Information regarding Zendesk's directors and executive officers is available in Zendesk's proxy statement on Schedule 14A for the 2022 annual meeting of stockholders, which was filed with the SEC on July 11, 2022. Other information regarding the participants in the proxy solicitation and a description of their direct and indirect interests, by security holdings or otherwise, will be contained in the Proxy Statement and other relevant materials to be filed with the SEC in connection with the proposed transaction when they become available. Free copies of the Proxy Statement and such other materials may be obtained as described in the preceding paragraph.

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**Condensed Consolidated Statements of Operations**

(In thousands, except per share data; unaudited)

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
Revenue	\$ 407,208	\$ 318,216	\$ 795,535	\$ 616,264
Cost of revenue	82,790	66,743	158,468	127,637
Gross profit	324,418	251,473	637,067	488,627
Operating expenses:				
Research and development	110,539	82,826	218,616	156,609
Sales and marketing	209,160	165,250	410,820	322,768
General and administrative	97,210	45,818	160,748	88,951
Total operating expenses	416,909	293,894	790,184	568,328
Operating loss	(92,491)	(42,421)	(153,117)	(79,701)
Other income (expense), net:				
Interest expense	(3,121)	(14,591)	(6,242)	(29,006)
Interest and other income (expense), net	2,094	960	2,932	6,044
Total other income (expense), net	(1,027)	(13,631)	(3,310)	(22,962)
Loss before provision for income taxes	(93,518)	(56,052)	(156,427)	(102,663)
Provision for income taxes	1,564	2,355	5,601	4,709
Net loss	\$ (95,082)	\$ (58,407)	\$ (162,028)	\$ (107,372)
Net loss per share, basic and diluted	\$ (0.77)	\$ (0.49)	\$ (1.32)	\$ (0.91)
Weighted-average shares used to compute net loss per share, basic and diluted	122,841	119,050	122,404	118,484

**Condensed Consolidated Balance Sheets**

(In thousands, except par value; unaudited)

	June 30, 2022	December 31, 2021
<b>Assets</b>		
Current assets:		
Cash and cash equivalents	\$ 567,980	\$ 476,103
Marketable securities	590,263	539,780
Accounts receivable, net of allowance for credit losses of \$5,742 and \$6,190 as of June 30, 2022 and December 31, 2021, respectively	258,127	273,898
Deferred costs	82,497	72,042
Prepaid expenses and other current assets	71,514	56,809
Total current assets	1,570,381	1,418,632
Marketable securities, noncurrent	473,949	559,652
Property and equipment, net	90,955	97,815
Deferred costs, noncurrent	78,266	72,553
Lease right-of-use assets	48,259	69,936
Goodwill and intangible assets, net	193,610	197,098
Other assets	36,689	35,593
<b>Total assets</b>	<b>\$ 2,492,109</b>	<b>\$ 2,451,279</b>
<b>Liabilities and stockholders' equity</b>		
Current liabilities:		
Accounts payable	\$ 70,682	\$ 49,213
Accrued liabilities	56,562	50,075
Accrued compensation and related benefits	105,297	138,127
Deferred revenue	563,873	512,933
Lease liabilities	21,977	21,253
Current portion of convertible senior notes, net	148,687	139,738
Total current liabilities	967,078	911,339
Convertible senior notes, net	1,137,424	979,350
Deferred revenue, noncurrent	6,326	4,277
Lease liabilities, noncurrent	51,727	63,212
Other liabilities	2,733	3,883
Total liabilities	2,165,288	1,962,061
Stockholders' equity:		
Preferred stock, par value \$0.01 per share	—	—
Common stock, par value \$0.01 per share	1,232	1,215
Additional paid-in capital	1,568,922	1,637,157
Accumulated other comprehensive loss	(22,176)	(8,911)
Accumulated deficit	(1,221,157)	(1,140,243)
Total stockholders' equity	326,821	489,218
<b>Total liabilities and stockholders' equity</b>	<b>\$ 2,492,109</b>	<b>\$ 2,451,279</b>

## Condensed Consolidated Statements of Cash Flows

(In thousands; unaudited)

	Three Months Ended June 30,	
	2022	2021
<b>Cash flows from operating activities</b>		
Net loss	\$ (95,082)	\$ (58,407)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization	9,340	9,108
Share-based compensation	73,359	56,694
Amortization of deferred costs	21,719	16,185
Amortization of debt discount and issuance costs	1,225	12,694
Real estate impairments	24,908	—
Allowance for credit losses on accounts receivable	1,668	1,327
Other, net	1,750	1,088
Changes in operating assets and liabilities:		
Accounts receivable	(39,312)	(27,868)
Prepaid expenses and other current assets	3,576	(1,272)
Deferred costs	(30,087)	(32,267)
Lease right-of-use assets	3,956	4,354
Other assets and liabilities	(491)	(2,166)
Accounts payable	39,961	(420)
Accrued liabilities	(2,352)	(483)
Accrued compensation and related benefits	(6,320)	14,152
Deferred revenue	44,351	45,720
Lease liabilities	(3,144)	(11,561)
<b>Net cash provided by operating activities</b>	<b>49,025</b>	<b>26,878</b>
<b>Cash flows from investing activities</b>		
Purchases of property and equipment	(5,412)	(2,896)
Internal-use software development costs	(2,880)	(3,070)
Purchases of marketable securities	(198,582)	(199,540)
Proceeds from maturities of marketable securities	147,330	182,044
Proceeds from sales of marketable securities	74,847	20,462
Purchases of strategic investments	(1,000)	—
<b>Net cash provided by (used in) investing activities</b>	<b>14,303</b>	<b>(3,000)</b>
<b>Cash flows from financing activities</b>		
Proceeds from exercises of employee stock options	1,414	11,204
Proceeds from employee stock purchase plan	10,209	11,594
Taxes paid related to net share settlement of share-based awards	(2,263)	(3,502)
<b>Net cash provided by financing activities</b>	<b>9,360</b>	<b>19,296</b>
Effect of exchange rate changes on cash, cash equivalents and restricted cash	77	(11)
Net increase in cash, cash equivalents and restricted cash	72,765	43,163
Cash, cash equivalents and restricted cash at beginning of period	496,929	380,085
<b>Cash, cash equivalents and restricted cash at end of period</b>	<b>\$ 569,694</b>	<b>\$ 423,248</b>

## Non-GAAP Results

(In thousands, except per share data)

The following table shows Zendesk's GAAP results reconciled to non-GAAP results included in this release.

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Reconciliation of gross profit and gross margin</b>				
GAAP gross profit	\$ 324,418	\$ 251,473	\$ 637,067	\$ 488,627
Plus: Share-based compensation	6,982	5,218	13,159	9,704
Plus: Employer tax related to employee stock transactions	139	327	386	780
Plus: Amortization of purchased intangibles	1,177	1,136	2,355	2,355
Plus: Acquisition-related expenses	—	55	—	124
Plus: Amortization of share-based compensation capitalized in internal-use software	413	387	837	771
Non-GAAP gross profit	\$ 333,129	\$ 258,596	\$ 653,804	\$ 502,361
GAAP gross margin	80 %	79 %	80 %	79 %
Non-GAAP adjustments	2 %	2 %	2 %	3 %
Non-GAAP gross margin	82 %	81 %	82 %	82 %
<b>Reconciliation of operating expenses</b>				
GAAP research and development	\$ 110,539	\$ 82,826	\$ 218,616	\$ 156,609
Less: Share-based compensation	(20,482)	(17,024)	(39,769)	(32,697)
Less: Employer tax related to employee stock transactions	(653)	(1,082)	(1,535)	(2,509)
Less: Acquisition-related expenses	(1,299)	(811)	(2,637)	(1,779)
Less: Amortization of share-based compensation capitalized in internal-use software	(17)	(17)	(34)	(34)
Non-GAAP research and development	\$ 88,088	\$ 63,892	\$ 174,641	\$ 119,590
GAAP research and development as percentage of revenue	27 %	26 %	27 %	25 %
Non-GAAP research and development as percentage of revenue	22 %	20 %	22 %	19 %
GAAP sales and marketing	\$ 209,160	\$ 165,250	\$ 410,820	\$ 322,768
Less: Share-based compensation	(31,120)	(24,501)	(57,920)	(47,733)
Less: Employer tax related to employee stock transactions	(992)	(1,385)	(2,188)	(3,454)
Less: Amortization of purchased intangibles	(642)	(642)	(1,284)	(1,284)
Less: Acquisition-related expenses	(1)	(64)	(374)	(112)
Non-GAAP sales and marketing	\$ 176,405	\$ 138,658	\$ 349,054	\$ 270,185
GAAP sales and marketing as percentage of revenue	51 %	52 %	52 %	52 %
Non-GAAP sales and marketing as percentage of revenue	43 %	44 %	44 %	44 %
GAAP general and administrative	\$ 97,210	\$ 45,818	\$ 160,748	\$ 88,951
Less: Share-based compensation	(14,775)	(9,951)	(26,449)	(18,934)
Less: Employer tax related to employee stock transactions	(135)	(1,124)	(980)	(2,288)
Less: Acquisition-related expenses	(122)	(141)	(9,846)	(463)
Less: Real estate impairments	(24,908)	(1,176)	(24,908)	(1,176)
Less: Merger-related costs and other expenses	(12,213)	—	(12,213)	—
Non-GAAP general and administrative	\$ 45,057	\$ 33,426	\$ 86,352	\$ 66,090
GAAP general and administrative as percentage of revenue	24 %	14 %	20 %	14 %
Non-GAAP general and administrative as percentage of revenue	11 %	11 %	11 %	11 %
<b>Reconciliation of operating income (loss) and operating margin</b>				
GAAP operating loss	\$ (92,491)	\$ (42,421)	\$ (153,117)	\$ (79,701)
Plus: Share-based compensation	73,359	56,694	137,297	109,068
Plus: Employer tax related to employee stock transactions	1,919	3,918	5,089	9,031
Plus: Amortization of purchased intangibles	1,819	1,778	3,639	3,639
Plus: Acquisition-related expenses	1,422	1,071	12,857	2,478
Plus: Amortization of share-based compensation capitalized in internal-use software	430	404	871	805
Plus: Real estate impairments	24,908	1,176	24,908	1,176
Plus: Merger-related costs and other expenses	12,213	—	12,213	—
Non-GAAP operating income	\$ 23,579	\$ 22,620	\$ 43,757	\$ 46,496
GAAP operating margin	(23)%	(13)%	(19)%	(13)%
Non-GAAP adjustments	29 %	20 %	25 %	21 %
Non-GAAP operating margin	6 %	7 %	6 %	8 %

	Three Months Ended June 30,		Six Months Ended June 30,	
	2022	2021	2022	2021
<b>Reconciliation of net income (loss)</b>				
GAAP net loss	\$ (95,082)	\$ (58,407)	\$ (162,028)	\$ (107,372)
Plus: Share-based compensation	73,359	56,694	137,297	109,068
Plus: Employer tax related to employee stock transactions	1,919	3,918	5,089	9,031
Plus: Amortization of purchased intangibles	1,819	1,778	3,639	3,639
Plus: Acquisition-related expenses	1,422	1,071	12,857	2,478
Plus: Amortization of share-based compensation capitalized in internal-use software	430	404	871	805
Plus: Real estate impairments	24,908	1,176	24,908	1,176
Plus: Merger-related costs and other expenses	12,213	—	12,213	—
Plus: Amortization of debt discount and issuance costs	1,225	12,695	2,446	25,220
Less: Income tax effects and adjustments	(3,429)	(2,198)	(3,406)	(5,529)
Non-GAAP net income	\$ 18,784	\$ 17,131	\$ 33,886	\$ 38,516
<b>Reconciliation of net income (loss) per share, basic</b>				
GAAP net loss per share, basic	\$ (0.77)	\$ (0.49)	\$ (1.32)	\$ (0.91)
Non-GAAP adjustments to net loss	0.92	0.63	1.60	1.24
Non-GAAP net income per share, basic	\$ 0.15	\$ 0.14	\$ 0.28	\$ 0.33
<b>Reconciliation of net income (loss) per share, diluted</b>				
GAAP net loss per share, diluted	\$ (0.77)	\$ (0.49)	\$ (1.32)	\$ (0.91)
Non-GAAP adjustments to net loss	0.91	0.62	1.59	1.21
Non-GAAP net income per share, diluted	\$ 0.14	\$ 0.13	\$ 0.27	\$ 0.30
Weighted-average shares used in GAAP per share calculation, basic and diluted	122,841	119,050	122,404	118,484
Weighted-average shares used in non-GAAP per share calculation				
Basic	122,841	119,050	122,404	118,484
Diluted <sup>(1)</sup>	137,969	127,515	127,100	127,384
<b>Computation of free cash flow</b>				
Net cash provided by operating activities	\$ 49,025	\$ 26,878	\$ 60,237	\$ 60,473
Less: Purchases of property and equipment	(5,412)	(2,896)	(12,850)	(5,957)
Less: Internal-use software development costs	(2,880)	(3,070)	(5,896)	(7,538)
Free cash flow	\$ 40,733	\$ 20,912	\$ 41,491	\$ 46,978
Net cash provided by operating activities margin	12 %	8 %	8 %	10 %
Non-GAAP adjustments	(2)%	(1)%	(3)%	(2)%
Free cash flow margin	10 %	7 %	5 %	8 %

<sup>(1)</sup> In the first quarter of 2022, we adopted ASU 2020-06, which simplifies the accounting for convertible debt. Under the new standard, companies are required to use the if-converted method for calculating diluted EPS instead of the treasury stock method. For the six months ended June 30, 2022, approximately 11 million shares related to our 2025 convertible notes were excluded from the non-GAAP diluted share amount, as the inclusion of these shares using the if-converted method would have been anti-dilutive.

## About Non-GAAP Financial Measures

To provide investors and others with additional information regarding Zendesk's results, the following non-GAAP financial measures were disclosed: non-GAAP gross profit and gross margin, non-GAAP operating expenses, non-GAAP operating income (loss) and operating margin, non-GAAP net income (loss), non-GAAP net income (loss) per share, basic and diluted, free cash flow, and free cash flow margin.

Specifically, Zendesk excludes the following from its historical and prospective non-GAAP financial measures, as applicable:

*Share-Based Compensation and Amortization of Share-Based Compensation Capitalized in Internal-Use Software:* Zendesk utilizes share-based compensation to attract and retain employees. It is principally aimed at aligning their interests with those of its stockholders and at long-term retention, rather than to address operational performance for any particular period. As a result, share-based compensation expenses vary for reasons that are generally unrelated to financial and operational performance in any particular period.

*Employer Tax Related to Employee Stock Transactions:* Zendesk views the amount of employer taxes related to its employee stock transactions as an expense that is dependent on its stock price, employee exercise and other award disposition activity, and other factors that are beyond Zendesk's control. As a result, employer taxes related to its employee stock transactions vary for reasons that are generally unrelated to financial and operational performance in any particular period.

*Amortization of Purchased Intangibles:* Zendesk views amortization of purchased intangible assets, including the amortization of the cost associated with an acquired entity's developed technology, as items arising from pre-acquisition activities determined at the time of an acquisition. While these intangible assets are evaluated for impairment regularly, amortization of the cost of purchased intangibles is an expense that is not typically affected by operations during any particular period.

*Acquisition-Related Expenses:* Zendesk views acquisition-related expenses, such as transaction costs, integration costs, restructuring costs, and acquisition-related retention payments, including amortization of acquisition-related retention payments capitalized in internal-use software, as events that are not necessarily reflective of operational performance during a period. In particular, Zendesk believes the consideration of measures that exclude such expenses can assist in the comparison of operational performance in different periods which may or may not include such expenses.

*Real Estate Impairments:* To support an increased percentage of remote teams, Zendesk records impairments for certain assets associated with leased properties, or portions thereof, that it ceases to occupy. Any losses and gains associated with these activities are generally unrelated to financial and operational performance in any particular period and Zendesk believes the exclusion of such losses and gains provides for a more useful comparison of operational performance in comparative periods that may or may not include such losses and gains.

*Merger-Related Costs and Other Expenses:* Zendesk views fees related to its pending acquisition, including transaction costs, as events that are not necessarily reflective of operational performance during a period. Zendesk believes the consideration of measures that exclude such expenses provides meaningful supplemental information regarding operational performance. Other expenses include non-recurring fees paid for third-party advisory and professional services related to shareholder activism and the strategic review.

*Amortization of Debt Discount and Issuance Costs:* On January 1, 2022, Zendesk prospectively adopted ASU 2020-06, regarding ASC Topic 470 "Debt" and ASC Topic 815 "Derivatives and Hedging," which simplifies the accounting for convertible debt. Prior to the adoption of ASU 2020-06, the imputed interest rates of our 2023 convertible notes and our 2025 notes were approximately 5.26% and 5.00%, respectively. This was a result of the debt discounts recorded for the conversion features of the notes that were required to be separately accounted for as equity, and debt issuance costs, which reduced the carrying value of the convertible debt instruments. The debt discounts were amortized as interest expense together with the issuance costs of the debt. Upon adoption of the new standard, the liability and equity components of each instrument were recombined into a single liability instrument measured at amortized cost. As a result, from the date of adoption, no debt discount remains and no interest expense related to debt discount amortization will be recorded. Interest expense related to the amortization of debt issuance costs will continue to be recorded over the term of the notes. The expense for the amortization of debt discount and debt issuance costs is a non-cash item, and we believe the exclusion of this expense will provide for a more useful comparison of our operational performance in different periods.

*Income Tax Effects:* Zendesk utilizes a fixed long-term projected tax rate in its computation of non-GAAP income tax effects to provide better consistency across interim reporting periods. In projecting this long-term non-GAAP tax rate, Zendesk utilizes a financial projection that excludes the direct impact of other non-GAAP adjustments. The projected rate considers other factors

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such as Zendesk's current operating structure, existing tax positions in various jurisdictions, and key legislation in major jurisdictions where Zendesk operates. For the year ending December 31, 2022, Zendesk has determined the projected non-GAAP tax rate to be 21%. Zendesk will periodically re-evaluate this tax rate, as necessary, for significant events, based on relevant tax law changes, material changes in the forecasted geographic earnings mix, and any significant acquisitions.

Zendesk provides disclosures regarding its free cash flow, which is defined as net cash from operating activities less purchases of property and equipment and internal-use software development costs. Free cash flow margin is calculated as free cash flow as a percentage of total revenue. Zendesk uses free cash flow, free cash flow margin, and other measures, to evaluate the ability of its operations to generate cash that is available for purposes other than capital expenditures and capitalized software development costs. Zendesk believes that information regarding free cash flow and free cash flow margin provides investors with an important perspective on the cash available to fund ongoing operations.

Zendesk uses non-GAAP financial information to evaluate its ongoing operations and for internal planning and forecasting purposes. Zendesk's management does not itself, nor does it suggest that investors should, consider such non-GAAP financial measures in isolation from, or as a substitute for, financial information prepared in accordance with GAAP. Zendesk presents such non-GAAP financial measures in reporting its financial results to provide investors with an additional tool to evaluate Zendesk's operating results. Zendesk believes these non-GAAP financial measures are useful because they allow for greater transparency with respect to key metrics used by management in its financial and operational decision-making. This allows investors and others to better understand and evaluate Zendesk's operating results and future prospects in the same manner as management.

Zendesk's management believes it is useful for itself and investors to review, as applicable, both GAAP information that may include items such as share-based compensation and related expenses, amortization of debt discount and issuance costs, amortization of purchased intangibles, acquisition-related expenses, real estate impairments, and merger-related costs and other expenses, and the non-GAAP measures that exclude such information in order to assess the performance of Zendesk's business and for planning and forecasting in subsequent periods. When Zendesk uses such a non-GAAP financial measure with respect to historical periods, it provides a reconciliation of the non-GAAP financial measure to the most closely comparable GAAP financial measure. When Zendesk uses such a non-GAAP financial measure in a forward-looking manner for future periods, and a reconciliation is not determinable without unreasonable effort, Zendesk provides the reconciling information that is determinable without unreasonable effort and identifies the information that would need to be added or subtracted from the non-GAAP measure to arrive at the most directly comparable GAAP measure. Investors are encouraged to review the related GAAP financial measures and the reconciliation of these non-GAAP financial measures to their most directly comparable GAAP financial measure as detailed above.

In August 2020, the Financial Accounting Standards Board issued ASU 2020-06, regarding ASC Topic 470 "Debt" and ASC Topic 815 "Derivatives and Hedging," which amends the calculation of diluted earnings per share for certain convertible debt instruments, among other changes. Under the new standard, Zendesk is required to use the "if-converted" method to calculate diluted earnings per share for its convertible debt, which assumes conversion of its convertible debt instruments at the beginning of the reporting period, with settlement entirely in shares of common stock, unless the result would be anti-dilutive. Historically, Zendesk calculated diluted earnings per share for its convertible debt using the "treasury stock" method, which assumes that the principal amount of convertible debt instruments is settled in cash. Accordingly, our diluted shares outstanding are generally expected to increase under the new standard. We adopted this standard in the first quarter of 2022. The total amount of shares underlying the convertible notes is approximately 13 million. Refer to Form 10-Q for the quarter ended June 30, 2022 for further information.

Source: Zendesk, Inc.

Contact:  
Zendesk, Inc.  
**Investor Contact:**  
Jason Tsai, +1 415-997-8882  
ir@zendesk.com

or

**Media Contact:**  
Marissa Tree, +1 415-609-4510  
press@zendesk.com

**ZENDESK INC.**  
**TRANSITION AND SEPARATION AGREEMENT AND RELEASE**

This Transition and Separation Agreement and Release ("Agreement") is made by and between **Alex Constantinople** (the "Employee") and Zendesk, Inc., (the "Company") (collectively referred to as the "Parties" or individually referred to as a "Party") on **July 26, 2022** and is made as of the Effective Date (as defined in Paragraph 14) by and between the Company and the Employee.

**WHEREAS**, Employee and Company have mutually agreed that Employee's employment with the Company shall terminate;

**WHEREAS**, Employee and Company wish to have a transition period, wherein Employee will provide transition services;

**WHEREAS**, the Company and Employee wish to specify the terms upon which Employee will continue employment and receive compensation to which Employee is not otherwise entitled, and, in connection therewith, Employee will agree to release the Company from any claims arising from or related to that employment relationship; and

**WHEREAS**, the Company and Employee wish to make certain other agreements in connection with the termination of Employee's employment with the Company.

**NOW THEREFORE**, in consideration of the mutual promises made herein, the Company and Employee (collectively referred to as "the Parties") hereby agree as follows:

**1. Continued Employment and Separation**

**(a)** Employee and Company agree that Employee will remain employed as an at-will employee of the Company until the earlier of the date the Company terminates Employee's employment for any reason or September 30, 2022 (the "Separation Date"), subject to the provisions of Section 2(b) below. Between now and the Separation Date (the "Transition Period"), Employee agrees to carry out the duties and responsibilities of her position, and provide other transition services as reasonably may be requested by the Company, including transition of the responsibilities, duties, and knowledge relative to Employee's position (the "Transition Services"). Nothing in this agreement shall change the at-will nature of Employee's employment, meaning that either Employee or the Company may terminate Employee's employment at any time, with or without notice or reason. For avoidance of doubt, Employee shall not be entitled to the Severance Payments or Equity Acceleration (each as defined below) if Employee resigns without Good Reason or is terminated for Cause (as defined in the Change in Control Acceleration Plan ("Acceleration Plan") before September 30, 2022.

**(b)** The Parties explicitly agree that the Company hiring a successor who takes over Employee's role, title and job duties before September 30, 2022 will not constitute Good Reason for the purposes of this Agreement.



**(c)** Through the Separation Date, Employee will continue to be paid Employee's current base salary, subject to standard payroll deductions and tax withholding, in accordance with the Company's regular payroll or allowance payment schedule, as applicable, and be eligible to participate in the Company's standard benefits plans to the extent currently enrolled in such plans. Upon Employee's separation from employment, the Company shall pay Employee all wages accrued through the Separation Date, less applicable deductions and tax withholding, in accordance with applicable law.

**(d)** Employee shall submit for payment all expenses accrued prior to the Separation Date for reimbursement by the Company in accordance with the Company's expense reimbursement policies no later than seven (7) days following the Separation Date.

## **2. Consideration**

Although the Company is not otherwise obligated to do so, in consideration of the releases contained herein and provided that (i) Employee signs this Agreement, returns it to the Company and allows it to become effective as contemplated by Section 14; (ii) Employee abides by the terms of this Agreement; (iii) Employee reasonably and in good faith provides the Transition Services during the Transition Period; (iv) Employee is not terminated for Cause and Employee does not resign without Good Reason before September 30, 2022; and (v) on or promptly following the Separation Date (and in no event more than 21 days following the Separation Date), Employee signs the Separation Date Release attached hereto as Exhibit A, returns it to the Company and allows it to become effective as contemplated therein (collectively, the "Severance Conditions"); the Company will provide Employee the following severance benefits (the "Severance Benefits"):

**(a)** The Company shall continue Employee's employment, and allow her to receive her current base salary, employee benefits and equity vesting through the Separation Date, subject to the terms of Section 1(c);

**(b)** The Company will provide Employee the following severance payments: (collectively, the "Severance Payments"): (i) an amount equal to six (6) months of Employee's base salary (at Employee's current base salary rate) (the "Base Pay Severance Payment"); and (ii) a prorated bonus payment for nine (9) months at target ending September 30, 2022 under the Company's 2021 Broad-Based Bonus Plan ("2021 Bonus Plan") as determined in the Company's sole discretion, based on the achievement of objectives, subject to any adjustments, against the 2021 Bonus Plan (the "Bonus Pay Severance Payment"). The Severance Payments shall be subject to applicable deductions and tax withholdings. The Base Pay Severance Payment and Bonus Pay shall be payable within sixty (60) days following the Separation Date.

**(c)** Employee's group health insurance coverage terminates at the end of the month of the Separation Date. To the extent provided by the federal COBRA law or applicable state insurance laws, and by the Company's current group health insurance policies, Employee shall be eligible to continue Employee's group health insurance benefits at Employee's own expense.

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**(d)** The Company paid Employee a sign-on bonus (a "Sign-on Bonus") pursuant to the terms of Employee's employment offer letter dated March 3, 2021 (the "Offer Letter"). As of the Effective Date, the Company shall waive Employee's obligations to repay any unearned portion of the Sign-on Bonus pursuant to the terms of the Offer Letter, and Employee shall not be required to repay such amount.

**(e)** The Company granted to Employee stock options, subject to the terms and conditions of the Zendesk, Inc. 2014 Stock Option and Incentive Plan (the "2014 Plan") and the applicable stock option agreement(s) provided to Employee in connection with such grant (the "Stock Option Agreement(s)"). The Company also granted to Employee restricted stock units ("RSUs") to acquire a total of shares of the Company's common stock under and subject to terms and conditions of the 2014 Plan and the applicable restricted stock unit agreement(s) provided to Employee in connection with such grants (the "RSU Agreement(s)"). Subject to the satisfaction of the Severance Conditions, the Company shall, accelerate the vesting of any unvested portions of the unvested RSUs and stock options that are scheduled to vest between the Separation Date and **March 31, 2023** under the vesting schedules set forth in the RSU Agreement(s), so that such portions of the RSUs and stock options will accelerate and vest after the Severance Conditions are met (the "Equity Acceleration"). For avoidance of doubt, none of the PSUs will be subject to the Equity Acceleration.

Other than as set forth above, all portions of all equity awards, including all stock options, RSUs (including the June 2022 retention grant), and PSUs that remain unvested as of the Separation Date shall be forfeited and canceled as of the Separation Date. Further, any portions of the stock options that have vested but are not exercised within the periods set forth in the Stock Option Agreement(s) shall be forfeited and canceled.

**(f)** Employee acknowledges and agrees that the Severance Benefits represent payments and benefits that Employee would not otherwise be entitled to receive without entering into this Agreement and constitute adequate consideration for the terms, conditions, covenants and releases provided in this Agreement.

### **3. Confidentiality**

**(a)** The Parties agree that the existence of, reasons for, and terms of the Agreement shall be held by them in strictest confidence and, except as required by law or applicable regulation, will not be disclosed by them, directly or indirectly, to any person or entity, subject to the terms of this Agreement. Notwithstanding the foregoing, the Parties agree that they may disclose the terms of this Agreement to those employees, attorneys, accountants, governmental entities, and insurers who have a reasonable need to know of such information.

**(b)** Except for such items as Employee is authorized in writing by the Company's Chief Executive Officer to retain, Employee shall return to the Company all of the Company's property, equipment and all materials (including all copies thereof, whether or not in tangible form) and confidential and proprietary information of the Company in Employee's possession on or prior to the Separation

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Date (or such earlier date as requested by the Company). If Employee has used any personally owned computer, server, or e-mail system to receive, store, review, prepare or transmit any Company confidential or proprietary information, Employee shall provide the Company with a computer-useable copy of all such information and then permanently delete and expunge such information from those systems on or prior to the Separation Date (or such earlier date requested by the Company).

**4. Settlement and Release of Claims**

**(a)** Employee agrees that this Agreement and the payments hereunder represent settlement in full of all outstanding obligations owed to Employee by the Company as a result of Employee's employment by the Company. Employee also agrees and understands that, notwithstanding the receipt of the Severance Payment, Employee's participation in all benefits and incidents of employment shall cease on the Separation Date, or in accordance with the terms of the applicable benefit plan. Employee acknowledges, that except as expressly provided in this Agreement, Employee will not have earned and will not receive from the Company any additional compensation (including base salary, bonus, incentive or other variable compensation, equity, or vacation/PTO accrual), severance, or benefits before or after the Separation Date.

**(b)** Employee, on behalf of Employee and Employee's descendants, dependents, heirs, executors, agents, principals, partners, representatives, attorneys, administrators, assigns and transferees, as applicable Parties, does hereby fully and forever release, discharge and free the Company, its current and former officers, directors, employees, investors, shareholders, predecessors, successors, subsidiaries, parent company and their respective successors and assigns (the "Released Parties") of and from any claim, duty, demand, liability, obligation or cause of action (collectively, "Claims"), and agrees not to sue any of the Released Parties concerning any matters of any kind, character or nature whatsoever, whether at law or in equity, now existing or heretofore ever having existed, whether currently known or unknown, suspected or unsuspected, that Employee may possess arising from any acts, omissions or facts that have occurred up until and including the Effective Date of this Agreement, including, without limitation, any and all Claims relating to or arising from Employee's involvement or employment relationship with the Company, the termination of that relationship and status, federal, state or local laws prohibiting discrimination in employment, or Employee's ownership of securities of the Company.

**(c)** Employee acknowledges that she may have Claims against the Released Parties relating to the foregoing subject matter of which, at the time of execution of this Agreement, Employee has no knowledge, and Employee acknowledges and expressly agrees that this Agreement is specifically intended to and does extend to any and all such Claims, whether or not known, claimed or suspected. Accordingly, Employee hereby waives as to the Released Parties the benefits of Section 1542 of the California Civil Code, which provides as follows:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE**

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**CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

(d) Employee expressly acknowledges and agrees that this waiver and release includes any and all rights or claims Employee may have or claim to have arising under Title VII of the Civil Rights Act of 1964, as amended, the Worker Adjustment and Retraining Notification Act, the Employee Retirement Income Security Act of 1974, the Americans with Disabilities Act, the Age Discrimination in Employment Act (as amended by the Older Workers Benefit Protection Act), the the California Labor Code (including the California WARN Act and section 132A), the California Constitution and/or any other statute or provision. Employee expressly acknowledges and agrees that the Claims released pursuant to this Agreement include all claims against individual directors, officers, shareholders and employees of the Company and its affiliated companies, and that any and all such claims are hereby settled, compromised, released and discharged by this Agreement. This Agreement does not apply to workers' compensation benefits claims, unemployment insurance benefits claims, California Labor Code section 2802 expense indemnification claims, and any other administrative or other claims that cannot be waived by private agreement under applicable laws.

(e) Employee understands and agrees that, by entering into this Agreement, (i) Employee is waiving any rights or claims Employee might have under the Age Discrimination in Employment Act (the "ADEA"), as amended by the Older Workers Benefit Protection Act, except those rights and claims that arise after the date this Agreement is signed by Employee; (ii) Employee has received consideration beyond that to which Employee was previously entitled; (iii) Employee has been advised through this Agreement to consult with an attorney before signing this Agreement; (iv) Employee has been offered the opportunity to evaluate the terms of this Agreement for not less than twenty-one (21) days following the presentation of this Agreement by the Company to Employee ("Evaluation Period"). The Parties expressly agree that any actual or proposed modifications or changes to this Agreement, whether material or immaterial, will not be deemed to recommence or extend the Evaluation Period. Employee understand and agrees that he/she may revoke this Agreement (by written notice to the Company) during a period of seven (7) days after Employee's execution of the Agreement (the "Revocation Period"), and it shall become enforceable only upon the expiration of the Revocation Period without prior revocation by Employee; and (v) nothing in this Agreement prevents or precludes Employee from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs from doing so, unless specifically authorized by federal law.

**5. Remaining Obligations**

Notwithstanding the foregoing, the provisions of Section 4 above shall not restrict or limit in any way the liability or continuing obligations under Section 3 or Section

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9 hereof, or any other obligation not to use or disclose confidential, trade secret, or proprietary information of the Company.

**6. Injunctive Relief**

In view of the nature of the rights and goodwill, business reputation and prospects of the Company to be protected under Sections 3, 4, 7, 8 and 9 of this Agreement, Employee understands and agrees that the Company could not be reasonably or adequately compensated in damages in an action at law for Employee's breach of his/her obligations thereunder. Accordingly, Employee specifically agrees that the Company shall be entitled to temporary and permanent injunctive relief to enforce the provisions of Sections 3, 4, 7, 8, and 9 of this Agreement, and that such relief may be granted without the necessity of proving actual damages, or the posting of any bond. This provision with respect to injunctive relief shall not, however, diminish the right of the Company to claim and recover damages in addition to injunctive relief.

**7. Non-Disparagement**

Employee agrees not to criticize, denigrate, disparage, defame, libel, slander or in any other way harm the reputation, goodwill, or commercial interest of the Company or any other Released Party. Nothing in this paragraph shall prohibit Employee from complying with and giving truthful testimony in response to any lawful subpoena or court order or taking any other actions affirmatively required by law or applicable regulation.

Employee acknowledges and agrees that the time and expense involved in proving in any forum the actual damage or loss suffered by the Company if there is a breach of this provision makes the breach appropriate for the payment of liquidated damages. Accordingly, instead of requiring any proof of damages or losses, Employee agrees that as liquidated damage for each breach of this non-disparagement provision, Employee shall pay the Company the sum of Twenty Thousand Dollars (\$20,000), and all attorneys' fees and costs incurred in enforcing this provision. Neither the breach of this paragraph nor the payment of liquidated damages by Employee shall affect the continuing validity or enforceability of this Agreement.

**8. Confidentiality Agreement**

The terms of Employee's Confidentiality and Invention Assignment Agreement ("Confidentiality Agreement") remain in full force and effect notwithstanding any other provision of this Agreement (including, without limitation, Section 12(a)) and that, as a material condition of the Company entering into this Agreement, Employee will comply with all terms of the Confidentiality Agreement. Employee understands and agrees that the Company's proprietary information as defined in Section 1 of the Confidentiality Agreement belongs exclusively to the Company, and that the confidential information of the Company's customers or of other organizations with which the Company does business remains their exclusive property. Employee agrees that Employee will not use or disclose any such information, whether for Employee's benefit or for the benefit of another, and that Employee will hold and treat such information as confidential, unless Employee

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has specific prior written authorization from the Company to disclose it. For the avoidance of doubt, Employee understands that pursuant to the federal Defend Trade Secrets Act of 2016, Employee shall not be held criminally or civilly liable under any federal or state trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a federal, state, or local government official, either directly or indirectly, or to an attorney; and (ii) solely for the purpose of reporting or investigating a suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal.

**9. Protected Disclosures and Other Protected Actions**

Nothing in this Agreement (including but not limited to the release of claims, promise not to sue, confidentiality, non-disparagement, and any other limiting provisions) or the Confidentiality Agreement (i) waives Employee's right to testify in an administrative, legislative, or judicial proceeding concerning alleged criminal conduct or alleged sexual harassment on the part of the Company, or on the part of the agents or employees of the Company, when Employee has been required or requested to attend such a proceeding pursuant to a court order, subpoena, or written request from an administrative agency or the legislature, (ii) limits or affects Employee's right to challenge the validity of this Agreement under the Age Discrimination in Employment Act or the Older Worker Benefit Protection Act; (iii) prevents Employee from communicating with, filing a charge or complaint with or from participating in an investigation or proceeding conducted by the Equal Employment Opportunity Commission (EEOC), the National Labor Relations Board (NLRB), the Securities and Exchange Commission (SEC), or any other federal, state or local agency charged with the enforcement of any laws, including providing documents or other information, or (iv) prevents Employee from exercising Employee's rights under Section 7 of the National Labor Relations Act to engage in protected, concerted activity with other employees, although by signing this Agreement Employee is waiving Employee's right to recover any individual relief (including back pay, front pay, reinstatement or other legal or equitable relief) in any charge, complaint, or lawsuit or other proceeding brought by Employee or on Employee behalf by any third party, except for any right Employee may have to receive a payment from a government agency (and not the Company) for information provided to the government agency.

**10. No Admission of Liability**

It is understood and agreed that this is a compromise release of disputed claims or potential disputed claims, and that the furnishing of the consideration for this Agreement shall not be deemed or construed as an admission of liability or responsibility at any time for any purpose.

**11. General**

**(a) Entire Agreement.** This Agreement represents the entire agreement and understanding between the Company and Employee concerning the termination of Employee's employment relationship with the Company, and, except as specifically provided herein, supersedes and replaces any and all prior agreements and understandings, written and oral, concerning Employee's relationship with the Company and Employee's compensation by the Company. Neither party has relied

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upon any representations or statements made by the other party hereto which are not specifically set forth in this Agreement.

**(b) Waivers and Amendments.** This Agreement may be amended, superseded, canceled, renewed or extended, and the terms hereof may be waived, only by a written instrument signed by both Parties or, in the case of a waiver, by the party waiving compliance. No delay on the part of any Party in exercising any right, power, or privilege hereunder shall operate as a waiver thereof, nor shall any waiver on the part of any Party of any such right, power, or privilege, nor any single or partial exercise of any such right, power, or privilege, preclude any other or further exercise thereof or the exercise of any other such right, power, or privilege.

**(c) Governing Law.** This Agreement shall be governed by and construed in accordance with the internal substantive laws, but not the choice-of-law rules, of the State of California applicable to agreements made and to be performed entirely within such state.

**(d) Assignment.** This Agreement, and Employee's rights and obligations hereunder, are personal in nature and accordingly may not be assigned by Employee. The Company may assign this Agreement and its rights, together with its obligations hereunder, in connection with any sale, transfer or other disposition of all or substantially all of its assets or business, whether by merger, consolidation or otherwise. In such event, the term "Company," as used in this Agreement, shall mean the Company as defined above and any successor or assignee to the business or assets which by reason hereof becomes bound by the terms and provisions of this Agreement.

**(e) Counterparts; Electronic Signature.** This Agreement may be executed in counterparts, and each counterpart shall have the same force and effect as an original and shall constitute an effective, binding agreement on the part of each of the Parties. In the event that any signature is delivered by facsimile or by electronic delivery, such signature shall create a valid and binding obligation of the party executing (or on whose behalf such signature is executed) with the same force and effect as if such facsimile or electronic delivered signature page were an original thereof.

**(f) Severability.** If any provision of this Agreement is determined to be invalid or unenforceable, the provision shall be deemed to be severable from the remainder of this Agreement and shall not cause the invalidity or unenforceability of the remainder of this Agreement, which thereafter shall be construed so as to continue to effect the purposes hereof, provided, however, that in such event the Parties agree to negotiate substitute valid and enforceable provisions which carry out, so far as reasonably possible, the Parties' original intent in entering into this Agreement.

**12. Voluntary Execution of Negotiated Agreement**

This Agreement is executed by Employee knowingly, voluntarily and without any duress or undue influence on the part or on behalf of the Company, with the full intent of releasing all Claims. The Parties acknowledge and agree that: (a) they have carefully read this Agreement; (b) they have been, or had the opportunity to

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be, advised and represented in the preparation, negotiation, review and execution of this Agreement by legal counsel of their own choice; (c) they understand the scope, terms, consequences and effects of this Agreement and of the releases it contains; (d) this is a negotiated severance agreement as defined by California Government Code section 12964.5(c)(2), and (e) they are fully aware of the legal and binding effect of this Agreement.

**13. Effective Date**

Employee understands and agrees that the offer provided in this Agreement expires at 5:00 p.m., on the next business day following the last day of the Evaluation Period as described in paragraph **4(e)**. This Agreement will become effective immediately upon termination of the Revocation Period, provided that Employee has not revoked this Agreement prior to the termination of the Revocation Period (the "Effective Date").

**IN WITNESS WHEREOF, the Parties have executed this Agreement as of the date set forth below.**

<u>/s/ Alex Constantinople</u> Alex Constantinople (Employee)	<u>July 26, 2022</u> Date
<u>/s/ Shanti Ariker</u> Zendesk, Inc. (Company)	<u>July 26, 2022</u> Date

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**Exhibit A**  
**Separation Date Release**

In exchange for the Severance Benefits, and other consideration provided to me by Zendesk, Inc. (the "Company") and as required by the Transition and Separation Agreement and General Release by and between the Company and me dated \_\_\_\_\_, 2022 (the "Separation Agreement"), I hereby provide the following Separation Date Release (the "Release"). Capitalized Terms included herein and not otherwise defined shall have the meaning set forth in the Separation Agreement.

I acknowledge and represent that, as of the Separation Date, the Company has paid me all salary, wages, bonuses, commissions and any and all other benefits due to me through the Separation Date, with the exception of those expenses to be submitted for reimbursement pursuant to the terms of Section 1(d) of the Separation Agreement.

On behalf of myself and my descendants, dependents, heirs, executors, agents, principals, partners, representatives, attorneys, administrators, assigns and transferees, as applicable Parties, I hereby fully and forever release, discharge and free the Company, its officers, directors, employees, investors, shareholders, predecessors, successors, subsidiaries, parent company and their respective successors and assigns (the "Released Parties") of and from any claim, duty, demand, liability, obligation or cause of action (collectively, "Claims") and agrees not to sue any of the Released Parties concerning any matters of any kind, character or nature whatsoever, whether at law or in equity, now existing or heretofore ever having existed, whether currently known or unknown, suspected or unsuspected, that I may possess arising from any acts, omissions or facts that have occurred up until and including the date of this Release, including, without limitation, any and all Claims relating to or arising from my involvement or employment relationship with the Company, the termination of that relationship and status, federal, state or local laws prohibiting discrimination in employment, or my ownership of securities of the Company.

I acknowledge that I may have Claims against the Released Parties relating to the foregoing subject matter of which, at the time of execution of this Release, I have no knowledge, and I acknowledge and expressly agrees that this Release is specifically intended to and does extend to any and all such Claims, whether or not known, claimed or suspected. Accordingly, I hereby waive as to the Released Parties the benefits of Section 1542 of the California Civil Code, which provides as follows:

**A GENERAL RELEASE DOES NOT EXTEND TO CLAIMS THAT THE CREDITOR OR RELEASING PARTY DOES NOT KNOW OR SUSPECT TO EXIST IN HIS OR HER FAVOR AT THE TIME OF EXECUTING THE RELEASE AND THAT, IF KNOWN BY HIM OR HER, WOULD HAVE MATERIALLY AFFECTED HIS OR HER SETTLEMENT WITH THE DEBTOR OR RELEASED PARTY.**

I expressly acknowledge and agree that this Release includes any and all rights or claims I may have or claim to have arising under Title VII of the Civil Rights Act of 1964, as amended, the Worker Adjustment and Retraining Notification Act, the California Constitution, the California Worker's Compensation Act, the Employee Retirement Income Security Act of 1974, the Americans with Disabilities Act, the Age Discrimination in

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Employment Act (as amended by the Older Workers Benefit Protection Act), California Fair Employment and Housing Act, and/or any other statute or provision. I expressly acknowledge and agree that the Claims released pursuant to this Release include all claims against individual directors, officers, shareholders and employees of the Company and its affiliated companies, and that any and all such claims are hereby settled, compromised, released and discharged by this Agreement.

I understand and agree that (i) I am waiving any rights or claims I might have under the Age Discrimination in Employment Act (the "ADEA"), as amended by the Older Workers Benefit Protection Act; (ii) I have received consideration pursuant to the Separation Agreement to which this Release is related beyond that to which I was entitled; (iii) I have been advised to consult with an attorney before signing this Release; (iv) I have been offered the opportunity to evaluate the terms of this Release for not less than twenty-one (21) days; (v) I may revoke this Release (by written notice to the Company) for a period of seven (7) days after my execution of this Release (the "Release Revocation Period"), and it shall become enforceable only upon the expiration of the Release Revocation Period without prior revocation by me; and (vi) nothing in this Separation Date Release prevents or precludes me from challenging or seeking a determination in good faith of the validity of this waiver under the ADEA, nor does it impose any condition precedent, penalties or costs from doing so, unless specifically authorized by federal law.

This Separation Date Release will become effective immediately upon termination of the Release Revocation Period, provided that I have not revoked this Separation Date Release prior to the termination of the Release Revocation Period.

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Alex Constantinople (Employee)

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Date

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