

**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 14, 2021

Twilio Inc.

(Exact name of registrant as specified in its charter)

Delaware
(State or other jurisdiction
of incorporation)

001-37806
(Commission
File Number)

26-2574840
(IRS Employer
Identification No.)

**101 Spear Street, First Floor
San Francisco, California 94105**
(Address of principal executive offices) (Zip Code)

(415) 390-2337
(Registrant's telephone number, including area code)

Not applicable
(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:

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Class A Common Stock, par value \$0.001 per share	TWLO	The 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 3.02 Unregistered Sales of Equity Securities

The information set forth in Item 8.01 of this Current Report on Form 8-K is incorporated by reference into this Item 3.02.

Item 8.01 Other Events.

On July 14, 2021, Twilio Inc. (“Twilio”) completed its previously announced acquisition of Zipwhip, Inc., a Delaware corporation (the “Company”), pursuant to the terms of an Agreement and Plan of Merger and Reorganization, dated as of May 16, 2021 (the “Merger Agreement”), with Zeus Merger Sub I, Inc., a Delaware corporation and a direct and wholly owned subsidiary of Twilio (“Merger Sub I”), Zeus Merger Sub II, LLC, a Delaware limited liability company and a direct and wholly owned subsidiary of Twilio (“Merger Sub II”), the Company and Fortis Advisors LLC, a Delaware limited liability company, solely in its capacity as the representative of certain Company securityholders.

The acquisition was accomplished by: (i) the merger of Merger Sub I with and into the Company (the “First Merger”), and upon consummation of the First Merger, Merger Sub I ceasing to exist and the Company becoming a wholly owned subsidiary of Twilio and (ii) as part of the same overall transaction, promptly after the First Merger, the surviving corporation of the First Merger (the “First Step Surviving Corporation”) merging with and into Merger Sub II (the “Second Merger” and, together with the First Merger, the “Merger”), and upon consummation of the Second Merger, the First Step Surviving Corporation ceasing to exist and Merger Sub II surviving as a wholly owned subsidiary of Twilio (the “Surviving Entity”).

Upon consummation of the transactions contemplated by the Merger Agreement (the “Closing”), all outstanding shares of Company capital stock, options to purchase shares of Company capital stock (“Company Options”), restricted stock units representing the right to receive Company capital stock (“Company RSUs”) and warrants to purchase Company capital stock (“Company Warrants”), in each case other than as set forth in the following sentence, were cancelled in exchange for aggregate consideration of \$850,000,000, subject to certain adjustments, of which (i) \$417,671,618.38 was in the form of cash (the “Cash Consideration”) and (ii) \$417,671,618.38 was in the form of shares of Class A common stock of Twilio, par value \$0.001 per share (“Twilio Class A Common Stock”) (the “Stock Consideration”). However, (a) holders of (i) shares of Company capital stock held by unaccredited stockholders, (ii) vested Company Options and (iii) vested Company RSUs each received an aggregate portion of the Cash Consideration equal to approximately \$83,232,306.84 in respect of their shares, vested Company Options and vested Company RSUs, (b) unvested Company Options and unvested Company RSUs, in each case, held by employees of the Company who became, upon the Closing, employees of Twilio or any of its subsidiaries (including the Surviving Entity) have been assumed by Twilio and converted into a corresponding unvested stock option of Twilio to purchase 83,539 shares of Twilio Class A Common Stock or a corresponding unvested restricted stock unit representing the right to receive Twilio Class A Common Stock, as the case may be, and (c) all other unvested Company Options and unvested Company RSUs were cancelled for no consideration. A portion of the aggregate consideration payable to certain of the Company securityholders is being held in escrow (x) to secure certain indemnification obligations of such Company securityholders, (y) to secure the indemnification obligations of the Company securityholders with respect to certain specified matters and (z) in connection with certain post-closing purchase price adjustment mechanisms.

Twilio issued the Stock Consideration described herein in reliance upon the exemptions from registration afforded by Section 4(a)(2) and Rule 506 promulgated under the Securities Act of 1933, as amended.

The foregoing summary of the Merger Agreement and the transactions contemplated thereby does not purport to be complete and is subject to, and qualified in its entirety by, the full text of the Merger Agreement, which will be filed as an exhibit on the earlier to be filed of (i) Twilio’s Quarterly Report on Form 10-Q for the quarter ending June 30, 2021 and (ii) the Resale Registration Statement on Form S-3 covering the resale of the Stock Consideration.

On July 14, 2021, Twilio issued a press release announcing the Closing. The press release is furnished herewith as Exhibit 99.1.

Item 9.01 Financial Statements and Exhibits.

(d) Exhibits.

Exhibit No. Description

[99.1 Press release dated July 14, 2021](#)

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

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 hereunto duly authorized.

July 14, 2021

TWILIO INC.

By: /s/ Khozema Z. Shipchandler
Name: Khozema Z. Shipchandler
Title: Chief Financial Officer

Twilio Completes Acquisition of Zipwhip, a Leading Provider of Toll-Free Messaging in the United States

Acquisition strengthens Twilio's messaging business by offering another affordable, trusted channel option

Direct carrier connectivity ensures toll-free remains a trusted, high-engagement channel for businesses looking to connect with customers via messaging

Combined companies to explore expansion opportunities for toll-free messaging channel

SAN FRANCISCO -- (BUSINESS WIRE) -- Twilio (NYSE: TWLO), the leading cloud communications platform, today announced the successful completion of its previously announced acquisition of Zipwhip, a trusted partner to carriers and a leading provider of toll-free messaging in the United States. This transaction is valued at approximately \$850 million in an approximately equal blend of cash and stock.

"Today's digital economy has every business evaluating the best ways to interact with their customers. Across every industry, Twilio sees messaging as an increasingly popular, trusted, and effective way to engage," said Simon Khalaf, SVP and general manager of the Twilio Communications Platform. "We're very excited to make Zipwhip a part of the Twilio team and to leverage our combined messaging expertise across all channels to offer businesses of all sizes the most robust suite of messaging offerings."

Zipwhip will operate as part of Twilio's Communications Platform Unit with John Lauer, current CEO Of Zipwhip, reporting to Simon Khalaf, as the two companies finalize their integration roadmap.

"Customers have made it clear that messaging is a preferred channel for communicating with brands," said John Lauer, CEO and co-founder of Zipwhip. "It is more essential than ever that businesses can reach their end customers on the right channel, at the right time, with the right message, and the combination of Twilio and Zipwhip creates an enormous opportunity to expand the options we can provide to businesses and elevate their overall experience."

Twilio's vision is to build the world's leading customer engagement platform. Together, this acquisition will provide developers and businesses:

- Another affordable, trusted, high-quality engagement option via messaging-enabled toll-free numbers
- A messaging channel that is easy to adopt and flexible enough to meet varying business requirements; toll-free is the most flexible number type and has low-friction onboarding
- Improved opportunity to expand the toll-free channel across both voice and text
- Direct connections to carriers which reduces carrier complexity, including onboarding, gateway, registry and spam detection, and remediation for all of the major U.S. carriers, ensuring routes have high quality traffic

Twilio intends to provide financial updates on its second quarter earnings call. Morgan Stanley & Co. LLC served as exclusive financial advisor and Cooley LLP served as legal counsel to Zipwhip. Fenwick & West LLP served as legal counsel to Twilio.

Safe Harbor for Forward-Looking Statements

This press release contains forward-looking statements. Such forward-looking statements often contain words such as "assume," "will," "anticipate," "believe," "predict," "project," "potential," "contemplate," "plan," "forecast," "estimate," "expect," "intend," "is targeting," "may," "should," "would," "could," "goal," "seek," "hope," "aim," "continue" and other similar words or expressions or the negative thereof or other variations thereon. All statements other than statements of historical fact, including statements regarding the anticipated benefits of the transaction, Twilio's ability to build the world's leading customer

engagement platform, and expected synergies resulting from the transaction, are forward-looking statements. These statements are subject to risks, uncertainties, and assumptions, many of which are beyond Twilio's and Zipwhip's control. Should any of these risks or uncertainties materialize, or should Twilio's assumptions prove to be incorrect, actual results could differ materially from these statements. Important factors that could cause actual results to differ materially include the failure to achieve expected synergies and efficiencies of operations between Twilio and Zipwhip; the ability of Twilio and Zipwhip to successfully integrate their respective market opportunities, technology, products, personnel and operations; the potential impact on the business of Zipwhip as a result of the acquisition; the potential impact on Zipwhip's relationships with carriers, customers or vendors as a result of the acquisition; the ability of Twilio and Zipwhip to retain and motivate key employees of Zipwhip; and general economic conditions. Additional factors that could cause actual results to differ materially from these forward-looking statements are detailed from time to time in the reports Twilio files with the Securities and Exchange Commission (SEC), including in Twilio's Annual Report on Form 10-K for the year ended December 31, 2020, and its Quarterly Reports on Form 10-Q. Copies of reports filed with the SEC are posted on Twilio's website and are available from Twilio without charge. Except as required by law, Twilio assumes no obligation to update these forward-looking statements publicly or to update the reasons actual results could differ materially from those anticipated in the forward-looking statements, even if new information becomes available in the future. Please refer to the Form 8-K to be filed by Twilio on July 14, 2021 for additional information regarding the transaction.

About Zipwhip

Zipwhip is a leading business-texting platform in North America, helping more than 30,000 organizations engage their customers and drive growth through texting. Zipwhip has text-enabled more than 5 million landline and toll-free phone numbers so that businesses can reach their customers immediately, on the channel they prefer. Organizations can text-enable their business lines in minutes and seamlessly fit texting into their existing workflows using Zipwhip's out-of-the-box software or customizable APIs. And with the most direct carrier connections of any texting provider, Zipwhip offers the fastest and most reliable message delivery in the industry so you know your customers get the message every time. Learn more about Zipwhip at: <https://www.zipwhip.com>.

About Twilio

Millions of developers around the world have used Twilio to unlock the magic of communications to improve any human experience. Twilio has democratized communications channels like voice, text, chat, video, and email by virtualizing the world's communications infrastructure through APIs that are simple enough for any developer to use, yet robust enough to power the world's most demanding applications. By making communications a part of every software developer's toolkit, Twilio is enabling innovators across every industry — from emerging leaders to the world's largest organizations — to reinvent how companies engage with their customers.

Contacts

Investor Contact:

Andrew Zilli
ir@twilio.com

or

Media Contact:

Caitlin Epstein
press@twilio.com