RECENT IPO · NASDAQ / CEREBRAS SYSTEMS

When ten years of options *meet a public market.*

Cerebras employees facing the recent IPO have a sequence of decisions that arrive in close order. Incentive stock option planning and associated AMT considerations, lockup mechanics, single-stock concentration, and estate planning can all become relevant in roughly the same calendar year. This guide outlines planning considerations worth reviewing in light of the recent IPO.

ISO PLANNING • RSU & STOCK DIVERSIFICATION • ESTATE PLANNING

TRANSACTION AT A GLANCE

ISSUER	LISTING	STRUCTURE	STATUS
Cerebras	Nasdaq: CBRS	Primary IPO	Public
Sunnyvale, CA	Recently Listed		Lockup Period

Source: publicly disclosed S-1 filing, IPO terms, and Nasdaq trading data. Lockup terms appear in the prospectus and individual grant documents.

No. 01

Lockup, IPO Sales, and Early Trading

An IPO can convert a decade of private equity into public stock that may be sold on a defined schedule. The lockup window often creates the most consequential decisions for employees in the months ahead.

LOCKUP MECHANICS.

Most underwritten IPOs include a lockup of approximately 180 days during which insiders generally cannot sell. Specific terms appear in the prospectus and grant documents. Reviewing both early can clarify what becomes available and when.

SHARES SOLD AT THE IPO.

If Cerebras allowed employees to sell shares at the IPO, determining what to do with those proceeds is a worthwhile near-term consideration. Decisions on holding, diversifying, or reserving cash for tax can affect the rest of the year.

10B5-1 PLANNING.

10b5-1 plans are commonly established in advance of lockup expiration. These plans can help separate trade timing from quarterly company news.

> **PLANNING NOTE**
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> *Many Cerebras employees may hold most of their net worth in a single stock. The lockup period is often when concentration planning is set up, even if no trades occur until lockup expiration.*

No. 02

ISO, AMT, and Tax-Year Considerations

An IPO does not by itself trigger tax for vested option holders, but the related decisions often do, and frequently within the same calendar year.

EARLY-EXERCISED ISOS.

Employees who exercised ISOs while shares were illiquid may carry AMT credits. Sales after lockup can interact with those credits, and modeling these positions early may help reduce filing surprises.

NSO TIMING.

Exercising NSOs near current market prices recognizes ordinary income. Spreading exercises across tax years, where possible, may help manage marginal-rate exposure.

WITHHOLDING.

The 22% federal supplemental rate often falls below actual marginal rates at higher income levels. Reserving cash for estimated taxes can help avoid a balance due at filing.

No. 03

Reducing Single-Stock Concentration

A public listing converts illiquid equity into a position that may be sold, gifted, or borrowed against. Each path carries different tax and risk implications.

PAUSE AND DIVERSIFY.

Holding proceeds in cash for a period after lockup expires is a common approach, with funds for the year's tax obligation reserved first. From there, a broader diversified portfolio is one starting point many advisors discuss with clients in this position.

TAX-EFFICIENT DIVERSIFICATION.

Direct indexing and exchange funds can help diversify a concentrated position while managing immediate tax impact. Exchange funds typically require a multi-year hold and accredited-investor status.

INCOME-ORIENTED HOLDINGS.

Municipal bonds, private credit, and similar holdings can be considered as part of converting a one-time event into ongoing cash flow. Each carries its own risks and trade-offs.

No. 04

Estate Planning at a New Net Worth

An IPO of this size may be a useful point to revisit estate structure, particularly while current federal exemptions remain in effect.

REVOCABLE LIVING TRUST.

A common starting point at higher net-worth levels. Can help with probate avoidance, privacy, and directed asset transfer.

FEDERAL EXEMPTION.

The 2026 federal estate and gift tax exemption is $15M per individual and $30M for married couples. IPO appreciation may move some estates closer to taxable territory. The exemption applies to U.S. citizens and U.S. domiciliaries; other rules apply for non-citizens.

DONOR-ADVISED FUNDS.

Contributing appreciated shares to a donor-advised fund can move assets out of the estate, support charitable goals, and provide a deduction in the year of the gift. Specifics depend on individual circumstances and are typically reviewed with a CPA.

LET'S TALK

A coordinated plan, built around you.

EQUITY MODELING
ISO/AMT, NSO, and lockup considerations.

TAX COORDINATION
Working alongside your CPA across the IPO year and after.

REINVESTMENT
Diversified portfolios oriented around personal goals.

ESTATE & GIFTING
Coordinated with qualified attorneys and CPAs.

A conversation about the Cerebras listing.

Twin Peaks Wealth Advisors works with technology professionals on concentrated equity, public listings, and the planning decisions that follow. We can discuss the lockup window, coordinate with your CPA and estate attorney, and frame each decision in the context of your broader plan.

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IMPORTANT DISCLOSURES