Risk Factors Comparison 2023-11-14 to 2022-11-15 Form: 10-K

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In addition to the other information in this report, the following risk factors should be carefully considered in evaluating our company and operations. **Risk Factor Summary Operational and Execution Risks • Cloud- based and SaaS computing trends present competitive and execution risks; • Security vulnerabilities in our IT infrastructure or multi- cloud application security and delivery solutions and services as well as unforeseen product errors could have a material adverse impact on our business results of operations, financial condition and reputation; • We are dependent on various information technology systems, and failures of or interruptions to those systems could harm our business; • Our success depends on our key personnel and our ability to hire, retain and motivate qualified executives, sales and marketing, operations, product development and professional services personnel; • Acquisitions present many risks and we may not realize the financial and strategic goals that are contemplated at the time of the transaction; • Our success depends upon our ability to effectively plan and manage our resources and restructure our business; • Our business may be harmed if our contract manufacturers are not able to provide us with adequate supplies of our products or if a single source of hardware assembly is lost or impaired; • Our business could suffer if there are any interruptions or delays in the supply of hardware components from our third- party sources; • It is difficult to predict our future operating results because we have an unpredictable sales cycle; • We may not be able to sustain or develop new distribution relationships, and a reduction or delay in sales to significant distribution partners could hurt our business; • Reliance on fulfillment at the end of the quarter could cause our revenue for the applicable period to fall below expected levels; • Our operating results are exposed to risks associated with international commerce. • The average selling price of our products may decrease and our costs may increase, which may negatively impact revenues and profits; Strategic and Industry Risks •** Our business could be adversely impacted by conditions affecting the ~~information technology~~ **markets in which we compete; • Industry consolidation may result in increased competition; • We may not be able to compete effectively in the application security and delivery** market **; • Our success** ~~A substantial portion of our business~~ depends on **our timely development of new software and systems products and features, market acceptance of new software and systems product offerings and proper management of** the ~~demand~~ **timing of the life cycle of our software and systems products; • Our success depends on sales and continued innovation of our application security and delivery product lines; • Issues related to the development and use of artificial intelligence (" AI") could give rise to legal and /** ~~for -~~ **or regulatory action, damage our reputation or otherwise materially harm of our business • Misuse of our products could harm our reputation. Legal and Regulatory Risks • Our failure to adequately protect personal** information technology by large enterprise customers and service...... in demand and licensing strategies, which could have a material adverse effect on our business ~~, results~~ **; • A portion** of ~~operations~~ **our revenue is generated by sales to government entities, which are subject to a number of challenges** and **risks; • We face litigation risks; • We may not be able to adequately protect our intellectual property, and our products may infringe on the intellectual property rights of third parties; • We are subject to governmental export and import controls that could subject us to liability or impair our ability to compete in international markets; • Changes in governmental regulations could negatively affect our revenues. Financial Risks • We may have exposure to greater than anticipated tax liabilities; • We are exposed to fluctuations in currency exchange rates, which could negatively affect our** financial condition **and results of operations; • Changes in financial accounting standards may cause adverse unexpected revenue fluctuations and affect our reported results of operations; • If we are unable to maintain effective internal control over financial reporting, the accuracy and timeliness of our financial reporting may be adversely affected** . ~~Cloud~~ **Risks Related to our Common Stock • Our quarterly and annual operating results may fluctuate in future periods, which may cause our stock price to fluctuate; • Anti** - ~~based~~ **takeover provisions could make it more difficult for a third party to acquire us; • Our stock price could be volatile, particularly during times of economic uncertainty** and **volatility in domestic** ~~SaaS computing trends present competitive~~ and ~~execution~~ **international stock markets; • If securities or industry analysts publish inaccurate or unfavorable research about our business, or discontinue publishing research about our business, the price and trading volume of our securities could decline. General Risks • Continued macroeconomic downturns or uncertainties may harm our industry, business, and results of operations; • We face** risks **associated with having operations and employees located in Israel; • Our business is subject to the risks of earthquakes, fire, power outages, floods, and other catastrophic events, and to interruption by man- made problems such as terrorism; • Climate change may have an impact on our business.** Customers are transitioning to a hybrid computing environment utilizing various cloud- based software and services accessed via various smart client devices. Pricing and delivery models are evolving and our competitors are developing and deploying cloud- based services for customers. In addition, new cloud infrastructures are enabling the emergence of new competitors including large cloud providers who offer their own application security and delivery functionality as well as smaller companies targeting the growing numbers of" born in the cloud" applications. We **devote** ~~are devoting~~ significant resources to develop and deploy our ~~own competing~~ cloud- based and SaaS software and services strategies. While we believe our expertise and investments in software and infrastructure for cloud- based services provides us with a strong foundation to compete, it is uncertain whether our strategies will **continue to** attract the customers or generate the revenue required to be successful. In addition to software development costs, we are incurring costs to build and maintain infrastructure to support cloud- computing and SaaS services, and the securitization of our customers' data. These costs may reduce the gross and operating margins we have previously achieved. Whether we are successful in this new business model depends on our execution in a number of areas, including: • continuing to innovate and bring to market compelling cloud- based and SaaS services through consumption models that generate increasing traffic and market share; • maintaining the utility, compatibility and performance of our software on the growing array of cloud and SaaS computing platforms and the enhanced interoperability requirements associated with orchestration of cloud computing environments; and • implementing the infrastructure and the securitization of our customers' data to deliver our own cloud- based and SaaS services. These new business models may reduce our revenues or gross and operating margins and could have a material adverse effect on our business, results of operations and financial condition. ~~Industry consolidation~~ **Security vulnerabilities in our IT infrastructure or multi- cloud application security and delivery products and services as well as unforeseen product errors could have a material adverse impact on our business results of operations, financial condition and reputation In the ordinary course of business, we store sensitive data, including intellectual property, personal data, our proprietary business information and that of our customers, suppliers and business partners on our networks. In addition, we store sensitive data through cloud- based services that** may ~~In addition,we store sensitive data through cloud- based services that may~~ be hosted by third parties and in data center infrastructure maintained by third parties.The secure maintenance of this information is critical to our operations and business strategy.Our ~~information systems~~ **IT infrastructure** and those of our partners and customers are subject to the increasing threat of intrusions by a wide range of **bad** actors **and malicious parties,** including computer programmers,hackers or sophisticated nation- state and nation- state supported actors or they may be compromised due to employee error or wrongful conduct,malfeasance,or other disruptions.Despite our security measures,and those of our third- party vendors,our **IT** ~~information technology and~~ infrastructure has experienced breaches or disruptions and may be vulnerable in the future to breach,attacks or disruptions.If any breach or attack compromises our ~~networks~~ **IT infrastructure** ,creates system disruptions or slowdowns or exploits security vulnerabilities **therein** ~~of our products~~ ,the information stored on our networks or those of our customers could be accessed and modified,publicly disclosed,lost or stolen,and we may be subject to liability to our customers,suppliers,business partners and others,and suffer reputational and financial harm. ~~In addition,our~~ **Our multi- cloud application security and delivery** products **and services** are used **by our customers** to manage **their** critical applications and data ~~for customers~~ **.Bad actors** and ~~third~~ **other malicious** parties **,** may attempt to exploit security ~~vulnerabilities~~ in **our internal IT infrastructure** ~~our~~ - **or** ~~products~~ **cloud environments that support our SaaS- based and managed solutions and services** as well as our ~~internal IT systems~~ **products that may be deployed in a customer environment** . ~~As~~ **To address these security risks,** we ~~continue to focus on the development and marketing of security solutions,we become a bigger target for malicious computer hackers,including sophisticated nation- state and nation- state supported actors who wish to exploit security vulnerabilities in our products or IT systems.We~~ devote significant resources to ~~addressing~~ **identify and eliminate** security vulnerabilities in our ~~IT systems,~~ **multi- cloud application security and delivery** ~~product~~ **products** ~~solutions~~ and services ~~through our~~ **.These** efforts **include,but are not limited** to ~~engineer~~ **engineering** ~~more secure solutions~~ and ~~services,enhance~~ **enhancing** security and reliability features in our ~~solutions~~ **products** and services, ~~deploy~~ **deploying** security updates to address security vulnerabilities **,** and seek to respond to known security incidents in sufficient time to minimize any potential adverse ~~impact~~ **impacts to our customers and IT infrastructure** .Despite our efforts to harden our **IT** infrastructure **,our security** and ~~build secure solutions~~ **delivery products and services against these risks** ,from time to time,we experience attacks and other cyber- threats.These attacks can seek to exploit,among other things,known or unknown vulnerabilities in technology included in our IT infrastructure, ~~solutions~~ **security and delivery products** and services.While we have undertaken efforts to mitigate these vulnerabilities,they could render our ~~internal systems~~ **IT infrastructure** , **security** ~~products,~~ and ~~solutions~~ **delivery products** and services susceptible to a cyber- attack **which may subject the Company to liability to our customers,suppliers,business partners and others,and suffer reputational and financial harm** .Our products may also contain undetected errors or defects when first introduced or as new versions are released.We have experienced these errors or defects in the past in connection with new products and product upgrades.As our products and customer IT infrastructures become increasingly complex,customers may experience unforeseen errors in implementing our products into their IT environments.We expect that these errors or defects will be found from time to time in new or enhanced products after commencement of commercial shipments.These problems may cause us to incur significant warranty and repair costs,divert the attention of our engineering personnel from our product development efforts and cause significant customer relations problems.We may also be subject to liability claims for damages related to product errors or defects.While we carry insurance policies covering this type of liability,these policies may not provide sufficient protection should a claim be asserted.A material product liability claim may harm our business and results of operations.Our products must successfully operate with products from other vendors.As a ~~result,when problems occur in a network,it may be difficult to identify the source of the problem.The occurrence of software or hardware problems~~ result **, when problems occur** in **a** network,it may be difficult to identify the source of the problem.The occurrence of software or hardware problems,whether caused by our products or another vendor' s products,may result in the delay or loss of market acceptance of our products.The occurrence of any of these problems may harm our business and results of operations.Any errors,defects or vulnerabilities in our products or IT ~~systems~~ **infrastructure** could result in:• expenditures of significant financial and product development resources in efforts to analyze,correct,eliminate,or work- around errors and defects or to address and eliminate vulnerabilities;• remediation costs,such as liability for stolen assets or information,repairs or system damage;• ~~increased~~ increased ~~engineering personnel from our product development efforts and cause significant customer relations problems.We may also be subject to liability claims for damages related to product errors or defects.While we carry insurance policies covering this type of liability,these policies may not provide sufficient protection should a claim be asserted.A material product liability claim may harm our business and results of operations.Our products must successfully operate with products from other vendors.As a result,when problems occur in a network,it may be difficult to identify the source of the problem.The occurrence of software or hardware problems,whether caused by our products or another vendor' s products,may result in the delay or loss of market acceptance of our products.The~~

~~occurrence of any of these problems may harm our business and results of operations.Any errors,defects or vulnerabilities in our products or IT systems could result in:• expenditures of significant financial and product development resources in efforts to analyze,correct,eliminate,or work- around errors and defects or to address and eliminate vulnerabilities;• remediation costs,such as liability for stolen assets or information,repairs or system damage;• increased~~ cybersecurity protection costs which may include systems and technology changes,training,and engagement of third party experts and consultants;• increased insurance premiums;• loss of existing or potential customers or channel partners;• loss of proprietary information leading to lost competitive positioning and lost revenues;• **inaccessibility to certain data or systems necessary to operate the business;•** negative publicity and damage to our reputation;• delayed or lost revenue;• delay or failure to attain market acceptance;• an increase in warranty claims compared with our historical experience,or an increased cost of servicing warranty claims,either of which would adversely affect our gross margins;and • litigation,regulatory inquiries,or investigations that may be costly and harm our reputation. ~~We are dependent on various information technology systems,and failures of or interruptions to those systems could harm our business~~ Many of our business processes depend upon our IT systems,the systems and processes of third parties,including cloud hosting service providers,and on interfaces with the systems of third parties.For example,our order entry system provides information to the systems of our contract manufacturers,which enables them to build and ship our products.If those systems fail or are interrupted,or if our ability to connect to or interact with one or more networks is interrupted,our processes may function at a diminished level or not at all.This could harm our ability to ship products or our ability to deliver cloud- based services,which could harm our financial results.In addition,reconfiguring our IT systems or other business processes in response to changing business needs may be time- consuming and costly.To the extent this impacted our ability to react timely to specific market or business opportunities,our financial results may be harmed.Our **success depends,in large part,on our ability to attract,engage,retain,and integrate qualified executives and other key employees throughout all areas of our business.In order to attract and retain executives and other key employees in a competitive marketplace,we must provide a competitive compensation package,including cash- and equity- based compensation.If we do not obtain the stockholder approval needed to continue granting equity compensation in a competitive manner,our ability to attract,retain,and motivate executives and key employees could be weakened.Failure to successfully hire executives and key employees or the loss of any executives and key employees could have a significant impact on our operations.We have recently experienced changes in our senior leadership team and we expect to continue to see changes as we build the team that is needed to execute our strategy.Changes in our management team may be disruptive to our business,and any** failure to ~~adequately protect personal information~~ **successfully integrate key new hires or promoted employees** could **adversely affect our business and results of operations.The complexity of our products and their integration into existing networks and ongoing support,as well as the sophistication of our sales and marketing effort,requires us to retain highly trained developers,professional services,customer support and sales personnel.** ~~competition~~ **Competition Our success depends on our key personnel and our ability to hire,retain and motivate qualified executives,sales and marketing,operations,product development and professional services personnel Our success depends,in large part,on our ability to attract,engage,retain,and integrate qualified executives and other key employees throughout all areas of our business.In order to attract and retain executives and other key employees in a competitive marketplace,we must provide a competitive compensation package,including cash- and equity- based compensation.If we do not obtain the stockholder approval needed to continue granting equity compensation in a competitive manner,our ability to attract,retain,and motivate executives and key employees could be weakened.Failure to successfully hire executives and key employees or the loss of any executives and key employees could have a significant impact on our operations.We have recently experienced changes in our senior leadership team and we expect to continue to see changes as we build the team that is needed to execute our strategy.Changes in our management team may be disruptive to our business,and any failure to successfully integrate key new hires or promoted employees could adversely affect our business and results of operations.The complexity of our products and their integration into existing networks and ongoing support,as well as the sophistication of our sales and marketing effort,requires us to retain highly trained developers,professional services,customer support and sales personnel.Competition** for qualified developers,professional services,customer support and sales personnel in our industry is intense,especially in Silicon Valley and Seattle where we have substantial operations and a need for highly skilled personnel,because of the limited number of people available with the necessary technical skills and understanding of our products.Also,to the extent we hire personnel from competitors,we may be subject to allegations that they have been improperly solicited,that they have divulged proprietary or other confidential information,that they have violated non-compete obligations to their prior employers,or that their former employers own their inventions or other work product.Our ability to hire and retain these personnel may be adversely affected by volatility or reductions in the price of our common stock or our ability to get approval from shareholders to offer additional common stock to our employees,since these employees are generally granted restricted stock units.The loss of services of any of our key personnel,the inability to retain and attract qualified personnel in the future or delays in hiring qualified personnel may harm our business and results of operations.In addition, **we recently announced a** restructuring ~~plans~~ to ~~better~~ **re-** align **our workforce to match** strategic and financial objectives ~~,~~ **and** optimize **resources** ~~operations,and drive efficiencies~~ for long ~~-~~ term growth ~~and profitability~~ , ~~may include~~ **including** a reduction in force **program impacting a number** of **employees** ~~the Company' s workforce~~ . ~~These~~ **This** restructuring ~~activities~~ could lead to increased attrition amongst those employees who were not directly affected by the reduction in force program. **Acquisitions present many risks and we may not realize the financial and strategic goals that are contemplated at the time of the transaction** With respect to our past acquisitions,as well as any other future acquisitions we may undertake,we may find that the acquired businesses,products or technologies do not further our business strategy as expected,that we paid more than what the assets are later worth or that economic conditions change,all of which may generate future impairment charges.Our acquisitions may be viewed negatively by customers,financial markets or investors.There may be difficulty integrating the operations and personnel of the acquired business,and we may have difficulty retaining the key personnel of the acquired business.We may have difficulty in integrating the acquired technologies or products with our existing product lines.Our ongoing business and management’ s attention may be disrupted or diverted by transition or integration issues and the complexity of managing geographically and culturally diverse locations.We may have difficulty maintaining uniform standards,controls,procedures and policies across locations.We may experience significant problems or liabilities associated with product quality,technology and other matters.Our inability to successfully operate and integrate newly- acquired businesses appropriately,effectively and in a timely manner,or to retain key personnel of any acquired business,could have a material adverse effect on our ability to take advantage of further growth in demand for ~~application~~ **integrated traffic management and** security ~~and delivery~~ solutions and other advances in technology,as well as on our revenues,gross margins and expenses. **We recently implemented** ~~Our ability to successfully offer our products and services in~~ a ~~rapidly evolving market requires~~ **restructuring program,which we cannot guarantee will achieve its intended result In the first fiscal quarter of 2022,we completed a restructuring program to match strategic** ~~an~~ **and financial objectives** ~~effective planning,forecasting,~~ and **optimize resources for long term growth** ~~management process to enable us to effectively scale and adjust our business and business models in response to fluctuating market opportunities and conditions~~ . ~~From time~~ **We incur substantial costs** to **implement** ~~time,we have increased investment in our business by increasing headcount,acquiring companies,and increasing our investment in research and development,sales and marketing,and other parts of our business.Conversely,in the last few years,we have initiated~~ restructuring plans ~~to better align strategic and financial objectives~~ , ~~optimize~~ **and our restructuring activities may subject us to litigation risks and expenses.Our past restructuring plans do not provide any assurance that additional restructuring plans will not be required or implemented in the future.In addition,our restructuring plans may have other consequences,such as attrition beyond our planned reduction in workforce,a negative effect on employee morale and productivity or our ability to attract highly skilled employees.Our competitors may also use our restructuring plans to seek to gain a competitive advantage over us.As a result,our restructuring plans may affect our revenue and other operating results in the future.The average selling price of our products may decrease and our costs may increase,which may negatively impact revenues and profits It is possible that the average selling prices of our products will decrease in the future in response to competitive pricing pressures,increased sales discounts,including responses to inflationary pressures,new product introductions by us or our competitors,or other factors.Therefore,in order to maintain our profits,we must develop and introduce new products and product enhancements on a timely basis and continually reduce our product costs.Our failure to do so could cause our revenue and profits to decline,which would harm our business and results of** operations **.In addition** , ~~and drive efficiencies for long~~ **we may experience substantial period** - ~~term growth and profitability,which~~ **to- period fluctuations in future operating** ~~resulted~~ **results** ~~in restructuring charges~~ **due to the erosion of our average selling prices** .Our ~~ability~~ **business may be harmed if our contract manufacturers are not able** to ~~achieve the anticipated cost savings and other benefits from these initiatives~~ **provide us with adequate supplies of our products or if a single source of hardware assembly** is **lost** ~~subject to many estimates and assumptions,which are subject to uncertainties.If our~~ - **or impaired** ~~estimates and assumptions are incorrect,if we are unsuccessful at implementing changes,or if other unforeseen events occur,our business and results of operations could be adversely affected.~~ We outsource the manufacturing of our hardware platforms to third party contract manufacturers who assemble these hardware platforms to our specifications.We have experienced minor delays in shipments from contract manufacturers in the past.However,if we experience major delays in the future or other problems,such as inferior quality and insufficient quantity of product,any one or a combination of these factors may harm our business and results of operations.The inability of our contract manufacturers to provide us with adequate supplies of our products or the loss of one or more of our contract manufacturers may cause a delay in our ability to fulfill orders while we obtain a replacement manufacturer and may harm our business and results of operations.In particular,we currently subcontract manufacturing of our products to a single contract manufacturer.If our arrangement with this single source of hardware assembly was terminated or otherwise impaired,and we were not able to engage another contract manufacturer in a timely manner,our business,financial condition and results of operation could be adversely affected.If the demand for our products grows,we will need to increase our raw material and component purchases,contract manufacturing capacity and internal test and quality control functions.Any disruptions in product flow may limit our revenue,may harm our competitive position and may result in additional costs or cancellation of orders by our customers. **Our business could suffer if there are any interruptions or delays in the supply of hardware components from our third- party sources** We currently purchase several hardware components used in the assembly of our products from a number of single or limited sources.Lead times for these components vary significantly **and are increasing in light of global shortages of critical components** . ~~The~~ **Global supply chain constraints in the wake of the COVID- 19 pandemic continue to decrease our visibility into component availability and lead times.Despite efforts to mitigate the effects of supply chain constraints,the** unavailability of suitable components,any interruption or delay in the supply of any of these hardware components or the inability to procure a similar component from alternate sources at acceptable prices within a reasonable time,may delay assembly and our ability to fulfill our sales of our products and,hence,our revenues,and may harm our business and results of operations. **It is difficult to predict our future operating results because we have an unpredictable sales cycle** Our products have a lengthy sales cycle and the timing of our revenue is difficult to predict.Historically,our sales cycle **has ranged from approximately two to three months and** has tended to lengthen as our products become increasingly complex.Also,as our distribution strategy is focused on a channel model,utilizing value- added resellers,distributors and systems integrators,the level of variability in the length of sales cycle across transactions has increased and made it more difficult to predict the timing of many of our sales transactions.Sales of our products require us to educate potential customers in their use and benefits.Sales of our products are subject to delays from the lengthy internal budgeting,approval and competitive evaluation processes that large enterprises and governmental entities may require.For example,customers frequently begin by evaluating our products on a limited basis and devote time and resources to testing our products before they decide whether or not to purchase.Customers may also defer orders as a result of anticipated releases of new products or enhancements by our competitors or us.As a result,our products have an unpredictable sales cycle that contributes to the uncertainty of our future operating results. **We may not be able to sustain or develop new distribution relationships,and a reduction or delay in sales to significant distribution partners could hurt our business** We sell our products and services through multiple distribution channels in the United States and internationally,including leading industry distributors,value- added resellers,systems integrators,service providers and other indirect channel partners.We have a limited number of agreements with companies in these channels,and we may not be able to increase our number of distribution relationships or maintain our existing relationships.Recruiting and retaining qualified channel partners and training them in our technologies requires significant time and resources.These channel partners may also market,sell and support products and services that are competitive with ours and may devote more resources to the marketing,sales and support of such competitive products.Our indirect sales channel structure could subject us to lawsuits,potential liability,and reputational harm if,for example,any of our channel partners misrepresent the functionality of our products or services to customers or violate laws or our corporate policies.If we are unable to establish or maintain our indirect sales channels,our business and results of operations will be harmed.In addition,two worldwide distributors of our products accounted for ~~30~~ **33** . ~~6~~ **4** % of our total net revenue for fiscal year ~~2023~~ **2022** .A substantial reduction or delay in sales of our products to these distribution partners,if not replaced by sales to other indirect channel partners and distributors,could harm our business,operating results and financial condition. **A portion** ~~As a result~~ of ~~customer buying patterns and the efforts of~~ our **revenue is generated by** sales ~~force and channel partners~~ to **government entities** ~~meet or exceed their sales objectives,we have historically received a substantial portion of sales orders and generated a substantial portion of revenue during the last few weeks of each fiscal quarter.In addition,any significant interruption in our information technology systems~~ ,which ~~manage critical functions such as order processing,revenue recognition,financial forecasts,inventory and supply chain management,and trade compliance reviews,could result in delayed order fulfillment and decreased revenue for that fiscal quarter.If expected revenue at the end of any fiscal quarter is delayed for any reason,including the failure of anticipated purchase orders to materialize,our third party contract manufacturers' inability to manufacture and ship products prior to fiscal quarter- end to fulfill purchase orders received near the end of the fiscal quarter,our failure to manage inventory to meet demand,our inability to release new products on schedule,any failure of our systems related to order review and processing,or any delays in shipments based on trade compliance requirements,our revenue for that quarter could fall below our expectations,resulting in a decline in the trading price of our common stock.As our international sales increase,our operating results become more exposed to international operating risks.Additionally,our international sales and operations~~ are subject to a number of **challenges and** risks ~~,including the following:• greater difficulty in enforcing contracts and accounts receivable collection and longer collection periods;• the uncertainty of protection for intellectual property rights in some countries;• greater risk of unexpected changes in regulatory practices,tariffs,and tax laws and treaties;• risks associated with trade restrictions and foreign legal requirements,including the importation,certification,and localization of our products required in foreign countries;• greater risk of a failure of foreign employees,partners,distributors,and resellers to comply with both U.S.and foreign laws,including antitrust regulations,the U.S.Foreign Corrupt Practices Act,and any trade regulations ensuring fair trade practices;• heightened risk of unfair or corrupt business practices in certain geographies and of improper or fraudulent sales arrangements that may impact financial results and result in restatements of,or irregularities in,financial statements;• increased expenses incurred in establishing and maintaining office space and equipment for our international operations;• greater difficulty in recruiting local experienced personnel,and the costs and expenses associated with such activities;• management communication and integration problems resulting from cultural and geographic dispersion;• fluctuations in exchange rates between the U.S.dollar and foreign currencies in markets where we do business;• economic uncertainty around the world,including continued economic uncertainty as a result of sovereign debt issues in Europe;and • general economic and political conditions in these foreign markets.In addition,the impact of Brexit on EU- UK political,trade,economic and diplomatic relations continues to be uncertain and such impact may not be fully realized for several years or more.Continued uncertainty and friction may result in regulatory,operational,and cost challenges to our UK and global operations.We must hire and train experienced personnel to staff and~~ Some of our competitors have made acquisitions or entered into partnerships or other strategic relationships to offer a more comprehensive solution than they had previously offered. We have also entered into large, strategic partnerships to enhance our competitive position in the marketplace. As ~~IT~~ **technology** companies attempt to strengthen or maintain their market positions in the evolving application delivery, mobility, cloud networking and cloud platform markets, these companies continue to seek to deliver comprehensive ~~IT~~ solutions to end users and combine enterprise- level hardware and software solutions that may compete with our solutions and which could negatively impact our partnerships. These consolidators or potential consolidators may have significantly greater financial, technical and other resources than we do and may be better positioned to acquire and offer complementary products and services. The companies resulting from these possible combinations may create more compelling product and service offerings and be able to offer greater pricing flexibility or sales and marketing support for such offerings than we can. These heightened competitive pressures could result in a loss of customers or a reduction in our revenues or revenue growth rates, all of which could adversely affect our business, results of operations and financial condition. ~~We may not be able to compete effectively in the emerging application delivery and security market~~ The markets we serve are ~~new,~~ rapidly evolving and highly competitive, and we expect competition to persist and intensify in the future. As we expand our reach and role into a broader set of multi- cloud solutions, the companies that we consider competitors evolves as well. In addition to server load balancing, traffic management, and other functions normally associated with application delivery, our suite of solutions has expanded our addressable market into security, and policy management, where we compete with a number of companies focused on niche areas of application security. We expect to continue to face additional competition as new participants enter our markets. As we continue to expand globally, we may see new competitors in different geographic regions. In addition, larger companies with significant resources, brand recognition, and sales channels may form alliances with or acquire competing application services solutions from other companies and emerge as significant competitors. Potential competitors may bundle their products or incorporate an Internet traffic management or security component into existing products in a manner that discourages users from purchasing our products. Any of these circumstances may limit our opportunities for growth and negatively impact our financial performance. ~~Our success depends on our timely development of new software and systems products and features, market acceptance of new software and systems product offerings and proper management of the timing of the life cycle of our software and systems products~~ The markets for our products and services are characterized by: • rapid technological change; • evolving industry standards; • consolidation of network and application functions into existing network infrastructure products; • requirements that our products interoperate with ~~those of~~ **technologies from** other ~~IT~~ vendors to enable ease of management; • fluctuations in customer demand; • changes in customer requirements; and • frequent new product and service introductions and enhancements. Our continued success depends on our ability to identify and develop new software and systems products and new features for our existing software and systems products, to meet the demands of these changes, and the acceptance of those products and features by our existing and target customers. In addition, our software and systems products must interoperate with our end customers' IT infrastructure, including the expanding use of the cloud and hybrid cloud environments, which often have different specifications, deploy products from multiple vendors, and utilize multiple protocol standards. Our customers' IT infrastructure is becoming more complex and we may be reliant on orchestration and interoperability with third party vendors on whom we are reliant for testing and support of new software and systems product versions and configurations. If we are unable to identify, develop and deploy new software and systems products and new product features on a timely basis, our business and results of operations may be harmed. The current development cycle for our software and systems products varies and has become increasingly complex due to the sophistication and the addressing of our customers' needs. The development timetable to commercial release and availability to our customers is uncertain, and the introduction of new products or product enhancements may shorten the life cycle of our existing products, or replace sales of some of our current products, thereby offsetting the benefit of even a successful product introduction, and may cause customers to defer purchasing our existing products in anticipation of the new products. This could harm our operating results by decreasing sales of our software and systems products, or increasing our inventory levels of older systems products and exposing us to greater risk of product obsolescence. We have also experienced, and may in the future experience, delays in developing and releasing new software and systems products and related product enhancements. This has led to, and may in the future lead to, delayed sales, increased expenses and lower quarterly revenue than anticipated. Also, in the development of our systems products, we have experienced delays in the prototyping, which in turn has led to delays in product introductions. In addition, complexity and difficulties in managing product transitions at the end- of- life stage of a product can create excess inventory of components associated with the outgoing product that can lead to increased expenses. Any or all of the above problems could materially harm our business and results of operations. ~~Our success depends on sales and continued innovation of our application delivery and security product lines~~ We expect to derive a significant portion of our net revenues from the sale of our **cloud,** software and hardware application **security and** delivery ~~and security~~ product lines in the future. Implementation of our strategy depends upon these products being able to solve critical network availability, performance and security problems for our customers. If our products are unable to solve these problems for our customers or if we are unable to sustain the high levels of innovation in product feature sets needed to maintain leadership in what will continue to be a competitive market environment, our business and results of operations will be harmed. ~~Security vulnerabilities~~ **We operate** in ~~our IT systems~~ **an industry of evolving standards and rapid technological advancements. If** ~~or~~ **our competitors are able to develop and implement compelling technological innovations or features into their** ~~products~~ - **product offerings or services more rapidly or successfully than us in the future, our ability to compete effectively may be impacted which could negatively impact our business and results of operations. We currently incorporate AI technology in certain of our products and services and in our business operations. Our research and development of such technology remains ongoing. AI presents risks, challenges, and unintended consequences that could affect our and our customers' adoption and use of this technology. AI algorithms and training methodologies may be flawed. Additionally, AI technologies are complex and rapidly evolving, and we face significant competition in the market and from other companies regarding such technologies. While we aim to develop and use AI responsibly and attempt to identify and mitigate ethical and legal issues presented by its use, we may be unsuccessful in identifying or resolving issues before they arise. AI- related issues, deficiencies and / or failures could (i) give rise to legal and / or regulatory action, including with respect to proposed legislation regulating AI in jurisdictions such** as ~~well~~ **the European Union and others, and** as ~~unforeseen~~ **a result of new applications of existing data protection, privacy, intellectual property, and other laws; (ii) damage our reputation; or (iii) otherwise materially harm our business. Our** ~~product~~ **products** ~~errors~~ **may be misused by end- customers or third parties that obtain access to our products. For example, our products** could ~~have a~~ **be used to censor private access to certain information on the Internet. Such use of our products for censorship could result in negative publicity and damage to our reputation. In addition, as many of our products are subject to export control regulations, diversion of our products to restricted third parties by others could result in investigations, penalties, fines, trade restrictions and negative publicity that could damage our reputation and** ~~material~~ **materially** ~~adverse~~ impact ~~on~~ our business **, operating** results ~~of operations~~ , **and** financial condition ~~and reputation In the ordinary course of business, we store sensitive data, including intellectual property, personal data, our proprietary business information and that of our customers, suppliers and business partners on our networks~~ . In addition, we store sensitive data...... a material adverse effect on our business A wide variety of local, state, national, and international laws, directives and regulations apply to the collection, use, retention, protection, disclosure, transfer, and other processing of personal data. These data protection and privacy- related laws and regulations continue to evolve and may result in ever- increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions and increased costs of compliance. Certain safe- harbor exemptions upon which the Company relies for data transfers have been challenged and may no longer be available to us in the future. Our failure to comply with applicable laws and regulations, or to protect such data, could result in enforcement action against us, including fines, imprisonment of company officials and public censure, claims for damages by end- customers and other affected individuals, damage to our reputation and loss of goodwill (both in relation to existing end-customers and prospective end- customers), any of which could have a material adverse effect on our operations, financial performance, and business. Changing definitions of personal data and personal information, within the European Union, the United States, and elsewhere, especially relating to classification of IP addresses, machine identification, location data, and other information, may limit or inhibit our ability to operate or expand our business, including limiting strategic partnerships that may involve the sharing of data. The evolving data protection regulatory environment may require significant management attention and financial resources to analyze and modify our IT infrastructure to meet these changing requirements all of which could reduce our operating margins and impact our operating results and financial condition. Our success depends on our key personnel...... to a number of challenges and risks Sales to U. S. and foreign, federal, state, and local governmental agency end-customers account for a significant portion of our revenues and we may in the future increase sales to government entities. Sales to government entities are subject to a number of risks. Selling to government entities can be highly competitive, expensive, and time consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate a sale. The substantial majority of our sales to date to government entities have been made indirectly through our channel partners. Government certification requirements for products like ours may change, thereby restricting our ability to sell into the federal government sector until we have attained the revised certification. Government demand and payment for our products and services may be impacted by public sector budgetary cycles and funding authorizations, with funding reductions or delays adversely affecting public sector demand for our products and services. Government entities may have statutory, contractual or other legal rights to terminate contracts with our distributors and resellers for convenience or due to a default, and any such termination may adversely impact our future operating results. Governments routinely investigate and audit government contractors' administrative processes, and any unfavorable audit could result in the government refusing to continue buying our products and services, a reduction of revenue or fines or civil or criminal liability if the audit uncovers improper or illegal activities, which could adversely impact our operating results in a material way. Finally, for purchases by the U. S. government, the government may require certain products to be manufactured in the United States and other relatively high cost manufacturing locations, and we may not manufacture all products in locations that meet the requirements of the U. S. government, affecting our ability to sell these products to the U. S. government. Misuse of our products could harm our...... cash flows. We face litigation risks We are a party to lawsuits in the normal course of our business. Litigation in general, and intellectual property and securities litigation in particular, can be expensive, lengthy and disruptive to normal business operations. Moreover, the results of complex legal proceedings are difficult to predict. Responding to lawsuits has been, and will likely continue to be, expensive and time- consuming for us. An unfavorable resolution of these lawsuits could adversely affect our business, results of operations or financial condition. ~~We may not be able to adequately protect our intellectual property, and our products may infringe on the intellectual property rights of third parties~~ We rely on a combination of patent, copyright, trademark and trade secret laws, and restrictions on disclosure of confidential and proprietary information to protect our intellectual property rights. Despite our efforts to protect our proprietary rights, unauthorized parties may attempt to copy or otherwise obtain and use our products or technology. Monitoring unauthorized use of our products is difficult, and we cannot be certain that the steps we have taken will prevent misappropriation of our technology, particularly in foreign countries where the laws may not protect our proprietary rights as fully as in the United States. Our industry is characterized by the existence of a large number of patents and frequent claims and related litigation regarding patent and other intellectual property rights. In the ordinary course of our business, we are involved in disputes and licensing discussions with others regarding their claimed proprietary rights and cannot provide assurance that we will always successfully defend ourselves against such claims and such matters are subject to many uncertainties and outcomes are not predictable with assurance. We expect that infringement claims may increase as the number of products and competitors in our market increases and overlaps occur. Also, as we have gained greater visibility, market exposure and competitive success, we face a higher risk of being the subject of intellectual property infringement claims. If we are found to infringe the proprietary rights of others, or if we otherwise settle such claims, we could be compelled to pay damages or royalties and either obtain a license to those intellectual property rights or alter our products so that they no longer infringe upon such proprietary rights. Any license could be very expensive to obtain or may not be available at all or may require us to make royalty payments which could adversely affect gross margins in future periods. The actual liability in any such matters may be materially different from our estimate, if any, which could result in the need to adjust the liability and record additional expenses. Similarly, changing our products or processes to avoid infringing upon the rights of others may be costly or impractical. In addition, we have initiated, and may in the future initiate, claims or litigation against third parties for infringement of our proprietary rights, or to determine the scope and validity of our proprietary rights or those of our competitors. Any of these claims, whether claims that we are infringing the proprietary rights of others, or vice versa, with or without merit, may be time- consuming, result in costly litigation and diversion of technical and management personnel or require us to cease using infringing technology, develop non- infringing technology or enter into royalty or licensing agreements. Further, our license agreements typically require us to indemnify our customers, distributors and resellers for infringement actions related to our technology, which could cause us to become involved in infringement claims made against our customers, distributors or resellers. Any of the above- described circumstances relating to intellectual property rights disputes could result in our business and results of operations being harmed. We incorporate open source software into our products. Although we monitor our use of open source closely, the terms of many open source licenses have not been interpreted by U. S. courts, and there is a risk that such licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products. We could also be subject to similar conditions or restrictions should there be any changes in the licensing terms of the open source software incorporated into our products. In either event, we could be required to seek licenses from third parties in order to continue offering our products, to re- engineer our products or to discontinue the sale of our products in the event re- engineering cannot be accomplished on a timely or successful basis, any of which could adversely affect our business, operating results and financial condition. Many of our products include intellectual property licensed from third parties. In the future, it may be necessary to renew licenses for third party intellectual property or obtain new licenses for other technology. These third party licenses may not be available to us on acceptable terms, if at all. The inability to obtain certain licenses, or litigation regarding the interpretation or enforcement of license rights and related intellectual property issues, could have a material adverse effect on our business, operating results and financial condition. Furthermore, we license some third party intellectual property on a non- exclusive basis and this may limit our ability to protect our intellectual property rights in our products. ~~Global economic and geopolitical conditions may harm our industry, business and results of operations. We operate globally and as a result, our business, revenues and profitability are impacted by global macroeconomic conditions. The success of our activities is affected by general economic and market conditions, including, among others, inflation, interest rates, tax rates, economic uncertainty, political instability, warfare, changes in laws, trade barriers, and economic and trade sanctions. The U. S. capital markets experienced and continue to experience extreme volatility and disruption following the global outbreak of COVID- 19 in 2020 and the Russian invasion of Ukraine in 2022. Furthermore, inflation rates in the U. S. have recently increased to levels not seen in decades. Such economic volatility could adversely affect our business, financial condition, results of operations and cash flows, and future market disruptions could negatively impact us. These unfavorable economic conditions could increase our operating costs, which could negatively impact our profitability. Geopolitical destabilization and warfare have impacted and could continue to impact global currency exchange rates, commodity prices, trade and movement of resources, which may adversely affect the buying power of our customers, our access to and cost of resources from our suppliers, and ability to operate or grow our business. Additionally, we have offices and employees located in regions that historically have and may experience periods of political instability, warfare, changes in laws, trade barriers, and economic and trade sanctions. Adverse conditions in these countries directly affect our operations. As a result, our operations and employees could be disrupted and may not be able to function at full capacity, which could adversely affect our business, results of operations, financial condition, and cash flows. Further, while our ability to do business has not been materially affected, the Russian invasion of Ukraine and the global restrictive measures that have been taken, and could be taken in the future, have created significant global economic uncertainty that could prolong and escalate tensions and expand the geopolitical conflict, which could have a lasting impact on regional and global economies, any of which could harm our business and operating results. We are exposed to fluctuations in currency exchange rates, which could negatively affect our financial condition and results of operations Our sales contracts are denominated in U. S. dollars, and therefore, substantially all of our revenue is not subject to foreign currency risk. However, a strengthening of the U. S. dollar could increase the real cost of our solutions to our end customers outside of the United States, which could adversely affect our financial condition and operating results. In addition, an increasing portion of our operating expenses is incurred outside the United States, is denominated in foreign currencies, and is subject to fluctuations due to changes in foreign currency exchange rates. If we become more exposed to currency fluctuations and are not able to successfully hedge against the risks associated with currency fluctuations, our operating results could be adversely affected. To date, we have not entered into any hedging arrangements with respect to foreign currency risk or other derivative instruments. The effects of a pandemic or widespread health epidemic such as the coronavirus outbreak could have a material adverse effect on our business and results of operations The COVID- 19 pandemic has disrupted the U. S. and global economies and put unprecedented strain on governments, healthcare systems, educational institutions, businesses, and individuals around the world, the impact and duration of which is difficult to assess or predict. It is especially difficult to predict the impact on the global economic markets, which have been and will continue to be highly dependent upon the actions of governments, businesses, and other enterprises in response to the pandemic, as well as the effectiveness of those actions. The impacts of the global pandemic on our business and financial outlook are currently unknown. Areas that may or may not be adversely disrupted or impacted by the COVID- 19 pandemic include, but are not limited to: customer demand for our products and services, reductions in customer spend, delayed or the inability to collect from our customers, disruptions to our supply chain that could result in delays, shortages or increased costs of our products, disruptions to our operations in servicing our customers as a result of working remotely or business location closures, which all may adversely impact our business, results of operations and overall financial performance in future periods. Our operating results are exposed to risks associated with international commerce As our international sales increase, our operating results become more exposed to international operating risks. Additionally, our international sales and operations are subject to a number of risks, including the following: • greater difficulty in enforcing contracts and accounts receivable collection and longer collection periods; • the uncertainty of protection for intellectual property rights in some countries; • greater risk of unexpected changes in regulatory practices, tariffs, and tax laws and treaties; • risks associated with trade restrictions and foreign legal requirements, including the importation, certification, and localization of our products required in foreign countries; • greater risk of a failure of foreign employees, partners, distributors, and resellers to comply with both U. S. and foreign laws, including antitrust regulations, the U. S. Foreign Corrupt Practices Act, and any trade regulations ensuring fair trade practices; • heightened risk of unfair or corrupt business practices in certain geographies and of improper or fraudulent sales arrangements that may impact financial results and result in restatements of, or irregularities in, financial statements; • increased expenses incurred in establishing and maintaining office space and equipment for our international operations; • greater difficulty in recruiting local experienced personnel, and the costs and expenses associated with such activities; • management communication and integration problems resulting from cultural and geographic dispersion; • fluctuations in exchange rates between the U. S. dollar and foreign currencies in markets where we do business; • economic uncertainty around the world, including continued economic uncertainty as a result of sovereign debt issues in Europe; and • general economic and political conditions in these foreign markets. In addition, on~~

~~January 31, 2020, the United Kingdom withdrew from the European Union (commonly referred to as Brexit). Brexit could lead to economic and legal uncertainty, including volatility in global stock markets and currency exchange rates, and increasingly divergent laws, regulations, and licensing requirements. Any of these effects of Brexit, among others, could adversely affect our operations and financial results. We must hire and train experienced personnel to staff and manage our foreign operations. To the extent that we experience difficulties in recruiting, training, managing, and retaining an international staff, and specifically staff related to sales management and sales personnel, we may experience difficulties in sales productivity in foreign markets. We also enter into strategic distributor and reseller relationships with companies in certain international markets where we do not have a local presence. If we are not able to maintain successful strategic distributor relationships internationally or recruit additional companies to enter into strategic distributor relationships, our future success in these international markets could be limited. Business practices in the international markets that we serve may differ from those in the United States and may require us in the future to include terms other than our standard terms in customer contracts. We intend to continue expanding into international markets. These factors and other factors could harm our ability to gain future international revenues and, consequently, materially impact our business, operating results, and financial condition. The expansion of our existing international operations and entry into additional international markets will require significant management attention and financial resources. Our failure to successfully manage our international operations and the associated risks effectively could limit the future growth of our business. We are subject to governmental export and import controls that could subject us to liability or impair our ability to compete in international markets~~ Our products are subject to U. S. export controls and may be exported outside the U. S. only with the required level of export license or through an export license exception because we incorporate encryption technology into our products. In addition, various countries regulate the import of certain encryption technology and have enacted laws that could limit our ability to distribute our products or our customers' ability to implement our products in those countries. Changes in our products or changes in export and import regulations may create delays in the introduction of our products in international markets, prevent our customers with international operations from deploying our products throughout their global systems or, in some cases, prevent the export or import of our products to certain countries altogether. Any change in export or import regulations or related legislation, shift in approach to the enforcement or scope of existing regulations or change in the countries, persons or technologies targeted by such regulations, could result in decreased use of our products by, or in our decreased ability to export or sell our products to, existing or potential customers with international operations. Any decreased use of our products or limitation on our ability to export or sell our products would likely adversely affect our business, operating results and financial condition. ~~Changes in governmental regulations could negatively affect our revenues~~ Many of our products are subject to various regulations promulgated by the United States and various foreign governments including, but not limited to, environmental regulations and regulations implementing export license requirements and restrictions on the import or export of some technologies, especially encryption technology. Changes in governmental regulation and our inability or failure to obtain required approvals, permits or registrations could harm our international and domestic sales and adversely affect our revenues, business and operations. ~~New regulations related~~ **The SEC requires us, as a public company that uses certain raw materials considered** to **be "** conflict minerals **"** ~~may force us to incur additional expenses and could limit the supply and increase the costs of certain metals and minerals used~~ in ~~the manufacturing of our products In August 2012, the SEC adopted new requirements under the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010 (or~~ **our products,** ~~the Dodd- Frank Act) for companies that use certain minerals and derivative metals (referred~~ to ~~as~~ **report publicly on the extent to which "** conflict minerals ~~, regardless~~ **" are in our supply chain. As a provider** of **hardware end- products, we are several steps removed from** ~~their~~ -- **the** ~~country~~ **mining, smelting, or refining** of **any conflict minerals. Accordingly, our ability to determine with certainty the** origin ~~) in their products~~ **and chain of custody of these raw materials is limited. Our relationships with customers** , ~~whether~~ **suppliers, and investors could suffer if we are unable to describe** ~~or~~ **our products as " conflict- free** ~~our stock and otherwise negatively affect our liquidity and financial condition~~ . **"** We may ~~have exposure to greater than anticipated tax liabilities~~ **also face increased costs in complying with conflict minerals disclosure requirements.** Our provision for income taxes is subject to volatility and could be affected by changes in our business operations,including acquisitions,new offerings,and changes in the jurisdictions in which we operate.The provision for income taxes may also be impacted by changes in stock- based compensation,changes in the research and development tax credit laws,earnings being lower than anticipated in jurisdictions where we have lower statutory rates and being higher than anticipated in jurisdictions where we have higher statutory rates,transfer pricing adjustments, not **meeting the terms and conditions of tax holidays or incentives, changes in the valuation of our deferred tax assets and liabilities, changes in actual results versus our estimates, or changes in tax laws, regulations, accounting principles or interpretations thereof, including changes to the tax laws applicable to corporate multinationals. In addition, we may be subject to examination of our income tax returns by the U. S. Internal Revenue Service and other tax authorities. While we regularly assess the likelihood of adverse outcomes from such examinations and the adequacy of our provision for income taxes,** ~~these~~ **there** ~~products~~ **can be no assurance that such provision is sufficient and that a determination by a tax authority will not have an adverse effect on our results of operations and cash flows. Our sales contracts** are **denominated in U** ~~manufactured by third parties~~ . **S. dollars,** ~~The Dodd- Frank Act requires companies to perform due diligence~~ and ~~disclose whether~~ **therefore, substantially all of** ~~or~~ **our revenue is** not **subject to foreign currency risk** ~~such minerals originate from the Democratic Republic of Congo or adjoining countries~~ . **However** ~~We filed a report on Form SD with the SEC regarding such matters on May 31~~ , ~~2022~~ **a strengthening of the U** . ~~These requirements~~ **S. dollar** could **increase** ~~adversely affect~~ the **real cost** ~~sourcing, availability and pricing~~ of ~~minerals or~~ **our solutions to** ~~metals used in the manufacture of~~ our **end customers outside** ~~products and the numerous components that go into our products all~~ of **the United States,** which could adversely affect our ~~business,~~ financial condition ~~,~~ and operating results. In addition, **an increasing portion of our operating expenses is incurred outside the United States, is denominated in foreign currencies, and is subject to fluctuations due to changes in foreign**

currency exchange rates. If we ~~will incur additional costs~~ **become more exposed to currency** ~~trading price of our common stock.Changes in financial accounting standards may cause adverse unexpected revenue~~ fluctuations and ~~affect~~ **are not able to successfully hedge against the risks associated with currency fluctuations,** our ~~reported~~ **operating** results ~~of operations~~ **could be adversely affected.To date,we have not entered into any hedging arrangements with respect to foreign currency risk or other derivative instruments.** A change in accounting policies can have a significant effect on our reported results and may even affect our reporting of transactions completed before the change is effective.New pronouncements and varying interpretations of existing pronouncements have occurred with frequency and may occur in the future.Changes to existing rules,or changes to the interpretations of existing rules,could lead to changes in our accounting practices,and such changes could adversely affect our reported financial results or the way we conduct our business. ~~If we are unable to maintain effective internal control over financial reporting,the accuracy and timeliness of our financial reporting may be adversely affected~~ As a public company,we are required to design and maintain proper and effective internal controls over financial reporting and to report any material weaknesses in such internal controls.Section 404 of the Sarbanes- Oxley Act of 2002 requires that we evaluate and determine the effectiveness of our internal controls over financial reporting and provide a management report on the internal controls over financial reporting,which must be attested to by our independent registered public accounting firm.We have an ongoing program to review the design of our internal controls framework in keeping with changes in business needs,implement necessary changes to our controls design and test the system and process controls necessary ~~to~~ to comply with ~~the~~ **these** ~~disclosure~~ requirements **. If in the future** , ~~including costs related to~~ **our internal controls over financial reporting are** ~~determining~~ **determined to be not effective resulting** ~~the source of any relevant minerals and metals used~~ in **a material weakness, investor perceptions regarding the reliability of** our ~~products~~ **financial statements may be adversely affected which could cause a decline in the market price of our stock and otherwise negatively affect our liquidity and financial condition** . ~~We~~ **Our quarterly and annual operating results** have **varied significantly in** ~~a complex supply chain and many components are sourced through our contract manufacturer and we may not be able to sufficiently verify the origins for these~~ -- **the** ~~minerals~~ **past** and ~~metals used in our products through the due diligence procedures that we implement. As a result, we may face reputational challenges with our customers and other stakeholders and possible regulatory risk. Anti- takeover provisions~~ could **vary significantly in the future, which** ~~make~~ **makes** it ~~more~~ difficult for ~~a third party to acquire~~ us **to predict our future** operating results.Our operating results may fluctuate due to a variety of factors,many of which are outside of our control,including the changing and recently volatile U.S.and global economic environment,which may cause our stock price to fluctuate.In particular,we anticipate that the size of customer orders may increase as we continue to focus on larger business accounts.A delay in the recognition of revenue,even from just one account,may have a significant negative impact on our results of operations for a given period.In the past,a majority of our sales have been realized near the end of a quarter.Accordingly,a delay in an anticipated sale past the end of a particular quarter may negatively impact our results of operations for that quarter,or in some cases,that fiscal year.Additionally,we have exposure to the credit risks of some of our customers ~~and sub- tenants~~ .Although we have programs in place that are designed to monitor and mitigate the associated risk,there can be no assurance that such programs will be effective in reducing our credit risks adequately.We monitor individual payment capability in granting credit arrangements,seek to limit the total credit to amounts we believe our customers can pay and maintain reserves we believe are adequate to cover exposure for potential losses.If there is a deterioration of ~~a sub- tenant' s or~~ a major customer' s creditworthiness or actual defaults are higher than expected,future losses,if incurred,could harm our business and have a material adverse effect on our operating results.Further,our operating results may be below the expectations of securities analysts and investors in future quarters or years.Our failure to meet these expectations will likely harm the market price of our common stock.Such a decline could occur,and has occurred in the past,even when we have met our publicly stated **revenue and / or earnings guidance.** Our Board of Directors has the authority to issue up to 10, 000, 000 shares of preferred stock and to determine the price, rights, preferences, privileges and restrictions, including voting rights, of those shares without any further vote or action by the shareholders. The rights of the holders of common stock may be subject to, and may be adversely affected by, the rights of the holders of any preferred stock that may be issued in the future. The issuance of preferred stock may have the effect of delaying, deferring or preventing a change of control of our company without further action by our shareholders and may adversely affect the voting and other rights of the holders of common stock. Further, certain provisions of our bylaws, including a provision limiting the ability of shareholders to raise matters at a meeting of shareholders without giving advance notice, may have the effect of delaying or preventing changes in control or management of our company, which could have an adverse effect on the market price of our common stock. Similarly, state anti- takeover laws in the State of Washington related to corporate takeovers may prevent or delay a change of control of our company. Our stock price ~~could be volatile, particularly during times of economic uncertainty and volatility in domestic and international stock markets Our stock price~~ has been volatile and has fluctuated significantly in the past. The trading price of our stock is likely to continue to be volatile and subject to fluctuations in the future. Some of the factors that could significantly affect the market price of our stock include: • Actual or anticipated variations in operating and financial results; • Analyst reports or recommendations; • Rumors, announcements or press articles regarding our competitors' operations, management, organization, financial condition or financial statements; and • Other events or factors, many of which are beyond our control. The stock market in general and the market for technology companies in particular, have experienced extreme price and volume fluctuations. These fluctuations have often been unrelated or disproportionate to operating performance. The fluctuations may continue in the future and this could significantly impact the value of our stock and your investment. ~~If securities or industry analysts publish inaccurate or unfavorable research about our business, or discontinue publishing research about our business, the price and trading volume of our securities could decline~~ The trading market for our common stock is influenced by the research and reports that industry or securities analysts publish about us, our business, our market or our competitors. If one or more of the analysts who cover us downgrade our common stock or publish inaccurate or unfavorable research about our business, the price of our securities 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 securities could decrease, which might cause the price and trading volume of our securities to decline. ~~Our~~ **We operate globally and as a result, our** business ~~is subject to the risks of earthquakes~~ , ~~fire~~ **revenues** , ~~power outages, floods,~~ and **profitability may be impacted by global macroeconomic conditions. The continuing adverse global macroeconomic conditions and related market uncertainties have, among** other **things** ~~catastrophic events~~ , **softened customer demand** and **customer purchase decisions, which may in turn, limit our ability** to ~~interruption by man- made problems~~ **forecast future business activities involving our products and services. Prolonged adverse macroeconomic conditions both in the U. S. and abroad, including, but not limited to, rising interest rates to combat inflationary pressures of goods and services, challenges in the financial and credit markets, labor shortages, supply chain disruptions, trade uncertainty, adverse changes in global taxation and tariffs, sanctions, outbreaks of pandemic diseases** such as ~~terrorism~~ **COVID- 19, political unrest and social strife, armed conflicts, such as the Russian invasion of Ukraine, or other impacts from the macroeconomic environment have led to a slowing of global economic growth. Continued worsening of macroeconomic conditions could adversely affect our business, financial condition, results of operations and cash flows through, among others, softer demand of our products and services as well as unfavorable increases to our operating costs, which could negatively impact our profitability. We have offices and employees located in Israel. As a result, political, economic, and military conditions in Israel directly affect our operations. The future of peace efforts between Israel and its Arab neighbors remains uncertain. There has been a significant increase in hostilities and political unrest in Israel. The effects of these hostilities and violence on the Israeli economy and our operations in Israel are unclear, and we cannot predict the effect on us of further increases in these hostilities or future armed conflict, political instability or violence in the region. In addition, many of our employees in Israel are obligated to perform annual reserve duty in the Israeli military and are subject to being called for active duty under emergency circumstances. We cannot predict the full impact of these conditions on us in the future, particularly if emergency circumstances or an escalation in the political situation occurs. If many of our employees in Israel are called for active duty for a significant period of time, our operations and our business could be disrupted and may not be able to function at full capacity. Current or future tensions and conflicts in the Middle East could adversely affect our business, operating results, financial condition and cash flows.** A significant natural disaster, such as an earthquake, a fire, a flood, or a significant power outage could have a material adverse impact on our business, operating results, and financial condition. We have an administrative and product development office and a third party contract manufacturer located in the San Francisco Bay Area, a region known for seismic activity. In addition, natural disasters could affect our supply chain, manufacturing vendors, or logistics providers' ability to provide materials and perform services such as manufacturing products or assisting with shipments on a timely basis. In the event our or our service providers' information technology systems or manufacturing or logistics abilities are hindered by any of the events discussed above, shipments could be delayed, resulting in missed financial targets, such as revenue and shipment targets, for a particular quarter. In addition, cyber- attacks, acts of terrorism, or other geopolitical unrest could cause disruptions in our business or the business of our supply chain, manufacturers, logistics providers, partners, or end- customers or the economy as a whole. Any disruption in the business of our supply chain, manufacturers, logistics providers, partners or end- customers that impacts sales at the end of a fiscal quarter could have a significant adverse impact on our quarterly results. All of the aforementioned risks may be further increased if the disaster recovery plans for us and our suppliers prove to be inadequate. To the extent that any of the above should result in delays or cancellations of customer orders, or the delay in the manufacture, deployment or shipment of our products, our business, financial condition and operating results would be adversely affected. ~~Climate change may have an impact on our business~~ Risks related to climate change are increasing in both impact and type of risk. We believe there will not be significant near- term impacts to our offices worldwide due to climate change, but long- term impacts remain unknown. However, there may be business operational risk due to the significant impacts climate change could pose to our employees' lives, our supply chain, or electrical power availability from climate- related weather events. In addition, rapidly changing customer and regulatory requirements to reduce carbon emissions present a risk of loss of business if we are not able to meet those requirements. In addition to other risks listed in this " Risk Factors " section, factors that may affect our operating results include, but are not limited to: • fluctuations in demand for our products and services due to changing market conditions, pricing conditions, technology evolution, seasonality, or other changes in the global economic environment; • changes or fluctuations in sales and implementation cycles for our products and services; • changes in the mix of our products and services, including increases in SaaS and other subscription- based offerings; • changes in the growth rate of the application delivery market; • reduced visibility into our customers' spending and implementation plans; • reductions in customers' budgets for data center and other IT purchases or delays in these purchases; • changes in end- user customer attach rates and renewal rates for our services; • fluctuations in our gross margins, including the factors described herein, which may contribute to such fluctuations; • our ability to control costs, including operating expenses, the costs of hardware and software components, and other manufacturing costs; • our ability to develop, introduce and gain market acceptance of new products, technologies and services, and our success in new and evolving markets; • any significant changes in the competitive environment, including the entry of new competitors or the substantial discounting of products or services; • the timing and execution of product transitions or new product introductions, and related inventory costs; • variations in sales channels, product costs, or mix of products sold; • our ability to establish and manage our distribution channels, and the effectiveness of any changes we make to our distribution model; • the ability of our contract manufacturers and suppliers to provide component parts, hardware platforms and other products in a timely manner; • benefits anticipated from our investments in sales, marketing, product development, manufacturing or other activities; • impacts on our overall tax rate caused by any reorganization in our corporate structure; • changes in tax laws or regulations, or other accounting rules; and • general economic conditions, both domestically and in our foreign markets.