Risk Factors Comparison 2024-02-16 to 2023-02-22 Form: 10-K

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Below is a summary of the principal factors that make an investment in our common stock speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below under the heading " Risk Factors " and should be carefully considered, together with other information in this Form 10- K and our other filings with the SEC, before making an investment decision regarding our common stock. Risks Related to Our Technology, Cybersecurity and the Cyber Incident • Cyberattacks, including the Cyber Incident, and other security incidents have resulted, and in the future may result, in compromises or breaches of our and our customers' systems, the insertion of malicious code, malware, ransomware or other vulnerabilities into our systems and products and in our customers' systems, the exploitation of vulnerabilities in our and our customers' environments, theft or misappropriation of our and our customers' proprietary and confidential information, interference with our and our customers' operations, exposure to legal and other liabilities, higher customer, employee and partner attrition, negative impacts to our sales, renewals and upgrade and reputational harm and other serious negative consequences, any or all of which could materially harm our business. • ~~The Cyber Incident has had and may continue to have an adverse effect on our business, reputation, customer, employee and partner relations, results of operations, financial condition or cash flows. •~~ As a result of the Cyber Incident, we are ~~party to several lawsuits and are the~~ subject **to pending** ~~of an ongoing investigation~~ ---- **litigation** ~~by~~ **with** the SEC, ~~any of~~ which ~~could~~ **has and may continue to** result in ~~significant~~ **additional** costs and expenses, the diversion of management' s attention, **unfavorable publicity and** a negative impact on employee morale **,** and **in the future could result in significant penalties,** an adverse effect on our business, reputation, financial condition, results of operations **and /** or stock price **. • Interruptions or performance problems associated with our internal infrastructure, and its reliance on technologies from third parties, may adversely affect our ability to manage our business and meet reporting obligations** . Risks Related to Our Business and Industry • Our quarterly revenue and operating results may fluctuate ~~in the future~~ **from time to time** . • If we are unable to capture significant volumes of high- quality sales leads from our digital marketing initiatives, **account- based marketing and** ~~or~~ **our outbound** ~~if we face challenges with our evolving focus in our~~ sales motion ~~to selling products to enterprise customers~~ , our revenue and operating results could be adversely affected. • If we are unable to sell products to new customers or to sell additional products or upgrades to our existing customers, it could adversely affect our revenue. • If we fail to manage our solutions evolution, our financial results could be negatively impacted. Risks Related to ~~Government Regulation~~ - **Regulatory , Compliance and Legal Matters** • We are subject to various global data privacy and security regulations, which **have and** could **continue to** result in additional costs and liabilities to us. • We are subject to governmental export controls and economic sanctions laws that could impair our ability to compete in international markets and subject us to liability. Risks Related to Our Intellectual Property • The success of our business depends on our ability to obtain, maintain, protect and enforce our intellectual property rights. • Exposure related to any future intellectual property litigation could adversely affect our results of operations. Risks Related to Our Indebtedness • Our substantial indebtedness could adversely affect our financial health and our ability to obtain financing in the future, react to changes in our business and meet our obligations with respect to our indebtedness. • We may be able to incur substantially more indebtedness, which could further exacerbate the risks associated with our substantial indebtedness. Risks Related to Accounting and Taxation • Failure to maintain proper and effective internal controls could have a material adverse effect on our business. • Changes in financial accounting standards or practices may cause adverse, unexpected financial reporting fluctuations and affect our reported results of operations **. • The application of, or changes in, tax laws or regulations may increase our tax obligations and negatively affect our financial performance** . Risks Related to Ownership of Our Common Stock • The trading price of our common stock has been and may continue to be volatile, which could cause the value of your investment to decline. • The requirements of being a public company may strain our resources, increase our costs and distract management. Risks Related to Our Organizational Structure • Our charter and bylaws contain anti- takeover provisions that could delay or discourage takeover attempts. • The Lead Sponsors have a controlling influence over matters requiring stockholder approval, which could delay or prevent a change of control. ~~Risks Related to the N- able Spin- Off • The spin- off of N- able may not achieve some or all of the anticipated benefits, which may disrupt or adversely affect our business, results of operations and financial condition.~~ Cyberattacks, including the Cyber Incident, and other security incidents have resulted, and in the future may result, in compromises or breaches of our and our customers' systems, the insertion of malicious code, malware, ransomware or other vulnerabilities into our systems and products and in our customers' systems, the exploitation of vulnerabilities in our and our customers' environments, theft or misappropriation of our and our customers' proprietary and confidential information, interference with our and our customers' operations, exposure to legal and other liabilities, higher customer, employee and partner attrition, negative impacts to our sales, renewals and upgrades and reputational harm and other serious negative consequences, any or all of which could materially harm our business. We are heavily dependent on our technology infrastructure to operate our business, and our customers rely on our products to help manage and secure their own IT infrastructure and environments, including their and their customers' confidential information. Despite our implementation of security measures and controls, our systems and those of third parties upon whom we rely are vulnerable to attack from numerous threat actors, including sophisticated nation- state and nation- state- supported actors (including advanced persistent threat intrusions), as well as events ~~which~~ **that** may arise from human error, fraud or malice on the part of employees, contractors or other third parties **as well as other insider threats. In addition, as artificial intelligence (" AI ") capabilities improve and are increasingly adopted, we may see cyberattacks created through AI or leveraging AI**

technology. These attacks could be crafted with an AI tool to directly attack information systems with increased speed and / or efficiency than a human threat actor or create more effective phishing emails . Threat actors have been, and may in the future be, able to compromise our security measures or otherwise exploit vulnerabilities in our **IT** systems **or products** , including vulnerabilities that may arise from, or have been introduced through, the actions, inactions or errors of our employees or contractors or defects in the design or manufacture of our products and systems or the products and systems that we procure from third parties. In **addition** ~~doing so~~ , **our legacy products have been and may in** ~~they~~ **the future be more vulnerable to compromise. Vulnerabilities may also arise from, or be introduced through our or our customers and partners incorporating the output of an AI tool that includes a threat, such as introducing malicious code by incorporating AI-generated source code. As a result, threat actors** have been, and may in the future be, able to breach or compromise our IT systems, including those which we use to design, develop, deploy and support our products, and access and misappropriate our, our current or former employees' and our customers' proprietary and confidential information, including our software source code, introduce malware, ransomware or vulnerabilities into our products and systems and create system disruptions or shutdowns **. In addition, our customers have in the past and may in the future incorrectly configure our software, which has resulted in and may in the future result in loss or a breach of business data or other security incidents. We also rely on third- party and open source software that has in the past and may in the future contain bugs, vulnerabilities, or errors that have been or in the future could be exploited or disclosed before a patch or fix is available** . By virtue of the role our products play in helping to manage and secure the environments and systems of our customers, attacks on our systems and products can result in similar impacts on our customers' systems and data. Moreover, the number and scale of cyberattacks have continued to increase and the methods and techniques used by threat actors, including sophisticated " supply- chain " attacks such as the Cyber Incident, malware, ransomware, viruses, denial of service attacks **, insider threats** and phishing and social engineering attacks, continue to evolve at a rapid pace **. In particular, supply chain attacks have increased in frequency and severity, and we cannot guarantee that third parties and infrastructure in our supply chain have not been compromised or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our solutions and networks or the systems and networks of third parties that support us and our solutions** . As a result, we may be unable to identify current attacks, anticipate these attacks or implement adequate security measures. We have experienced, and may in the future experience, security breaches that may remain undetected for an extended period and, therefore, have a greater impact on our systems, our products, the proprietary data contained therein, our customers and ultimately, our business. In addition, our ability to defend against and mitigate cyberattacks depends in part on prioritization decisions that we and third parties upon whom we rely make to address vulnerabilities and security defects. While we endeavor to address ~~all~~ identified vulnerabilities in our products, we **and such third parties** must make determinations as to how we prioritize developing and deploying the respective fixes, **which** ~~and we may be unable to do so prior to an~~ **can** ~~attack~~ **delay, limit or prevent development or deployment of a mitigation and harm our reputation. We have and continue to expend significant financial and development resources to address and eliminate vulnerabilities** . Likewise, even once a vulnerability has been addressed, for certain of our products, the fix will only be effective once a customer has updated the impacted product with the latest release, and customers that do not install and run the latest supported versions of our products may remain vulnerable to attack. Additionally, we use third- party service providers to provide some services to us that involve the cloud hosting, storage or transmission of data, such as SaaS, cloud computing, and internet infrastructure and bandwidth, and they could experience operational outages, or various cybersecurity threats, suffer cybersecurity incidents, or other security breaches, which would adversely impact ~~out~~ **our** business. Cyberattacks, including the Cyber Incident, and other security incidents such as phishing schemes, have resulted, and in the future may result, in numerous risks and adverse consequences to our business, including that **: •** ~~(a)~~ our prevention, mitigation and remediation efforts may not be successful or sufficient **; •** ~~, (b)~~ our confidential and proprietary information, including our source code, as well as information that related to current or former employees and customers may be accessed, exfiltrated, misappropriated, compromised or corrupted **; •** ~~, (c)~~ we incur significant financial, legal, reputational and other harms to our business, including loss of business, decreased sales, severe reputational damage adversely affecting current and prospective customer, employee or vendor relations and investor confidence, U. S. or foreign regulatory investigations and enforcement actions, litigation, indemnity obligations, damages for contractual breach, penalties for violation of applicable laws or regulations, including laws and regulations in the United States and other jurisdictions relating to the collection, use and security of user and other personally identifiable information and data, significant costs for remediation, impairment of our ability to protect our intellectual property, stock price volatility and other significant liabilities **; •** ~~, (d)~~ our insurance coverage, including coverage relating to certain security and privacy damages and claim expenses, may not be available or sufficient to compensate for all liabilities we incur related to these matters or that we may face increased costs to obtain and maintain insurance in the future **;** and **•** ~~(e)~~ our steps to secure our internal environment, adapt and enhance our software development and build environments and ensure the security and integrity of the products that we deliver to customers may not be successful or sufficient to protect against future threat actors or cyberattacks. We have incurred and expect to continue to incur significant expenses related to our cybersecurity initiatives. ~~The~~ **As a result of the** Cyber Incident **, we are subject to pending litigation with the SEC, which** has ~~had~~ and may continue to ~~have~~ **result in additional costs and expenses, the diversion of management' s attention, unfavorable publicity and a negative impact on employee morale, and in the future could result in significant penalties,** an adverse effect on our business, reputation, ~~customer, employee and partner relations, results of operations,~~ financial condition **, results of operations and / or stock price, as well as a bar against our Chief Information Security Officer from serving as** ~~and~~ **an** ~~cash flows~~ **officer or director of a publicly traded company** . ~~The~~ **On October 30, 2023, in connection with the previously disclosed SEC investigation related to the** Cyber Incident ~~has harmed~~ , ~~and may continue to harm, our reputation and~~ **the SEC filed a civil complaint (the " SEC Complaint ") naming the Company** ~~brand~~ -- **and** ~~positioning,~~ our **Chief Information Security Officer (" CISO ")** ~~customer, employee and~~

~~partner relations and our operations and business~~ as **defendants (** ~~a result of both the impact it has had on our relationships with existing and prospective customers and the significant time and resources that our personnel have had to devote to responding to the Cyber Incident. Customers have and may in the future defer purchasing or choose to cancel or not renew their~~ -- **the " Defendants ")** ~~agreements or subscriptions with us as a result of the Cyber Incident~~ . **The SEC Complaint alleges violations** ~~We have expended significant costs and expenses related to the Cyber Incident, including in connection with our investigations and our compliance with applicable laws and regulations in connection with any access to and exfiltration~~ of **certain provisions of** ~~information related to our current or former employees and customers, and we have expended significant costs in connection with our remediation efforts and our measures to address~~ the ~~damage to our reputation, customer, employee and partner relations and we have and expect to continue to expend significant costs in connection with our Secure~~ **Securities Act and the Exchange Act** by ~~Design and related initiatives. If we are unable to rebuild~~ the **Company** ~~trust of our current~~ and ~~prospective customers and partners, negative publicity continues and / or~~ **our CISO** ~~our personnel continue to have to devote significant time to the Cyber Incident~~ , ~~our business, market share, results of operations~~ and ~~financial condition will be negatively affected. As discussed below, we are party to lawsuits and the subject of governmental investigations related to the Cyber Incident. In addition, as a result of the Cyber Incident and market forces beyond our control, the cost of our cybersecurity insurance has increased, and may in the future continue to increase, and we may not be able to obtain additional or comparable insurance coverage on commercially reasonable terms. In addition, governmental authorities investigating the Cyber Incident may seek~~ **seeks** ~~to impose undertakings, injunctive relief, consent decrees, or other civil or criminal penalties, which could~~ , among other things, **permanent injunctions** ~~materially increase our software development and related expenses or otherwise require us to alter how we operate our business. Further, any legislative or regulatory changes adopted in reaction to the Cyber Incident could require us to make modifications to the operation of our business that could have an adverse effect and / or increase or accelerate our compliance costs. While we have concluded our internal investigations relating to the Cyber Incident, the discovery of new or different information regarding the Cyber Incident, including with respect to its scope and impact on our systems, products or customers, could increase our costs and liabilities related to the Cyber Incident and result in further damage to our business, reputation, intellectual property, results of operations and financial condition. In addition, the Cyber Incident has emboldened and in the future may continue to embolden other threat actors to further target our systems, which could result in additional harm to our business, reputation, intellectual property, results of operations and financial conditions. Although we have deployed and expect to continue to deploy significant resources as part of our " Secure by Design " plan, we cannot ensure that our steps to secure our internal environment, improve our software development and build environments and protect the security and integrity of the products that we deliver will be successful or sufficient to protect against future threat actors or cyberattacks or perceived by existing and prospective customers as sufficient to address the harm caused by the Cyber Incident. On October 28, 2022, we received a " Wells Notice " from the SEC relating to its investigation into the Cyber Incident and the SEC' s preliminary determination to recommend an enforcement action against us in connection with our cybersecurity disclosures and public statements, as well as our internal controls and disclosure controls and procedures. A Wells Notice is neither a formal charge of wrongdoing nor a final determination that the recipient has violated any law, and we maintain that our disclosures, public statements, controls and procedures were appropriate and have responded to the SEC staff' s position. If the SEC were to authorize an action against us, it could seek an order enjoining us~~ from engaging in future violations of provisions of the federal securities laws ~~subject to~~ **at issue in** the ~~action~~ **SEC Complaint** , ~~imposing~~ **disgorgement of profits,** civil ~~monetary~~ penalties **against the Defendants and** ~~and~~ - **an** ~~providing for~~ **officer- and- director bar against our CISO. The Company disputes** ~~other~~ -- **the** ~~equitable relief within~~ **allegations made in** the SEC ~~' s authority~~ **Complaint and intends to defend itself in this matter** . ~~The~~ **However, although the impact of the SEC Complaint, including the costs, timing,** results ~~of the Wells Notice process and any corresponding enforcement action and the costs, timing~~ and other potential consequences **thereof,** ~~of responding and complying therewith~~ are unknown at this time, ~~and~~ **the filing of the SEC Complaint,** any ~~fines, penalties~~ **resulting litigation and /** or **an adverse resolution of** ~~other~~ -- **the** ~~remedies~~ **SEC Complaint** could **have a material** impact **on** our **reputation, business, financial condition, results of operation, cash flow,** stock price, ability to obtain financing **and /** or the ability to attract or retain key employees. Furthermore, regardless of the outcome of the **SEC Complaint, the** investigation ~~,~~ **by** the ~~investigation~~ **SEC and resulting complaint** itself has resulted, and ~~may~~ **will** continue to result, in substantial costs, use of resources and diversion of the attention of management and other employees, which could adversely affect our business. Furthermore, publicity surrounding ~~any civil action that may be brought by~~ the SEC **Complaint** ~~, even if ultimately resolved favorably for us,~~ could have an adverse impact on our reputation, business, financial condition, results of operations or cash flows. We ~~are currently incurring~~ **have incurred and will continue to incur** legal **and other** expenses in connection with this matter and anticipate that we will be required to indemnify certain current and former officers with respect thereto **. Moreover** , ~~some of~~ **we have exhausted our coverage limits under our applicable insurance policies and will therefore be required to cover such costs without insurance reimbursement. Although we have resolved the other lawsuits in the U. S. related to the Cyber Incident to** which **we were a** ~~may not be covered by insurance. We cannot predict what impact, if any, these matters may have on our business, financial condition, results of operations and cash flow, though they may be material. We have several pending investigations and inquiries by U. S. regulatory authorities related to the Cyber incident, including the Department of Justice and the SEC. We are also~~ party **,** ~~to lawsuits in the U. S. and~~ additional claims may be asserted by or on behalf of **other government agencies,** customers, stockholders or others seeking monetary damages or other relief. **Any such** ~~On October 28, 2022, we entered into a binding term sheet to settle the consolidated putative class action lawsuit. The settlement is subject to certain conditions, including notice to potential class members and final court approval. The remaining derivative~~ lawsuits **could** ~~, as well as the investigations, claims and regulatory compliance efforts are resulting, and are expected to~~ result in the ~~future, in the~~ incurrence of **additional** significant costs and expenses ~~(which may not be covered by insurance)~~ , ~~the~~ **further** diversion of management' s attention from the operation of our business and a negative impact on employee morale.

The **pendency or** resolution ~~or~~ **, including** ~~an~~ **any** unfavorable outcome **,** of ~~these~~ **any such** lawsuits, ~~investigations, claims~~ **may result in additional costs** and **other liabilities** ~~regulatory compliance efforts~~ , including providing indemnity to our officers and directors ~~, may result in additional costs and other liabilities, which may not be covered by insurance~~ , and may have an adverse impact on our business, financial condition and results of operations ~~. Interruptions or performance problems associated with our internal infrastructure, and its reliance on technologies from third parties, may adversely affect our ability to manage our business and meet reporting obligations~~ . Currently, we use NetSuite to manage our order management and financial processes, salesforce. com to track our sales and marketing efforts and other third- party vendors to manage online marketing and web services. In addition, we rely on third- party cloud providers, including Microsoft Azure, to provide hosting services for certain business applications and services. We believe the availability of these services is essential to the management of our high- volume, transaction- oriented business model. We also use third- party vendors to manage our equity compensation plans ~~and~~ **,** certain aspects of our financial reporting processes ~~. As we expand our operations~~ , ~~we~~ **human resource management systems and payroll processing, among others. We** expect **to continue** to utilize additional systems and service providers that may also be essential to managing our business **, and our business may suffer if we are unsuccessful in identifying high- quality service providers, negotiating cost- effective relationships with them or effectively managing these relationships** . Although the systems and services that we require are typically available from a number of providers, it is time- consuming and costly to qualify and implement these relationships. Therefore, if one or more of our providers suffer an interruption in their business, ~~or~~ experience delays, disruptions or quality- control problems in their operations, **experience difficulty meeting our requirements or standards,** or we have to **otherwise** change or add additional systems and services, our ability to manage our business and ~~produce timely~~ **our finances could be interrupted, receipt of payments from customers may be delayed, our processes for managing sales of our offerings could be impaired, our ability to generate** and ~~accurate~~ **manage sales leads could be weakened, or our business operations could be disrupted. Any disruptions to our business as a result of our dependence on such third- party relationships may adversely affect our** financial ~~statements would suffer~~ **condition, results of operations or cash flows until we replace such providers or develop replacement technology or operations** . Interruptions or performance problems associated with our products, including disruptions at any third- party data centers or public cloud providers upon which we rely, may impair our ability to support our customers. Our continued growth, including with respect to our transition to a subscription- first approach, depends in part on the ability of our existing and potential customers to access our websites, software or cloud- based products within an acceptable amount of time. **In some cases, third- party cloud providers run their own platforms that we access to host our subscription solutions, and we are, therefore, vulnerable to their service interruptions.** We have experienced, and may in the future experience, service disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors, capacity constraints due to an overwhelming number of users accessing our website simultaneously and denial of service or fraud or security attacks. In some instances, we may not be able to identify the cause or causes of these website performance problems within an acceptable period of time. It may become increasingly difficult to maintain and improve our website performance **and the performance of our cloud- based solutions hosted on third- party cloud- based infrastructure** , especially during peak usage times and as **our cloud capabilities become more complex and** our user traffic increases. If our websites are unavailable or if our customers are unable to access our software or cloud- based products within a reasonable amount of time or at all, our business would be negatively affected. Additionally, our data centers ~~and~~ **,** networks and third- party data centers and networks may experience technical failures and downtime, may fail to distribute appropriate updates, or may fail to meet the increased requirements of a growing customer base **. In addition, similar to other organizations with cloud- based products, we have standing agreements with our vendors to offer services during a specific period of time and for a specific minimum amount. If our commitment levels drop below our contractual obligations, we may be required to pay penalties which could impact our future cash flows** . We provide certain of our application performance management and service desk products through third- party data center hosting facilities and cloud providers located in the United States and other countries. While we control the code and applications, we do not have direct control over the underlying infrastructure components and consume infrastructure as a service from both data center and cloud service providers of these facilities. If any of the services provided by the third- party data center hosting facilities or cloud providers fails or becomes unavailable due to extended outages, damage or interruptions, including performance problems from earthquakes, hurricanes, floods, fires, power loss, telecommunications failures, equipment failures or cybersecurity attacks, or because they are no longer available on commercially reasonable terms or prices, our revenues could be reduced, our reputation could be damaged, we could be exposed to legal liability, expenses could increase, and our processes for managing sales of our solutions and supporting our customers could be impaired until equivalent services, if available, are identified, obtained and implemented, all of which could adversely affect our business and financial results. In addition, following expiration of the current agreement terms, the owners of the data center facilities and cloud providers have no obligation to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew these agreements on commercially reasonable terms, or if one of our data center operators is acquired, we may be required to transfer our servers and other infrastructure to new data center facilities, and we may incur significant costs and possible service interruptions in connection with doing so. In addition, if we need to add new data center facilities or cloud providers to increase capacity, we could experience interruptions, downtime, delays, and additional expenses related to transferring to and providing support for these new platforms. **The Cyber Incident has had and may continue to have an adverse effect on our business, reputation, customer, employee and partner relations, results of operations, financial condition and cash flows. The Cyber Incident has harmed, and may continue to harm, our reputation and brand positioning, our customer, employee and partner relations and our operations and business as a result of both the impact it has had on our relationships with existing and prospective customers and the significant time and resources that our personnel have had to devote to responding to the Cyber Incident. Customers have and may in the future defer**

purchasing or choose to cancel or not renew their agreements or subscriptions with us as a result of the Cyber Incident. We have expended significant costs and expenses related to the Cyber Incident, including in connection with our investigations and our compliance with applicable laws and regulations in connection with any access to and exfiltration of information related to our current or former employees and customers, and we have expended significant costs in connection with our remediation efforts and our measures to address the damage to our reputation, customer, employee and partner relations and we have and expect to continue to expend significant costs in connection with our Secure by Design and related initiatives. If we are unable to rebuild the trust of our current and prospective customers and partners, negative publicity continues and / or our personnel continue to have to devote significant time to the Cyber Incident, our business, market share, results of operations and financial condition will be negatively affected. As discussed above, we are party to lawsuits and the subject of governmental investigations related to the Cyber Incident. In addition, as a result of the Cyber Incident and market forces beyond our control, the cost of our cybersecurity insurance has increased, and may in the future continue to increase, and we may not be able to obtain additional or comparable insurance coverage on commercially reasonable terms. In addition, as described above, the SEC has filed a civil complaint, and other governmental authorities investigating the Cyber Incident may seek to impose undertakings, injunctive relief, consent decrees, or other civil or criminal penalties, which could, among other things, materially increase our software development and related expenses or otherwise require us to alter how we operate our business. While we have concluded our internal investigations relating to the Cyber Incident, the discovery of new or different information regarding the Cyber Incident, including with respect to its scope and impact on our systems, products or customers, could increase our costs and liabilities related to the Cyber Incident and result in further damage to our business, reputation, intellectual property, results of operations and financial condition. In addition, the Cyber Incident has emboldened and in the future may continue to embolden other threat actors to further target our systems, which could result in additional harm to our business, reputation, intellectual property, results of operations and financial conditions. Although we have deployed and expect to continue to deploy significant resources as part of our Secure by Design plan, we cannot ensure that our steps to secure our internal environment, improve our software development and build environments and protect the security and integrity of the products that we deliver will be successful or sufficient to protect against future threat actors or cyberattacks or perceived by existing and prospective customers as sufficient to address the harm caused by the Cyber Incident. Our quarterly revenue and operating results may fluctuate ~~in the future~~ **from time to time** because of a number of factors, which makes our ~~future~~ **periodic** results difficult to predict and could cause our operating results to fall below expectations or the guidance we may provide ~~in the future~~. We believe our quarterly revenue and operating results may vary significantly ~~in the future~~ **from time to time**. As a result, you should not rely on the results of any one quarter as an indication of future performance and period- to- period comparisons of our revenue and operating results may not be meaningful. Our quarterly results of operations may fluctuate as a result of a variety of factors, including, but not limited to, those listed below, many of which are outside of our control: • our ability to maintain and increase sales to existing customers and to attract new customers; • our ability to convert our **maintenance** customers to subscription products; • changes in **the timing of** our revenue recognition and revenue growth as a result of conversions from maintenance to subscription; • decline or delay in maintenance or subscription renewals, particularly with respect to our time- based subscription offerings; • our ability to capture a significant volume of qualified sales leads; • our ability to convert qualified sales leads into new business sales at acceptable conversion rates; • the success of our increased selling efforts toward enterprise customers; • the success of increased investments in our transformation from monitoring to observability; • the amount and timing of operating expenses and capital expenditures related to the expansion of our operations and infrastructure **, including third- party hosting costs,** and customer acquisition **; • our ability to increase and manage the growth of our international operations, including our international sales force, and our ability to manage the risks associated therewith, including increased turnover rates** ; • fluctuations in foreign currency exchange rates that may negatively impact our reported results of operations; • occasional large customer orders, including in particular those placed by the U. S. federal government; • unpredictability and timing of buying decisions by the U. S. federal government **, including, if one were to occur, any impact on buying decisions and timing resulting from any government shutdown; • our ability to work with our partners to attract new customers or expand our existing customer base** ; • our failure to achieve the growth rate that was anticipated by us in setting our operating and capital expense budgets; • potential foreign exchange gains and losses related to expenses and sales denominated in currencies other than the functional currency of an associated entity; • the timing of revenue and expenses related to the development or acquisition of technologies, products or businesses; • potential goodwill and intangible asset impairment charges and amortization associated with acquired businesses **; • changes in the manner of use of our long- lived assets, including finite- lived intangible assets, operating lease assets and capitalized software development assets** ; • the timing and success of new products, enhancements or functionalities introduced by us or our competitors; • our ability to obtain, maintain, protect and enforce our intellectual property rights; • changes in our pricing or licensing model or those of our competitors; • the impact of new accounting pronouncements or changes in tax laws; • general economic, industry and market conditions that impact expenditures for enterprise IT management software in the United States and other countries where we sell our software; • significant ~~security~~ **cybersecurity** breaches ~~, such as the Cyber Incident~~, technical difficulties or interruptions to our products; • changes in tax rates in jurisdictions in which we operate **; • fluctuations in interest rates** ; and • continued uncertainties in the market and our business operations as a result of global macroeconomic conditions. Fluctuations in our quarterly operating results might lead analysts to change their models for valuing our common stock. As a result, our stock price could decline rapidly, and we could face costly securities class action suits or other unanticipated issues. If we are unable to capture significant volumes of high- quality sales leads from our digital marketing initiatives ~~and~~ **,** account- based marketing **and our outbound sales motion** , it could adversely affect our revenue growth and operating results. Our digital marketing program is designed to ~~efficiently and~~

~~cost- effectively~~ drive a high volume of website traffic and deliver high- quality leads, which are often trials of our products, to our sales teams **efficiently and cost- effectively** . We drive website traffic and capture leads through various digital marketing initiatives, including search engine optimization, or SEO, paid media placement, targeted email campaigns, localized websites, social media, e- book distribution, video content, blogging and webcasts. In addition, we have added programs and technologies to support an account- based marketing motion as we seek to capture more expansion opportunities within our large customer base and better visibility within key enterprise accounts. If we fail to drive a sufficient amount of website traffic or capture a sufficient volume of high- quality sales leads from these activities, our revenue may not grow as expected or could decrease. If we devote additional resources to our selling efforts toward enterprise customers at the expense of our digital marketing program, the success of our traditional sales approach may be negatively impacted. In addition, if either our customer success efforts or the efforts of our channel partners fail to generate sufficient sales leads, our revenue may not grow as expected. If these activities are unsuccessful, we may be required to increase our sales and marketing expenses, which may not be offset by additional revenue, and could adversely affect our operating results. Our increased investments in account- based marketing may divert our sales teams' ~~expenses and~~ attention and may not be successful in obtaining large enterprise customers despite the resources we devote to it. In addition, our digital marketing initiatives may be unsuccessful in driving high volumes of website traffic and generating trials of our products, resulting in fewer high- quality sales leads, for a number of reasons. For example, technology professionals and leaders often find our products when they are online searching for a solution to address a specific need. Search engines typically provide two types of search results, algorithmic and purchased listings, and we rely on both. The display, including rankings, of unpaid search results can be affected by a number of factors, many of which are not in our direct control ~~,~~ and may change frequently. Our SEO techniques have been developed to work with existing search algorithms used by the major search engines. However, major search engines frequently modify their search algorithms, and such modifications could cause our websites to receive less favorable placements, which could reduce the number of technology professionals who visit our websites. In addition, websites must comply with search engine guidelines and policies that are complex and may change at any time. If we fail to follow such guidelines and policies properly, search engines may rank our content lower in search results or could remove our content altogether from their indexes. If our websites are displayed less prominently or fail to appear in search result listings in response to search inquiries regarding observability, IT monitoring and **management, database performance** management or service management problems through Internet search engines for any reason, our website traffic could significantly decline, requiring us to incur increased marketing expenses to replace this traffic. Any failure to replace this traffic could reduce our revenue. In addition, the success of our digital marketing initiatives depends in part on our ability to collect customer data and communicate with existing and potential customers online and through phone calls. As part of the product evaluation trial process and during our sales process, most of our customers agree to receive emails and other communications from us. We also use tracking technologies, including cookies and related technologies, to help us track the activities of the visitors to our websites. However, as discussed in greater detail below, we are subject to a wide variety of data privacy and security laws and regulations in the U. S. and internationally that affect our ability to collect and use customer data and communicate with customers through email and phone calls. ~~Several~~ **Many** jurisdictions have proposed or adopted laws that restrict or prohibit unsolicited email or “ spam ” or regulate the use of cookies, including the European Union’ s General Data Protection Regulation **and ePrivacy Directive** . These new laws and regulations may impose significant monetary penalties for violations and complex and often burdensome requirements in connection with sending commercial ~~email~~ **emails** or other data- driven marketing practices. As a result of such regulation, we may be required to modify or discontinue our existing marketing practices, which could increase our marketing costs. If we are unable to sell products to new customers or to sell additional products or upgrades to our existing customers, it could adversely affect our revenue growth and operating results. To increase our revenue, we must regularly add new customers, including new customers within existing client organizations, and sell additional products or upgrades, including conversions to our subscription products, to existing customers. Even if we capture a significant volume of leads from our digital marketing activities, we must be able to convert those leads into sales of our products in order to achieve revenue growth. We primarily rely on our direct sales force to sell our products to new and existing customers and convert qualified leads into sales using our high- velocity" selling from the inside" sales model, which we augment with a targeted, high- touch enterprise sales team and Customer Success motion. Accordingly, our ability to achieve significant growth in revenue in the future will depend on our ability to recruit, train and retain sufficient numbers of sales personnel, and on the productivity of those personnel. We plan to continue to expand our sales force both domestically and internationally. Our recent and planned personnel additions may not become as productive as we would like or in a timely manner, and we may be unable to hire or retain sufficient numbers of qualified individuals in the future in the markets where we do or plan to do business. In addition, as we augment our sales model and our solutions expand, additional training for new hires and our existing personnel may be required to successfully execute ~~on~~ those strategies. If we are unable to sell products to new customers and additional products or upgrades to our existing customers through our direct sales force or through our channel partners, which supplement our direct sales force by distributing our products and generating sales opportunities, we may be unable to grow our revenue and our operating results could be adversely affected. If we fail to successfully manage **the evolution of** our solutions ~~evolution~~ , our financial results could be negatively impacted. We currently derive our revenue from a combination of subscription revenue from the sale of observability, application performance management and service desk products, and license and maintenance revenue from the sale of our on- premises network, systems, storage and database management perpetual license products. As we continue our evolution from monitoring to observability **and our subscription- first approach** , ~~we expect~~ our revenue mix **has shifted, and we expect it to continue** to shift **,** to a greater percentage of subscription revenue, resulting in variation in the timing of how and when we recognize revenue. This shift to a subscription model depends on customer choice, and we may not be successful in converting our customers from perpetual licenses to subscription licenses which may lead to customer attrition or slower revenue growth. In addition, as a part of this ~~evolution~~ **shift**

, we continue to make changes to how we build and deliver our technology, including changes in our business models with customers. If our strategy for addressing our customer needs, or the architectures and solutions we develop do not meet those needs, or the changes we are making in how we build and deliver our technology ~~is~~ **are** ineffective, our business could be harmed. Whether our solutions transformation will prove successful and will accomplish our business and financial objectives is subject to numerous uncertainties, including but not limited to: customer demand, customer acceptance of our ~~observability~~ **subscription** products, renewal and expansion rates, our ability to further develop and scale our cloud- based infrastructure, our pricing and our costs. If we do not successfully execute this transition, our business and future operating results could be adversely affected. Our business depends on customers renewing their maintenance or subscription agreements. Any decline in renewal or net retention rates could harm our future operating results. The significant majority of our revenue is recurring and consists of maintenance revenue and subscription revenue. Our perpetual license products typically include the first year of maintenance as part of the initial price. Our subscription products generally have recurring monthly or annual subscription periods. Our customers have no obligation to renew their maintenance or subscription agreements after the expiration of the initial period. Because of the timing of our subscription revenue recognition, any delays in renewals of our subscription products could have a greater impact in the quarter that the renewal is due. It is difficult to accurately predict long- term customer retention. Our customers' maintenance renewal rates and subscription net retention rates may decline or fluctuate as a result of a number of factors, such as our customers' level of satisfaction with our products **and services**, the prices of our products, the prices of products and services offered by our competitors, how our products are subjectively evaluated in industry analyst assessments, reductions in our customers' spending levels or customer perceptions of the Cyber Incident. If our customers do not renew their maintenance or subscription arrangements or if they renew them on less favorable terms, our revenue may decline, and our business will suffer. A substantial portion of our quarterly maintenance and subscription revenue is attributable to agreements entered into during previous quarters. As a result, if there is a decline in renewed maintenance or subscription agreements in any one quarter, only a small portion of the decline will be reflected in our revenue recognized in that quarter and the rest will be reflected in our revenue recognized in the following four quarters or more. Because our long- term success depends on our ability to operate our business internationally and increase sales of our products to customers located outside of the United States, our business ~~is~~ **has been and continues to be** susceptible to risks associated with international operations and global macroeconomic conditions. We have international operations in the Republic of Ireland, the United Kingdom, Canada, the Czech Republic, Poland, Germany, France, India ~~, the Netherlands~~ , Sweden, Israel, Australia, Japan, South Korea, Turkey, Singapore, the Philippines and the United Arab Emirates and we market and sell our products worldwide. We expect to continue to expand our international operations for the foreseeable future. The continued international expansion of our operations requires significant management attention and financial resources and results in increased administrative and compliance costs. Our limited experience in operating our business in certain regions outside the United States increases the risk that our expansion efforts into those regions may not be successful. Our business model may not be successful in particular countries or regions outside the United States for reasons that we currently are unable to anticipate. We are subject to risks associated with international sales and operations including, but not limited to: • fluctuations in currency exchange rates (which we hedge only to a limited extent at this time); • dependence on resellers, distributors and other global channel partners to increase customer acquisition or drive localization efforts; • the complexity of, or changes in, foreign regulatory requirements; • **any violation of legal and regulatory requirements or any misconduct by our international employees or partners; •** reduced or varied protection for intellectual property rights in some countries and the risk of potential theft or compromise of our technology, data or intellectual property in connection with our international operations, whether by state- sponsored malfeasance or other foreign entities or individuals; • difficulties in managing the staffing of international operations, including compliance with local labor and employment laws and regulations; • potentially adverse tax consequences, including the complexities of foreign value **-** added tax systems, overlapping tax regimes, restrictions on the repatriation of earnings and changes in tax rates; • the burdens of complying with a wide variety of foreign laws and different legal standards; • increased financial accounting and reporting burdens and complexities; • longer payment cycles and difficulties in collecting accounts receivable; • longer sales cycles; • political, social and economic instability; • war, terrorist attacks and security concerns in general; • laws and policies of the U. S. and other jurisdictions affecting international trade (including import and export control laws, tariffs and trade barriers); • the risk of U. S. regulation of foreign operations; and • other factors beyond our control such as natural disasters and pandemics. The occurrence of any one of these risks could negatively affect our international business and, consequently, our operating results. We cannot be certain that the investment and additional resources required to establish, acquire or integrate operations in other countries will produce **the** desired levels of revenue or profitability. If we are unable to effectively manage our expansion into additional geographic markets, our financial condition and results of operations could be harmed. In particular, we operate much of our research and development activities internationally and outsource a portion of the coding and testing of our products and product enhancements to contract development vendors. We believe that performing research and development in our international facilities and supplementing these activities with our contract development vendors enhances the efficiency and cost- effectiveness of our product development. Unrest in certain countries may pose security risks to our people, our facilities, our systems, our operations and local infrastructure, such as utilities and network services, and the disruption of any or all of them could materially adversely affect our operations and / or financial results. In particular, we outsource to contract development vendors located in Ukraine **and** ~~. As a result of the Russia- Ukraine conflict,~~ we **also** have **operations** ~~suspended all of our business activities in Russia and Belarus~~ , **including research** ~~but such suspension has not had,~~ and **development personnel, located in Israel. Although** we do not expect ~~it~~ **the wars in Ukraine or Israel** to have ~~,~~ a material impact on **us given our operations in Ukraine and Israel do not currently constitute a material portion of our development operations** ~~our~~ - **or our revenue** ~~financial results. In addition~~ , the ~~conflict~~ **conflicts** ~~has~~ **have** and may continue to increase our costs, disrupt or delay current or future planned development activities in Ukraine **and Israel** or force us to shift development efforts to resources in other geographies that may not possess the same level of cost efficiencies. Whether in these countries or in others in which we operate, civil unrest, political instability or uncertainty, military activities, or broad- based sanctions, should they continue for the long term or escalate, could require us to re- balance our geographic concentrations and could have an adverse effect on our operations and financial performance, including through increased costs of compliance, restrictions on our ability to sell into specific regions, higher volatility in foreign currency exchange rates, increased use of less cost- efficient resources and negative impacts to our business resulting from deteriorating general economic conditions and adverse impacts to the operations and financial condition of our suppliers, partners and customers. ~~In June 2016, the United Kingdom' s electorate voted in a referendum to voluntarily depart from the European Union, commonly referred to as " Brexit. " On December 24, 2020, the United Kingdom and the European Union entered into a trade and cooperation agreement (the " Trade and Cooperation Agreement "), which was applied on a provisional basis from January 1, 2021. The long- term effects of Brexit will depend on the effects of the implementation and application of the Trade and Cooperation Agreement and any other relevant agreements between the United Kingdom and the European Union, which continue to be negotiated. We have operations in the United Kingdom and the European Union and, as a result, we face risks associated with the potential uncertainty and disruptions that may follow Brexit and the implementation and application of the Trade and Cooperation Agreement, including with respect to volatility in exchange rates and interest rates, disruptions to the free movement of data, goods, services, people and capital between the United Kingdom and the European Union, potential conflict between the laws applying in the UK and in Europe and potential material changes to the regulatory regime applicable to our operations in the United Kingdom and / or Europe as a result.~~ If one or more of these risks ~~occurs~~ - **occur** , it could require us to dedicate significant resources to remedy, and if we are unsuccessful in finding a solution, our financial results could suffer. We operate in highly competitive markets, which could make it difficult for us to acquire and retain customers at historic rates. We operate in a highly competitive, fragmented and evolving industry. Competition in our market is based primarily on brand awareness and reputation; product capabilities, including scalability, performance, security and reliability; ability to solve problems for companies of all sizes and infrastructure complexities; ease of use; total cost of ownership; flexible deployment models, including on- premises, in the cloud or in a hybrid environment; strength of sales and marketing efforts; and focus on customer service. We often compete to sell our products against existing products or systems that our potential customers have already made significant expenditures to install. Many of our current and potential competitors enjoy substantial competitive advantages over us, such as greater brand awareness and substantially greater financial, technical and other resources. In addition, many of our competitors have established marketing relationships and access to larger customer bases, and have major distribution agreements with consultants, system integrators and resellers. Given their larger size, greater resources and existing customer relationships, our competitors may be able to compete and respond more effectively than we can to new or changing opportunities, technologies, standards or customer **and end- user** requirements. We face competition from IT vendors offering enterprise- wide software frameworks and services and companies in the observability, network, servers, storage, database, cloud and application performance monitoring markets. We also compete with IT equipment vendors and IT operations management product providers, as well as infrastructure providers and their native applications, whose products and services also address observability and IT management requirements for networks, applications, servers, storage, databases and digital experiences. Our principal and potential competitors vary depending on the product we offer and have included and may include large network management and IT vendors such as Cisco Systems, Micro Focus, IBM and BMC Software, companies in the cloud and application performance monitoring market, including Datadog, Dynatrace and New Relic, IT service management vendors such as Atlassian, ~~FreshWorks~~ **Freshworks ,** ~~,~~ and ServiceNow and database management vendors such as Quest and Redgate. Some of our competitors have made acquisitions or entered into strategic relationships with one another to offer more comprehensive ~~or~~ **,** bundled or integrated product offerings. We expect this trend to continue as companies attempt to strengthen or maintain their market positions in an evolving industry and as companies enter into partnerships or are acquired. Companies and alliances resulting from these possible consolidations and partnerships may create more compelling product offerings and be able to offer more attractive pricing, making it more difficult for us to compete effectively. The ability to recruit, retain and develop key employees and management personnel is critical to our success and growth, and our inability to attract and retain qualified personnel could harm our business. Our business requires certain expertise and intellectual capital, particularly within our management team. We rely on our management team in the areas of operations, security, marketing, sales, research and development, support and general and administrative functions. The loss of one or more of our management team could have an adverse effect on our business. ~~We~~ **In recent years, we** have made significant changes, and may make additional changes in the future, to our senior management team and other key personnel. Leadership transitions can be inherently difficult to manage, and an inadequate transition may cause disruption to our business. In addition, we cannot provide assurances that key personnel, including our executive officers, will continue to be employed by us or that we will be able to attract and retain qualified personnel in the future. For us to compete successfully and grow, we must retain, recruit and develop key personnel who can provide the needed expertise for our industry and products. ~~As~~ **We have experienced significant attrition in recent years, including of those with significant institutional knowledge and expertise, which has and may continue to negatively impact productivity. In addition, as** we move into new geographic areas, we will need to attract, recruit and retain qualified personnel in those locations ~~. In addition, acquisitions could cause us to lose key personnel of the acquired businesses~~ . The market for qualified personnel is competitive and we may not succeed in retaining and recruiting key personnel or may fail to effectively replace current key personnel who depart with qualified or effective successors. We believe that replacing our key personnel with qualified successors is particularly challenging **given** ~~as we feel~~ that our evolving business model and approach to marketing and selling our products are unique **, as well as uncertain global macroeconomic conditions** . Any successors that we hire from outside of the company would likely be unfamiliar with our business model and may therefore require significant time to understand and appreciate the important aspects of our business or fail to do so altogether, or we may lose new employees to our competitors or other technology companies before we realize the benefit of our investment in recruiting and training them. **Other factors that may affect our ability to attract and retain talented employees include our compensation and benefits programs, opportunities for advancement, flexible working conditions and our reputation.** Our effort to retain and develop personnel **has and** may ~~also~~ **continue to** result in significant additional resources and costs, including stock- based compensation expenses, which could adversely affect our profitability. ~~New regulations and volatility~~ **Additionally, we may periodically implement business strategies that impact** ~~or~~ **our** ~~lack of performance in our stock price could also affect the value of our equity awards, which could affect our ability to attract and retain our key~~ employees ~~. In addition~~ , **including changes to** ~~our current and future flexible work policies may not meet the expectations of our employees or~~ **our organizational structure** ~~prospective employees. Failure to retain or attract key personnel, or if we need to increase our~~ **or workforce restructurings. Changes in** ~~compensation expenses to retain our key personnel, our~~ business **strategies or workforce restructurings** ~~, results of operations, financial condition and cash flows~~ could have an adverse effect on our business **, including creating negative employee morale and hindering our ability to meet operational targets. New regulations and volatility or lack of performance in our stock price could also affect the value of our equity awards, which could affect our ability to attract and retain our key employees. In addition, our current and future flexible work policies may not meet the expectations of our employees or prospective employees. Further, we may be unsuccessful in retaining key personnel of businesses we acquire. Failure to retain or attract key personnel, or if we need to continue to increase our compensation expenses to retain our key personnel, could have an adverse effect on our business, results of operations, financial condition and cash flows** . We have experienced **changes in our** growth in recent years, and if we fail to manage ~~our growth~~ **such changes** effectively, we may be unable to execute our business plan, maintain high levels of customer satisfaction or adequately address competitive challenges, and our financial performance may be adversely affected. Our business **model** has ~~grown~~ **evolved** in recent years, which has resulted in increases in our number of employees ~~, both domestically and~~ internationally, expansion of our infrastructure, new internal systems and other significant changes and additional complexities. While we intend to further expand our overall business, customer base, and number of employees **in selected regions** , our historical growth rate is not necessarily indicative of the growth that we may achieve in the future. The ~~growth~~ **changes** in our business generally and our management of a growing workforce and customer base geographically dispersed across the U. S. and internationally will require substantial management effort, infrastructure and operational capabilities. To support our ~~growth~~ **business evolution** , we must continue to improve our management resources and our operational and financial controls and systems, and these improvements may increase our expenses more than anticipated and result in a more complex business. We will also have to anticipate the necessary expansion of our relationship management, implementation, customer service and other personnel to support our growth and achieve high levels of customer service and satisfaction. Our success will depend on our ability to plan for and manage ~~this growth~~ **these changes** effectively. If we fail to anticipate and manage our ~~growth~~ **business evolution** or are unable to provide high levels of customer service, our reputation, as well as our business, results of operations and financial condition, could be harmed. Our actual operating results may differ significantly from information we may provide in the future regarding our financial outlook. From time to time, we provide information regarding our financial outlook **and business expectations** in our quarterly earnings releases, quarterly earnings conference calls, **investor conferences, analyst days** or otherwise, that represents our management' s estimates as of the date of release. When provided, this information regarding our financial outlook, which includes forward- looking statements, will be based on projections prepared by our management. Neither our independent registered public accounting firm nor any other independent expert or outside party will compile or examine the projections nor, accordingly, will any such person express any opinion or any other form of assurance with respect thereto. These projections will be based upon a number of assumptions and estimates that, while presented with numerical specificity, will be inherently subject to significant business, economic and competitive uncertainties and contingencies, many of which will be beyond our control, and will also be based upon specific assumptions with respect to future business decisions, some of which will change. We typically state possible outcomes as high and low ranges, which are intended to provide a sensitivity analysis as variables are changed, but will not be intended to represent that actual results could not fall outside of the suggested ranges. The principal reason that we release such information is to provide a basis for our management to discuss our business outlook with analysts and investors. We do not accept any responsibility for any projections or reports published by analysts. Information regarding our financial outlook is necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying such information furnished by us will not materialize or will vary significantly from actual results. Accordingly, information that we may provide regarding our financial outlook will only be an estimate of what management believes is realizable as of the date of release. Actual results will vary from our financial outlook, and the variations may be material and adverse. In light of the foregoing, investors are urged to consider these factors, not to rely exclusively upon information we may provide regarding our financial outlook in making an investment decision regarding our common stock, and to take such information into consideration only in conjunction with other information included in our filings filed with or furnished to the SEC, including the " Risk Factors " sections in such filings. Any failure to implement our operating strategy successfully or the occurrence of any of the events or circumstances set forth under " Risk Factors " in this Annual Report on Form 10- K could result in our actual operating results being different from information we provide regarding our financial outlook, and those differences might be adverse and material. We depend on the U. S. federal government in certain calendar quarters for a meaningful portion of our on- premises license sales, including maintenance renewals associated with such products, as well as our time- based subscription offerings, and orders from the U. S. federal government are often unpredictable and subject to certain challenges. The delay, disruption or loss of these sales may harm our operating results. A portion of our on- premises license sales, including maintenance renewals associated with such products, as well as sales of our time- based subscription offerings, are to a number of different departments of the U. S. federal government. In certain calendar quarters, particularly the first and third calendar quarters, this portion may be meaningful. Any factors that cause a decline, delay or disruption in government expenditures generally or government IT expenditures in particular could cause our revenue to grow less rapidly or even to decline. Following the Cyber Incident, our government contracts have received enhanced scrutiny and negative media attention. If we are unable to **secure** ~~continue to repair the reputational damage caused by the Cyber Incident and ensure the security of~~ the data we maintain, our ability to maintain our existing and acquire new government contracts may be substantially impacted. Other challenges include, but are not limited to, constraints on the budgetary process, including changes in the policies and priorities of the U. S. federal government, continuing resolutions, adherence to government audit and certification requirements such as FedRAMP, OMB Memo 22- 18 and the NIST Secure Software Development Framework, debt ceiling disruptions, deficit- reduction legislation, and any shutdown or default of the U. S. federal government. Furthermore, sales orders from the U. S. federal government tend to be dependent on many factors and thus the timing of the procurement process can be unpredictable. Any sales we expect to make in a quarter may not be made in that quarter or at all, and our operating results for that quarter may therefore be adversely affected. Our operating margins and cash flows from operations could fluctuate as we make further expenditures to expand our product offerings and sales motion and continue our increased investments in our Secure by Design initiatives and our Customer Success motion. We have made significant investments in our operations to support additional growth and expand our business, such as hiring new personnel, establishing and broadening our international operations ~~,~~ **and** investing in our research and development as we evolve our solutions from monitoring to observability and **continue** ~~acquiring other companies or~~ **our** ~~their assets~~ **subscription- first approach** . We have made substantial investments in recent years to **broaden our subscription offerings as well as** increase our sales and marketing operations in the EMEA and ~~APAC~~ **APJ** regions **,** and **we** expect to ~~continue to invest~~ **make selected investments in the future** to grow our international sales and global brand awareness. In addition, we have made increased investments in our Customer Success motion to support and retain our customers as we adopt a subscription- first approach. We have invested and expect to continue to invest to grow our research and development organization, in particular as part of our evolution of our solutions from monitoring to observability as well as our ongoing initiatives related to our" Secure by Design" framework. All of these investments may not yield increased revenue, and even if they do, the increased revenue may not offset the amount of the investments **, including third- party hosting costs** . We **may** also ~~expect to~~ continue to pursue acquisitions in order to expand our presence in current markets or new markets, many or all of which may increase our operating costs more than our revenue. As a result of any of these factors, our operating income could fluctuate and may continue to decline as a percentage of revenue relative to our prior annual periods. Our success depends on our ability to maintain a product portfolio that responds to the needs of technology professionals and leaders and the evolving observability, IT management and service management markets. Our product portfolio has grown from on- premises network management products to broad- based on- premises systems monitoring and management **products** , products for the growing multi- cloud markets and cloud- native SaaS offerings. We offer a broad portfolio of observability, IT management and service management products designed to solve the strategic and day- to- day problems encountered by technology professionals and leaders managing complex IT infrastructure, spanning on- premises, multi- cloud, and hybrid IT environments. We utilize ~~Artificial Intelligence ("~~ AI ~~")~~ and machine learning in some of our products **,** and we believe this may be a significant ~~and potentially growing element of~~ **enabler for driving value for customers within** our ~~business~~ **product portfolio** . Our long- term growth depends on our ability to continually enhance and improve our existing products and develop or acquire new products that address the common problems encountered by technology professionals and leaders on a day- to- day basis in evolving observability, IT management and service management markets. The success of any enhancement or new product depends on a number of factors, including its relevance to our existing and potential customers, timely completion and introduction and market acceptance. As with many developing technologies, AI presents risks and challenges that could affect further development, adoption and use, including flawed algorithms, poor quality ~~or~~ **,** incomplete datasets or biased data practices. If the recommendations, forecasts, or analyses that AI applications assist in producing are deficient or inaccurate, we could be subjected to competitive harm, potential legal liability, and brand or reputational harm. In addition, new products and enhancements **, including any AI- based applications,** that we develop or acquire may not sufficiently address the evolving needs of our existing and potential customers, may not be introduced in a timely or cost- effective manner, and may not achieve the broad market acceptance necessary to generate the amount of revenue necessary to realize returns on our investments in developing or acquiring such products or enhancements. In addition, if our expanded product portfolio, in particular our cloud- native SaaS offerings, do not garner widespread market adoption, or there is a reduction in demand due to a lack of customer acceptance, technological challenges, weakening economic conditions, security or privacy concerns, competing technologies or decreases in corporate spending, our financial results could suffer. If our new products and enhancements are not successful for any reason, certain products in our portfolio may become obsolete, less marketable and less competitive, and our business will be harmed. If we are unable to develop and maintain successful relationships with channel partners, our business, results of operations and financial condition could be harmed. We have established relationships with certain channel partners to distribute our products and generate sales opportunities, particularly internationally. We believe that continued growth in our business is dependent in part upon identifying, developing, and maintaining strategic relationships with our existing and potential channel partners, such as resellers, managed service providers, or MSPs, **as well as hyperscalers** and ~~cloud service providers that~~ **general systems integrators and this** can drive substantial revenue and provide additional valued- added services to our customers. **These partners form an increasingly important element of our go to market motion worldwide, and accordingly any changes to these relationships may have a significant impact on our market strategy.** Our agreements with **these business** ~~our existing channel~~ partners are non- exclusive, meaning our ~~channel~~ partners may offer customers the products of several different companies, including products that compete with ours. They may also cease marketing our products with limited or no notice and with little or no penalty. We expect that any additional channel partners we identify and develop will be similarly non- exclusive and not bound by any requirement to continue to market our products. In addition, these strategic relationships may disrupt our **direct and indirect** sales ~~motion~~ **motions** and marketing efforts, lengthen our sales cycles, or create conflict within our sales channels, each of which could negatively impact our business. If we fail to identify **appropriate or** additional channel partners in a timely and cost- effective manner, or at all, or are unable to assist our current and future channel partners in independently distributing and deploying our products, our business, results of operations and financial condition could be harmed. If our channel partners do not effectively market and sell our products, or fail to meet the needs of our customers, **or fail to meet their contractual and / or compliance obligations,** our reputation and ability to grow our business may also be harmed **. Our channel strategy is evolving and we may be subjected to lawsuits, regulatory scrutiny or investigations, potential liability or reputational harm if a channel partner does not abide by their contractual obligations as a SolarWinds partner or our representatives fail to follow applicable policies** . If we fail to develop and maintain our brands cost- effectively, our financial condition and operating results might suffer. We believe that developing and maintaining awareness and integrity of our brands in a cost- effective manner are important to achieving widespread acceptance of our existing and future products and are important elements in attracting new customers. We believe that the importance of brand recognition will increase as we enter new markets and as competition in our existing markets further intensifies. Successful promotion of our brands will depend on the effectiveness of our marketing efforts and on our ability to provide reliable, secure, and useful products at competitive prices. Any brand promotion activities may not yield increased revenue, and even if they do, the increased revenue may not offset the expenses we incur in building our brands. We rely on resellers and distributors to some extent in the distribution of our products. We have limited control over these third parties, and actions by these third parties could negatively impact our brand. We also rely on our customer base and community of end users in a variety of ways, including giving us feedback on our products and providing user- based support to our other customers through THWACK, our online community. If poor advice or misinformation regarding our products is spread among users of THWACK, it could adversely affect our reputation, our financial results and our ability to promote and maintain our brands. If we fail to promote and maintain our brands successfully, fail to maintain loyalty among our customers and our end- user community, or incur substantial expenses in an unsuccessful attempt to promote and maintain our brands, we may fail to attract new customers or retain our existing customers and our financial condition and results of operations could be harmed. Adverse **global** ~~economic~~ **macroeconomic** conditions, including as a result of the **wars in** ~~global COVID- 19 pandemic and the Russia-~~ Ukraine ~~conflict~~ **and Israel** , may negatively affect our business. ~~The COVID- 19 pandemic~~ **Recent macroeconomic conditions, including** ~~has~~ - **as a result of** ~~created significant volatility, uncertainty and disruption in~~ the **wars in** ~~global economy. Additionally, the Russia-~~ Ukraine ~~conflict as well as~~ **and Israel, rising escalations in the Middle East,** geopolitical tensions involving China **and the global COVID pandemic** have ~~led to further economic~~ **created significant volatility, uncertainty and** ~~disruptions~~ - **disruption in the global economy,** while the U. S. capital markets **have** experienced and continue to experience ~~extreme~~ volatility and disruption. Our business depends on the overall demand for information technology and on the economic health of our current and prospective customers. Any prolonged weakening of the economy in the United States, or other North American, Latin American, or South American countries, EMEA, ~~APAC~~ **APJ** and of the global economy, increased ~~inflation and actions taken by central banks to counter~~ inflation, rising interest rates, more limited availability of credit, supply chain **and energy markets** disruptions, a reduction in business confidence and activity, decreased government spending, armed conflicts, international sanctions, and other difficulties may affect one or more of the sectors or countries in which we sell our products. These global macroeconomic conditions have caused and may continue to cause some of our customers or potential customers to curtail spending generally or IT management spending specifically, and may ultimately result in new regulatory and cost challenges to our international operations. In addition, a strong dollar could reduce demand for our products in countries with relatively weaker currencies. These adverse conditions could result in reductions in sales of our products, longer sales cycles, slower adoption of new technologies and increased price competition. The extent to which the **conflicts in Ukraine and Israel, the global** COVID ~~- 19~~ pandemic, ~~the Russia- Ukraine conflict and~~ increased inflation and **changes in** interest rates may continue to impact our business, results of operations and financial condition is uncertain and will depend on numerous evolving factors outside of our control that we are not able to accurately predict, including: the duration and scope of the **conflicts in** ~~COVID- 19 pandemic and the Russia-~~ Ukraine ~~conflict~~ **and Israel** ; governmental actions taken in response to the **global** COVID ~~- 19~~ pandemic **or other public health emergency** that restrict or disrupt global economic activity; business failures, reductions in information technology spending, late or missed payments, or delays in purchasing decisions by our customers, their end- customers and our prospective customers, and the resulting impact on demand for our products, our ability to collect payments for our products or our ability to add new customers and retain existing customers; our ability to continue to effectively market, sell and support our products through disruptions to our operations, the operations of our customers and partners and the communities in which our and their employees are located; and risks associated with exposures of our information technology systems to potential cyber interference and disruption of work activities based on availability and performance of internet access in the regions in which our employees reside as a result of **certain** ~~a significant portion~~ of our employees being engaged in remote work from their homes. Any sustained adverse impacts from these and other recent macroeconomic events could have an adverse effect on our business, operating results and financial position **. Adverse developments affecting the financial services industry could have an adverse impact on our business, financial condition or results of operations. Events involving reduced or limited liquidity, defaults, non- performance or other adverse developments that affect financial institutions or other companies in the financial services industry or the financial services industry generally, have in the past and may in the future lead to market- wide liquidity problems. For example, the closures of Silicon Valley Bank (" SVB") and Signature Bank in March 2023 created bank- specific and broader financial institution liquidity risk and concerns. Although the U. S. government has taken measures to strengthen public confidence in the banking system and protect depositors, such steps may be insufficient to resolve the volatility in the financial markets and reduce the risk of additional bank failures. Future adverse developments with respect to specific financial institutions or the broader financial services industry may**

lead to market- wide liquidity shortages, impair the ability of companies to access working capital needs, and create additional market and economic uncertainty. Although we did not hold any cash or cash equivalents at, or have any banking, credit or other relationship with, SVB or Signature Bank, if other banks and financial institutions wind down and liquidate, enter receivership or become insolvent in the future in response to financial conditions affecting the banking system and financial markets, our ability to access our existing cash, cash equivalents and investments may be threatened and could have a material adverse effect on our business and financial condition. In addition, the residual effects of the collapse of SVB and Signature Bank and related instability in the global financial markets may cause difficulties for our customers and channel partners, resulting in reduced spending by them on our solutions. Finally, if any of our vendors have relationships with any closed banks or other banks or financial institutions that close in the future, it could negatively impact their ability to deliver their services to the Company. More generally, these events have resulted in market disruption and volatility and could lead to greater instability in the credit and financial markets and a deterioration in confidence in economic conditions. Our operations may be adversely affected by any such economic downturn, liquidity shortages, volatile business environments, or unpredictable market conditions. The future effects of these events on the financial services industry and broader economy are unknown and difficult to predict but could include failures of other financial institutions to which we or our customers, partners, vendors, or other counterparties face direct or more significant exposure. Any such developments could adversely impact our results of operation and financial position, and we cannot guarantee we will be able to avoid any negative consequences relating to these recent developments or any future related developments . Acquisitions present many risks that could have an adverse effect on our business and results of operations. In order to expand our business, we have made several acquisitions **in the past** and may continue **to do so in the** ~~making similar acquisitions and possibly larger acquisitions as part of our growth strategy. The success of our~~ future ~~growth strategy will depend on our ability to identify, negotiate, complete and integrate acquisitions and, if necessary, to obtain satisfactory debt or equity financing to fund those acquisitions~~ . Acquisitions are inherently risky, and any acquisitions we complete may not be successful. Our past acquisitions and any mergers and acquisitions that we may undertake in the future involve numerous risks, including, but not limited to, the following: • difficulties in integrating and managing the operations, personnel, systems, technologies and products of the companies we acquire; • diversion of our management’ s attention from normal daily operations of our business; • our inability to maintain the key business relationships and the reputations of the businesses we acquire; • uncertainty of entry into markets in which we have limited or no prior experience and in which competitors have stronger market positions; • our dependence on unfamiliar affiliates, resellers, distributors and partners of the companies we acquire; • our inability to increase revenue from an acquisition for a number of reasons, including our failure to drive demand in our existing customer base for acquired products and our failure to obtain maintenance **or subscription** renewals or upgrades and new product sales from customers of the acquired businesses; • increased costs related to acquired operations and continuing support and development of acquired products; • our responsibility for the liabilities of the businesses we acquire; • adverse tax consequences associated with acquisitions; • changes in how we are required to account for our acquisitions under U. S. generally accepted accounting principles, including arrangements that we assume from an acquisition; • potential negative perceptions of our acquisitions by customers, financial markets or investors; • failure to obtain required approvals from governmental authorities under competition and antitrust laws on a timely basis, if at all, which could, among other things, delay or prevent us from completing a transaction, or otherwise restrict our ability to realize the expected financial or strategic goals of an acquisition; • potential increases in our interest expense, leverage and debt service requirements if we incur additional debt to pay for an acquisition; • our inability to apply and maintain our internal standards, controls, procedures and policies to acquired businesses; and • potential loss of key employees of the companies we acquire. Additionally, acquisitions or asset purchases made entirely or partially for cash may reduce our cash reserves or require us to incur additional debt under our credit agreement or otherwise. We may seek to obtain additional cash to fund an acquisition by selling equity or debt securities. We may be unable to secure the equity or debt funding necessary to finance future acquisitions on terms that are acceptable to us. If we finance acquisitions by issuing equity or convertible debt securities, our existing stockholders will experience ownership dilution. The occurrence of any of these risks could have a material adverse effect on our business, results of operations, financial condition or cash flows, particularly in the case of a larger acquisition or substantially concurrent acquisitions. Businesses that we acquire may have greater than expected liabilities for which we become responsible. Businesses that we acquire may have liabilities or adverse operating issues, or both, that we fail to discover through due diligence or the extent of which we underestimate prior to the acquisition. For example, to the extent that any business that we acquire or any prior owners, employees or agents of any acquired businesses or properties (i) failed to comply with or otherwise violated applicable laws, rules or regulations; (ii) failed to fulfill or disclose their obligations, contractual or otherwise, to applicable government authorities, their customers, suppliers or others; or (iii) incurred tax or other liabilities, we, as the successor owner, may be financially responsible for these violations and failures and may suffer harm to our reputation and otherwise be adversely affected. An acquired business may have problems with internal control over financial reporting, which could be difficult for us to discover during our due diligence process and could in turn lead us to have significant deficiencies or material weaknesses in our own internal control over financial reporting. These and any other costs, liabilities and disruptions associated with any of our past acquisitions and any future acquisitions could harm our operating results. Charges to earnings resulting from acquisitions may adversely affect our operating results. When we acquire businesses, we allocate the purchase price to tangible assets and liabilities and identifiable intangible assets acquired at their acquisition date fair values. Any residual purchase price is recorded as goodwill, which is also generally measured at fair value. We also estimate the fair value of any contingent consideration. Our estimates of fair value are based upon assumptions believed to be reasonable, but which are uncertain and involve significant judgments by management. After we complete an acquisition, the following factors could result in material charges and adversely affect our operating results and may adversely affect our cash flows: • costs incurred to combine the operations of companies we acquire, such as transitional employee expenses and employee retention or relocation expenses; • impairment of goodwill or intangible assets; • a reduction in the useful lives of intangible assets acquired; • impairment of long-lived assets; • identification of, or changes to, assumed contingent liabilities; • changes in the fair value of any contingent consideration; • charges to our operating results due to duplicative pre- merger activities; • charges to our operating results from expenses incurred to effect the acquisition; and • charges to our operating results due to the expensing of certain stock awards assumed in an acquisition. Substantially all of these costs will be accounted for as expenses that will decrease our net income and earnings per share for the periods in which those costs are incurred. Charges to our operating results in any given period could differ substantially from other periods based on the timing and size of our acquisitions and the extent of integration activities. **Potential indemnification liabilities pursuant to the 2021 separation of the N- able business (the " Separation ") could materially affect our business and financial statements. In connection with the Separation of the N- able business, we entered into a separation and distribution agreement and related agreements with N - able to govern the Separation and related transactions and the relationship between the respective companies going forward. These agreements provide for specific indemnity and liability obligations of each party that can lead to disputes between us and N- able. If we are required to indemnify N- able under the circumstances set forth in these agreements, we may be subject to substantial liabilities. In addition, with respect to the liabilities for which N- able has agreed to indemnify us under these agreements, there can be no assurance that the indemnity rights we have against N- able will be sufficient to protect us against the full amount of the liabilities, or that N- able will be able to fully satisfy its indemnification obligations. It is also possible that a court could disregard the allocation of assets and liabilities agreed to between SolarWinds and N- able and require SolarWinds to assume responsibility for obligations allocated to N- able.** Climate change may have a long- term negative impact on our business. The long- term effects of climate change on the global economy and the technology industry in particular are unclear, however there are inherent climate- related risks everywhere business is conducted. ~~Our business operations are subject to interruption by natural disasters, floods, fire, power shortages, pandemics, terrorism, political unrest, cyberattacks, infrastructure disruptions, geopolitical instability, war, the effects of climate change and other events beyond our control.~~ Climate- related events, including the increasing frequency of extreme weather events **such as drought, water scarcity, heat waves, cold waves, flooding and wildfires,** and their impact on regional short- term systemic failures in the U. S. and elsewhere, have the potential to disrupt our business, our third- party vendors, and / or the business of our customers and their end users, and may cause us to experience higher attrition, losses and additional costs to maintain and resume operations. ~~If~~ **While we employ the use of cloud technologies, we also store some data in physical data centers which depend on predictable and reliable energy and networking capabilities, which could be affected by a variety of factors, including climate change. In addition, if** new laws are enacted, or current laws are modified in countries in which we or our suppliers operate, we could face increased costs to comply with these laws. These costs may be incurred across various levels of our supply chain to comply with new environmental regulations, taxes and penalties, which could cause us to incur increased costs to satisfy service obligations to customers. In addition, we may be subject to increased regulations, reporting requirements and standards, or expectations regarding the environmental impacts of our business, which may result in increased compliance costs, and any untimely or inaccurate disclosure could adversely affect our reputation, business or financial performance. If we fail to integrate our products with a variety of operating systems, software applications, platforms and hardware that are developed by others or ourselves, our products may become less competitive or obsolete and our results of operations would be harmed. Our products must integrate with a variety of network, cloud, hardware and software platforms, and we need to continuously modify and enhance our products to adapt to changes in hardware, software, cloud, networking, browser and database technologies. We believe a significant component of our value proposition to customers is the ability to optimize and configure our products to integrate with our systems and those of third parties. If we are not able to integrate our products in a meaningful and efficient manner, demand for our products could decrease and our business and results of operations would be harmed. In addition, we have a large number of products, and maintaining and integrating them effectively requires extensive resources. Our continuing efforts to make our products more interoperative may not be successful. Failure of our products to operate effectively with future infrastructure platforms and technologies could reduce the demand for our products, resulting in customer dissatisfaction and harm to our business. If we are unable to respond to changes in a cost-effective manner, our products may become less marketable, less competitive or obsolete and our business and results of operations may be harmed. Material defects or errors in our products could harm our reputation, result in significant costs to us and impair our ability to sell our products. Software products are inherently complex and often contain defects and errors when first introduced or when new versions are released. Any defects or errors in our products could result in: • lost or delayed market acceptance and sales of our products; • a reduction in subscription or maintenance renewals; • diversion of development resources; • legal claims; and • injury to our reputation and our brand. The costs incurred in correcting or remediating the impact of defects or errors in our products may be substantial and could adversely affect our operating results. **We are subject to various global data privacy and security regulations, which have and could continue to result in additional costs and liabilities to us.** Our business is subject to a wide variety of local, state, national and international laws, directives and regulations that 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~~ **have** ~~result~~ **resulted** in ever-increasing regulatory and public scrutiny and escalating levels of enforcement and sanctions and increased costs of compliance. In the United States, these include rules and regulations promulgated under the authority of the Federal Trade Commission, and state data protection and breach notification laws. In connection with the Cyber Incident, our investigations revealed that the threat actor accessed the email accounts of certain of our personnel, some of which contained information related to current or former employees and customers. We identified all personal information contained in the emails of these accounts and provided notices to the impacted individuals and other parties as appropriate. Such notices may cause additional harm to our reputation and business and may result in a loss of customers or additional investigations, claims and other related costs and expenses. In addition, if we experience another security incident with **a** personal data **or other privacy- related** issue, we may be required to inform the representative state attorney general or federal or country regulator, media and credit reporting agencies, and any customers whose information was disclosed, which could further harm our reputation and business. Other states and countries have enacted different requirements for protecting personal information collected and maintained electronically. We expect that there will continue to be new proposed laws, regulations and industry standards concerning privacy, data protection and information security in the United States, the European Union (" EU "), the United Kingdom (" UK ") and other jurisdictions **. For example, Brazil (LGPD), China (PIPL), Canada (CPPA), India (DPDP) and Europe (GDPR) have all passed privacy and data security laws** , and we cannot yet determine the impact such **existing and** future laws, regulations and standards will have on our business or the businesses of our customers ~~, including, but not limited to, the European Union' s General Data Protection Regulation, which came into force in May 2018 and created a range of new compliance obligations, and significantly increased financial penalties for noncompliance and has resulted in significant increased scrutiny of companies who process personal data by European regulators~~ . The GDPR ~~also~~ has an extra territorial effect and ~~so~~ may apply outside of Europe. In addition, in the July 2020 Schrems II case, the Court determined that the E. U.- U. S. Privacy Shield, a mechanism for the transfer of personal data from the European Union to the United States, was invalid and imposed additional obligations in connection with the use of standard contractual clauses approved by the European Commission. On June 4, 2021, the European Commission released the final Implementing Decision on standard contractual clauses (" New SCCs ") for the transfer of personal data from the EU to " third countries, " such as the US. The New SCCs repeal and replace the existing SCCs and address the July 2020 decision ~~on~~ **in** Schrems II. ~~We~~ **Although we** have duly implemented the New SCCs as part of our Data Processing Addendum **, data transfers from Europe to third countries remain under scrutiny by regulators and courts and further changes may occur in the future which would require further work to achieve compliance as the law develops** . Following Brexit, the UK has also implemented its own data protection regime in the form of the UK GDPR and Data Protection Act 2018. While currently similar to the GDPR which applies in Europe, the UK government has stated that it intends to revise its data protection laws, and any such revisions are rapidly evolving. In March 2022, the International Data Transfer Agreement (" IDTA "), the international data transfer addendum to the European Commission' s standard contractual clauses for international data transactions, was brought into force by the UK. The IDTA safeguards data related to UK data subjects when that is transferred to third countries. **As this area remains under regulatory scrutiny and may change over time, further work may be required in the future to achieve compliance with the laws in relation to data transfers to / from the UK.** In addition, many other countries have, or are developing, laws regulating the processing of personal data. **As an international company, we may be subject to multiple overlapping or conflicting obligations under these laws, and compliance with one law may result in non- compliance with another.** Additionally, **our business and** our products use **AI** ~~artificial intelligence~~ and / or machine learning and these technologies are increasingly subject to the **growing** attention of regulators **and lawmakers** . ~~This may result in laws~~ **Laws** , directives ~~or~~ **and** regulations ~~that~~ **governing the use of AI may be adopted domestically and globally, and this may impact our business and our products, and** restrict our ability to develop products in this space or hinder our ability to sell our existing products **or to conduct our business effectively. In addition such laws may conflict with practices or products already in place, or in development** . Failure to comply with any of the laws concerning privacy, data protection **, AI** and information security could result in enforcement action against us, including fines, the suspension of data flows from one jurisdiction to another, public reprimands, 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. In addition, we could suffer adverse publicity and loss of customer confidence were it known that we did not take adequate measures to assure the confidentiality of the personally identifiable information that our customers had given to us. This could result in a loss of customers and revenue that could jeopardize our success. We may not be successful in avoiding potential liability or disruption of business resulting from the failure to comply with these laws and, even if we comply with laws, may be subject to liability because of the Cyber Incident or other security incidents. If we were required to pay any significant amount of money in satisfaction of claims under these laws, or any similar laws enacted by other jurisdictions, or if we were forced to cease our business operations for any length of time or suspend data flows as a result of our inability to comply fully with any of these laws, our business, operating results and financial condition could be adversely affected. Further, complying with the applicable notice requirements in connection with the Cyber Incident or another security incident may result in significant costs. Additionally, our business efficiencies and economies of scale depend on generally uniform product offerings and uniform treatment of customers across all jurisdictions in which we operate. Compliance requirements that vary significantly from jurisdiction to jurisdiction impose added costs on our business and can increase liability for compliance deficiencies. Finally, the regulatory framework for the protection of personal data differs from jurisdiction to jurisdiction. Given the speed with which this area is developing internationally and the lack of global harmonization with regard to data protection laws, there is a risk that compliance with one data protection regime may lead to noncompliance with another, which could lead to regulatory scrutiny, litigation, enforcement action, fines or damages awards, and reputational harm to our business. We are subject to governmental export controls and economic sanctions laws that could impair our ability to compete in international markets and subject us to liability if we are not in full compliance with applicable laws. Certain of our products are subject to U. S. export controls, including the U. S. Department of Commerce' s Export Administration Regulations and economic and trade sanctions regulations administered by the U. S. Treasury Department' s Office of Foreign Assets Control. These regulations may limit the export of our products and provision of our services outside of the United States, or may require export authorizations, including by license, a license exception or other appropriate government authorizations, including annual or semi- annual reporting and the filing of an encryption registration. Export control and economic sanctions laws may also include prohibitions on the sale or supply of certain of our products to embargoed or sanctioned countries, regions, governments, persons, entities or end uses. **The** ~~Recently, the~~ United States and other nations have imposed certain economic and other sanctions on Russia for aggression in Ukraine ~~and will likely impose additional sanctions on Russia~~ that **have and** may ~~further~~ **continue to** impact our ability ~~in the future to continue~~ to generate revenues ~~in these regions or~~ with customers who may be ~~otherwise~~ impacted by ~~the~~ **such** sanctions. Also ~~recently,~~ the United States **has** implemented restrictions on exports of certain technologies to China that might be used in the manufacture of semiconductor chips, and may seek to implement more protective trade measures in the future including new tariffs or more restrictive trade barriers, any of which could have an adverse impact on our business and financial results. In addition, various countries regulate the importation of certain products, through import permitting and licensing requirements, and have enacted laws that could limit our ability to distribute our products. The exportation, re- exportation and importation of our products and the provision of services, including by our partners, must comply with these laws or else we may be adversely affected, through reputational harm, government investigations, penalties, and a curtailment or denial of our ability to export our products or provide services. Complying with export control and sanctions laws may be time **-** consuming and may result in the delay or loss of sales opportunities. If we are found to be in violation of U. S. sanctions or export control laws, it could result in substantial fines and penalties for us and for the individuals working for us. Changes in export or import laws or corresponding sanctions may delay the introduction and sale of our products in international markets, or, in some cases, prevent the export or import of our products to certain countries, regions, governments, persons, entities or end uses altogether, which could adversely affect our business, financial condition and results of operations. We are also subject to various domestic and international anti- corruption laws, such as the U. S. Foreign Corrupt Practices Act and the U. K. Bribery Act, as well as other similar anti- bribery and anti- kickback laws and regulations. These laws and regulations generally prohibit companies and their employees and intermediaries from authorizing, offering or providing improper payments or benefits to officials and other recipients for improper purposes. Although we take precautions to prevent violations of these laws, our exposure for violating these laws increases as our international presence expands and as we increase sales and operations in foreign jurisdictions. Government regulation of the ~~Internet~~ **internet** and e- commerce is evolving, and unfavorable changes or our failure to comply with regulations could harm our operating results. As ~~Internet~~ **internet** commerce continues to evolve, increasing regulation by federal, state or foreign agencies becomes more likely. In addition to data privacy and security laws and regulations, taxation of products and services provided over the ~~Internet~~ **internet** or other charges imposed by government agencies or by private organizations for accessing the ~~Internet~~ **internet** may also be imposed. Any regulation imposing greater fees for ~~Internet~~ **internet** use or restricting information exchange over the ~~Internet~~ **internet** could result in a decline in the use of the ~~Internet~~ **internet** and the viability of ~~Internet~~ **internet** - based services and product offerings, which could harm our business and operating results. The technology industry is also subject to intense media, political, and regulatory scrutiny, which exposes us to government investigations, legal actions, and penalties. Legislators and regulators also have proposed new laws and regulations intended to restrain the activities of technology companies including laws relating to AI and machine learning. ~~If such~~ **For example, the U. S. passed an Executive Order on AI in October 2023 establishing guidelines for AI development and use, and in December 2023 the European Union agreed on the first law regulating AI with the AI Act, which is expected to be enacted in early 2024. While the AI Act will not be enforceable until at least 2026, its immediate impact is likely to be significant. Like GDPR, the AI Act is extra territorial in scope so may apply outside of Europe. The AI Act categorizes AI systems based upon risk, with some uses prohibited entirely. The costs of compliance with the AI Act as well as potential fines for violations of the AI Act are each likely to be significant. The AI Act may be seen as a benchmark for regulation and may accelerate and / or inform the drafting by other countries enacting similar** laws or regulations ~~are enacted, they~~ **. These new laws or regulations** could have impacts on us, even if they are not intended to affect our company. ~~Any changes in~~ **The AI Act and any other new** laws or regulations could require us to change our products and services or alter our business operations, which could harm our business ~~, including judgments or settlements.~~ From time to time,we have been and may be involved in various legal proceedings and claims arising in our ordinary course of business.Other than the litigation relating to the Cyber Incident,neither we nor any of our subsidiaries is a party to,and none of our respective property is the subject of,any material legal proceeding.However,the outcomes of legal proceedings and claims brought against us are subject to significant uncertainty.Future litigation may result in a diversion of management' s attention and resources,significant costs,including monetary damages and legal fees,and injunctive relief,and may contribute to current and future stock price volatility.No assurance can be made that future litigation will not result in material financial exposure or reputational harm,which could have a material adverse effect upon our results of operations,profitability or cash **flows.In particular,the** . Our success depends, in part, on our ability to protect proprietary methods and technologies that we develop or license so that we can prevent others from using our inventions and proprietary information. If we fail to protect our intellectual property rights adequately, our competitors might gain access to our technology, and our business might be adversely affected. However, protecting and enforcing our intellectual property rights might entail significant expenses. Any of our intellectual property rights may be challenged by others, weakened or invalidated through administrative process or litigation. We rely primarily on a combination of patent, copyright, trademark, trade dress, unfair competition and trade secret laws, as well as confidentiality procedures and contractual restrictions, to establish and protect our proprietary rights. These laws, procedures and restrictions provide only limited protection. As of December 31, ~~2022~~ **2023** , we had **34** ~~approximately 33~~ issued U. S. patents and have also filed patent applications, but patents may not be issued with respect to these applications. The process of obtaining patent protection is expensive and time- consuming, and we may not be able to prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. Even if issued, there can be no assurance that these patents, or our existing patents, will adequately protect our intellectual property, as the legal standards relating to the validity, enforceability and scope of protection of patent and other intellectual property rights are uncertain. Our patents and any future patents issued to us may be challenged, invalidated or circumvented, and may not provide sufficiently broad protection or may not prove to be enforceable in actions against alleged infringers. Any patents that are issued may subsequently be invalidated or otherwise limited, allowing other companies to develop offerings that compete with ours, which could adversely affect our competitive business position, business prospects and financial condition. In addition, issuance of a patent does not guarantee that we have a right to practice the patented invention. Patent applications in the United States are typically not published until 18 months after filing or, in some cases, not at all, and publications of discoveries in industry- related literature lag behind actual discoveries. We cannot be certain that third parties do not have blocking patents that could be used to prevent us from marketing or practicing our patented software or technology. We endeavor to enter into agreements with our employees and contractors and with parties with which we do business in order to limit access to and disclosure of our trade secrets and other proprietary information. We cannot be certain that the steps we have taken will prevent unauthorized use, misappropriation or reverse engineering of our technology. Moreover, others may independently develop technologies that are competitive to ours and may infringe our intellectual property. The enforcement of our intellectual property rights also depends on our legal actions against these infringers being successful, but these actions may not be successful, even when our rights have been infringed. Further, any litigation, whether or not resolved in our favor, could be costly and time- consuming. Our exposure to risks related to the protection of intellectual property may be increased in the context of acquired technologies as we have a lower level of visibility into the development process and the actions taken to establish and protect proprietary rights in the acquired technology. In connection with past acquisitions, we have found that some associated intellectual property rights, such as domain names and trademarks in certain jurisdictions, are owned by resellers, distributors or other third parties. In the past, we have experienced difficulties in obtaining assignments of these associated intellectual property rights from third parties. Furthermore, effective patent, trademark, trade dress, copyright and trade secret protection may not be available in every country in which our products are available. The laws of some foreign countries may not be as protective of intellectual property rights as those in the United States (in particular, some foreign jurisdictions do not permit patent protection for software), and mechanisms for enforcement of intellectual property rights may be inadequate. In addition, the legal standards, both in the United States and in foreign countries, relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain and still evolving. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating our intellectual property. We might be required to spend significant resources to monitor and protect our intellectual property rights. We may initiate claims or litigation against third parties for infringement of our proprietary rights or to establish the validity of our proprietary rights. Litigation also puts our patents at risk of being invalidated or interpreted narrowly and our patent applications at risk of not issuing. Additionally, we may provoke third parties to assert counterclaims against us. We may not prevail in any lawsuits that we initiate, and the damages or other remedies awarded, if any, may not be commercially viable. Any litigation, whether or not resolved in our favor, could result in significant expense to us and divert the efforts of our technical and management personnel, which may adversely affect our business, results of operations, financial condition and cash flows. Exposure related to any ~~future~~ **disputes and** litigation **with respect to intellectual property** could adversely affect our results of operations, profitability and cash flows. **The** From time to time, we have...... cash flows. In particular, the software and technology industries are characterized by the existence of a large number of patents, copyrights, trademarks and trade secrets and by frequent litigation based on allegations of infringement or other violations of intellectual property rights. We have received, and from time to time may receive, letters claiming that our products infringe or may infringe the patents or other intellectual property rights of others. As we face increasing competition and as our brand awareness increases, the possibility of additional intellectual property rights claims against us grows. Our technologies may not be able to withstand any third- party claims or rights against their use. Additionally, we have licensed from other parties proprietary technology covered by patents and other intellectual property rights, and these patents or other intellectual property rights may be challenged, invalidated or circumvented. These types of claims could harm our relationships with our customers, might deter future customers from acquiring our products or could expose us to litigation with respect to these claims. Even if we are not a party to any litigation between a customer and a third party, an adverse outcome in that litigation could make it more difficult for us to defend our intellectual property in any subsequent litigation in which we are named as a party. Any of these results would have a negative effect on our business and operating results. Any intellectual property rights claim against us or our customers, with or without merit, could be time- consuming and expensive to litigate or settle and could divert management resources and attention. As a result of any successful intellectual property rights claim against us or our customers, we might have to pay damages or stop using technology found to be in violation of a third party' s rights, which could prevent us from offering our products to our customers. We could also have to seek a license for the technology, which might not be available on reasonable terms, and this might significantly increase our cost of revenue or might require us to restrict our business activities in one or more respects. The technology also might not be available for license to us at all. As a result, we could also be required to develop alternative non-infringing technology or cease to offer a particular product, which could require significant effort and expense and / or hurt our revenue and financial results of operations. Our exposure to risks associated with the use of intellectual property may be increased as a result of our past and any future acquisitions as we have a lower level of visibility into the development process with respect to acquired technology or the care taken to safeguard against infringement risks. Third parties may make infringement and similar or related claims after we have acquired technology that had not been asserted prior to our acquisition. Our use of open- source software could negatively affect our ability to sell our products and subject us to possible litigation. Some of our products incorporate open- source software, and we intend to continue to use open- source software in the future. Some terms of certain open- source licenses to which we are subject have not been interpreted by U. S. or foreign courts, and there is a risk that open- source software licenses could be construed in a manner that imposes unanticipated conditions or restrictions on our ability to monetize our products. Additionally, we may from time to time face claims from third parties claiming ownership of, or demanding release of, the open- source software or derivative works that we developed using such software, which could include our proprietary source code, or otherwise seeking to enforce the terms of the applicable open-source software license. These claims could result in litigation and could require us to make our software source code freely available, purchase a costly license to continue offering the software or cease offering the implicated services unless and until we can re- engineer them to avoid infringement or violation. This re- engineering process could require significant additional research and development resources, and we may not be willing to entertain the cost associated with updating the software or be able to complete it successfully. In addition to risks related to license requirements, use of certain open- source software can lead to greater risks than use of third- party commercial software, as open- source licensors generally do not provide warranties or controls on the origin of software and, thus, may contain security vulnerabilities or infringing or broken code. Additionally, if we utilize open- source licenses that require us to contribute to open- source projects, this software code is publicly available; and our ability to protect our intellectual property rights with respect to such software source code may be limited or lost entirely. We may be unable to prevent our competitors or others from using such contributed software source code. Any of these risks could be difficult to eliminate or manage, and if not addressed, could have a negative effect on our business, operating results and financial condition. Our products use third- party software that may be difficult to replace or cause errors or failures of our products that could lead to a loss of customers or harm to our reputation and our operating results. We license third- party software from various third parties for use in our products. In the future, this software may not be available to us on commercially reasonable terms, or at all. Any loss of the right to use any of the software could result in decreased functionality of our products until equivalent technology is either developed by us or, if available from another provider, is identified, obtained and integrated, which could harm our business. In addition, any vulnerabilities, errors or defects in or failures of the third- party software could result in cyberattacks on or errors or defects in our products or cause our products to fail, which could harm our business and be costly to correct. Many of these providers attempt to impose limitations on their liability for such errors, defects or failures, and if enforceable, we may have additional liability to our customers or third- party providers that could harm our reputation and increase our operating costs. We have substantial indebtedness, which could adversely affect our financial health and our ability to obtain financing in the future, react to changes in our business and meet our obligations with respect to our indebtedness. As of December 31, ~~2022~~ **2023** , our total indebtedness was $ 1. 2 billion and we had $ 130 million available for additional borrowing under our credit facilities. Our net interest expense during the years ended December 31, **2023,** 2022 ~~,~~ **and** 2021 ~~and 2020~~ was approximately $ **115. 8 million, $** 83. 4 million ~~,~~ **and** $ 64. 5 ~~million and $ 75. 9~~ million, respectively. Our substantial indebtedness incurred under the credit agreement could have important consequences, including: • requiring us to dedicate a substantial portion of our cash flows from operations to payments on our indebtedness, thereby reducing the funds available for operations; • increasing our vulnerability to adverse economic and industry conditions, which could place us at a competitive disadvantage compared to our competitors that have relatively less indebtedness; • limiting our flexibility in planning for, or reacting to, changes in our business and the industries in which we operate; • restricting us from making strategic acquisitions or causing us to make non- strategic divestitures; • requiring us under certain circumstances to repatriate earnings from our international operations in order to make payments on our indebtedness, which could subject us to local country income and withholding taxes and / or state income taxes that are not currently accrued in our financial statements; • requiring us to liquidate short- term or long- term investments in order to make payments on our indebtedness, which could generate losses; • exposing us to the risk of increased interest rates as borrowings under the credit agreement are subject to variable rates of interest; and • limiting our ability to **refinance,** borrow additional funds, or to dispose of assets to raise funds, if needed, for working capital, capital expenditures, acquisitions, product development and other corporate purposes. Despite our current indebtedness level, we and our restricted subsidiaries may be able to incur substantially more indebtedness, which could further exacerbate the risks associated with our substantial indebtedness. Although the terms of the agreements governing our outstanding indebtedness contain restrictions on the incurrence of additional indebtedness, such restrictions are subject to a number of important exceptions and indebtedness incurred in compliance with such restrictions could be substantial. If we and our restricted subsidiaries incur significant additional indebtedness, the related risks that we face could increase. If new debt is added to our or our subsidiaries' current debt levels, the related risks that we now face would increase, and we may not be able to meet all our debt obligations. See " Management' s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources. " The agreements governing our indebtedness contain restrictions and limitations that may restrict our business and financing activities and expose us to risks that could adversely affect our liquidity and financial condition. The credit agreement governing our credit facilities ~~contain~~ **contains** various covenants that are operative so long as our credit facilities remain outstanding. The covenants, among other things, limit our and certain of our subsidiaries' abilities to: • incur additional indebtedness; • incur liens; • engage in mergers, consolidations, liquidations or dissolutions; • pay dividends and distributions on, or redeem, repurchase or retire our capital stock; • make investments, acquisitions, loans or advances; • create negative pledges or restrictions on the payment of dividends or payment of other amounts owed from subsidiaries; • sell, transfer or otherwise dispose of assets, including capital stock of subsidiaries; • make prepayments of material debt that is subordinated with respect to right of payment; • engage in certain transactions with affiliates; • modify certain documents governing material debt that is subordinated with respect to right of payment; • change our fiscal year; and • change our lines of business. Our credit agreement also contains numerous affirmative covenants, including a financial covenant which requires that, at the end of each fiscal quarter, for so long as the aggregate principal amount of borrowings under our revolving credit facility exceeds 35 % of the aggregate commitments under the revolving credit facility, our first lien net leverage ratio cannot exceed 7. 40 to 1. 00. A breach of this financial covenant will not result in a default or event of default under the term loan facility under our first lien credit agreement unless and until the lenders under our revolving credit facility have terminated the commitments under the revolving credit facility and declared the borrowings under the revolving credit facility due and payable. Our ability to comply with the covenants and restrictions contained in the credit agreement governing our credit facilities may be affected by economic, financial and industry conditions beyond our control. The restrictions in the credit agreement governing our credit facilities may prevent us from taking actions that we believe would be in the best interests of our business and may make it difficult for us to execute our business strategy successfully or effectively compete with companies that are not similarly restricted. Even if our credit agreement is terminated, any additional debt that we incur in the future could subject us to similar or additional covenants. The credit agreement includes customary events of default, including, among others, failure to pay principal, interest or other amounts; material inaccuracy of representations and warranties; violation of covenants; specified cross- default and cross- acceleration to other material indebtedness; certain bankruptcy and insolvency events; certain ERISA events; certain undischarged judgments; material invalidity of guarantees or grant of security interest; and change of control. Any default that is not cured or waived could result in the termination of our credit agreement or an acceleration of the obligations under the credit agreement. Any such default would permit the applicable lenders to declare all amounts outstanding thereunder to be due and payable, together with accrued and unpaid interest. In addition, such a default or acceleration may result in the acceleration of any other debt to which a cross- acceleration or cross- default provision applies. If we are unable to repay our indebtedness, lenders having secured obligations, such as the lenders under our credit facilities, could proceed against the collateral securing the indebtedness. In any such case, we may be unable to borrow under our credit facilities and may not be able to repay the amounts due under our credit facilities. This could have serious consequences to our financial condition and results of operations and could cause us to become bankrupt or insolvent. Certain of our indebtedness may be denominated in foreign currencies, which subjects us to foreign exchange risk, which could cause our debt service obligations to increase significantly. Our credit facilities include a senior secured revolving credit facility, which permits borrowings denominated in Euros and other alternative currencies that may be approved by the applicable lenders. See " Management' s Discussion and Analysis of Financial Condition and Results of Operations- Liquidity and Capital Resources. " Such non- U. S. dollar- denominated debt may not necessarily correspond to the cash flow we generate in such currencies. Sharp changes in the exchange rates between the currencies in which we borrow and the currencies in which we generate cash flow could adversely affect us. In the future, we may enter into contractual arrangements designed to hedge a portion of the foreign currency exchange risk associated with any non- U. S. dollar- denominated debt. If these hedging arrangements are unsuccessful, we may experience an adverse effect on our business and results of operations. We are subject to fluctuations in interest rates. Borrowings under our credit facilities are subject to variable rates of interest and expose us to interest rate risk. Borrowings outstanding under our credit agreement currently bears interest at variable rates equal to applicable margins plus specified base rates or Secured Overnight Financing Rate, or SOFR, with a 0 % floor. The Company may also elect to convert our borrowings at a specified base rate. At present, we do not have any existing interest rate swap agreements, which involve the exchange of floating for fixed rate interest payments to reduce interest rate volatility. However, we may decide to enter into such swaps in the future. If we do, we may not maintain interest rate swaps with respect to all of our variable rate indebtedness and any swaps we enter into may not fully mitigate our interest rate risk, may prove disadvantageous or may create additional risks. See Quantitative and Qualitative Disclosures About Market Risk in Item 7A of Part II of this Annual Report on Form 10- K for additional information regarding our interest rate risk. Failure to maintain proper and effective internal controls could have a material adverse effect on our business, operating results and stock price. As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal controls. Section 404 of the Sarbanes- Oxley Act requires that we evaluate and determine the effectiveness of our internal control over financial reporting and **~~, beginning with our second annual report following our initial public offering,~~** provide a management report on internal control over financial reporting. We also are required to include an attestation report on internal control over financial reporting issued by our independent registered public accounting firm. Any failure to maintain effective controls, or any difficulties encountered in their implementation or improvement, could harm our operating results, cause us to fail to meet our reporting obligations, result in a restatement of our financial statements for prior periods or adversely affect the results of management evaluations and independent registered public accounting firm audits of our internal control over financial reporting that we will eventually be required to include in our periodic reports that will be filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our common stock. If we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could be adversely affected and we could become subject to investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources. A change in accounting standards or practices can have a significant effect on our reported results and may even affect our reporting of transactions completed before the change is effective. New accounting pronouncements and varying interpretations of accounting pronouncements have occurred and may occur in the future. Changes to existing rules or the questioning of current practices may adversely affect our reported financial results or the way in which we conduct our business. Our business and financial performance could be negatively impacted by changes in tax laws or regulations or changes in our effective tax rates. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. Any changes to these existing tax laws could adversely affect our domestic and international business operations, and our business and financial performance, including provisions of the Inflation Reduction Act of 2022. Additionally, these events could require us or our customers to pay additional tax amounts on a prospective or retroactive basis, as well as require us or our customers to pay fines and / or penalties and interest for past amounts deemed to be due. If we raise our product and maintenance prices to offset the costs of these changes, existing customers may elect not to renew their maintenance arrangements and potential customers may elect not to purchase our products. Additionally, **changes in foreign taxation laws such as The Pillar Two**

Model Rules (also referred to as the" Global Anti- Base Erosion" or" GloBE" Rules), address the tax challenges of the digitalization of the economy and are designed to ensure large multinational enterprises pay a minimum level of tax on the income arising in each jurisdiction where they operate, could have an adverse impact to our business if we become in scope. Any new, changed, modified or newly interpreted or applied tax laws could increase our customers' and our compliance, operating and other costs, as well as the costs of our products. Further, these events could decrease the capital we have available to operate our business. Any or all of these events could adversely impact our business and financial performance. Additionally, the U. S. Tax Cuts and Jobs Act of 2017 (the " U. S. Tax Act ") which was enacted on December 22, 2017, requires complex computations to be performed, significant judgments to be made in the interpretation of the provisions of the U. S. Tax Act, significant estimates in calculations, and the preparation and analysis of information not previously relevant or regularly produced. The U. S. Treasury Department continues to interpret or issue guidance on how provisions of the U. S. Tax Act will be applied or otherwise administered. As additional guidance is issued, we may make adjustments to amounts that we have previously recorded that may materially impact our financial statements in the period in which the adjustments are made. The current U. S. presidential administration could enact changes in tax laws that could negatively impact our effective tax rate. President Biden **previously proposed certain** ~~has provided some informal guidance on what~~ tax law changes ~~he~~ **that** would **,** ~~support. Among~~ **among** other things, ~~his proposals would~~ raise the rate on both domestic income (from 21 % to 28 %) and foreign income and impose a new alternative minimum tax on book income. If these proposals are ultimately enacted into legislation, they could materially impact our tax provision, cash tax liability and effective tax rate. If any or all of these (or similar) proposals are ultimately enacted into law, in whole or in part, they could have a negative impact to our cash tax liability and effective tax rate. Additional liabilities related to taxes or potential tax adjustments could adversely impact our business and financial performance. We are subject to tax and related obligations in various federal, state, local and foreign jurisdictions in which we operate or do business. The taxing rules of the various jurisdictions in which we operate or do business are often complex and subject to differing interpretations. Tax authorities could challenge our tax positions we historically have taken, or intend to take in the future, or may audit the tax filings we have made and assess additional taxes. Tax authorities may also assess taxes in jurisdictions where we have not made tax filings. Any assessments incurred could be material and may also involve the imposition of substantial penalties and interest. Significant judgment is required in evaluating our tax positions and in establishing appropriate reserves, and the resolutions of our tax positions are unpredictable. The payment of additional taxes, penalties or interest resulting from any assessments could adversely impact our business and financial performance. Our corporate structure and intercompany arrangements are subject to the tax laws of various jurisdictions, and we could be obligated to pay additional taxes, which would harm our operating results. Based on our current corporate structure, we may be subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax rules, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents. In addition, the authorities in these jurisdictions could challenge our methodologies for valuing developed technology or intercompany arrangements, including our transfer pricing. The relevant taxing authorities may determine that the manner in which we operate our business does not achieve the intended tax consequences. If such a disagreement were to occur, and our position were not sustained, we could be required to pay additional taxes, interest and penalties. Such authorities could claim that various withholding requirements apply to us or our subsidiaries or assert that benefits of tax treaties are not available to us or our subsidiaries. Any increase in the amount of taxes we pay or that are imposed on us could increase our worldwide effective tax rate and adversely affect our business and operating results. Technology stocks have historically experienced high levels of volatility. The trading price of our common stock has and may continue to fluctuate significantly. Factors that have and could cause fluctuations in the trading price of our common stock include the following: • announcements of new products or technologies, commercial relationships, **strategic initiatives,** acquisitions or other events by us or our competitors; • changes in how customers perceive the benefits of our products; • shifts in the mix of revenue attributable to perpetual licenses and to subscriptions from quarter to quarter **, including the mix of revenue from time- based subscription offerings and SaaS offerings; • changes in our profitability** ; • departures of key personnel; • price and volume fluctuations in the overall stock market from time to time; • adverse developments with respect to the **pending SEC litigation resulting from the** Cyber Incident; • fluctuations in the trading volume of our shares or the size of our public float; • sales of large blocks of our common stock, including sales by our Sponsors; • actual or anticipated changes or fluctuations in our operating results; • whether our operating results meet the expectations of securities analysts or investors **or our forecasted guidance** ; • changes in actual or future expectations of investors or securities analysts; • litigation involving us, our industry or both; • regulatory developments in the United States, foreign countries or both; • general **global** macroeconomic conditions and trends, including market impacts related to the ~~war~~ **wars** in Ukraine **and Israel, rising escalations in the Middle East** , geopolitical tensions in China, **disruptions in the global supply chain and energy markets,** inflation, changes in interest rates and the COVID ~~- 19~~ pandemic; • major catastrophic events in our domestic and foreign markets; and • " flash crashes, " " freeze flashes " or other glitches that disrupt trading on the securities exchange on which we are listed. In addition, if the market for technology stocks or the stock market in general experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, operating results or financial condition. The trading price of our common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. In the past, following periods of volatility in the trading price of a company' s securities, securities class- action litigation has often been brought against that company. If our stock price is volatile, we may become the target of securities litigation. Securities litigation could result in substantial costs and divert our management' s attention and resources from our business, which could have an adverse effect on our business, operating results and financial condition. ~~The requirements of~~ **We have incurred and will continue to incur increased costs and administrative burden by** being a public company, including ~~compliance with the reporting~~ **costs**

to maintain adequate internal controls over our financial and management systems, which could have an adverse effect on our operations and financial results. As a public company, we are subject to laws, regulations and requirements ~~of the Exchange Act~~ , ~~the requirements~~ **certain corporate governance provisions** of the Sarbanes- Oxley Act ~~and the requirements of the NYSE, may strain our resources, increase our costs and distract management, and we may be unable to comply with these requirements in a timely or cost- effective manner. As a public company, we are subject to laws, regulations and requirements, certain corporate governance provisions of the Sarbanes- Oxley Act~~ , related regulations of the SEC and the requirements of the NYSE ~~, with which we were not required to comply as a private company~~ . ~~As a public company, complying~~ **Complying** with these statutes, regulations and requirements occupies a significant amount of time of our board of directors and management and significantly increases our costs and expenses as compared to when we were a private company. For example, as a public company, we have had to institute a more comprehensive compliance function, comply with rules promulgated by the NYSE, prepare and distribute periodic public reports in compliance with our obligations under the federal securities laws, maintain effective disclosure controls and procedures and internal controls for financial reporting, ~~establish new~~ **review and maintain** internal policies, such as those relating to insider trading, and involve and retain to a greater degree outside counsel and accountants in the above activities. In addition, being a public company subject to these rules and regulations has made it more expensive for us to obtain director and officer liability insurance, and we have been required to accept reduced policy limits and coverage or incur substantially higher costs to obtain the same or similar coverage. As a result, it may be more difficult for us to attract and retain qualified individuals to serve on our board of directors or as executive officers ~~as compared to when we were a private company~~ . Furthermore, we are required to have our independent registered public accounting firm attest to the effectiveness of our internal controls. Ensuring that we have adequate internal financial and accounting controls and procedures in place so that we can produce accurate financial statements on a timely basis is a costly and time- consuming effort that needs to be re- evaluated frequently, including if we acquire additional businesses and integrate their operations **or as rules and regulations change** . Our internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements in accordance with GAAP. ~~We continue to evaluate opportunities to further strengthen the effectiveness and efficiency of our internal controls and procedures for compliance with Section 404 of the Sarbanes- Oxley Act.~~ If we make ~~additional~~ acquisitions **in the future** , we will need to similarly assess and ensure the adequacy of the internal financial and accounting controls and procedures of such acquisitions. If we fail to maintain proper and effective internal controls, including with respect to acquired businesses, our ability to produce accurate and timely financial statements could be impaired, which could harm our operating results, harm our ability to operate our business and reduce the trading price of our common stock **. In addition, as the rules and regulations applicable to public companies continue to evolve and in certain areas, expand, we have and expect to continue to invest additional time and cost related to compliance. These investments may result in increased general and administrative expenses and a diversion of management' s time and attention. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies, regulatory authorities may initiate investigations, administrative proceedings or legal proceedings against us and our business may be adversely affected** . If securities analysts or industry analysts were to downgrade our stock, publish negative research or reports or fail to publish reports about our business, our competitive position could suffer, and our stock price and trading volume could decline. The trading market for our common stock, to some extent, depends on the research and reports that securities or industry analysts publish about us or our business. We do not have any control over these analysts. If our results fail to meet the expectations of one or more of the analysts who cover our stock, or if one or more of such analysts should downgrade our stock or publish negative research or reports, **regardless of accuracy,** cease coverage of our company or fail to regularly publish reports about our business, our competitive position could suffer, and our stock price and trading volume could decline. Sales of substantial amounts of our common stock in the public markets, or the perception that such sales could occur, could reduce the market price of our common stock. Sales of a substantial number of shares of our common stock in the public market, or the perception that such sales could occur, could adversely affect the market price of our common stock. As of December 31, ~~2022~~ **2023** , we had ~~161~~ **166** , ~~931~~ **637** , ~~649~~ **506** shares of common stock outstanding. In addition, as of December 31, ~~2022~~ **2023** , there were ~~266~~ **127** , ~~193~~ **222** shares of common stock subject to outstanding options, ~~10~~ **9** , ~~244~~ **486** , ~~903~~ **881** shares of common stock to be issued upon the vesting of outstanding restricted stock units and ~~1~~ **2** , ~~513~~ **000** , ~~574~~ **923** shares of common stock ~~to~~ **that may** be issued upon the vesting of outstanding performance stock units. We have registered all of the shares of common stock issuable upon the exercise ~~of outstanding options~~ , ~~upon the~~ vesting **or** ~~of outstanding restricted stock units and performance stock units and upon exercise of~~ settlement of **these awards, and** any ~~options or~~ other equity incentives we may grant in the future, for public resale under the Securities Act **. We also provide eligible employees with the opportunity to purchase shares of our common stock at a discounted price per share through our ESPP** . Accordingly, these shares may be freely sold in the public market upon issuance as permitted by any applicable vesting requirements, subject to compliance with applicable securities laws. Furthermore, holders of approximately ~~119~~ **112** million shares of our common stock have certain rights with respect to the registration of such shares (and any additional shares acquired by such holders in the future) under the Securities Act. **Future sales of shares of our common stock could cause the trading price of our common stock to decline and make it more difficult for you to sell shares of our common stock.** Our issuance of additional capital stock in connection with financings, acquisitions, investments, our stock incentive plans or otherwise will dilute all other stockholders. We ~~may~~ **intend to** issue additional capital stock in the future ~~that~~ **as part of our equity incentive plans, and such issuances** will result in dilution to all other stockholders. We may also raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in complementary companies, products or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per- share value of our common stock to decline. We ~~do~~ **have** not ~~intend~~

~~to pay~~ **paid a cash** ~~dividends~~ **dividend** on our common stock **since the spin- off of N- able and any future dividend payments are at the discretion of our board of directors** . ~~Although we~~ **We have not** declared **or paid** a **cash dividend** ~~one - time~~ **on our common stock since the** special cash dividend in July 2021 in connection with the spin- off of N- able ~~, we do not intend to pay~~ **. Any declaration and payment of a cash** ~~dividends~~ **dividend** on our common stock ~~. We intend to retain any earnings to finance the operation and expansion of our business, and we do not anticipate paying any cash dividends~~ in the ~~foreseeable~~ future **will be at the discretion of our board of directors and will depend upon our results of operations, financial condition, our level of indebtedness and restrictions imposed by our credit agreement, restrictions imposed by applicable law and other factors our board of directors deems relevant. As a result, a return on investment in our common stock may be limited to increases in the market price of our common stock** . Our restated charter and restated bylaws contain anti- takeover provisions that could delay or discourage takeover attempts that stockholders may consider favorable. Our restated charter and restated bylaws contain provisions that could delay or prevent a change in control of our company. These provisions could also make it difficult for stockholders to elect directors who are not nominated by the current members of our board of directors or take other corporate actions, including effecting changes in our management. These provisions include: • a classified board of directors with three- year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our board of directors; • after the Lead Sponsors cease to beneficially own, in the aggregate, at least 30 % of the outstanding shares of our common stock, removal of directors only for cause; • the ability of our board of directors to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer; • subject to the rights of the Sponsors under the stockholders' agreement, allowing only our board of directors to fill vacancies on our board of directors, which prevents stockholders from being able to fill vacancies on our board of directors; • after the Lead Sponsors cease to beneficially own, in the aggregate, at least 40 % of the outstanding shares of our common stock, a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders. As a result, a holder controlling a majority of our capital stock would not be able to amend our bylaws or remove directors without holding a meeting of our stockholders called in accordance with our bylaws; • after the Lead Sponsors cease to beneficially own, in the aggregate, at least 40 % of the outstanding shares of our common stock, ~~to amend the provisions of our restated charter relating to the management of our business (including our classified board structure) or certain provisions of our bylaws,~~ the affirmative vote of holders of at least 66 2 / 3 % of the voting power of all of the then- outstanding shares of the voting stock, voting together as a single class, is required **to amend the provisions of our restated charter relating to the management of our business (including our classified board structure) or certain provisions of our bylaws** , which may inhibit the ability of an acquirer to effect such amendments to facilitate an unsolicited takeover attempt; • the ability of our board of directors to amend the bylaws, which may allow our board of directors to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend the bylaws to facilitate an unsolicited takeover attempt; • advance notice procedures with which stockholders must comply to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer' s own slate of directors or otherwise attempting to obtain control of us; and • a prohibition of cumulative voting in the election of our board of directors, which would otherwise allow less than a majority of stockholders to elect director candidates. Our restated charter also contains a provision that provides us with protections similar to Section 203 of the Delaware General Corporation Law, or the DGCL, and prevents us from engaging in a business combination, such as a merger, with an interested stockholder (i. e., a person or group that acquires at least 15 % of our voting stock) for a period of three years from the date such person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. However, our restated charter also provides that the Sponsors, including the Silver Lake Funds and the Thoma Bravo Funds and any persons to whom any Silver Lake Fund or Thoma Bravo Fund or any of their respective affiliates sells its common stock, will not constitute " interested stockholders " for purposes of this provision. The Sponsors beneficially owned in the aggregate ~~68~~ **67** . ~~9~~ **0** % of our common stock as of December 31, ~~2022~~ **2023** . The Sponsors have entered into a stockholders' agreement whereby they each agreed, among other things, to vote the shares each beneficially owns in favor of the director nominees designated by Silver Lake and Thoma Bravo, respectively. As a result, Silver Lake and Thoma Bravo could exert significant influence over our operations and business strategy and would together have sufficient voting power to effectively control the outcome of matters requiring stockholder approval. These matters may include: • the composition of our board of directors, which has the authority to direct our business and to appoint and remove our officers; • approving or rejecting a merger, consolidation or other business combination; • raising future capital; and • amending our restated charter and restated bylaws, which govern the rights attached to our common stock. Additionally, for so long as the Sponsors beneficially own, in the aggregate, 40 % or more of our outstanding shares of common stock, the Sponsors will have the right to designate a majority of our board of directors. For so long as the Sponsors have the right to designate a majority of our board of directors, the directors designated by the Sponsors are expected to constitute a majority of each committee of our board of directors, other than the audit committee and the technology and cybersecurity committee, and the chairman of each of the committees, other than the audit committee and the technology and cybersecurity committee, is expected to be a director serving on such committee who is designated by the Sponsors. This concentration of ownership of our common stock could delay or prevent proxy contests, mergers, tender offers, open- market purchase programs or other purchases of our common stock that might otherwise give you the opportunity to realize a premium over the then- prevailing market price of our common stock. This concentration of ownership may also adversely affect our share price. Certain of our current and former directors have relationships with the Lead Sponsors which may cause conflicts of interest with respect to our business. Of our nine directors, three are affiliated with Silver Lake. These directors have fiduciary duties to us and, in addition, have duties to Silver Lake and its affiliated funds, respectively. As a result, these directors may face real or apparent conflicts of interest with respect to matters affecting both us and Silver Lake, whose interests may be adverse to ours in some circumstances. In addition, previously **,** three of our directors were elected to our Board as designees of affiliates of Thoma Bravo. **These** ~~As previously disclosed in the Company' s Current Report on Form 8- K filed with the SEC on October 19, 2022, on October 14, 2022, the~~ three directors ~~who were elected to the Board as designees of affiliates of Thoma Bravo~~ notified the Company **in October 2022** of their decision to resign from the Board and its committees, following receipt of a letter from the US Department of Justice alleging that their service on the Board violated Section 8 of the Clayton Antitrust Act ~~. Thoma Bravo informed the Company that, without admitting any violation, Thoma Bravo and the resigning directors chose to resign rather than to contest the allegations~~ . Thoma Bravo retains the right to designate up to three directors pursuant to the Amended and Restated Stockholders' Agreement, dated as of October 18, 2018, as amended, by and among the Company and certain stockholders named therein. To the extent that Thoma Bravo designates directors to fill the vacancies created by such resignations, such directors may face similar real or apparent conflicts of interest. In addition, any current or future designees of the Lead Sponsors could in the future face potential challenges under Section 8 of the Clayton Antitrust Act **or other applicable antitrust laws** . The Sponsors and their affiliated funds may pursue corporate opportunities independent of us that could present conflicts with our and our stockholders' interests. The Sponsors and their affiliated funds are in the business of making or advising on investments in companies and hold (and may from time to time in the future acquire) interests in or provide advice to businesses that directly or indirectly compete with certain portions of our business or are suppliers or customers of ours. The Sponsors and their affiliated funds may also pursue acquisitions that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us. Our restated charter provides that no officer or director of the Company who is also an officer, director, employee, partner, managing director, principal, independent contractor or other affiliate of either of the Sponsors will be liable to us or our stockholders for breach of any fiduciary duty by reason of the fact that any such individual pursues or acquires a corporate opportunity for its own account or the account of an affiliate, as applicable, instead of us, directs a corporate opportunity to any other person instead of us or does not communicate information regarding a corporate opportunity to us. We may issue preferred stock whose terms could adversely affect the voting power or value of our common stock. Our restated charter authorizes us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designations, preferences, limitations and relative rights, including preferences over our common stock respecting dividends and distributions, as our board of directors may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our common stock. For example, we might grant holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might assign to holders of preferred stock could affect the residual value of our common stock. Our restated charter designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, employees or agents. Our restated charter provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will, to the fullest extent permitted by applicable law, be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers, employees or agents to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the DGCL, our charter or bylaws, or (iv) any action asserting a claim against us that is governed by the internal affairs doctrine, in each such case subject to such Court of Chancery of the State of Delaware having personal jurisdiction over the indispensable parties named as defendants therein. Any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of, and consented to, the provisions of our restated charter described in the preceding sentence. This exclusive forum provision does not apply to establish the Delaware Court of Chancery as the forum for actions or proceedings brought to enforce a duty or liability created by the Securities Act or the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. This choice- of- forum provision may limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers, employees or agents, which may discourage such lawsuits against us and such persons. Alternatively, if a court were to find these provisions of our restated charter inapplicable to, or unenforceable in respect of, one or more of the specified types of actions or proceedings, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition or operating results. We are a controlled company within the meaning of the NYSE rules and, as a result, may rely on exemptions from certain corporate governance requirements. The Sponsors beneficially own a majority of the combined voting power of all classes of our outstanding voting stock. As a result, we are a controlled company within the meaning of the NYSE corporate governance standards. Under the NYSE rules, a company of which more than 50 % of the voting power is held by another person or group of persons acting together is a controlled company and may elect not to comply with certain NYSE corporate governance requirements, including the requirements that: • a majority of the board of directors consist of independent directors as defined under the rules of the NYSE; • the nominating and governance committee be composed entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities; and • the compensation committee be composed entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities. These requirements will not apply to us as long as we remain a controlled company. Although we currently do not take advantage of these exemptions, we may choose to do so in the future. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE. ~~We may not realize some or all of the anticipated strategic, financial, operational, marketing or other benefits from the Separation, or such benefits may be delayed by a variety of circumstances, which may not be under our control. SolarWinds is smaller and less diversified after the Separation with a narrower business focus and may be more~~

~~vulnerable to changing market conditions, which could materially and adversely affect our business, financial condition and results of operations. We may not be successful in achieving our business and operational objectives. We also may experience increased difficulties in attracting, retaining and motivating employees or maintaining or initiating relationships with partners, customers and other parties with which we currently do business, or may do business in the future, which may adversely affect our business, results of operations and financial condition. Although SolarWinds and N- able are independent companies post-Separation, our joint history may cause partners, customers, investors and other parties to continue to associate the companies with each other, either positively or negatively. The Separation may also eliminate or reduce synergies or economies of scale that existed prior to the Separation, which may adversely affect our business, results of operations and financial condition. We could incur significant liability if the Separation is determined to be a taxable transaction. We received opinions of tax counsel and tax advisors regarding qualification of the Separation, together with certain related transactions, as transactions that are generally tax- free for U. S. federal income tax purposes under Sections 368 (a) (1) (D) and / or 355 of the Code. These opinions are based upon and rely on, among other things, certain facts and assumptions, as well as certain representations, statements and undertakings of us and N- able, including those relating to the past and future conduct. If any of these representations, statements or undertakings are, or become, incomplete or inaccurate, or if we or N- able breaches any of the respective covenants in any of the Separation- related agreements, the opinion of tax counsel and tax advisors could be invalid, and the conclusions reached therein could be jeopardized. Notwithstanding any opinion of tax counsel and tax advisors, the Internal Revenue Service (the " IRS ") could determine that the Separation (and certain related transactions) should be treated as a taxable transaction if it were to determine that any of the facts, assumptions, representations, statements or undertakings upon which any opinion of tax counsel and tax advisors was based were false or had been violated, or if it were to disagree with the conclusions in the opinions of our tax counsel and tax advisors. The opinions of tax counsel and tax advisors are not binding on the IRS or the courts, and we cannot assure that the IRS or a court would not assert a contrary position. If the Separation (and certain related transactions) were to fail to qualify as a transaction that is generally tax- free for U. S. federal income tax purposes under Sections 368 (a) (1) (D) and / or 355 of the Code, in general, we would recognize taxable gain as if we had sold N- able common stock in a taxable sale for its fair market value, and our stockholders who received shares of N- able common stock in the distribution would be subject to tax as if they had received a taxable distribution equal to the fair market value of such shares. Potential indemnification liabilities pursuant to the Separation could materially affect our business and financial statements. In connection with the Separation, we entered into a separation and distribution agreement and related agreements with N - able to govern the Separation and related transactions and the relationship between the respective companies going forward. These agreements provide for specific indemnity and liability obligations of each party that can lead to disputes between us and N- able. If we are required to indemnify N- able under the circumstances set forth in these agreements, we may be subject to substantial liabilities. In addition, with respect to the liabilities for which N- able has agreed to indemnify us under these agreements, there can be no assurance that the indemnity rights we have against N- able will be sufficient to protect us against the full amount of the liabilities, or that N- able will be able to fully satisfy its indemnification obligations. It is also possible that a court could disregard the allocation of assets and liabilities agreed to between SolarWinds and N- able and require SolarWinds to assume responsibility for obligations allocated to N- able. 39~~