Risk Factors Comparison 2024-02-23 to 2023-02-24 Form: 10-K

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You should carefully consider each of the following risk factors and all other information set forth in this Annual Report. Based on the information currently known to us, we believe that the following information identifies the most significant risk factors affecting our company in each of these categories of risks. However, the risks and uncertainties our Company faces are not limited to those set forth in the risk factors described below. Additional risks and uncertainties not presently known to us or that we currently believe to be immaterial may also adversely affect our business. In addition, past financial performance may not be a reliable indicator of future performance, and historical trends should not be used to anticipate results or trends in future periods. If any of the following risks and uncertainties develops into actual events or occurrences, these events could have a material adverse effect on our business, financial condition or results of operations. In such case, the trading price of our common stock could decline. RISKS RELATED TO OUR BUSINESS AND OPERATIONS Our failure to successfully execute our cloud- first strategy and achieve the anticipated benefits of our business transformation, which includes successfully developing, launching, and scaling cloud- based products and product enhancements and / or enabling our data platform to operate effectively in cloud environments, **including those of our cloud service provider partners,** could have a material adverse effect on our competitive position, business, brand and reputation, financial condition, results of operations and cash flows. The successful implementation of our cloud- first strategy ~~and~~ **coupled with the** continued execution of our business transformation presents organizational and infrastructure challenges. We may not be able to implement, execute and realize some or all of the anticipated benefits from our strategy or our business transformation plan on a timely basis, or at all. Even if the anticipated benefits and savings are substantially realized, there may be unforeseen consequences, internal control issues, or business impacts. A core component of our business strategy is to expand and enhance our product offerings, particularly for analytic solutions in a cloud- based environment **with cloud service providers** , to include newer market- relevant features, functionality, and cloud native options **, including AI / ML,** and to keep pace with price- to- performance gains. In this regard, we **have** launched our Teradata VantageCloud Lake and Teradata VantageCloud Enterprise components of our Teradata Vantage ~~product~~ **platform, have focused on migrating our customers from on- premises environments to the cloud and upgrading our customers from our VantageCloud Enterprise environment to our VantageCloud Lake environment, and consistently released additional capabilities and new cloud platforms throughout 2023, and we expect that we will continue to enhance our cloud** ~~offering~~ **offerings** in ~~2022~~ **the future. In addition, we are focused on expanding our customer' s workloads in both our on- premises and cloud platforms** . Shortened product life cycles due to customer demands and competitive pressures impact the pace at which we must introduce and implement new technology as part of our product offerings. This requires a high- level anticipation of customer needs and technology trends, as well as innovation by both our software developers and the suppliers of the third- party software components included in our solutions. ~~In addition, bringing~~ **Bringing** new offerings to the market entails a costly and **, at times,** lengthy process, may increase our risk of liability and cause us to incur significant technical, legal or other costs. ~~It is uncertain whether~~ **Furthermore, as we migrate our customers from on- premises environments to** ~~these~~ -- **the** ~~new~~ **cloud, upgrade customers from VantageCloud Enterprise to VantageCloud Lake, and expand our customer' s workloads we may incur unexpected costs or delays. New** cloud offerings **, migrations, expansions, upgrades,** and deployment models ~~will prove~~ **that we rollout may not be** successful **and** ~~or whether~~ we ~~will~~ **may not** be able to develop the necessary business models, infrastructure and systems to support and scale the business **as our business evolves** . This includes acquiring, retaining and developing the right people to execute our business strategy in a competitive job market. In addition, market acceptance of new product and service offerings will be dependent in part on our ability to include functionality and usability that address customer requirements, and to optimally price our offerings and services to meet customer demand and cover our costs. Our go- to- market, cloud, and multi- cloud strategies also must adjust to customers' changing buying preferences, and there can be no assurance that our go- to- market approach will adequately and completely address such preferences. As part of our business strategy, we also continue to dedicate a significant amount of resources to our R & D efforts in order to maintain and advance our competitive position, including our initiatives to provide and improve our offerings for cloud environments and to enable our data platform to operate effectively in cloud environments. However, we may not receive significant revenues from these investments for several years, if at all. R & D expenses represent a significant portion of our discretionary fixed costs. We may not successfully execute on our vision or strategy because of challenges we may face, including with regard to product planning and timing, technical hurdles that we fail to overcome in a timely fashion, **cloud service provider costs or other requirements,** or a lack of appropriate resources. If we are unable to successfully execute on our cloud- first strategy and / or continue to respond to market demands, develop leading technologies, timely deliver offerings to the market, timely scale our cloud business to achieve gross margins comparable or better than our on- premises business, **continue successful migrations for our customers,** and maintain our leadership in analytic data solutions performance and scalability, our competitive position, business, brand and reputation, financial condition, guidance, and forecasts, results of operations, and cash flows may be adversely affected **.** Unanticipated delays or accelerations in our sales cycles makes accurate estimation of our revenues difficult and **have resulted in,and** could **in the future** result in **,** significant fluctuations in our quarterly operating results and could impact any financial guidance and forecasts that we may provide.The length of our sales cycle varies depending on several factors over which we may have little or no control,including the size and complexity of a potential transaction,whether a sale involves a cloud offering,the level of competition that we encounter in our selling activities **,** and our current and potential customers’ internal budgeting and approval process,as well as overall macro- economic conditions. **In addition,our account team has had difficulty in the past obtaining and assessing information as to whether a transaction is proceeding as planned or if a longer sales cycle will be required,and such difficulty may continue in the future.** Because of a generally long sales cycle,we may expend significant effort over a long period of time in an attempt to obtain an order,but ultimately not complete the sale,or the order ultimately received may be smaller than anticipated.The long sales cycle for our products also makes it difficult to predict the quarter in which sales will occur. **For instance,in the fourth quarter of 2023,we experienced elongated sales cycles resulting in Teradata' s Public Cloud ARR for the 2023 fiscal year falling below the 2023 Public Cloud ARR guidance range that had previously been provided.** Delays in sales **have caused,and** could **in the future** cause **,** significant variability in our results for any particular period and **have impacted,and** could **in the future** impact **,** any financial guidance and forecasts that we may provide.We may experience variability in our operating results based on the purchasing behavior of our customers.Our business has substantially shifted from a traditional,perpetual pricing and revenue model to a subscription- based model in which less revenue is recognized upfront at the time the customer enters into a transaction.The pace and extent to which customers will continue to purchase,consume and renew our offerings on a subscription basis is variable and,therefore,has impacts on our results and operations.In addition,we have flexible pricing options for our cloud customers,including consumption- unit based," pay as you go" pricing.Under such a pricing model,we generally recognize revenue based on consumption.To the extent that customers opt for such a flexible pricing model,we may not be able to accurately forecast the timing of customer consumption of our offerings.As a result,our actual results may differ from our projections.Furthermore,our on- premises subscription arrangements may provide the customers with the right to cancel our agreement upon certain notice periods,which we may change in the future.Such arrangements may impact the timing of revenue recognition for these customers and result in fluctuations in our quarterly operating results ~~.Demand for the offerings and services we sell could decline if we fail to maintain positive brand perception and recognition.We strive to maintain a brand that reflects our commitment to customer service and innovation.We believe that recognition and the reputation of our brand is key to our success,including our ability to retain our existing customers and attract new customers.We have a distinguished history as an on- premises platform provider and one of our strategic objectives is to establish our position in the cloud market.A misperception in the market regarding our cloud capabilities could negatively impact our ability to migrate existing on-~~. As we develop new offerings with enhanced capacity, delivery and performance capabilities, the increased difficulty and complexity associated with producing these offerings may increase the likelihood of reliability, quality, operability, and / or security issues. From time to time, errors or security flaws are identified in our offerings, which in certain cases are discovered after the offerings are introduced and delivered to customers. This risk is enhanced when offerings are first introduced or when new versions are released. In particular, when we develop offerings with more advanced technology, the production of such offerings involve increased difficulty and complexity and as a result may increase the likelihood of reliability, quality, operability, and / or security issues with such offerings. Our products and services may also fail to perform to the full specifications and expectations of our customers, including as part of transitioning customers to the cloud, in particular those that involve customer and / or third- party dependencies. Additionally, third- party components that we integrate into our solutions can have undetected quality issues that can impact the performance of our offerings. We may not be able to detect or remedy all errors, including those that may be deemed critical by our customers, prior to release or deployment. Such reliability, quality, operability, and security issues may negatively impact our ability to retain current customers, including due to customer cancellations or non- renewals, as well as our ability to obtain new customers and could expose us to liability, performance and warranty claims, as well as harm our brand and reputation. These and other risks associated with new offerings may have a material adverse impact on our results of operations and future performance . **Experienced** ~~Despite robust data security measures and skilled~~ computer programmers, ~~nation~~ **Nation** ~~state~~ **State** ~~sponsored~~ **Sponsored** ~~cyber~~ **Advanced Persistent Code (" NSSAPC")** attackers (~~including~~ from countries such as Iran,China,Russia and certain **European** Eastern ~~European nations~~ **Bloc countries**) and hackers may be able to penetrate our network security or that of our third- party providers and misappropriate or compromise our intellectual property or other confidential information or that of our customers,create system disruptions or cause shutdowns. ~~They~~ **Computer programmers and hackers also** may ~~also~~ be able to develop and deploy viruses,worms,and other malicious software programs that attack our **offerings** ~~systems or products~~ or otherwise exploit **any** security vulnerabilities of our **offerings** ~~systems or products~~ .In addition,phishing- scheme- perpetrators may be able to lure employees or contractors into providing such perpetrators with information that may enable them ~~to~~. If our existing customers fail to renew, or cancel, their subscription license arrangements or support agreements, or if customers do not renew on terms favorable to us, our business could be adversely affected. Teradata' s platform offerings have been expanded to include a variety of subscription options, which impact the timing of when revenues are recognized and related cash flows are collected. The IT industry generally has been experiencing increasing pricing pressure from customers when purchasing or renewing support agreements. In addition, ~~as~~ **we are in a transformation to a cloud- first company. As** our on- premises customers migrate all or a portion of their data analytics solutions to a cloud- based environment, some customers ~~may~~ **have** ~~select~~ **selected** a cloud- based offering of one of our competitors and ~~consequently~~ **existing customers may do so in the future. As a result, such customers have** ~~cancel~~ **cancelled** all or a portion of their arrangements with us **and may continue to do so in the future. While customer cancellations we have had to date have not been material to our business, they could become material in the future** . Mergers and acquisitions in certain industries that we serve could result in a reduction of the software and hardware being supported and put pressure on our subscription and support terms with customers who have merged. Given these factors, there can be no assurance that our current customers will **migrate from on- premises to the cloud with Teradata,** renew their subscription and / or support agreements **,** or agree to the same terms when they renew, which could result in our reducing or losing subscription and / or support fees which could adversely impact operating results. Unanticipated delays or accelerations in our sales...... materially affect our revenue and profitability. Our future results depend in part on our relationships with **strategic partners,** key suppliers, ~~strategic partners~~ and other third parties. Our development, marketing, and distribution plans depend in part on our ability to form strategic alliances with third parties that have complementary offerings, software, services, and skills. Our strategic partners include cloud service providers, consultants and system integrators, software and technology providers, hardware support service providers, and indirect channel distributors in certain countries. These relationships involve risks, including our partners changing their business focus, entering strategic alliances with other companies, being acquired **, including** by our competitors, failing to meet regulatory requirements **, data privacy or other laws,** or performance criteria, improperly using our confidential information **, exposing our data and / or customer information through the transfer of data to the cloud or otherwise or through other security breaches,** or their market reputation deteriorating. If we fail to maintain or expand our relationships with strategic partners or if we are forced to seek alternative technology or technology for new solutions that may not be available on commercially reasonable terms, our business may be adversely affected. As part of our cloud- first strategy, the growth of our business is dependent primarily on our relationships with public cloud service providers, Amazon Web Services (**"** AWS **"**), Google Cloud, and Microsoft Azure. Our strategic partnerships with these cloud service providers for our cloud offerings on their platforms require significant investments to ensure that our solutions are optimized in these cloud environments. In addition, there are geographies in which we operate that utilize alternative, local cloud- platform service providers where AWS, Google Cloud, and Microsoft Azure are inaccessible or not available. The cloud service providers maintain relationships with certain of our competitors, and our competitors may in the future establish relationships with additional competing cloud data platform providers. **Furthermore, cloud service providers do and may in the future provide platforms that compete with VantageCloud and VantageCloud Lake.** Any of these cloud service providers may decide to modify or terminate our business relationship **, change the terms of any agreement or pricing terms that we have with them,** or may otherwise enter into preferred relationships with one or more competing cloud data platform providers. If we are unsuccessful in meeting performance requirements or obtaining future returns on these investments, or if we are otherwise unable to maintain adequate relationships with any of these cloud service providers, our financial results may be adversely impacted. Third- party vendors provide important elements to our solutions; if we do not maintain our relationships with these vendors or if these vendors cease to be going concerns, interruptions in the supply of our offerings may result. There are some components of our solutions that we purchase from single sources due to price, quality, technology or other reasons. For example, we rely on Flex as a key single source contract manufacturer for our on- premises hardware systems. In addition, we buy servers from Dell Technologies Inc. and storage disk systems from NetApp, Inc. Some components supplied by third parties may be critical to our solutions, and several of our suppliers may terminate their agreements with us without cause with 180- days' notice. In addition, we rely on certain vendors for hardware support services and parts supply. If we were unable to purchase necessary services, parts, components or offerings from a particular vendor and had to find an alternative supplier, our shipments and deliveries could be delayed. Also, quality issues, commodity, transportation, wage, or other inflationary pressures, a disruption in our supply chain or the need to find alternative suppliers could impact the costs and / or timing associated with procuring necessary offerings, components and services. In any case, our operations could be adversely impacted. Similarly, our suppliers' offerings and services have certain dependencies with respect to their own supply chain networks, and supply and / or inflation issues among our suppliers may also adversely impact our business. **Demand** ~~A breach of security, disruption, or~~ **for the offerings and services we sell could decline if we fail to maintain positive brand perception and recognition. In 2023, Teradata introduced a new brand identity. With this brand we strive to be modern, innovative, and reflective of our vision for the future. Our updated brand is designed to highlight Teradata' s role as a leader in AI, analytics, and cloud data. We believe that recognition and the reputation of our brand is key to our success, including our ability to retain existing customers and attract new customers. While we leverage our decades of experience in data analytics and database management services, we believe we have evolved to provide the modern offerings customers need. These include the cloud- native architecture of Teradata VantageCloud Lake, the end- to- end pipeline of AI / ML capabilities in ClearScape Analytics, and our AI and ML engine in the cloud that delivers a completely self- service and serverless experience of Teradata AI Unlimited. The** failure ~~of our information systems or~~ **for** ~~those~~ -- **the** ~~of~~ **market to recognize our new brand** ~~our~~ - **or** ~~third- party providers~~ **misperceptions in the market regarding our cloud, AI, or other capabilities** could ~~existing customers and attract new customers.We have a distinguished history as an on- premises platform provider and one of our strategic objectives is to establish our position in the cloud market.A misperception in the market regarding our cloud capabilities could~~ negatively impact our ability to ~~migrate~~ **upgrade** existing on- premises customers to our cloud- based solutions **or from VantageCloud Enterprise to VantageCloud Lake** ,drive expansion / consumption growth,and / or acquire new customers for our **on- premises and** cloud ~~business~~ **businesses** .In addition,damage to the reputation of our brands could result in,among other things, ~~declines in customer loyalty,~~ customer cancellations or non- renewals,lower employee retention and productivity, ~~and~~ vendor relationship issues **,and investor and other stakeholder scrutiny** ,all of which could materially affect our revenue **and profitability.Increases in the cost of components used in our product,and / or increases in our other costs of doing business,have,and could continue to,** adversely ~~impact~~ **affect** our **profit margins** ~~business and financial results~~ . Our ~~operations~~ **cloud offerings** are dependent on **cloud service providers** ~~our ability to protect our computer equipment~~ and **require significant investments to ensure** ~~the information stored in our databases (and the computer equipment and database information of certain suppliers and other third parties) from damage by, among other things, earthquake, fire, natural disaster, cyber- attacks, power loss, telecommunications failures, unauthorized intrusions or exploitations, malicious or unintended insider actions~~ that ~~cause loss of data or~~ **our** ~~loss of systems, including phishing schemes, and other events. The occurrence of one or more of these events could result in system failures and other interruptions in our operations, which could have a material adverse effect on our business, financial condition or results of operations. Additionally, we offer the ability for our employees to choose a remote work location. This increases vulnerability to our systems as additional endpoints need to be managed. Prior to our transition to a subscription- based business, our customers generally purchased or leased on- premises hardware systems~~

~~used in connection with our software~~ solutions **are optimized in** , which our customers deployed and operated...... data center facilities. With respect to these cloud **environments. In addition** ~~and software- as- a- service offerings~~ , ~~we and such service providers have increased roles, responsibilities and risk exposures regarding some or~~ **our profit margins are currently** ~~all aspects of the data controls and security with respect to any confidential, private or otherwise sensitive information stored or processed through these solutions on our systems or those of selected third- party providers. If unauthorized access to or use of such information or systems occurs, despite data security measures and third- party commitments to protect them, our results of operation, reputation, and relationships with our customers could be~~ adversely impacted **by** . Experienced computer programmers, Nation State...... perpetrators with information that may enable them - **the price we pay** ~~to avoid some of our network security controls or~~ **for** ~~those of third- party providers which could~~ - **cloud services** ~~result in system disruptions or a loss of confidential~~ and ~~proprietary information. We have been subject to actual and potential cyber- attacks, and there can be no assurance that our defensive measures~~ will **continue** ~~be adequate~~ to **do so until we effectively scale** ~~prevent them in the future. There is risk that these types of activities will recur and persist, that one or~~ **our** ~~more of them may be successful in the future, that one or more of them may have been or will be successful but not detected, prevented, remediated or mitigated by us, and the costs to us to eliminate, detect, prevent, remediate, mitigate or alleviate cyber or other security problems, viruses, worms, malicious software programs, phishing schemes and security vulnerabilities could~~ - **cloud** ~~be significant, and our efforts to address these problems may not be successful and could adversely impact our future results of operations. In addition, while we maintain insurance coverage to cover certain liabilities related to cyber- attacks and / or data breaches, such coverage may not adequately cover all costs, expenses, liability and damages that we or our customers may incur as a result of such incidents. Increases in the cost of components used in our product, employee compensation, and / or increases in our other costs of doing~~ business ~~, have, and could continue to, adversely affect our profit margins~~ . Our hardware components are assembled and configured by Flex. Flex also procures a wide variety of components used in the assembly process on our behalf. Although many of these components are available from multiple sources, we utilize preferred supplier relationships to better ensure more consistent quality, cost and delivery. Components used in our products require commodities as part of their manufacturing. In addition, we have a global employee population. As such, increased costs and / or commodity and other inflation, and / or increased tariffs on certain items imported from foreign countries have affected our profit margins and could continue to result in declines in our profit margins. Historically, we have mitigated certain cost increases, in part, by increasing prices on some of our products and collaborating with suppliers, in particular Flex, reviewing alternative sourcing options, and engaging in internal cost reduction efforts, all as appropriate. However, we may not be able to fully offset increased costs. Further, if any price increases we adopt are not accepted by our customers and the market, our net sales, profit margins, earnings, and market share could be adversely affected. ~~Inadequate~~ **Challenges with the design and implementation of our new enterprise resource planning (" ERP") system could adversely impact our business and operations. We are executing a multi- year initiative to transform and modernize our ERP system. The ERP system is designed to accurately maintain the Company' s financial records, enhance operational functionality, and provide timely information to the Company' s management team related to the operation of the business. The implementation of the new ERP system requires an investment in financial and personnel resources, including substantial expenditures for outside consultants and system expenses in connection with the transformation of our financial and operating processes. While the ERP system is intended to further improve and enhance our information management systems, the ongoing implementation of this new ERP system exposes us to integration complexities and challenges with our existing systems and processes, including the possible disruption of our financial reporting. If we failed to properly design our ERP system or are unable to successfully implement the new ERP system as planned, we may experience increased expenditure and the diversion of personnel resources which could adversely affect our** internal control over financial reporting ~~and accounting practices could lead to errors~~ , which could adversely impact our ability to...... or impair our ability to operate our business . Controls may also become inadequate due...... could harm our business, results of operations and financial condition. **Any disruption** Our success in periods of economic uncertainty...... with operating in countries around the world , including developing countries; • Realignment of our...... and Belarus to comply with sanctions imposed as a result of **natural disasters** ~~Russia' s invasion of Ukraine. Reorganization activities involve risks as they may divert management' s attention from our~~ - **or** ~~core businesses, increase expenses on a short - term basis or reduce revenues. We may also experience a loss of continuity, loss of accumulated knowledge, or loss of efficiency during such transitional periods, all of which may negatively impact our business, financial condition, operating results, and cash flows. The Company' s business, results of operations, and financial condition have and could in the future be materially adversely affected by the COVID- 19 pandemic. Negative economic conditions related to the COVID- 19 pandemic have impacted our business, financial condition, and results of operation in the past and could continue to impact us in the future. The degree to which the COVID- 19 pandemic in the future affects our business, financial condition, and results of operations will depend on future developments, which are highly uncertain and cannot be predicted, including, but not limited to, the duration and spread of the unprecedented pandemic, its severity, the development of one or more COVID- 19 variants, the actions to contain the virus or respond to its impact, the successful distribution of vaccines and their effectiveness, and how quickly and to what extent normal economic and operating conditions can resume. The COVID- 19 pandemic or any other adverse public health development could also inhibit our ability to execute our strategic initiatives including, without limitation, improving the experience of our customers, investing in identified strategic growth platforms, and shifting the mix of revenue in our business to cloud as well as subscription revenue. Our business and operations could be disrupted by weather conditions, including conditions exacerbated by global~~ climate change ~~. Our global business operations~~ , as well as those of our customers...... and results of operations. Any disruption at or near any of our facilities or other operations ~~,~~ or those of our customers, vendors, data warehouses, distribution channels, and public cloud service providers could adversely affect our business. Disruptions could occur as a result of supply chain challenges; decreases in work force availability; natural resources availability; natural disasters; inclement weather **, including as exacerbated by global climate change** ; man- made disasters **;** or other external events, such as terrorist acts or acts of war, pandemics and / or epidemics, boycotts and sanctions, widespread criminal activities, or protests and / or social unrest, or other events, at or in proximity to any of our facilities or those of our customers, vendors, data warehouses, distribution channels, and public cloud service providers. Such events and disruptions could make it difficult or impossible to deliver products and services to our customers or perform critical business functions and could adversely affect our business. **Our** ~~For example, any disruption to our~~ headquarters and data centers **are** located in California, a region with ~~potential~~ **a history of** seismic activity and wildfires and ~~a region with~~ an extreme risk of drought **, flooding,** and vulnerability to future water scarcity **. As such** ~~due to climate change~~ , ~~may~~ **we** ~~,data warehouses,distribution channels,and public cloud~~ - **could experience** ~~service providers,are subject to interruptions~~ **disruptions** ~~by~~ **as a result of** natural disasters ~~,~~ **and / or** extreme weather conditions ~~and the repercussions of climate change~~ , ~~which could include~~ **including** sea-level rise **,earthquakes** ,tornadoes,hurricanes,earthquakes,floods,tsunamis,typhoons,drought,and fire,that could impact our business and operations. **Such events** ~~Unfavorable weather conditions~~ could pose physical risks to our facilities and data warehouses,result in power outages and shortages,and / or result in failures of global critical infrastructure,telecommunication and security systems,natural resource availability,such as energy and water sources,employees' ability to work,availability of supply chain and logistics,and the additional costs to maintain or resume operations **such as costs to repair damages to our facilities,equipment,infrastructure,and business relationships** ,each of which could ~~negatively impact~~ negatively impact our ~~ability to respond to customers and provide services to maintain~~ business ~~continuity~~ **and operations** . **Furthermore** ~~Climate-related events~~ , ~~including the~~ **environmental regulations are** increasing **in their** frequency of **issuance** ~~extreme weather events, their impact on critical infrastructure~~ and **applicability** ~~the potential~~ to ~~increase political instability in regions where we, our customers, our partners, and our vendors do business, may disrupt our business, our third- party suppliers, or~~ **our company** ~~the business of our customers and partners~~ , **particularly due** ~~and may cause us~~ to ~~experience additional costs to maintain or~~ **our** ~~resume~~ operations **in California** ~~. Climate change~~ and ~~environmental~~ **the European Union. Such** regulations may result in changes in the demand for resources that could adversely impact the availability or cost of goods and services, including natural resources necessary to run our business. ~~Additionally~~ **The world economy** , ~~any~~ **including our business, realized significant disruption during the COVID- 19 pandemic. The occurrence of future global pandemics and / or regional epidemics may disrupt our business in the future. The extent to which our business may be affected in the future is highly uncertain and cannot be predicted as it would be dependent on factors** such ~~disruption~~ **the duration and scope of the pandemic; governmental, business, and individuals' actions in response to the pandemic; and the impact on economic activity such as financial market instability. Failure to successfully complete reorganization activities in connection with our transformation activities or otherwise** could **negatively affect our operations. We have completed reorganization efforts in connection with our business transformation and we may continue to complete reorganization activity in furtherance of our strategy. In addition, from time to time, we may wind down certain business activities and / or facilities,** ~~cause~~ - **cease doing** ~~to inefficient~~ business ~~processes~~ **in certain geographic areas** , ~~business process reengineering~~ **and / or perform other organizational reorganization** projects ~~,~~ **in an effort to reduce costs and optimize operations.** ~~or~~ **For** ~~changes~~ **example,** in ~~accounting standards~~ **2022,we ceased our operations in Russia to comply with sanctions imposed as a result of Russia' s invasion of Ukraine and in 2023 we ceased our direct operations in China** . ~~If~~ **Reorganization activities involve risks as they may divert** management ~~is not successful in maintaining~~ **' s attention from our core businesses,increase expenses on** a **short - term basis** ~~strong internal control environment,material weaknesses could occur,causing investors to lose confidence in our~~ - **or** ~~reported~~ **reduce revenues.We may also experience a loss of continuity,loss of accumulated knowledge,or loss of efficiency during such transitional periods,all of which may negatively impact our business,** financial **condition** ~~information.This could lead to a decline in our stock price~~ , **operating results** ~~limit our ability to access the capital markets in the future~~ ,and **cash flows** ~~require us to incur additional costs to improve our internal control systems and procedures~~ .Our business is affected by the global economies in which we operate and the economic climate of the industries we serve.Our business and results of operations are affected by international,national and regional economic conditions.In particular,the IT industry in which we operate is susceptible to significant changes in the strength of the economy and the financial health of companies and governmental entities that make spending commitments for new technologies.Accordingly,adverse global economic,inflationary,recessionary,and market conditions,including in certain economic sectors in which many of our customers operate (such as retail,manufacturing,financial services or government),may adversely impact our business.For example,adverse changes to the economy could impact the timing of purchases by our current and potential customers or the ability of our customers to fulfill their obligations to ~~us.In addition,decreased or more closely scrutinized spending in our customers' businesses and in the industries we serve,may adversely impact our business.Uncertainty about future economic conditions may make it difficult for us to forecast operating results and to make decisions about future~~ us ~~In 2023,the percentage of our total revenues from outside of the United States was 47 %.We have exposure to more than 30 functional currencies.The risks associated with the geographic scope of our business operations include,among other things the following:• Cultural,management,and staffing challenges associated with operating in countries around the world,including~~ developing countries;• Realignment of our international strategy and organization structure;• The imposition of additional and / or different ~~country laws,~~ governmental controls and regulations;• The ever- changing macro- economic and geo- political ~~(including local conflicts and wars) environments~~ - **environment** we operate in;• Longer payment cycles for sales in ~~certain~~ foreign countries and difficulties in enforcing contracts and collecting accounts receivable;• Fluctuations in the value of local currencies ~~and foreign currency controls in various jurisdictions where we operate,including Argentina~~ ;• Tariffs or other restrictions on foreign trade or investment;• Foreign trade policy changes,trade regulations,and / or disputes may adversely affect sales of our solutions and services and may result in longer sales cycles;• The imposition of sanctions against a country,company,person or entity with whom we do business that would restrict or prohibit our business;and • Foreign government activities that favor domestic companies,including those that may require companies to procure goods and services from locally- based suppliers.Any of these events,among others,could materially and adversely affect our financial condition and operating results.Our offerings are subject to United States export controls and,when exported from the United States,or re- exported to another country,must be authorized under applicable United States export regulations.Changes in our offerings or changes in export regulations may create delays in the introduction of our offerings in international markets,prevent our customers with international operations from deploying our offerings throughout their global systems or,in some cases,prevent the export of our offerings to certain countries or customers altogether.Any change in export regulations or related legislation,shift in approach to the enforcement or scope of existing regulations,or change in the countries,persons or technologies targeted by these regulations could result in decreased use of our offerings by,or in our decreased ability to export or sell our offerings to,existing or potential customers with international operations.There is active enforcement and ongoing focus by the SEC and other governmental authorities on the United States Foreign Corrupt Practices Act,the U.K.Bribery Act of 2010 and similar anti- bribery,anti- corruption laws in other countries.Given the breadth and scope of our international operations,we may not ~~in all cases~~ be able to detect improper or unlawful conduct by our **international** partners ~~,distributors,resellers,customers,~~ and employees,despite our high ethics,governance and compliance standards,which could put the Company at risk regarding possible violations of such laws and could result in various civil or criminal fines,penalties or administrative sanctions,and related costs,which could negatively impact the Company' s business,brand,results of operations or financial condition. ~~Inadequate internal control over financial reporting and accounting practices~~ **Failure to successfully complete reorganization activities in connection with our transformation activities or otherwise** could ~~lead~~ **negatively affect our operations.We have completed reorganization efforts in connection with our business transformation and we may continue to complete reorganization activity in furtherance of our strategy.In addition,from time to time,we may wind down certain business activities and / or facilities,cease doing business in certain geographic areas,and / or perform other organizational reorganization projects in an effort to reduce costs and optimize operations.For example,in 2022,we ceased our operations in Russia and Belarus to comply with sanctions imposed** to incur **additional** costs to **improve** ~~repair damages to~~ our **internal control systems** ~~facilities, equipment, infrastructure,~~ and **procedures** ~~business relationships~~ . Increased scrutiny from governments, investors, raters, customers, and others regarding our environmental, social, and governance (" ESG") practices and our inability to achieve any ESG goals we establish could impose additional costs, expose us to new risks, or negatively impact our reputation. The ESG landscape is constantly changing, with an increased focus from certain investors, raters, employees, customers **,** and other stakeholders which could result in greater expectations of us and our ESG initiatives, goals, efforts, transparency **,** and communications which may not satisfy our stakeholders. To meet expectations from our stakeholders, we are working to align our reporting with emerging ESG ~~disclosures~~ - **disclosure frameworks, new regulations, including those passed in the European Union and the state of California,** and potential new disclosure requirements ~~from regulators, such as the SEC~~ , while we also seek to report timely on progress toward our ESG objectives. **We** ~~In addition, we~~ have established ~~, and expect to continue to establish~~ ESG goals ~~. Our~~ **, and we expect to continue to establish additional ESG goals in which our ESG goals and / or our** ESG program performance ~~, including any ESG goals that we establish,~~ may be reviewed by third- party providers ~~of ESG assessment and ratings and~~ such **as** raters **and rankers who** may unfavorably evaluate our ESG initiatives. If we fail, or are perceived to fail, to meet our stakeholders’ and / or raters’ expectations, including the achievement of the ESG goals that we establish, we could be exposed to increased risk of litigation, difficulty in attracting and retaining employees, negative investor sentiment, and an adverse impact on our reputation. RISKS RELATED TO OUR INDUSTRY **Our cloud and service offerings are designed to offer AI / ML capabilities, which exposes us to an uncertain regulatory environment and rapidly changing technology where any inability to comply with any such regulations may result in reputational harm, liability and disruption to our business operations. The AI / ML regulatory environment is rapidly evolving, and it is difficult to predict the impact the evolving regulatory landscape may have on our business, results of operations and financial condition. Teradata VantageCloud Enterprise, Teradata VantageCloud Lake, and ClearScape Analytics are designed to deliver harmonized data, AI / ML, and faster innovation to facilitate better decision- making. AI / ML technologies are rapidly changing, and with the evolving regulatory environment, we may be subject to increased regulatory requirements, as well as other risks such as data privacy concerns, intellectual property disputes, and exposure to litigation.** The IT industry is intensely competitive and evolving, and competitive pressures could adversely affect our pricing practices or demand for our offerings and services. We operate in the intensely competitive IT industry, which is characterized by rapidly changing technology, evolving industry standards and models for consuming and delivering business and IT services, frequent new product introductions, and frequent price and cost reductions. In general, as a participant in the data analytic solutions market, we face: • Changes in customer ~~IT~~ spending preferences and other shifts in market demands, which drive changes in the Company' s competition; • Changes in pricing, marketing and product strategies, such as potential aggressive price discounting and the use of different pricing models by our competitors; • Rapid changes in product delivery models, such as on- premises solutions versus cloud solutions; • Rapid changes in computing technology and capabilities that challenge our ability to maintain differentiation ~~at the lower range of business intelligence analytic functions~~ ; • New and emerging analytic technologies **, including for AI / ML** , competitors, and business models; • Continued emergence of open- source software that often rivals current technology offerings at a much lower cost despite its limited functionality; • Changing competitive requirements and deliverables in developing and emerging markets; and • Continuing trend toward consolidation of companies, which could adversely affect our ability to compete, including if our key partners merge or partner with our competitors. Our competitors include established companies within our industry, including Amazon, Google, IBM, Oracle, Microsoft, and SAP, which are well- capitalized companies with widespread distribution, brand recognition and penetration of **our product** platforms and service offerings. The significant purchasing and market power of these larger competitors, which have greater financial resources than we do, could allow them to surpass our market penetration and marketing efforts to promote and sell their offerings and services. In addition, many other companies participate in specific areas of our business, such as enterprise applications, analytic platforms and business intelligence software. In some cases, we may partner with a company in one area of our business and compete with them in another. In particular, in delivering our Teradata VantageCloud **offerings** ~~and ClearScape Analytics platforms~~ in a cloud environment to certain of our customers, we partner with each of Amazon Web Services, Google, and Microsoft, which are public cloud service providers. The status of our business relationships with these companies can influence our ability to compete for analytic data solutions opportunities in such areas. In addition, we see additional competition from both established and emerging cloud- only data vendors and open- source providers. Failure to compete successfully with new or existing competitors in these and other areas could have a material adverse impact on our ability to generate additional revenues or sustain existing revenue levels. Current and evolving privacy laws and regulations regarding cloud computing, cross- border data transfer restrictions and other aspects of data privacy may ~~limit~~ **impact** the use and adoption of our solutions and services and adversely affect our business. ~~Regulation related to the provision of services over the Internet is evolving, as federal~~ **Federal** , state and foreign governments continue to adopt new, or modify existing, laws and regulations addressing data privacy and the collection, processing, storage, transfer and use of data. ~~In some~~ **Some of** ~~cases, data privacy laws and regulations, such as the~~ **these** ~~European Union' s General Data Protection Regulation (" GDPR") that took effect in May 2018, and the California Consumer Privacy Act (" CCPA"), which took effect in January 2020, and is amended effective from January 2023,~~ impose new obligations directly on the Company as both a data controller and a data processor, as well as on many of our customers. New laws **also** require us to evaluate any required changes to our solutions and services on an ongoing basis to enable Teradata and / or our customers to comply with the new legal requirements and may also increase our potential liability ~~exposure~~ through higher potential penalties for non- compliance. Further, laws such as the European Union' s proposed e- Privacy Regulation are increasingly aimed at the use of personal information for marketing purposes, and the tracking of individuals' online activities. These new or proposed laws and regulations are **also** subject to differing interpretations ~~and~~ **which** may be inconsistent among jurisdictions. These and other requirements could reduce demand for our solutions and services, require us to take on more onerous obligations in our contracts, restrict our ability to store, transfer and process data or, in some cases, impact our ability to offer our solutions and services in certain locations or our customers' ability to deploy our solutions globally. For example, existing and developing laws regarding how companies transfer personal data from the European Economic Area to the United States **and other third- world countries can be unpredictable and** could result in further limitations on the ability to transfer data across borders, particularly if governments are unable or unwilling to create new, or maintain existing, mechanisms that support cross- border data transfers ~~, such as the long- awaited replacement for the EU- U. S. and Swiss- U. S. Privacy Shield framework~~ . Additionally, certain countries have passed or are considering passing laws requiring local data residency. The costs of compliance with, and other burdens imposed by, privacy laws, regulations and standards may limit the use and adoption of our solutions and services, reduce overall demand for our solutions and services, make it more difficult to meet expectations from or commitments to customers, lead to significant fines, penalties or liabilities for noncompliance, or slow the pace at which we close sales transactions, any of which could harm our business. In addition to government activity, privacy advocacy and other industry groups establish new self- regulatory standards that may place additional burdens on our ability to provide our solutions and services globally. Our customers expect us to meet voluntary certification and other standards established by third parties, such as related International Organization for Standardization (" ISO") standards. If we are unable to maintain these certifications or meet these standards, it could adversely affect our ability to provide our solutions to certain customers and could harm our business. Furthermore, concerns regarding data privacy may cause our customers' customers to resist providing the data necessary to allow our customers to use our solutions and services effectively. Even the perception that the privacy of personal information is not satisfactorily protected or does not meet regulatory requirements could inhibit sales of our offerings or services and could limit adoption of our cloud- based solutions. RISKS RELATED TO HUMAN CAPITAL We depend on key employees and face competition in hiring and retaining qualified employees. Our employees and access to talent are critical to our success. Our future success depends on our ability to attract, retain, develop, and motivate the services of senior management and key personnel in all areas of our Company, including engineering and development, marketing and sales professionals, and consultants. Competition for highly skilled personnel and acquired talent in the IT industry is intense. We have experienced, and may continue to experience, voluntary workforce attrition, including the loss of senior management and key personnel, in part due to the highly- competitive job market in our industry. Furthermore, ~~to advance our cloud- first strategy,~~ we are required to attract and retain talent with expertise in cloud- based technologies, particularly with respect to our engineering and development teams. No assurance can be made that key personnel will remain with us, and it may be difficult and costly to replace such employees and / or obtain qualified talent who are not employees. We implemented a remote working policy to expand our talent pool for key personnel and we cannot predict the longer- term workforce implications. Competition is heightened for diverse talent as companies, including us, develop and enhance DEI initiatives. Our failure to execute on our key culture initiatives, hire, retain or replace our key personnel could have a material adverse impact on our business operations. RISKS RELATED TO LEGAL AND REGULATORY MATTERS We face uncertainties regarding legal proceedings, complex and changing laws and regulations, and other related matters. In the normal course of business, we are subject to proceedings, lawsuits, claims and other matters, including those that **could** relate to the environment, health and safety, employee benefits, export compliance, intellectual property, a variety of local laws and regulations, and other regulatory compliance and general matters. See" Note 10- Commitments and Contingencies" in the Notes to Consolidated Financial Statements in this Annual Report. Because such matters are subject to many uncertainties, their outcomes are not predictable. There can be no assurances that the amounts required to satisfy alleged liabilities from such matters will not impact future operating results. In addition, we are subject to diverse and complex laws and regulations, including those relating to **technology, including AI / ML,** corporate governance, **data privacy,** public disclosure **,** and reporting, which are rapidly changing and subject to ~~many~~ possible changes in the future. From time to time, we may conduct internal investigations ~~in connection with our efforts~~ to ensure compliance with such laws and regulations, the costs or results of which could impact our financial results. In addition, we may be subject to unexpected costs in connection with new public disclosure or other regulatory requirements that are issued from time to time. Laws and regulations impacting our customers, such as those relating to privacy, data protection and digital marketing, could also impact our future business. Because we do business in the government sector, we are generally subject to audits and investigations which could result in various civil or criminal fines, penalties or administrative sanctions, including debarment from future government business, which could negatively impact the Company' s results of operations or financial condition. In addition, our facilities and operations, including former facilities and former operations for which we may have liabilities, are subject to a wide range of environmental protection laws. There can be no assurances that the costs required to comply with applicable environmental laws will not adversely impact future operating results. Management time and resources are spent to understand and comply with changing laws, regulations and standards relating to such matters as corporate governance, accounting principles, public disclosure, SEC regulations, and the rules of the NYSE where our shares are listed. Rapid changes in accounting standards, and federal securities laws and regulations, among others, may substantially increase costs to our organization, challenge our ability to timely comply with all of them and could have a negative impact on our future operating results. Gaps in protection of Teradata' s intellectual property or unlicensed use of third- party intellectual property could impact our business and financial condition. As a technology company, our intellectual property portfolio is crucial to our continuing ability to be a leading multi- cloud data and analytics platform provider. We strive to enhance and, as much as is legally and reasonably possible, protect our proprietary intellectual property rights through patent, copyright, trademark and trade secret laws, as well as through technological safeguards and the actions of our people. These efforts include protection of the offerings and application, diagnostic and other software we develop. Where gaps exist in our intellectual property protection, even if such gaps are reasonable, our business could be materially adversely impacted. We may be unable to prevent third parties from using our technology without our authorization or independently developing technology that is similar to ours, particularly in those countries where the laws do not protect our proprietary rights as fully as in the United States (such as Iran, China and certain **Eastern** European ~~Eastern Bloc~~ countries who may use NSSAPC to advance their own industries). With respect to inventions for which we choose to file patent applications, we may not be successful in securing patents for these claims, and our competitors may already have applied for patents that, once issued, will prevail over our patent rights or otherwise limit our ability to sell our offerings. While we take steps to provide for confidentiality obligations of employees and third parties with whom we do business (including customers, suppliers and strategic partners), there is a risk that such parties will breach such obligations and jeopardize our intellectual property rights. Many customers have outsourced the administration and management of their data and analytics environments to third parties, including some of our competitors, who then have access to our confidential information. Although we have agreements in place to mitigate this risk, there can be no assurance that such protections will be sufficient. In addition, our ability to capture and re- use field- based developed intellectual property is important to future business opportunities and profits. We are seeing an extended trend towards aggressive enforcement of intellectual property rights, especially by so- called ~~“~~**"** patent assertion entities ~~”~~**"** (" PAEs") or ~~“~~**"** non- practicing entities" (" NPEs"), as the functionality of offerings in our industry increasingly overlaps and the volume of issued software patents continues to grow. As a result, we have been, and in the future could be, subject to infringement claims which, regardless of their validity, could: • Be expensive, time consuming, and divert company resources and management attention away from normal business operations; • Require us to pay monetary damages or enter into non- standard royalty and licensing agreements; • Require us to modify our product sales and development plans; or • Require us to satisfy indemnification obligations to our customers. Regardless of whether these claims have any merit, they can be burdensome to defend or settle and can harm our business, reputation, financial condition and results of operations. A change in our effective tax rate can have a significant adverse impact on our business. A number of factors may adversely impact our future effective tax rates, such as: • The jurisdictions in which our profits are determined to be earned and taxed; • The resolution of issues arising from tax audits with various tax authorities; • Changes in the valuation of our deferred tax assets and liabilities; • Adjustments to estimated taxes upon finalization of various tax returns; and • Changes in available tax credits, especially surrounding tax credits in the United States for our research and development activities **and foreign tax credits** . Tax rules may change in a manner that adversely affects our future reported results of operations or the way we conduct our business. Further changes in the tax laws of foreign jurisdictions could arise as a result of the base erosion and profit shifting project that was undertaken by the Organization for Economic Co- operation and Development (" OECD"). The OECD, which represents a coalition of member countries, recommended changes to numerous long- standing tax principles ~~related~~ **impacting how large multinational enterprises are taxed. In particular, the OECD has issued its guidance on the Global Anti- Base Erosion rules, with the purpose of ensuring multinational companies pay a 15 % global minimum tax on the income generated in each of the jurisdictions where they operate in, referred** to **as" Pillar Two." Many jurisdictions, including several European Union members and G20 countries, have now committed to an effective enactment date for Pillar Two starting January 1, 2024. We are monitoring developments and evaluating the impacts these new rules will have on our tax rate, including eligibility to qualify for these safe harbor rules. Further, the increased scrutiny on international tax and continuous changes to countries' tax legislation may also affect the policies and decisions of tax authorities with respect to certain income tax and** transfer pricing **positions taken by the Company in prior or future periods. It is not uncommon for taxing authorities in different countries to have conflicting views, for instance, with respect to, among other things, the manner in which the arm' s length standard is applied for transfer pricing purposes, or with respect to the valuation of intellectual property** . Our income tax obligations are based ~~in part~~ **partly** on our corporate structure and inter- company arrangements, including **how** ~~the manner in which~~ we develop, value, and use our intellectual property and the valuations of our inter- company transactions. Tax authorities may disagree with certain positions we have taken and assess additional taxes. We regularly assess the likely outcomes of these audits to determine the appropriateness of our tax provision;

however, there can be no assurance that we will accurately predict the outcomes of these audits, and the actual outcomes of these audits could have a material impact on our financial condition or results of operations. In addition, governmental authorities in the United States and throughout the world may increase or impose new income taxes or indirect taxes, or revise interpretations of existing tax rules and regulations, as a means of financing the costs of stimulus and other measures enacted or taken, or that may be enacted or taken in the future. Such actions could have an adverse effect on our results of operations and cash flows. RISKS RELATED TO OUR FINANCIAL CONDITION Our indebtedness could adversely affect our financial condition and limit our financial flexibility. The Company' s indebtedness could: • Expose us to interest rate risk; • Increase our vulnerability to general adverse economic and industry conditions; • Limit our ability to obtain additional financing or refinancing at attractive rates; • Require the dedication of a substantial portion of our cash flow from operations to the payment of principal of, and interest on, our indebtedness, thereby reducing the availability of such cash flow to fund our growth strategy, working capital, capital expenditures, share repurchases and other general corporate purposes; • Limit our flexibility in planning for, or reacting to, changes in our business and the industry; and • Place us at a competitive disadvantage relative to our competitors with less debt. Further, our outstanding indebtedness is subject to financial and other covenants, which may be affected by changes in economic or business conditions or other events that are beyond our control. If we fail to comply with the covenants ~~under~~ **in** any of our indebtedness, we may be in default under the loan, which may entitle the lenders to accelerate the debt obligations. To avoid defaulting on our indebtedness, we may be required to take actions such as reducing or delaying capital expenditures, reducing or eliminating stock repurchases, selling assets, restructuring or refinancing all or part of our existing debt, or seeking additional equity capital, any of which may not be available on terms that are favorable to us, if at all. ~~Fluctuations~~ **fluctuations** in foreign currency exchange rates have affected our operating results and could continue to impact our revenue and net earnings. Because the functional currency of most of our foreign activities is the applicable local currency, but our financial reporting currency is the U. S. dollar, we are required to translate the assets, liabilities, expenses, and revenues of our foreign activities into U. S. dollars at the applicable exchange rate in preparing our Consolidated Financial Statements. We operate in approximately 40 countries and are exposed to various foreign currencies in the Americas region (North America and Latin America), EMEA region (Europe, Middle East, and Africa) and APJ region (Asia Pacific and Japan). Accordingly, we face foreign currency exchange rate risk arising from transactions in the normal course of business. **In addition, we operate in certain jurisdictions that utilize foreign currency controls that may temporarily restrict access to foreign currency which results in excess cash in the jurisdiction that cannot be remitted outside of the country and is, therefore, subject to foreign currency exchange rate risk. For example, the Company has operations in Argentina. The Central Bank of Argentina maintains currency controls that limit the Company' s ability to access U. S. dollars in Argentina and remit cash from its Argentine operations. During October of 2023, the Company began entering into Blue Chip Swap transactions (a foreign exchange mechanism which effectively results in a parallel U. S. dollar exchange rate) in order to remit cash from its Argentine operations and such action resulted in a pre- tax loss on investment of $ 13 million during the fourth quarter of 2023.** Foreign currency exchange rates **and foreign currency controls** have affected our revenue and net earnings and could continue to impact our revenue and net earnings. While we actively manage our foreign currency market risk in the normal course of business by entering into various derivative instruments to hedge against such risk, these derivative instruments involve risks and may not effectively limit our underlying exposure to foreign currency exchange rate fluctuations or minimize our net earnings and cash volatility associated with foreign currency exchange rate changes. Further, the failure of one or more counterparties to our foreign currency exchange rate contracts to fulfill their obligations to us could adversely affect our operating results.