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DELTA REPORT

10-K

SCWX - SECUREWORKS CORP

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TOTAL DELTAS 5050

■ CHANGES 489

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**UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549
FORM 10-K**

ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the fiscal year ended February 3, 2023 2, 2024

or

TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934
For the transition period from _____ to _____

Commission file number: 001-37748



SecureWorks Corp.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

27-0463349

(I.R.S. Employer Identification No.)

One Concourse Parkway NE Suite 500, Atlanta, Georgia 30328
(Address of principal executive offices) (Zip Code)

Registrant's telephone number, including area code: **(404)327-6339**
Securities registered pursuant to Section 12(b) of the Act:

<u>Title of each class</u>	<u>Trading Symbol(s)</u>	<u>Name of each exchange on which registered</u>
Class A Common Stock, par value \$0.01 per share	SCWX	The Nasdaq Stock Market LLC (Nasdaq Global Select Market)

Securities registered pursuant to Section 12(g) of the Act: **None**

Indicate by check mark if the registrant is a well-known seasoned issuer, as defined in Rule 405 of the Securities Act. Yes No

Indicate by check mark if the registrant is not required to file reports pursuant to Section 13 or Section 15(d) of the Act. Yes No

Indicate by check mark whether the registrant (1) has filed all reports required to be filed by Section 13 or 15(d) of the Securities Exchange Act of 1934 during the preceding 12 months (or for such shorter period that the registrant was required to file such reports), and (2) has been subject to such filing requirements for the past 90 days. Yes No

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes No

Indicate by check mark whether the registrant is a large accelerated filer, an accelerated filer, a non-accelerated filer, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

Large accelerated filer	<input type="checkbox"/>	Accelerated filer	<input checked="" type="checkbox"/>
Non-accelerated filer	<input type="checkbox"/>	Smaller reporting company	<input type="checkbox"/>
		Emerging growth company	<input type="checkbox"/>

If an emerging growth company, indicate by check mark if the registrant has elected not to use the extended transition period for complying with any new or revised financial accounting standards provided pursuant to Section 13(a) of the Exchange Act.

Indicate by check mark whether the registrant has filed a report on and attestation to its management's assessment of the effectiveness of its internal control over financial reporting under Section 404(b) of the Sarbanes-Oxley Act (15 U.S.C. 7262(b)) by the registered public accounting firm that prepared or issued its audit report

If securities are registered pursuant to Section 12(b) of the Act, indicate by check mark whether the financial statements of the registrant included in the filing reflect the correction of an error to previously issued financial statements.

Indicate by check mark whether any of those error corrections are restatements that required a recovery analysis of incentive-based compensation received by any of the registrant's executive officers during the relevant recovery period pursuant to §240.10D-1(b).

Indicate by check mark whether the registrant is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

As of **July 29, 2022** **August 4, 2023**, the last business day of the registrant's most recently completed second fiscal quarter, the aggregate market value of the registrant's common stock held by non-affiliates was approximately **\$124.0 million** **\$103.0 million** (based on the closing price of **\$9.93** **\$7.05** per share of Class A common stock reported on the Nasdaq Global Select Market on that date).

As of **March 20, 2023** **March 19, 2024**, there were **85,730,474** **88,287,001** shares of the registrant's common stock outstanding, consisting of **15,730,474** **18,287,001** outstanding shares of Class A common stock and 70,000,000 outstanding shares of Class B common stock.

DOCUMENTS INCORPORATED BY REFERENCE

The information required by Part III of this report, to the extent not set forth herein, is incorporated by reference from the registrant's proxy statement relating to the annual meeting of stockholders in 2023 2024. Such proxy statement will be filed with the Securities and Exchange Commission within 120 days after the end of the fiscal year to which this report relates.

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CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K contains "forward-looking statements" within the meaning of Section 27A of the Securities Act of 1933 and Section 21E of the Securities Exchange Act of 1934. The words "believe," "may," "will," "would," "could," "potentially," "anticipate," "estimate," "expect," "intend," "plan," "aim," "seek" and similar expressions that convey uncertainty regarding future events or outcomes as they relate to us or our management are intended to identify forward-looking statements. Our results could be materially different from our expectations because of various risks, including the risks discussed in this report under "Part I – Item 1A – Risk Factors" and in our other periodic and current reports filed with the Securities and Exchange Commission. Moreover, we operate in a very competitive and rapidly changing environment, and new risks emerge from time to time.

All statements by us regarding our expected financial position, revenues, cash flows and other operating results, business strategy, **future product and service developments**, legal proceedings and similar matters are forward-looking statements. Our expectations expressed or implied in these forward-looking statements may not turn out to be correct. Any forward-looking statement speaks only as of the date as of which such statement is made, and, except as required by law, we undertake no obligation to revise or update any forward-looking statement after the date as of which such statement was made, whether to reflect changes in circumstances or our expectations, the occurrence of unanticipated events, or otherwise.

Except where the context otherwise requires or where otherwise indicated, all references in this report to "Secureworks," "we," "us," "our" "our," and "our company" refer to SecureWorks Corp. and our subsidiaries on a consolidated basis, and all references to "Dell" refer to Dell Inc. and its subsidiaries on a consolidated basis.

Our fiscal year is the 52- or 53-week period ending on the Friday nearest January 31. Our **2024 fiscal year ended on February 2, 2024**, our 2023 fiscal year ended on February 3, 2023, and our 2022 fiscal year ended on January 28, 2022. **Our 2024 and our 2021 2022 fiscal year ended on January 29, 2021. years each consisted of 52 weeks.** Our 2023 fiscal year consisted of 53 weeks. **Our 2022 and 2021 fiscal years each consisted of 52 weeks.**

Part I

Item 1. Business

Overview

We are a leading global cybersecurity provider of technology-driven solutions singularly focused on protecting our **customers by outpacing and outmaneuvering the adversary. customers.**

Our vision is to be the essential cybersecurity company for a digitally connected world by providing world. We believe we are the **software security** platform of choice to deliver our a holistic approach to security at scale for our customers to achieve their best security outcomes. We combine considerable experience from securing thousands of customers **and processing billions of customer events, incorporate artificial intelligence and machine-learning capabilities** in our **software security** platform, and utilize actionable insights from our team of elite researchers, analysts, and consultants to create a powerful network effect that provides increasingly strong protection for our customers.

Our **experience shows proprietary Taegis™ security platform utilizes an open architecture that is designed to process a wide variety of telemetry to see security based on "point" products operating in silos is not sufficient threats quickly and to outpace leverage our customers' existing investments.** Our solutions collect and process vast amounts of data across the adversary at scale. Through information technology, or IT, ecosystem by integrating a wide array of proprietary and third-party security products. This open-platform approach allows us to aggregate events from a wide range of endpoint, network, cloud, and business systems to increase the effectiveness of our **open platform approach, we create integrated and comprehensive solutions by proactively managing the collection of point products deployed by our customers to address specific security issues and provide solutions to fortify gaps in their defenses. solutions.**

By aggregating and analyzing data from sources around the world, we offer solutions that enable organizations to:

- prevent security breaches,
- detect malicious activity,
- respond rapidly when a security breach occurs, and
- identify emerging threats.

We believe a **our security platform that supports innovation innovation and collaboration enables by enabling the power of the security community to outmaneuver the adversary.** Leveraging our extensive security expertise and **knowledge, threat intelligence,** we utilize our unique insights to **build an integrated security extend our Taegis XDR platform that fuels efficient and effective security operations for customers and partners. to defend against cyber-attacks.**

The integrated approach we have pioneered enables us to deliver a broad portfolio of security solutions to organizations of varying size and complexity. We seek to provide the right level of security for each customer's particular situation, which evolves **with our customers as the customer's organization grows their organizations grow and changes change** over time. Our flexible and scalable solutions **support secure** the evolving needs of **the largest, most sophisticated large** enterprises as well as small and medium-sized businesses and U.S. state and local government agencies with limited in-house capabilities and resources.

We offer our customers:

- software-as-a-service, or SaaS, solutions,
- managed solutions, and
- professional services, including incident response and **adversarial penetration testing** services.

Our solutions leverage **the our** proprietary technologies, **software security** operations workflows, **and the** extensive expertise and knowledge of the tactics, techniques, and procedures of the adversary that we have developed over more than two decades. As key elements of our strategy, we seek to:

- be the **cloud-native SaaS security software** platform of choice,
- broaden our reach with security service providers to deliver our security **software** platform globally, and
- empower the global security community to beat the adversary at scale.

Our Competitive Strengths

We believe that the following key competitive advantages will allow us to maintain and extend our leadership position in providing technology-driven security solutions:

A Leader in Technology-Driven Security Solutions. We are a global leader in providing technology-driven security solutions and believe we have become a mission-critical partner to many of the large enterprises, small and medium-sized businesses and U.S. state and local government agencies we serve. With decades of security operations expertise, we are recognized by our customers, partners, and industry analysts as a leader in empowering effective security outcomes. We leverage this knowledge and expertise to help customers optimize their security investments and teams, and we enable our partners to build a highly effective and high margin security services business. We believe our position as a technology and market leader enhances our brand and positions our offerings as a preferred solution.

Purpose-Built, Proprietary Technology. At the core of our solutions is the proprietary Taegis™ software platform that collects, aggregates, correlates and analyzes hundreds of billions of daily events and data points and generates enriched security intelligence on adversary groups and global threat indicators. Our Taegis platform is designed with a Big Data plus Fast Data an open and scalable architecture optimized to deliver comprehensive answers to security challenges and allows for expanded visibility and timely detections using our telemetry normalization techniques and proprietary algorithms that, coupled with 1-click response actions, drive efficiency and faster remediation times.

Open Platform Approach. Taegis leverages utilizes an open architecture that is designed to process a wide variety of telemetry to see accelerate security threats quickly and to leverage threat visibility while leveraging our customers' existing investments. Our solutions collect and process vast amounts of data across the IT ecosystem by integrating a wide array of proprietary and third-party security products. We designed Taegis to address the reality and complexity of customer technology environments, including endpoint technologies from multiple vendors, deployed simultaneously across their organizations and hybrid and multi-cloud environments. This open platform approach allows us to aggregate events from a wide range of endpoint, network, cloud, and business systems to increase the effectiveness of our solutions.

Threat Intelligence. Our proprietary and purpose-built technology uses analytical models and sophisticated algorithms to generate threat intelligence. This intelligence is augmented by our Counter Threat Unit™ research team, which conducts research into adversaries, uncovers new attack techniques, analyzes emerging threats, and evaluates the risks posed to our customers. Applying By integrating this intelligence across throughout our solutions, portfolio provides our customers with are given deeper insights and enriched context regarding the tactics, techniques, and procedures employed by those adversaries.

Breadth and Depth of Detection Capabilities. Our powerful and unique combination of threat intelligence, which is continuously fueled by incident response engagements, adversarial penetration testing exercises, activity in our security operations centers, and by our Counter Threat Unit research team, is turned into machine readable machine-readable software that enhances our artificial intelligence long-standing use of AI and machine learning capabilities. We are thus able These capabilities allow us to deliver an innovative set of detectors and threat context indicators, each of which is individually powerful, in its own right, but they are even more powerful when working in unison for our customers and partners.

Simple, Predictable Pricing Structure. Taegis pricing is based on customer endpoint and/or asset counts, which are easily attainable and predictable by our customers. This simple pricing approach avoids unpredictable charges that make forecasting difficult and disincentivizes customers from sharing their data.

Scalable Software Platforms with Powerful Network Effects. Our security platform offers multi-tenant software platforms security capabilities to provide rapid threat detection and response with integrated proprietary orchestration and automation capabilities, a growing set of response playbooks, and access to unlimited incident response. As our customer base increases, our software platforms are able to security platform can analyze more event data, and that additional further adding intelligence makes the software platforms to make our security platform more effective. This in turn drives broader customer adoption and enhances the value of the solutions to both new and existing customers.

Global Customer Base. Our global customer base provides visibility into the cyber threat landscape through 4,500 3,900 customers across 77 73 countries. We gain real-time insights that enable us to identify, detect and respond to threats quickly and effectively. We also are able Our global footprint and diverse customer base allow us to identify threats originating within a particular geographic area or related to a particular industry, and we proactively leverage this threat intelligence to protect our customers against those threats.

Specialist Focus and Expertise. Our company, technology and culture were built with a singular focus on protecting our customers by delivering technology-driven security solutions to outpace and outmaneuver the adversary. We believe this continued focus reinforces our differentiation from other information security vendors, including network providers, IT security product companies, and local and regional information security solutions providers.

Strong Team Culture. The fight against sophisticated and malicious cybersecurity threats is a personal one for our company, and we take great pride in helping our customers protect their critical business data and processes. We dedicate significant resources to ensure that our culture and brand reflect our singular focus on protecting our customers against the adversary.

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Our Growth Strategy

Our strategy is to be the essential cybersecurity company for a digitally connected world. To pursue our strategy, we seek to:

Broaden our portfolio of software-as-a-service solutions. In fiscal 2020, we launched our first SaaS application, called Taegis™ XDR, an Extended Detection and Response solution. We deploy a managed version of this application called Taegis ManagedXDR, which allows Secureworks or our partners to manage the application for customers. Since fiscal 2020, we have expanded our SaaS portfolio by launching our vulnerability management application, called Taegis VDR, and our next generation anti-virus, or NGAV, add-on solution called Taegis NGAV. We intend to continue expanding our Taegis portfolio with additional internally developed or acquired SaaS solutions.

Extend our technology leadership. We intend to enhance our leading technology-driven integrated suite of solutions by adding complementary solutions that strengthen the security posture of our customers. We intend to meet this goal by continuing to invest in research and development, increasing our global threat research capabilities and hiring personnel with extensive cybersecurity expertise.

Embrace our partner ecosystem. We are embracing continuing to embrace strategic partnerships with our channel partners, technology alliance partners, and system integrators. Our Partner First strategy is focused on further expanding our partner ecosystem to open up new channels to market and enabling customers to succeed with our open platform through the delivery of comprehensive security solutions.

Expand and diversify our customer base. We intend to continue to expand and diversify our customer base, both domestically and internationally, by investing in our demand generation and marketing capabilities, investing in our Partner First strategic relationships, and pursuing opportunities across a broad range of industries. We also intend to continue increasing our geographic footprint to further enhance our deep insight into the global threat landscape and ability to deliver comprehensive threat intelligence to our customers.

Deepen our existing customer relationships. We provide scalable software-as-a-service solutions and intend to continue leveraging the strong customer relationships and high customer satisfaction from across our customer base to sell additional solutions to existing customers. We will expect to continue to invest in our account management, marketing initiatives and customer success programs in seeking to achieve high customer renewal rates, help customers realize greater value from their existing solutions and encourage them to expand their use of our solutions over time.

Attract and retain top talent. Our technology leadership, brand, exclusive focus on information security, customer-first culture, and robust training and development program have enabled us to attract and retain highly skilled professionals with a passion for building a career in the information security industry. We will plan to continue to invest in attracting and retaining top talent to support and enhance our information security offerings.

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Our Taegis Subscription and Professional Services Offerings

We offer an integrated suite of technology-driven security solutions enabled by our Taegis software security platform and team of highly skilled security experts. Our technology-driven security solutions offer an innovative approach to prevent, detect and respond to cybersecurity breaches, cyber-attacks. Our Taegis software security platform collects, aggregates, correlates and analyzes billions of events daily from our extensive customer base by leveraging artificial intelligence and machine-learning capabilities and utilizing sophisticated algorithms actionable insights provided by our team of elite researchers, analysts, and consultants to detect malicious activity and deliver security countermeasures, dynamic threat intelligence and valuable context regarding the intentions and actions of cyber adversaries. Through our Taegis security solutions, which are sold on a subscription basis, we provide global visibility and insight into malicious activity, enabling our customers to detect, respond to and effectively remediate threats quickly.

We leverage current threat intelligence and our extensive expertise and knowledge of the tactics, techniques, and procedures of the adversary, which we have developed over two decades of processing and handling events, to provide insight into how attacks cyber-attacks are initiated and spread across our customers' networks. The Taegis software security platform applies security intelligence based on threat indicators continuously gathered by our Counter Threat Unit research team through in-depth analysis of the global cyber threat environment. This team conducts research into Our Counter Threat Unit researches emerging adversaries and new attack tactics, techniques, and procedures, and it develops countermeasures to enable customers to prevent and detect potential compromises. Our ability to see more security incidents along with the applied intelligence acts as an early warning system that enables us to proactively alert customers, apply protections and respond quickly with appropriate context. The more security events we see, the more effective are the we become at deploying countermeasures, detections, and response actions we deploy, actions. Our software security platform is designed to be open, enabling our customers to aggregate events from a wide range of endpoint, network, cloud, and business systems.

Through By delivering integrated security solutions, by security experts for security experts, we seek to allow organizations to:

- measurably reduce their business risk from cyber exposure;
- optimize their investment existing investments in security systems and controls; and
- address the shortage of personnel with cybersecurity expertise.

Customers may subscribe to our full suite of security solutions or elect to subscribe to various combinations of individual solutions. We offer solutions, including the offerings discussed below, primarily on a subscription basis with terms typically ranging from one to three years.

The transformation of We began transforming our subscription business to our Taegis solutions began in during fiscal 2021. As part of that transformation, we Customers were informed customers early in during the fourth quarter of fiscal 2022 that many of our other managed security services would no longer be available for purchase, and renewals would not extend, beyond the end of fiscal 2023. By the end of fiscal 2024, revenue from our Taegis solutions represent 87.1% of our total subscription revenue.

Taegis Subscription Solutions

Our proprietary Taegis security platform was purpose-built as a cloud-native software SaaS platform that combines and serves as the power core of machine-learning with our SaaS solutions. Our security analytics platform leverages artificial intelligence, machine learning and actionable threat intelligence to unify detection and response across endpoint, network, cloud, email, identity and other business systems for better security outcomes and simpler security operations. The Taegis software platform is a core element for our SaaS solutions, which leverage workflows designed from our extensive security operations expertise and integrated orchestration and automation capabilities to increase the effectiveness of our security solutions, accelerate the speed of response actions, actions, and simplify security operations.

Taegis XDR, ManagedXDR and VDR are the first in a our integrated suite of software-driven applications and technology-driven security solutions driven by built on our Taegis software security platform that we plan to release.

Extended Detection and Response. Taegis XDR collects and processes vast amounts billions of data events daily from a wide range variety of sources through hundreds of out-of-the-box integrations. The resulting advanced security analytics that created from our security platform through a network effect provided by our diverse, global customer base are

further enriched by the company's our extensive threat intelligence and understanding of the evolving global threat environment and by the network effect of our diverse customer base, landscape.

- Taegis XDR analyzes activity from endpoint, network, cloud, email, identity and other business systems while reducing the number of false-positive results security professionals face. It detects advanced threats by correlating information from a variety of sources and threat intelligence feeds, integrating Secureworks' our knowledge and research of adversary adversarial behaviors, and applying machine-learning artificial intelligence, machine learning and other advanced analytics to provide much-needed vital context about the threat, threat faced. Taegis XDR builds trust in prioritized with users, prioritizes security alerts, and frees empowers security teams to focus on the most critical threats.
- Taegis XDR unifies security environments and analyzes all relevant signals in one place. Customers gain additional context so they can quickly and accurately judge the implications of each event.
- By enabling collaborative investigations with seamless hand-offs, Taegis enables customers to quickly reach conclusions with confidence. Customers can use a our built-in chat feature, accessible from the user interface, during an investigation to get real-time expert help from Secureworks in in less than 90 seconds.
- The application Our platform allows for a quick, accurate, software-driven response that gives users the ability to automate the right action, actions.
- Taegis XDR is a cloud-based, SaaS application platform that is continuously updated with new features and updates pushed to the production environment.
- Taegis XDR includes advanced endpoint threat detection and network solutions with enhanced features such as next-generation anti-virus prevention capabilities, or NGAV. These features enable customers to consolidate spending with a single vendor, based on the using our security platform as the centralized solution.
- The application platform is designed to efficiently integrate into an organization's current control security controls framework.

Managed Detection and Response. Taegis ManagedXDR, a fully managed fully-managed cybersecurity solution, combines the capabilities of the Taegis XDR platform with extensive security expertise for 24/7 protection.

- Taegis ManagedXDR leverages the knowledge gained and actionable insights developed from our long history of security analysis, threat research and incident response engagements to continuously update enhance our threat intelligence and security analytics used to recognize malicious activity. The Taegis platform uses artificial intelligence, machine learning and other advanced analytics and machine learning to discover stealthy threats and automatically prioritize the most serious threats, allowing customers to focus on the events that matter.
- Taegis ManagedXDR provides customers with access to the same intuitive interface and platform as our Secureworks analysts to collaborate in the ways customers prefer. Customers can reach our analysts directly 24/7 via live chat functionality in Taegis XDR.
- Taegis ManagedXDR includes threat hunting to proactively isolate and contain threats that evade existing security controls.
- Taegis ManagedXDR incorporates incident response support that can be deployed quickly during a critical investigation.

Customers are able to can extend the benefits of Taegis ManagedXDR with high-value add-ons:

- Taegis ManagedXDR Elite solution provides a designated threat-hunting expert to perform continuous, proactive, and iterative threat hunting across endpoint, network and cloud environments with bi-weekly updates on an organization's exposure to targeted threats.
- Taegis ManagedXDR Enhanced solution delivers higher-touch threat analysis and orchestrated response in which enhanced security analysts swivel between the Taegis XDR platform and multiple customer systems to provide a deeper level of analysis, yielding clear business context that consolidates everything occurring in a customer's environment into one holistic picture, enabling intelligent and rapid escalation and orchestrated remediation.

Vulnerability Detection and Response. Taegis VDR simplifies vulnerability management with a risk-based approach that prioritizes the most critical threats and optimizes remediation efforts to protect what's most important. Powered by automated intelligent machine learning, VDR is a fully integrated, comprehensive solution that requires no configuration and automatically discovers endpoints, network equipment and devices, web applications and forgotten assets to scan for vulnerabilities and prioritize them. It's a self learning self-learning system that improves autonomously with use, further reducing risk and creating more efficiency and time for your security team to focus on what matters most for your organization.

- Taegis VDR helps organizations reduce risk by simplifying security operations with a single solution to identify and respond to vulnerabilities instead of relying on multiple technologies.
- Taegis VDR identifies vulnerabilities that require remediation by deploying a machine-learning risk prioritization engine. The solution provides context to determine which vulnerabilities pose the biggest risk to each customer. The machine-learning engine will continuously learn and improve its performance as it collects data over time, leading to a more effective and efficient vulnerability management program.
- Taegis VDR features an automated approach to vulnerability management that helps an organization's staff focus on other tasks while VDR continues to scan for vulnerabilities.

Other Managed Security Services

Our proprietary Secureworks Counter Threat Platform was built to be the foundation of our other managed security services, which were end-of-life at the end of fiscal 2023 and are only provided to customers in Japan or customers who have contracts that extend beyond fiscal 2023. These other managed security services described below accounted for 37.8% of our total revenue in fiscal 2023.

Security Monitoring. Our security monitoring service collected, correlated and analyzed logs, alerts and other messages generated by most leading security technologies and critical information assets to identify anomalies and respond to threats in near real time.

Advanced Endpoint Threat Detection. Advanced endpoint threat detection, or AETD, was a managed security service that monitored the state of endpoints (which included Windows servers, laptops and desktops) for threat indicators and investigated events to determine their severity, accuracy and context, while allowing for quick escalation of critical events to the customer's attention.

Firewall and Next-Generation Firewall Services. Our firewall management services provided policy-based control over applications, users and content, device provisioning and deployment, while enabling customers to respond immediately to security events.

Managed Network Intrusion Detection System, or IDS, and Intrusion Prevention System, or IPS, Services. Our IDS or IPS services included security monitoring, performance and availability management, device upgrades and patch management, policy and signature management, integration of threat intelligence and use of our proprietary iSensor device.

Log Retention Services. Our log retention services provided support for a wide range of sources, allowing the capture and aggregation of millions of logs generated daily by critical information assets such as servers, routers, firewalls, databases, applications and other systems of the log retention appliance.

We provided two delivery options for these other managed security services.

Managed Delivery. With managed delivery, we assumed control of a customer's security technology so the customer could focus on running its business.

Monitored Delivery. Customers selecting monitored services obtained access to our on-demand Counter Threat Platform through our web-based portal, plus monitoring and analysis by our security analysts of events collected from security and network devices and applications.

Professional Services

In addition to our Taegis solutions, we offer a variety of consulting and professional services that advise customers on a broad range of security and risk-related matters, which include incident response, adversarial penetration testing and Taegis professional services to accelerate adoption of our software solutions.

Incident Response

In our incident response engagements, we help customers rapidly analyze, contain, and remediate security incidents to minimize their duration and impact. In addition, our incident response services can increase customer awareness of, and interest in, our Taegis subscription solutions as we help customers develop a stronger and more comprehensive security program and posture.

Incident Readiness. Secureworks provides a wide variety of incident readiness services to help customers understand the current state, and identify areas of weakness or existing compromise, and give expert guidance to enable pragmatic and risk-based improvements. Our incident management risk assessment reduces the risk of compromise by evaluating a customer's ability retainer offering provides 24/7/365 access to detect, resist, incident response experts and respond provides access to a variety of other proactive services where customers can conduct a tabletop exercise, understand their risk exposure within Active Directory, and engage in other services that help prepare for a cyber attacks, including advanced persistent threats, attack. Our deep experience in incident response investigations and security best practices forms the basis of our comprehensive incident response plan review, which is designed to assist our customers in guarding against gaps and uncertainty in the midst of amid a crisis and incorporates the latest threat intelligence tailored to the customer's specific needs.

Emergency Incident Response Solutions. We seek to ensure that organizations experience minimal economic loss and operational disruption when facing a cyber security cybersecurity incident. Our team of experienced security professionals work hand-in-hand with customers to minimize the duration and impact of security incidents through incident management, technical expertise, investigative know-how, malware analysis and reverse engineering. Layered into our incident response investigations and integrated into our Taegis security platform is the threat intelligence developed by our Counter Threat Unit™ research team, which enriches our overall knowledge of the adversary and allows investigators to take a targeted approach and get to a faster resolution for our customers.

Taegis Threat Hunting Assessment. The Secureworks Threat Hunting Assessment is a point-in-time, 30-day comprehensive and Adversarial Professional intensive evaluation of a customer's environment to identify previously unknown compromise activity, security misconfigurations, visibility gaps, control issues, and cyber threats and risks. Our team of security experts possess decades of combined experience countering adversary tradecraft. This human intelligence, along with our proprietary hunting technology and our advanced security analytics, enables us to identify the presence of historical and active compromises entrenched within that customer's environment. This service helps a customer increase its cyber resilience with focused, tailored recommendations on security architecture, instrumentation, and controls.

Penetration Testing Services

We facilitate improving improvements to our customers' security posture by assessing their security capabilities, preparing employees against cyber-attacks, improving compliance, and identifying, prioritizing and resolving the vulnerabilities that pose the greatest threat.

Our team has extensive experience conducting offensive security engagements across many industries and geographic areas and under recent regulations and industry standards that impose security mandates.

Our penetration testing services provide customers with a thorough analysis of their security posture to include logical, physical, technical, and non-technical threats. These penetration testing services identify risk-generating gaps in people, process, and technology, and they help organizations construct a stronger security posture and meet compliance mandates. Our testing solutions touch nearly every aspect of offensive security, including:

- Application security
- Network security
- Adversary exercises
- Vulnerability assessments delivered using Taegis VDR
- Other customized and specialized testing services

All our offensive services simulate cyber-attacks using real-world tactics, techniques, and procedures through a blend of automated and manual attacks. Our offensive professionals also assist the Incident Response team during their investigations and provide insight on the adversary, which drives continuous improvements to the detection efficacy of the Taegis security platform.

Taegis & Other Professional services we offer include the following: Services

Taegis Professional Services. Our Taegis Professional Services assist customers by providing training, onboarding, and integration services to assist with the implementation and adoption of our Taegis XDR platform. The services include assessing the customer's environment, performing data integration activities, and **application training**.

Adversarial Testing. Our adversarial testing solutions provide **providing training for** customers **with a thorough analysis of their security posture to include logical, physical, technical and non-technical threats.** These adversarial testing services identify risk-generating gaps in people, process and technology, and help organizations construct a stronger security posture and meet compliance mandates. Our testing solutions touch upon nearly every aspect of offensive security to include:

- **Application security**
- **Network security**
- **Adversary exercises**
- **Vulnerability assessments delivered using Taegis VDR**
- **Other customized and specialized testing services**

All of our offensive services simulate cyber attacks using real-world tactics, techniques, and procedures through a blend of automated and manual attacks. Our offensive professionals also assist the Incident Response team during their investigations and provide adversarial insight that continually helps improve the detection efficacy of **effectively use** the Taegis **security** platform.

Threat Hunting Assessment. The Secureworks Threat Hunting Assessment is a point-in-time 30-day comprehensive and intensive evaluation of the customer's environment to identify previously unknown compromise activity, security misconfigurations, visibility gaps, control issues, and cyber threats and risks. Our team of security experts possess decades of combined experience countering adversary tradecraft. This human intelligence along with our proprietary hunting technology and Secureworks' advanced security analytics enables us to identify the presence of historical and active compromises entrenched within the environment. This solution helps the customer increase its cyber resilience with focused, tailored recommendations on security architecture, instrumentation, and controls.

Security Residency Solutions. Our **security residency solutions Security Residency Solutions** provide customers with security consultants who serve as extended members of their staff either on-site or remotely to extend and heighten an organization's security expertise and capabilities. Residency solutions are combined with other Secureworks solutions **in within** complex enterprise environments to enhance the value customers experience. We align with each customer's internal processes, integrate our data feeds into customer applications and dashboards, and produce customized analytics and reporting. In addition, we assist customers with handling the security events identified by our solutions.

Research Other Legacy Managed Security Services

Our Other Legacy Managed Security Services, which were end-of-life at the end of fiscal 2023, were only provided to customers in Japan or customers who had contracts that extended beyond fiscal 2023. These other legacy managed security services described below accounted for 10.7% and **Development**

We believe that innovation and the timely development of new solutions are essential to meeting the needs 37.8% of our **customers total revenue in fiscal 2024 and improving our competitive position.** We plan to continue making investments in our research 2023, respectively. These services included security monitoring, advanced endpoint threat detection, firewall and development effort as we evolve next-generation firewall services, managed network intrusion detection systems and extend the capabilities of our solutions portfolio.

We focus our research and development efforts on enhancing and adding new functionality to our Taegis software platform and purpose-built technologies that are critical enablers of our solutions and **log retention services.** The Taegis software platform and its capabilities follow an agile development, continuous release process with new features pushed to production environments on a daily basis, and user interface enhancements released every two weeks.

Our research and development organization is responsible for the architecture, design, development and testing of all aspects of our suite of security solutions. We have deep security, software and data science expertise and work closely with our product management, customer success and support teams and with customers to gain insights into future product development opportunities. We focus our research on identifying next-generation threats and adversaries and developing countermeasures, which are continuously applied to our software platforms and are used to respond to the rapidly evolving security threat landscape. In addition to improving on our features and functionality, our research and development organization works closely with our information technology team to ensure that our software platforms are available, reliable and stable.

Our Customers

As of **February 3, 2023 February 2, 2024**, we had approximately **4,500 3,900** customers, including approximately 2,000 Taegis and **700 300** managed security subscription customers, across **77 73** countries. We serve customers in a broad range of industries, including the financial services, manufacturing, technology, retail, insurance, utility, and healthcare sectors. No one customer represented more than 10% of our annual revenue in any of our last three fiscal years. In fiscal **2023, 2024**, financial services and manufacturing customers accounted for 20% and 26%, respectively, of our revenue. No other industries accounted for 10% or more of our fiscal **2023 2024** revenue.

The fees we charge for our solutions vary based on a number of factors, including the solutions selected, the number of customer devices covered by the selected solutions, and the level of management we provide for the solutions. Approximately **78% 83%** of our revenue is derived from subscription-based arrangements, attributable to Taegis solutions and managed security services, while approximately **22% 17%** is derived from professional services engagements. As we respond to the evolving needs of our customers, the relative mix of subscription-based solutions and professional services we provide our customers may fluctuate.

International revenue, which we define as revenue contracted through non-U.S. entities, represented approximately **34% 37%, 33% 34%** and **30% 33%** of our revenue in fiscal **2024, fiscal 2023 and fiscal 2022, and fiscal 2021**, respectively. For additional information about our non-U.S. revenues and assets, see "Notes to Consolidated Financial Statements—Note 12—Selected Financial Information" in our consolidated financial statements included in this report.

Customer Success and Support

Customer success, training and support are key elements of our commitment to provide a superior customer experience and differentiated value. We have a comprehensive customer success training and support program to continuously improve the customer experience and **to** enhance the value that our customers derive from our solutions. We provide education, training, and support on the functionality of our solutions so that our customers fully utilize their benefits, and we regularly conduct customer surveys to improve and enhance both our customer relationships and solutions portfolio. Our Taegis XDR and Taegis VDR customers receive 24/7 application support as well as an integrated chat

function. Our Taegis platform has an integrated customer experience software that analyzes how customers use our applications, highlights new features available, and solicits customer feedback.

Research and Development

We believe that innovation and the timely development of new solutions are essential to meeting the needs of our customers and improving our competitive position. We plan to continue making investments in our research and development effort as we evolve and extend the capabilities of our solutions portfolio.

We focus our research and development efforts on enhancing and adding new functionality to our Taegis security platform and purpose-built technologies that are critical enablers of our solutions and services. The Taegis security platform and its capabilities follow an agile development, continuous release process with new features pushed to production environments daily, and user interface enhancements released every two weeks.

Our research and development organization is responsible for the architecture, design, development and testing of all aspects of our suite of security solutions. We have deep security, software and data science expertise and work closely with our product management, customer success and support teams and with customers to gain insights into future product development opportunities. We focus our research on identifying next-generation threats and adversaries and developing countermeasures, which are continuously applied to our security platforms and used to respond to the rapidly evolving security threat landscape. In addition to improving on our features and functionality, our research and development organization works closely with our information technology team to ensure that our security platforms are available, reliable, and stable.

Sales and Marketing

Sales and Marketing, together with Secureworks our partners, drives growth by focusing on defining the Secureworks brand, increasing awareness, building a robust opportunity and revenue pipeline, and cultivating partner and customer relationships. We create customer value with our managed detection and response cybersecurity security solutions that are cloud native and are offered primarily on a subscription basis. We typically offer contract terms from one to three years and, as of February 3, 2023 February 2, 2024, are averaging our contracts average roughly two years in duration. We provide additional customer value through expert our Taegis professional services and our consulting services, which include incident response and adversarial penetration security testing services.

Partner Program

Secureworks Taegis™ Taegis is a cloud-native an XDR platform that rests at serves as the core of the Secureworks MDR solution. The Taegis platform's architecture enables us to quickly integrate solutions and innovations from our partners, offering the best-fit cybersecurity security solutions to our joint Secureworks + and partner customers.

Our Partner First strategy which has been fully implemented in North America, equips and enables our partners to leverage the Taegis security platform, together with Secureworks expert services, as an engine for growth. Our partners, in turn, enable Secureworks to be more flexible and fast to market, driving superior customer retention with their supplemental solution offerings and knowledge of customer needs. Our growing partner ecosystem includes cyber risk partners, solution providers, technology alliance partners, and managed security service providers, (MSSPs) or MSSPs.

Sales Teams

Our Sales teams are committed to driving sales opportunities through our partner community and to closing all deals together. Our Customer Success and Account Management teams extend the value of our solutions by identifying cross-selling and upselling opportunities within our customer base and enhancing customer satisfaction. Our routes to market vary by country, by partner channel and the size of the customer organization.

Our Sales teams are a mix of inside sales and field sales professionals who are aligned with geographic regions. They These sales professionals are supported by technical Sales Engineers with deep security experience, who assess customer environments and needs by delivering strong proof of value experiences, and by our partner community, which matches the best security solutions to customer needs.

In fiscal 2023 2024, approximately 82% 77% of Secureworks revenue, and 77% 78% of our Taegis revenue, was generated through Secureworks-sourced sales opportunities; in some cases this was done in collaboration with members of Dell's sales force, opportunities, with the remaining portion generated through partners. We market our solutions through Dell's channel partners as well as our own, and continuously work to optimize our commercial arrangements with Dell.

Marketing Team

Our Marketing team builds our Secureworks and Taegis brands, and increases awareness for our platform and solutions, as well as generating market demand and driving pipeline growth and helping grow and maintain our competitive advantage. We develop and continuously refine company and solution messages, based on customer and buyer dialogs, and we launch new and enhanced offerings to market.

We deploy demand generation campaigns, including digital marketing and joint partner marketing programs, to engage, educate, and inspire prospects to action by creating marketing content that is relevant to buyer needs at every stage of the buying cycle. Our awareness programs are yielding yield consistent editorial coverage in widely distributed business publications and industry trade publications. Our social media programs regularly engage individual buyers and influencers with marketing and executive content, and we participate in digital marketing programs and face-to-face events to create customer and prospect awareness and action.

We frequently brief industry analysts and are a subject of analyst publications and references, building third-party validation of our company and our solutions. We also enable our sales and partner teams with sales tools, education, competitive insights, and field marketing activities to help them convert leads into customers.

Competition

The markets for our technology-driven security solutions and services are intensely competitive, and we expect competition to continue to increase in the future with the introduction of new security solutions, new technologies and new market entrants. Conditions in our market could change rapidly and significantly as a result of resulting from technological advances, partnerships, or acquisitions by our competitors. Changes in the threat and technology landscape have led to constantly evolving customer requirements for protection from security threats and adversaries.

We compete primarily against the following three types of security product and services providers, some of which operate principally in the large enterprise market and others in the market for small and medium-sized businesses:

- security providers and niche IT security products and services such as CrowdStrike, Inc., Rapid7, Inc., SentinelOne, Inc. and Arctic Wolf;

- diversified technology and telecommunications companies such as Palo Alto Networks, Inc., Microsoft, International Business Machines Corporation and AT&T Inc.; and
- small regional managed security service providers, including new market entrants, that compete in the small and medium-sized businesses market.

As the extended detection and response market continues its rapid growth, it will continue to attract new market entrants as well as existing security vendors acquiring or bundling their products more effectively.

We believe that the principal competitive factors in our market include:

- global visibility into the threat landscape;
- ability to generate actionable intelligence based on historical data and emerging threats;
- speed of innovation;
- scalability and overall performance of platform technologies;
- deep understanding of security operations best practices;
- ability of our technology to integrate with a variety of third-party products;
- ability to deliver SaaS solutions to meet specific customer needs;
- ability to attract and retain high-quality professional staff with information security expertise;
- brand awareness and reputation;
- strength of sales and marketing efforts;
- cost effectiveness;
- customer success and support; and
- breadth and richness of threat intelligence, including a history of data collection and diversity and geographic scope of customers.

We believe that we generally compete favorably with our competitors based on the basis of these factors as a result because of the features and performance of our portfolio, security offerings, the quality of our threat intelligence, the security expertise within our organization, and the ease of integration of our solutions with other technology infrastructures. However, many of our competitors, particularly in the large enterprise market, have advantages over us because of their greater brand name recognition, larger customer bases, more extensive relationships within large commercial enterprises, more mature intellectual property portfolios, and greater financial and technical resources.

Intellectual Property

Our intellectual property is an essential element of our business. To protect our intellectual property rights, we rely on a combination of patent, trademark, copyright, trade secret and other intellectual property laws as well as confidentiality, employee non-disclosure and invention assignment agreements.

Our employees and contractors involved in technology development developments are required to sign agreements acknowledging that all inventions, trade secrets, works of authorship, developments, processes, and other intellectual property rights conceived or reduced to practice by them on our behalf are our property, and assigning to us any ownership that they may claim in those intellectual property rights. We maintain internal policies regarding confidentiality and disclosure. Our customer and resale contracts prohibit reverse engineering, decompiling and other similar uses of our technologies and require that our technologies be returned to us upon termination of the contract. We also require our vendors and other third parties who have access to our confidential information or proprietary technology to enter into confidentiality agreements with us.

Despite our precautions, it may be possible for third parties to obtain and use, without our consent, intellectual property that we own or otherwise have the right to use. Unauthorized use of our intellectual property by third parties, and the expenses we incur in protecting our intellectual property rights, may adversely affect our business.

Our industry is characterized by the existence of a large number of patents, which leads to frequent claims and related litigation regarding patent and other intellectual property rights. In particular, large and established companies in the IT security industry have extensive patent portfolios and are regularly involved in litigation asserting or defending against patent infringement claims. From time to time, third parties, including some of these large companies as well as non-practicing entities, may assert patent, copyright, trademark and other intellectual property rights against us, our channel partners, or our end-customers, which we are obligated to indemnify against such claims under our standard license and other agreements. Successful claims of infringement by a third party, if any, could prevent us from performing certain solutions, require us to expend time and money to develop non-infringing solutions, or force us to pay substantial damages (including, in the United States, treble damages if we are found to have willfully infringed patents), royalties or other fees.

Patents and Patent Applications

As of February 3, 2023 2, 2024, we owned 56 58 issued patents and 108 pending patent applications in the United States and four six issued patents and eight 12 pending patent applications outside the United States. The issued patents are currently expected to expire between 2023 2028 and 2040, 2041. Although we believe that our patents as a whole are important to our business, we are not substantially dependent on any single patent.

We do not know whether any of our patent applications will result in the issuance of a patent or whether the examination process will require us to modify or narrow our claims, as has happened in the past with respect to certain claims. Any patents that may be issued to us may not provide us with any meaningful protection or competitive advantages, or may be contested, circumvented, found unenforceable, or invalid, invalidated, and we may not be able to prevent third parties from infringing upon them.

Trademarks and Copyrights

The U.S. Patent and Trademark Office has granted us federal registrations for some of our trademarks. Federal registration of trademarks is effective for as long as we continue to use the trademarks and maintain our registrations as permitted under federal law. We also have obtained protection for some of our trademarks, and have pending applications for trademark protection, in the European Community and various countries. We may, however, be unable to obtain trademark protection for our technologies and names that we use, and the names, slogans slogans, or logos that we use or may use may be deemed non-distinctive, and therefore non-distinctive. Therefore, we may be unable to distinguish our solutions from those of our competitors in one or more countries.

We have entered into a trademark license agreement with Dell Inc. under which Dell Inc. has granted us a non-exclusive, royalty-free worldwide license to use the trademark "DELL," solely in the form of "SECUREWORKS-A DELL COMPANY," in connection with our business and products, services and advertising and marketing materials related to our business.

Backlog

We define backlog as the non-cancellable value of subscription-based solutions to be provided under our Taegis solutions and managed security services contracted with a customer that have not yet been provisioned or installed. Backlog is not recorded in revenue, deferred revenue or elsewhere in our consolidated financial statements until we establish a contractual right to invoice, at which point backlog is recorded as revenue or deferred revenue, as appropriate. All contractual amounts included in backlog are available to be installed with revenue recognition commencing within the coming fiscal year. As of February 3, 2023, February 2, 2024 and January 28, 2022, February 3, 2023, backlog of subscription-based solutions was approximately \$3.0 million, \$1.4 million and \$2.6 million, \$3.0 million, respectively. Backlog is influenced by several factors, including seasonality, the compounding effects of renewals, and the mix of solutions under contract with customers. Accordingly, we believe that fluctuations in backlog are not always a reliable indicator of future revenues.

Seasonality

Given As a result of the annual budget approval process of many of our customers, we have begun to see historically seen seasonal patterns in our business. Seasonal variations in our financial results may become more pronounced in future periods, business, with sales to new customers and additional sales to existing customers being becoming greater in the second half of the year, particularly in the fourth quarter, as compared to the first half of the year. In addition, we also experience seasonality in our gross and operating margins, with lower margins in the first half of our fiscal year as a result of greater expenditures for payroll taxes and annual sales and marketing events. This seasonality may also affect the timing of our operating cash flow.

Human Capital Resources

Employee Population

As of February 3, 2023, February 2, 2024, we employed 2,149, 1,516 full-time employees. Approximately 55.7 percent, 50.1% of our employees were located in the United States and the remainder were located in 25, 24 other countries. None of our employees in the United States are represented by a labor organization or the subject of a collective-bargaining agreement. Employees of some of our foreign subsidiaries are represented on workers' councils.

Compensation, Benefits and Well-being

We are committed to providing employees with compensation and benefits that support their physical, mental, and financial well-being. We believe our compensation program is designed to attract and reward talented individuals who possess the skills necessary to support our business objectives and assist in the achievement of our strategic goals. In addition to competitive base salaries, eligible employees can receive short-term cash incentives and long-term cash or equity awards. We also offer employees a wide array of benefits, including life and health and welfare insurance, retirement benefits, and paid time off.

In response to the COVID-19 pandemic, we instituted We have a mandatory work-from-home remote work policy for almost all but a small number of onsite essential personnel, personnel. This policy is supported by a culture that includes quarterly all-hands calls celebrating our people and we restricted travel to essential "business-critical" needs. With business, with more frequent touchpoints by leaders throughout the support and commitment of our employees, we were able to transition to a work-from-home model and continue protecting our customers without interruption. Early in the COVID-19 pandemic, our Chief Executive Officer hosted weekly all-hands update calls, and we believe open and on-going communications have been critical to maintaining our culture and productivity during the pandemic. During this period, we have taken a flexible organization. Our approach to help remote work focuses on helping our employees manage their work and personal responsibilities with a focus in addition to focusing on employee their well-being, health, and safety.

Diversity and Inclusion

We In the global fight to protect our customers, we believe that our future growth and innovation depend on a company culture that promotes diversity, require respecting and celebrating our teammates, learning from each other, and creating an environment where people can be themselves. We are committed to educating our teammates, enabling inclusion, and we seek to advance these values in our hiring, development and advancement practices, enhancing diversity. We also seek to connect our employees across regions and provide them with opportunities to enhance cultural awareness and inclusivity, and to enable collaboration.

Communication and Engagement

We believe that our corporate culture depends on our employees' engagement and understanding of their contribution to the achievement of our strategic imperatives, vision and mission, mission to secure human progress. In addition to prioritizing regular communications, we conduct regular employee surveys to seek feedback on what is going well and where we can focus our efforts to do more. We also have active employee resource groups, which are designed to address the need for more social and community interaction in our globally diverse workforce.

Community Involvement

We aim to give back to the communities where we live and work, and we believe that this commitment helps in our efforts to attract and retain employees. We partner with a variety of universities and inclusion-focused programs in the United States and abroad globally to promote STEM education for all. Beyond contributions of cash, we encourage employees to participate in numerous local events and engage in volunteer service throughout the year.

Corporate Information

We are a holding company that conducts operations through our wholly-owned subsidiaries. The mailing address of our principal executive offices is One Concourse Parkway NE, Suite 500, Atlanta, Georgia 30328. Our telephone number at that address is (404) 327-6339.

Secureworks was acquired by Dell, Inc. in February 2011 and completed its initial public offering, or IPO, in April 2016. Upon the closing of our IPO, Dell Technologies Inc., the ultimate parent company of Dell, Inc., owned indirectly through Dell Inc. and Dell Inc.'s subsidiaries, all shares of our outstanding Class B common stock, which as of February 3, 2023, February 2, 2024 represented approximately 82.6%, 81.0% of our total outstanding shares of common stock and approximately 97.9%, 97.7% of the combined voting power of both classes of our outstanding common stock.

Available Information

We maintain a corporate Internet website at www.secureworks.com. We make available free of charge through our website our Our annual report on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those these reports, and other filings made with the U.S. Securities and Exchange Commission, or SEC, whether filed

or furnished pursuant to Section 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended, are available free of charge on our website at www.investors.secureworks.com as soon as reasonably practicable after we electronically file the reports with, or furnish them with the reports to, the Securities and Exchange Commission. SEC. Information appearing on, or that can be accessed through, our website is not a part of this report. Our references to URLs for these websites are intended to be inactive textual references only.

Investors and others should note that we may announce material financial information to our investors using our website, SEC filings, press releases, public conference calls, and webcasts, or a combination thereof, to achieve compliance with our Regulation FD disclosure obligations. We also use these disclosure channels, our corporate website (<https://www.secureworks.com>) and social media to communicate with the public about our services, solutions, and other issues. It is possible that the information we make available on our investor relations website, corporate website, or social media platforms could be deemed to be material information; therefore, we encourage investors, the media, and other interested parties to review the information we make available through such means.

Information about our Executive Officers

The following table sets forth contains information with respect to our executive officers as of March 23, 2023 concerning our executive officers. March 22, 2024.

Name	Age	Position
Wendy K. Thomas	51 52	Chief Executive Officer
Paul M. Parrish Alpana Wegner	61 51	Senior Vice President, Chief Financial Officer
George B. Hanna	56 57	Senior Vice President, Chief Legal & Administrative Officer and Corporate Secretary
Stephen L. Fulton	49 50	President, Customer Success

Each executive officer is appointed by, and serves at the discretion of, our board of directors.

Wendy K. Thomas has served as our Chief Executive Officer since September 2021. Prior to this appointment, Ms. Thomas served in a number of critical positions at Secureworks, including as President and Chief Executive Officer from September 2021 to February 2023, as President, Customer Success from April 2020 to September 2021, as Chief Product Officer from June 2019 to April 2020, as Senior Vice President, Business and Product Strategy from March 2018 to June 2019, as Vice President, Strategic and Financial Planning from March 2017 to March 2018, and as Vice President, Financial Planning and Analysis from July 2015 to March 2017 and from June 2008 to June 2011. In addition, Ms. Thomas served as Chief Financial Officer of Bridgevine, Inc. (currently Updater Inc.), a marketing software company, from November 2013 to July 2015, and as Vice President, Financial Planning and Analysis, at First Data Corporation (currently Fiserv, Inc.), a payment processing and financial services technology company, from July 2011 to October 2013. Earlier in her career, Ms. Thomas held other positions, including multiple finance roles at BellSouth Corporation, a telecommunications company, culminating in the position of Director, Finance.

Paul M. Parrish Alpana Wegner has served as our Senior Vice President and Chief Financial Officer since December 2019. June 2023. Before joining us, Mr. Parrish was the Ms. Wegner served as Executive Vice President, Chief Financial Officer of CIOX Health, LLC, Benefitfocus, Inc., a healthcare data management solutions cloud-based benefits administration technology company, from August 2016 2020 to May 2023. Before serving in this role, Ms. Wegner was Vice President, Corporate Controller of Benefitfocus from December 2019. Before his service at CIOX, Mr. Parrish served as Chief Financial Officer 2017 to August 2020 and was General Manager of Brightree, LLC, a company providing a cloud-based software and services platform for the post-acute medical care market, Carrier Business Unit from June 2014 to July 2016. Mr. Parrish's April 2017 until December 2017. Ms. Wegner's previous experience includes multiple senior financial and accounting operational roles, including service as Chief Financial Officer of US Security Associates, at Blackbaud, Inc., a security services cloud software company, as Vice President, Sales Operations from September 2012 April 2016 to January 2014, 2017 and Chief Financial Officer as Vice President, CFO of S1 Corporation, a payments and financial services software company, the Enterprise Customer Business Unit from January 2009 June 2013 to February 2012. Earlier in his career, Mr. Parrish was a Senior Manager with Deloitte, a global professional services firm. Mr. Parrish April 2016. Ms. Wegner is a Certified Public Accountant.

George B. Hanna has served as our Chief Legal & Administrative Officer and Corporate Secretary since October 2015. Before joining us, Mr. Hanna was the Executive Vice President, Chief Legal & Administrative Officer for YP Holdings, one of the country's largest digital media companies, from January 2013 to October 2015. Prior to his service with YP Holdings, Mr. Hanna served in various leadership roles at Wellmark Blue Cross Blue Shield from July 2007 to January 2013, including as the Chief Executive Officer of Wellmark Health Plan of Iowa and as Executive Vice President of Sales & Marketing and Chief Legal Officer for Wellmark Blue Cross Blue Shield. Mr. Hanna previously was employed at BellSouth Corporation from February 1995 to July 2007, where he held senior legal roles including a position as Vice President & Deputy General Counsel.

Stephen L. Fulton has served as our President, Customer Success since February 2023. Prior to this appointment, Mr. Fulton served in several instrumental positions at Secureworks leading all aspects of the Taegis XDR platform vision and development, including as Senior Vice President & Chief Product Officer from September 2020 to January 2023, and as Vice President, Software Engineering from May 2017 to September 2020. Before joining us, Mr. Fulton held a number of senior leader roles at a variety of software companies, including as a Vice President at Velostrata (acquired by Google) from 2015 to 2017, as Vice President of Business Development at EMC from 2014 to 2015, and as Vice President, Corporate Development at ScaleIO (acquired by EMC) from 2013 to 2014. Mr. Fulton's previous experience also includes multiple strategy, software and business development roles as Director, Cloud Strategy at Dell from 2011 to 2013, as Vice President, New Software Development at ServiceMesh (acquired by CSC) from 2010 to 2011, as Vice President, PM and Business Development at Wanova (acquired by VMware) from 2008 to 2010, and in a business development and product management role as Senior Director, Product Management at NetQoS (acquired by CA Technologies) from 2000 to 2008.

Item 1A. Risk Factors

A description of the risks and uncertainties associated with our business and industry, our relationship with Dell and Dell Technologies, and ownership of our Class A common stock is set forth below. You should carefully consider the following risks, together with all of the other information in this report, including our consolidated financial statements and the related notes thereto. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties that we are unaware of, or that we currently believe are not material, may also become important factors that affect us. If any of the following risks occur, our business, financial condition, operating results and prospects could be materially and adversely affected.

Risks Related to Our Business and Our Industry

We have a history of losses and may not be able to achieve or maintain profitability.

We incurred net losses of \$114.5 million \$86.0 million in fiscal 2024, \$114.5 million in fiscal 2023 and \$39.8 million in fiscal 2022 and \$21.9 million 2022, in fiscal 2021. Any failure Failure to increase our revenue as we grow our business could prevent us from achieving profitability or maintaining profitability on a consistent basis or at all. basis. As we pursue our growth strategy, we expect our operating expenses to continue to may increase as we expand and diversify our customer base and attract and retain top talent. Our strategic initiatives may be more expensive than we expect, and we may not be able to increase our revenue to offset these increased operating expenses. Our revenue growth may slow, or revenue may decline, for a number of reasons as described elsewhere in this Risk Factors section, which may lead to increased pressure on our profit margins. If we are unable to meet these risks as we encounter them, our business, financial condition and results of operations may suffer.

We must continue to enhance our existing Taegis subscription solutions and their underlying technologies, and develop or acquire new solutions and technologies, or we will lose customers and our competitive position will suffer.

Many of our customers operate in markets characterized by rapidly changing technologies, which require them to support utilize a variety of hardware, software applications, operating systems, and networks. As their technologies grow more complex, we expect these customers to face new technological vulnerabilities and increasingly sophisticated methods of cyber-attack. To maintain or increase our market share, we must continue to adapt and improve our Taegis subscription solutions in response to respond to these evolving cyber-attacks without compromising the high service levels and security demanded by that our customers. If we fail customers demand. Failure to predict, detect and respond effectively to the changing needs of our customers in light of from these emerging technological trends necessitating advances through the timely development or enhancement of our products and features, we will lose Taegis subscription solutions could result in reputational harm, loss of customers and cause a negative impact to our business will suffer. operations and financial condition.

Our future growth also depends is dependent on our ability to continue enhancing the efficacy of the detection and response capabilities of within our Taegis software software-as-a-service, or SaaS, platform and increasing the platform's interoperability of our Taegis SaaS-based platform with third-party products and services adopted by that our customers. customers use. If our Taegis software security platform is unable to successfully analyze, categorize and process the increasing number of events, and automate response capabilities, we, our customers and/or partners might fail to identify events as and respond to significant threat events, which could harm the business and operations of our customers and negatively affect our business reputation, financial condition, and operating results.

Our revenue growth may vary due to the current global economic conditions, geopolitical uncertainty, and volatile financial market, markets, which may have an adverse effect on our business and financial condition.

As a Our company we operate operates on a global basis directly and through our channel partners, serving thousands of customers throughout the world, worldwide. Accordingly, our business, revenue and operating results are could be impacted by declining global economic conditions, geopolitical uncertainty and volatile financial markets that affect affecting us, our channel partners, and our existing and potential customers. Impacts of the ongoing conflict between Russia and Ukraine or between Israel and Hamas (including the risk of potential escalation or geographic expansion), and geopolitical tensions between the United States and China which may could result in further domestic and international regulatory changes, import and export restrictions or other effects on international trade relations, may hinder hindering our ability to grow our customer base and continue servicing our existing customers. Continued disruption or Economic weakness and uncertainty in economic and market conditions, including worldwide could reduce the continued failure of banks and other financial institutions globally, also demand for our Taegis subscription solutions, may prolong sales cycles or cause a reduction in spending by potential customers, or slow the adoption of new cybersecurity technologies, could make it difficult for us to accurately forecast revenue, gross margin, cash flows, and expenses, which may could negatively impact our business, financial condition, and results of operations.

We rely on personnel with extensive information security expertise, and the loss of, or our inability to attract and retain, qualified personnel in this highly competitive labor market could harm our business.

Our future success depends on our ability to identify, attract, retain, and motivate qualified personnel. We depend on the continued contributions of by Wendy K. Thomas, our Chief Executive Officer, and our other senior executives, who have extensive information security expertise. From time to time, there may be changes to our senior management team or other key personnel resulting from termination, departure, or retirement. The temporary or permanent loss of any of these executives or key personnel could harm our business and distract from the operating responsibilities of those who must perform the responsibilities of lost executives or key employees or actively participate in the search for personnel to replace them.

We also employ experts in information security, software coding, data science and advanced mathematics to staff our Counter Threat Unit and to support and enhance our Taegis software security platform. In addition, we currently employ, and seek to further employ, individuals with cybersecurity sales expertise to continue growing revenue attributable to our Taegis subscription solutions. We face intense competition, both within and outside of the cybersecurity industry, to hire and retain individuals with the requisite expertise, including from companies that have greater resources than we do. As a result of this competition, we may be unable to attract and retain suitably qualified individuals at acceptable compensation levels who have the technical, operational, and sales, and/or managerial knowledge and experience to meet our needs. Any failure by us to attract and retain qualified individuals could adversely affect our competitive market position, revenue, financial condition, and results of operations.

Implementation of our plans to strategically realign and optimize our investments with our priorities may not be successful, which could adversely affect our reputation, profitability and financial condition.

On February 7, 2023, we announced a plan to accelerate our transition to a software-as-a-service business through our Taegis software platform. In connection security platform and, during the three months ended August 4, 2023, the Company approved continued reorganization actions in alignment with this plan, the plan. Specifically, we reduced our workforce and made decisions to optimize and align our facilities and investments with our strategic priorities. This plan These activities may not succeed in reducing achieve our overhead costs, optimizing strategic priorities to optimize our operating expenses and enhancing enhance our prospects for profitable operations. We Instead, we may instead experience additional unexpected costs and negative impacts on that could negatively impact our cash flows from operations and liquidity in addition to employee attrition beyond the intended reductions, adverse effects on employee morale, diversion of management's attention, reputational impacts that may hinder hindering our ability to attract and retain top talent in the future, and cause operational delays in operations resulting from as a result of the loss of qualified employees. If we do not realize the expected anticipated benefits of our plan, our business, reputation, financial condition, and results of operations could be negatively impacted.

We face intense competition, including from larger companies, and may lack sufficient financial or other resources to maintain or improve our competitive position.

The market for our Taegis software subscription solutions managed security services and other security consulting services is highly competitive, and we expect competition to intensify in the future from both established competitors and new market entrants. Increased competition could may result in greater pricing pressure, reductions in profit margins, increases to sales and marketing expenses, replacement by newer or disruptive products or technologies including the increasing use of artificial intelligence within the cybersecurity industry, and risks to holding or increasing our market share.

Many of our existing and potential competitors, particularly in the large enterprise market, enjoy substantial competitive advantages because of their longer operating histories, greater brand name recognition, larger customer bases, more extensive customer relationships, greater customer support resources, broader distribution relationships, more mature intellectual property portfolios, and greater financial and technical resources. In addition, some of our competitors also have made strategic acquisitions or entered into partnerships or other strategic tactical relationships with one another to offer more comprehensive cybersecurity solutions than each competitor could offer individually.

In addition, rapidly changing market conditions and significant technological advancements, partnerships, or acquisitions by our competitors, as well as continued market consolidation, may alter the market for our Taegis software subscription solutions. Start-up smaller innovative companies that innovate and large competitors that make making significant research and development investments may could develop similar or superior products or services that compete with our Taegis software security platform. Additionally, some of our larger competitors have maintain broader and more diverse product and service offerings, which may lead customers to choose a competitor's bundled product or service offerings even if the competitor's security solution has solutions have more limited functionality than our security solution. Taegis subscription solutions. These competitive pressures within our market could result in price reductions for our Taegis subscription solutions and other cybersecurity offerings, margin erosion, fewer orders, and loss of market share.

If we are unable to attract cannot successfully execute our go-to-market strategy by attracting new customers, retain retaining existing customers or increase our increasing the annual contract values for Taegis subscription solutions, our revenue growth business, results of operations and financial performance will be adversely affected.

To achieve revenue growth, we must expand our customer base, retain existing customers, and increase our annual contract values. values, especially as they relate to our Taegis subscription solutions. In addition to attracting additional large enterprise and small and medium-sized business customers, our strategy is to continue to obtain obtaining non-U.S. customers, government entity customers and customers in other industry sectors in which our competitors may have a stronger position. If we fail to attract new customers, our revenue may decline or cease to grow.

Some customers also may elect not to renew their contracts with us or negotiate to renew them on less favorable terms, as a result of which we may not be able, resulting in our inability, on a consistent basis, to increase our annual contract values by obtaining advantageous contract

renewals. We offer Taegis software subscription solutions and managed security services on a subscription basis under contracts with initial terms that typically range from one to three years and, as of February 3, 2023 February 2, 2024, averaged two years in duration. Our customers have no obligation to renew their contracts after the expiration of their initial terms. Our initial contracts with customers may include amounts for hardware, installation, onboarding, and other professional services that may not recur. Further, if a customer renews a contract for a term longer than the preceding term, it may pay us greater total fees than it paid under the preceding contract, but may pay a lower contract; however, the average annual fee may be lower because we generally may offer discounted rates in connection with exchange for longer contract terms. In any of these situations, we would need to must sell additional solutions or enhancements to the Taegis software subscription solutions to maintain the same level of annual fees from the customer but may be unable to do so. As a result, existing customers renewing on lower average annual fees or choosing not to renew their contracts with us would have a negative negatively impact on our revenue, financial condition and operating results.

We generate a significant portion of our revenue from customers in the financial services industry, and changes within that industry, including new or altered compliance obligations or priorities, or an unfavorable review by the federal banking regulatory agencies could reduce demand for our solutions. Taegis subscription solutions and other cybersecurity offerings.

We derived approximately 20% of our revenue in fiscal 2023 2024 from financial services institutions and expect to continue to derive a substantial portion of our revenue from customers in that industry. Changes in the industry, including new or altered compliance obligations or regulatory priorities, could adversely affect our revenue, profitability, and financial condition. Technology spending by financial services customers generally has fluctuated, and may continue to fluctuate, based on changing regulations, regulatory priorities and economic conditions, among other factors, such as decisions by customers including, but not limited to, reduce restructured or restructure their reduced technology spending to improve a customer's profitability or mitigate risk. Further, mergers financial risk profile or consolidations of merger and acquisition activity within the financial institutions could industry, which may reduce our current and potential customer base, resulting in a smaller market for our security Taegis subscription solutions.

Some of our solutions cybersecurity offerings have been deemed to be achieve mission-critical functions of within our financial institution customers that who are regulated by one or more member agencies of the Federal Financial Institutions Examination Council, or the FFIEC. Accordingly, we are subject to periodic examination by the member agencies of the FFIEC. An unfavorable review of our processes and business operations could result in our financial institution customers not being allowed, or not choosing, to continue using our Taegis subscription solutions, which could adversely affect our revenue, financial condition, and results of operations.

If we fail to manage our growth effectively, we may be unable to execute our business plan and maintain high levels of customer service due to operational disruptions.

As our customer base and software s Taegis subscription solutions offerings continue grow, the need to grow, we plan to further expand our operations which could may place a strain on our resources, business operations and technology infrastructure. This strain may affect our ability to maintain the quality and successful deployment of our software Taegis subscription solutions, successfully deploy our software solutions, degrading customer support our customers after deployment, and preserve our customer-centric culture, deployment. Our productivity, customer-focused culture, and the quality of our Taegis subscription solutions may be negatively affected if we do not quickly and successfully integrate and train our new employees and channel partners, particularly sales and account management personnel, quickly and effectively, customer success personnel. In addition, we may need to make substantial investments to adapt adapting our IT information technology infrastructure to support our growth and interoperability may require substantial investment, while maintaining or improving also investing resources to ensure we maintain and improve our operational, financial procedures relating to operations, financials and managerial controls reporting procedures, reporting. If we are unable to manage our growth, expenses, or business operations efficiently and effectively in accordance with our strategy, our financial condition, results of operations and profitability could be adversely affected, negatively impacted.

Failure to maintain high-quality customer service and support functions, including the quality of the services and support provided by our channel partners, could adversely affect our reputation and sales and growth prospects.

Once our Taegis subscription solutions are deployed within our customers' networks, our customers depend on our knowledge and technical and other expertise to provide support services, including those provided by our channel partners in relation to the Taegis software subscription solutions, to ensure the security of their IT systems. The potential for human error in connection with our customer service and support functions, or that of our channel partners, or the internal systems and networks that underpin our ability to provide the Taegis subscription solutions to our customers, even if promptly discovered and remediated, could disrupt customer operations, cause losses for customers, or harm our internal operations, lead to regulatory fines or civil litigation, or damage our reputation. In addition, if we, or our channel partners, do not effectively assist our customers to deploy with the deployment of our software Taegis subscription solutions, timely resolve post-deployment issues or provide effective ongoing support, our ability to retain existing customers, sell

additional security solutions or subscriptions to existing customers could suffer and damage our reputation with potential customers could be damaged. customers. If we, or our channel partners, fail to meet the requirements expectations of, or contractual obligations with, our existing customers, particularly larger enterprises that may require complex and sophisticated support, it may be more difficult to realize our strategy of selling higher-margin and differentiated solutions cybersecurity offerings to those customers.

Our reputation and results of operations may be adversely affected by service level agreements with some of our customers that require us to provide them with credits for service failures or inadequacies.

We have agreements with some certain customers that include commitments to providing them with our Taegis subscription solutions and other cybersecurity services at specified levels. If we are unable to meet these commitments, we may be obligated to extend service credits to those customers or could face terminations of the service agreements. Damages agreements may be terminated by the customer. The damages for failure to meet the service levels are specified in our service level agreements and generally are limited to the fees charged over the previous 12 months prior 12-month period. If disputed by the customer, however, such limits may not be upheld, and we may be required to pay damages that exceed such fees. Repeated or significant service failures or other inadequacies could adversely affect our reputation and results of operations.

Because we recognize revenue ratably over the terms of our Taegis subscription solutions and managed security services contracts, decreases in sales of these solutions may not immediately be reflected in our results of operations.

The effect of significant downturns in our sales and marketing acceptance of results for our Taegis subscription solutions may not be fully reflected in our results of operations in the current period, making it more difficult challenging for investors to effectively evaluate our financial performance.

In fiscal 2023, 2024, approximately 78% 83% of our revenue was derived from subscription-based solutions, attributable to Taegis subscription solutions and managed security other subscription-based services, contracts, while approximately 22% 17% was derived from professional services

engagements. Our subscription contracts typically range from one to three years in duration and, as of February 3, 2023 February 2, 2024, averaged two years in duration. Revenue related to these contracts is generally recognized ratably over the contract term. As a result, we derive most of our quarterly revenue from contracts we entered into during previous fiscal quarters. A decline Declines in new or renewed contracts and any renewals made at reduced annual dollar amounts occurring in a particular quarter may not be overtly reflected in any significant manner in our revenue for that quarter but quarter; however, they would negatively affect revenue in future quarters. Accordingly, the effect effects of significant downturns in contracts reduced sales or renewals at lower annual dollar amounts may not be fully reflected in our results of operations until future periods.

As of February 3, 2023 February 2, 2024, we billed approximately 63% 65% of our recurring revenue in advance. We may not be able to adjust our cash outflows of cash to match any decreases in cash received from prepayments if sales decline. In addition, we may be unable to further adjust our cost structure to reflect account for the reduced revenue, which would negatively affect our earnings in future periods. Our subscription model also makes it difficult for us to increase our revenue rapidly through additional sales in any period, as since revenue from new customers must be is recognized ratably over the applicable contract term. terms.

Our sales cycles are long and unpredictable, and our sales efforts require considerable time and expense, which could adversely affect our results of operations.

If we do not realize the sales we expect from potential customers, our revenue and results of operations could be adversely affected. Sales of our security Taegis subscription solutions usually require lengthy sales cycles, which are typically three to nine months, but can exceed 12 months for larger customers. We spend substantial time, effort, and resources in our sales efforts without any assurance that our efforts will generate long-term contracts. Given the current macroeconomic conditions, we may experience further lengthening of sales cycles for our security Taegis subscription solutions. Sales to our customers can be complex and require us to educate our customers about our technical capabilities and the use and benefits of our Taegis subscription solutions. Even if we are successful in convincing a prospective customer that the Taegis software platform subscription solutions will increase their defenses against cybersecurity threats, the customer may decide not to, or may delay its decision to, purchase the Taegis software platform subscription solutions for various reasons, which may include budgetary constraints, timing concerns, uncertain economic conditions, unexpected administrative interruptions, or processing and other delays, or uncertain economic conditions, all of which are outside of our control. If organizations, especially new potential customers, do not decide to adopt our Taegis software platform, subscription solutions, our sales efforts will not be economically recognized and revenue will not grow as quickly as anticipated, or at all, and which would result in harm to our business, revenue, operating results, and financial condition would be harmed. We spend substantial time, effort and resources in our sales efforts without any assurance that our efforts will generate long-term contracts. condition.

As we continue to expand sales the sale of our information security Taegis subscription solutions and other cybersecurity offerings to customers located outside the United States, our business increasingly will be susceptible to risks associated with international sales and operations.

We expect to increase our global presence internationally through new or expanded relationships with local and regional strategic and channel partnerships and potentially through acquisitions of other companies. International revenue, which we define as revenue contracted through non-U.S. entities, contributed approximately 34% 37% of our total revenue in fiscal 2023, 2024. Our relative lack of experience in operating our business outside the United States increases the risk that any international expansion efforts will not be successful. In addition, operating perating in international markets requires significant management attention and financial resources and carries legal, regulatory and compliance risks. The investment Our investments and additional use of other resources required to establish operations and manage seek growth opportunities in other countries may not produce the expected levels of revenue or earnings. Conducting international operations subjects us to a variety of risks, including those described elsewhere in this section. Such risks could negatively affect our international business and our overall business, results of operations and financial condition.

Tax matters may materially affect our financial position and results of operations.

Changes in tax laws in the United States the European Union and around the globe other global tax laws have impacted and will continue to impact our effective worldwide global tax rate, which may materially affect our financial position and results of operations. Further, organizations such as the Organisation for Economic Co-operation and Development have published action plans that, if adopted by countries where we do business,

could increase our tax obligations in these countries. Because of the scale of our U.S. and international business activities, many some of these the applicable changes enacted and or proposed, changes including those relating to the taxation of our activities, including cash movements, could may increase our worldwide global effective tax rate and harm our business. Beginning in our fiscal year 2023, For example, the Tax Cuts and Jobs Act of 2017 eliminates the option our ability to deduct research and development expenditures in the year incurred, requiring amortization in accordance with Internal Revenue Code Section 174. If this requirement is not repealed or otherwise modified, remains effective without modification, it will materially increase our effective tax rate and reduce our operating cash flows. Additionally, Further, portions of our operations are subject to a reduced tax rate or are tax free of tax under various tax holidays, that which periodically expire in whole or in part from time to time, or may be terminated if certain conditions are not met.

Although many of these holidays may be extended when certain conditions are met, we may not be able to meet such conditions. If the tax holidays are not extended, or if we fail to satisfy the conditions of the reduced tax rate, our effective tax rate could increase in the future.

We are exposed to fluctuations in currency exchange rates, which could negatively affect our financial condition and results of operations.

Our revenue and expenses denominated in foreign currencies are subject to fluctuations due to changes in foreign currency exchange rates. Although more of our sales contracts are denominated in U.S. dollars, our strategy to grow internationally will lead to more of our sales contracts being denominated in foreign currencies and to an increase in operating expenses incurred outside the United States. Because of significant volatility in foreign currency exchange rates, which has increased in recent periods, sales contracts that are denominated, or operating expenses that are incurred, in currencies other than in the U.S. dollar may negatively impact our financial condition and operating results.

Geopolitical developments, including the ongoing conflict between Russia and Ukraine or between Israel and Hamas (including the risk of potential escalation or geographic expansion), trade tariff developments and international economic tensions between the United States and China, the strengthening of the U.S. dollar and increasing inflation could amplify the volatility of currency fluctuations and increase the real cost of our Taegis subscription solutions and subscriptions other cybersecurity offerings to our customers outside the United States, which could adversely affect our non-U.S. sales and results of operations. Although While we do not currently use financial instruments to hedge against the risks associated with currency fluctuations, we may begin to use foreign exchange forward contracts such instruments to partially mitigate, and increase the predictability of, the impact of fluctuations in net monetary assets denominated in foreign currencies. Any such hedges may be ineffective to not fully protect us fully against foreign currency risk.

The imposition of new governmental Governmental export or import controls or of international sanctions could require us to comply with additional compliance obligations or may limit our ability to compete in foreign markets.

If Our cybersecurity solutions and technologies incorporate encryption technology that may be exported outside the United States only if we obtain an export license or qualify for an export license exception. Following the compliance obligations to ensure the legal export of our Taegis subscription solutions, other cybersecurity offerings and their underlying technologies may create delays in introducing our Taegis subscription solutions, other cybersecurity offerings and their underlying technologies into certain international markets or prevent certain customers from utilizing our solutions and technologies throughout their global infrastructure. Such compliance obligations could hinder our ability to export our Taegis subscription solutions, other cybersecurity offerings and their underlying technologies to some countries altogether. In addition, various countries regulate the import of our Taegis subscription solutions, other cybersecurity offerings and their underlying technologies and have enacted laws that may limit our ability to distribute, and our customers' ability to implement, such solutions, offerings, and technologies within those countries. New or modified export, import, or sanctions restrictions against certain persons, entities, regions, or countries (such as those imposed on Russia in response to the ongoing military conflict between Russia and Ukraine), changes to product classification procedures, or new or altered approaches to the enforcement or scope of existing regulations, could result in delayed adoption by new customers, or decreased use by existing customers, of our Taegis subscription solutions, other cybersecurity offerings and underlying technologies, loss of sales to potential multinational customers, and decreased revenue. Additionally, if we fail to comply with applicable export and import regulations or our sanctions compliance obligations, we may be subjected to fines or other penalties or be unable to export our Taegis subscription solutions, other cybersecurity offerings and their underlying technologies into other countries. Our cybersecurity solutions and technologies incorporate encryption technology that may be exported outside the United States only if we obtain an export license or qualify for an export license exception. Compliance with applicable regulatory requirements regarding the export of our solutions and technologies may create delays in the introduction of our solutions and technologies in international markets, prevent our customers with international operations from utilizing our solutions and technologies throughout their global systems, or hinder the export of our solutions and technologies to some countries altogether. In addition, various countries regulate the import of our appliance-based technologies and have enacted laws that could limit our ability to distribute, and our customers' ability to implement, our technologies in those countries. New export, import, or sanctions restrictions against certain persons, entities, regions, or countries (such as those imposed on Russia and otherwise in response to the ongoing military conflict between Russia and Ukraine), changes to product classification processes, or new legislation or shifting approaches in the enforcement or scope of existing regulations, could result in decreased use of our solutions and technologies by existing customers with international operations, loss of sales to potential customers with international operations, and decreased revenue.

An inability to expand our key distribution relationships could constrain the growth of our business.

We intend to continue strategically growing our business and domestic and international customer base through our channel partners, including distributors, resellers and managed security service providers. Approximately 18% 23% of our revenue in fiscal 2023 2024 was generated through our channel partners, which include referral agents, regional value-added resellers, trade associations, and managed security service providers. We assist these channel partners with selling our Taegis software subscription solutions by providing training and other sales support, but such time, effort and costs expense may not result in increased revenue for us, increasing our revenue. Our channel partners may be unable to market, sell and support the Taegis software subscription solutions successfully, or these partners may not be properly incentivized to sell our Taegis software subscription solutions to end-customers, end-users. Our inability to maintain or further develop relationships with our current and prospective distribution partners or maintain these partnerships could reduce sales revenue of our Taegis subscription solutions. If we fail to effectively manage our sales

channels or channel partners, partnerships effectively, our ability to sell our Taegis software subscription solutions may be limited, adversely affecting our revenue growth and financial condition.

Our agreements Agreements with our partners generally are non-exclusive, and our partners may have more established relationships with one or more of our competitors. If our partners do not effectively successfully market and sell our software Taegis subscription solutions, if they choose to place greater emphasis on their own products or services or those offered by our competitors, if they are not properly incentivized to sell software our Taegis subscription solutions, or if they fail to meet the needs expectations of customers utilizing our software solutions, customers, our ability to expand our business and sell our Taegis subscription solutions may be adversely affected, negatively impacted. Our business also may suffer from the loss of by losing a substantial number of our partners, the failure failing to recruit additional partners, any reduction or delay in partners reducing or delaying the sales of our solutions by our partners, or conflicts between sales by our partners and our direct sales and marketing activities, Taegis subscription solutions.

Even if we do expand relationships with our channel partners, our results will reflect that the gross margins to us from sales made by our partners are generally are lower than gross margins to us from direct sales. In addition, sales by our partners are more likely to involve collections issues than direct sales, to involve collectability concerns and which may contribute to periodic fluctuations in our results of operations.

Our technology alliance partnerships expose us to a range an array of business risks and uncertainties that could prevent us from realizing the benefits we seek from these partnerships.

We have entered, and intend to continue to enter, entering, into technology alliance partnerships with third parties to support in alignment with our future strategic growth plans. Such relationships include technology licensing, joint technology development and integration, research cooperation, co-marketing, and sell-through arrangements. We face a number of

risks relating to our technology alliance these partnerships, that which could prevent inhibit us from fully realizing the benefits we seek from these partnerships. Technology seek. Many technology alliance partnerships can require significant coordination between the partners by both parties and a significant commitment of time and resources resource commitments by their technical staffs. In cases where we wish to integrate are developing integrations of our Taegis subscription solutions into a partner's products or services, into our solutions, the integration development process may be more difficult challenging than we anticipate, anticipated, and the risk of difficulties, incompatibility and undetected programming errors or defects may be higher than with the introduction of introducing new products or services. In addition, any particular relationship may not continue for any specific period of time. be temporary. If we lose a significant technology alliance partner, we could may lose the expected benefit of our investment of time, money and resources in into the relationship. partnership. Moreover, we could be required to incur significant expenses to develop developing a new strategic alliance or to formulate formulating and implement an alternative plan to pursue the opportunity that we targeted with the former partner. implementing a strategic alternative.

Real or perceived defects, errors, or vulnerabilities in our Taegis subscription solutions or real or perceived failure of our Taegis subscription solutions to prevent or detect a security breach threat actor activity could harm our reputation, cause us to lose customers and expose us to costly litigation.

Our software Taegis subscription solutions are complex and may contain defects or errors that are undetectable cannot be detected until after customer adoption. Such defects may cause our customers to be vulnerable to cyber-attacks, and hackers or other threat actors may misappropriate our customers' data or other assets or otherwise compromise their IT systems. Because the Threat actors frequently change their tactics, techniques, used and procedures to access or sabotage IT technology systems and networks, change frequently and attacks generally are not recognized until launched against a target, an target. An advanced attack from a sophisticated threat actor could emerge that our Taegis subscription solutions are unable to detect or prevent. A security breach of a customer's proprietary information could result in significant legal and financial exposure to us, damage to our reputation and a loss of cause customers to lose confidence in our security Taegis subscription solutions, which could may adversely affect our business.

If any of our customers a customer experiences an IT a security breach after adopting our Taegis subscription solutions, even if our Taegis subscription solutions protected the customer from data theft or provided remediation, the customer could still may be disappointed with our Taegis subscription solutions and could seek alternatives to our solutions, alternative cybersecurity offerings from a competitor. In addition, if any enterprise or government entity publicly customer that is known to use our Taegis subscription solutions, especially a governmental entity or publicly traded company subject to the U.S. Securities and Exchange Commission's cybersecurity disclosure requirements, is the subject of a publicized cyber-attack, some of our that customer or other current customers could may seek to replace our Taegis subscription solutions with those provided by our competitors, competitors, regardless of whether the Taegis subscription solutions protected the customer from data theft and provided remediation. Further, our reputation could be damaged even if a cyber-attack were to occur through a customer's security or network devices, applications, or endpoints that we are not contractually obligated to monitor, our reputation could be damaged if there is a perception misperception that Secureworks monitors all the affected customer's devices, applications, and endpoints.

Any person that circumvents our security measures could misappropriate customer confidential information or other valuable property or disrupt the customer's operations. Because our Taegis subscription solutions provide and monitor information security and may protect valuable information, we still could face liability claims or claims for breach of service level agreements, agreements or product warranties. Provisions in our service product agreements that limit our exposure to liability claims may not be enforceable in some circumstances or may not protect us fully against such claims and related costs. Alleviating any of these problems could require us to incur significant expenditures by us expense and result in interruptions to, and delays in, the delivery of our Taegis subscription solutions, which could cause us to lose existing or potential customers and damage our business, business and reputation.

Our inability to expand our development, use and adoption of artificial intelligence, or issues presented in our development, use and adoption of artificial intelligence, could harm our reputation, expose us to liability and cause us to lose customers.

We currently incorporate certain artificial intelligence, or AI, capabilities and large language models, or LLMs, into our Taegis subscription solutions, and we endeavor to continue researching and developing AI capabilities and LLMs within our Taegis subscription solutions. As with many innovative and disruptive technologies, AI and LLMs present risks, challenges, and unintended consequences, many of which cannot be fully appreciated currently. These risks, challenges and unintended consequences could negatively affect further adoption of AI and LLMs in our Taegis subscription solutions, impacting our ability to compete effectively within the cybersecurity industry. AI algorithms and the training methodologies for such algorithms may contain flaws, which could result in ineffective, inadequate, or inaccurate AI capabilities, or could impair customer or partner acceptance of our Taegis subscription solutions leveraging such AI capabilities. Should we develop and incorporate flawed AI capabilities within our Taegis subscription solutions, such flaws would negatively impact our brand and reputation, increase costs to develop and implement new AI capabilities, or lead to a decline in sales revenue. Such impacts would harm our business, financial condition, and results of operations.

Because AI is an emerging technology with a developing legal and regulatory landscape both in the United States and globally, incorporating AI into our Taegis subscription solutions and internal business processes could result in an increased risk of litigation and regulatory non-compliance due to changes in laws or regulations, including, but not limited to, intellectual property, privacy, or data protection. Our obligations to comply with current and future legal and regulatory obligations in the United States and worldwide could require us to incur significant costs to achieve compliance, which would negatively impact our business, financial condition and results of operations, or may hinder our ability to incorporate AI capabilities into our Taegis subscription solutions or distribute our Taegis subscription solutions in certain areas of the globe.

As we continue to develop ways to leverage AI capabilities within our internal business operations to create economic efficiencies for our business, the use of AI capabilities in our internal business operations could present risks and challenges. While we strive to use AI in an ethical and compliant manner, we may be unsuccessful in identifying and/or resolving ethical or legal issues before they arise, which could increase our legal and regulatory risks, including, but not limited to, data privacy and security, leading to the improper transmission of proprietary or sensitive information, whether or not intentional. We could fail to implement and maintain the AI tools we develop, may incur significant research and development costs without achieving the anticipated economic efficiencies we desire, and/or may fail to establish adequate AI governance processes safeguards, which could negatively impact our business, financial condition, and results of operations.

Cyber-attacks or other data security incidents that disrupt our operations or result in the breach or compromise of proprietary or confidential information about us, our workforce, customers, or other third parties could harm our business and expose us to costly regulatory enforcement and other liability.

As a well-known, publicly traded provider of cybersecurity solutions provider, offerings that is subject to the U.S. Securities and Exchange Commission's cybersecurity disclosure requirements, we are a high-profile target for threat actors, and our websites, networks, information systems, solutions and technologies may be selected for sabotage, disruption or misappropriation by cyber-attacks specifically designed to interrupt our business and harm our reputation. Our Taegis subscription solutions frequently involve collecting, filtering, and logging of customer information, while our enterprise business operations collect, process, store and dispose of our own human resources, intellectual property, and other information. We also rely, in certain limited capacities, on third-party data management providers and other vendors to host, accept, transmit or otherwise process electronic data in connection with our business operations and activities. Criminals, terrorists, or other threat Threat actors may seek to penetrate our network security or the security of our third-party service providers and misappropriate or compromise our confidential information or that of our customers or other third parties, create system disruptions or cause shutdowns. In addition, cyber-attacks are increasingly being used in geopolitical conflicts, including Russia's military action in Ukraine and between Israel and Hamas, which may cause result in increased risk to our customers, our third-party service providers, and our company as a leading cybersecurity solutions provider. We may experience breaches, security incidents

or other compromises of our information technology systems. Further, hardware and operating system software and applications that we produce or procure from third parties may contain defects in design or manufacture that could unexpectedly lead to vulnerabilities, or provide access, to our systems and data to a threat actor, criminal or terrorist. The actor. Our shift to work-from-home arrangements a remote-friendly organization may also increase our vulnerability, as third-party providers' networks and employees' home networks may pose a significant network security risk.

The costs to address the foregoing security problems and vulnerabilities before or after a cyber or other security incident could be significant, regardless of whether incidents result the incident is malicious or the incident resulted from an attack on us directly or on a third-party vendors vendor upon which we rely. Cyber-attacks could compromise or disrupt our internal systems, and products our Taegis subscription solutions or the systems of our customers or third-party service providers, resulting in interruptions, delays, or cessation of service that could disrupt business operations for us and our customers and that could impede our sales. Remediation efforts may not be successful or timely. Breaches of our security measures or those of our third-party service providers and the unapproved dissemination of proprietary information or sensitive or confidential data about us or our customers or other third parties could expose us, our customers or other affected third parties to a risk of loss or misuse of this information, resulting in potentially leading to regulatory enforcement actions, litigation and potential liability for us, and damaging our brand and reputation or otherwise harming our business.

Further, we are a publicly traded company, subject to disclosure obligations set forth by the U.S. Securities and Exchange Commission, or the SEC. We are required to publicly disclose a material security incident within four business days of determining that such an incident is, or is likely, material. As a provider of cybersecurity offerings, such public disclosure could have a negative impact on our brand and reputation and may adversely impact our business, results of operation, and financial condition. In addition, we may file an initial Form 8-K filing before all relevant information is determined or before such information is available. Such a filing may cause a negative impact on our brand and reputation and cause further harm to our business and financial condition even if subsequent developments indicate the incident is not as detrimental as initially reported.

Although we maintain insurance policies that may cover liabilities in certain situations in connection with a threat event or cybersecurity incident, we cannot be certain that the insurance company will cover the claim, that our insurance policy coverage will adequately cover the liability incurred, or that the such insurance policy will continue to be available on commercially reasonable terms. Any claim against our insurance policy, changes to the policy, or increases in premiums or deductibles could have a negative effect on our business, reputation, financial condition, or results of operation.

If our Taegis subscription solutions do not interoperate with our customers' IT technology infrastructure, our Taegis subscription solutions may become less competitive, and our results of operations may be harmed.

Our Taegis subscription solutions must were designed to be open without compromise, effectively interoperate interoperating with each customer's existing or future IT technology infrastructure, which often has different specifications, utilizes multiple protocol standards, deploys products and services from multiple security and other technology vendors, and contains multiple generations of products and services that have been were added over time. As a result, when problems occur in a customer's infrastructure or network, it may be difficult challenging to identify the sources of these problems and avoid disruptions when we provide update our software updates or patches patch to defend against particular certain vulnerabilities. Ineffective interoperation could interoperability may increase the risk of a successful cyber-attack and violations or cause a service disruption in violation of our service level agreements, each of which would require us to provide service credits that would may increase the risk of litigation, cause reputational harm, or reduce our revenue. revenue generation.

Loss of our right or ability to use various third-party technologies could result in short-term disruptions to our business, business and may cause harm to our brand and reputation.

We rely on certain third-party vendors to provide technology to perform certain critical business functions, some of which are incorporated into our Taegis subscription solutions. We may seek to utilize additional third-party technologies in our Taegis subscription solutions, and we will continue to use technology to assist us as we operate our business.

Any However, any unanticipated loss of our rights to use third-party or other technologies could result in business delays or hinder our ability to produce or deliver our Taegis subscription solutions until we identify, evaluate, and integrate equivalent technologies. If any of the technologies we license or purchase from others, or functional equivalents of these technologies, are no longer available to us or are no longer offered to us on commercially reasonable terms, then we would may be required to either find another third-party vendor or develop these capabilities ourselves, which could result in increased costs to our business or cause delivery delays in the delivery of our for Taegis subscription solutions. We also might have to limit the features available in our current or future solutions. Taegis subscription solutions and other cybersecurity offerings. If we fail to maintain or renegotiate some of our technology agreements with third parties or are unable to anticipate the loss of our rights to use such third-party technologies, we could face significant delays and diversion of resources in attempting to license and integrate other technologies with equivalent functions. Any inability to procure and implement suitable replacement technologies in a timely manner could adversely affect our business and results of operations by impeding delivery of our Taegis subscription solutions.

In addition, any errors or defects in third-party technologies or any inability to utilize third-party technologies as contemplated, intended, may negatively impact our ability to perform business activities or provide our Taegis subscription solutions to customers. Such errors, defects or vulnerabilities involving third-party technologies we utilize may also require public disclosure if we determine that they would constitute a material security incident under the SEC's cybersecurity disclosure rules. Where a disclosure is required to report a security incident involving the use of third-party technologies, our brand and reputation may be negatively impacted, which could further affect our business, results of operations and financial condition. Although we take steps to implement appropriate risk management controls over such third-party technologies, any failure to appropriately assess, test and mitigate the risks associated with the implementation of third-party technologies may cause delays in our business activities or delivery of our Taegis subscription solutions to customers, which may could hinder our ability to restore operations in the event of a third-party failure.

New and evolving information security, cybersecurity and data privacy laws and regulations may result in increased compliance costs, impediments to impede the development or performance of our offerings, Taegis subscription solutions, and cause us to incur monetary or other penalties.

We are currently subject, and may become further subject, to federal, state and foreign laws and regulations regarding the privacy and protection of personal data or other potentially sensitive information. These laws and regulations address a range of issues, including data privacy, cybersecurity and restrictions or technological requirements regarding the collection, use, storage, protection, retention, or transfer of data. The regulatory frameworks for data privacy and cybersecurity issues worldwide that have been instituted around the world can vary substantially from jurisdiction to jurisdiction, are rapidly evolving and are likely to remain uncertain for the foreseeable future.

In the United States, federal, state, and local governments have enacted data privacy and cybersecurity laws (including data breach notification laws, personal data privacy laws and consumer protection laws). For example, the California Privacy Rights Act, referred to as the CPRA, which updated the California Consumer Privacy Act of 2018, referred to as the CCPA, went into effect on January 1, 2023, and imposes obligations on certain businesses, service providers, third parties and contractors. These obligations include providing specific disclosures in privacy notices and granting California residents certain rights related to their personal data. The CCPA imposes statutory fines for non-compliance (up to \$7,500 per violation). Other states have proposed privacy laws with similar compliance obligations.

Internationally, most of the jurisdictions in which we operate have established their own data security and privacy legal frameworks with which we or our customers must comply. For example, in the European Economic Area, the General Data Protection Regulation, or GDPR, imposes stringent operational and governance requirements for companies that collect or process personal data of residents of the European Union and Iceland, Norway and Lichtenstein. The GDPR also provides for significant penalties for non-compliance, which can be up to four percent of annual worldwide "turnover" (a measure similar to revenues in the United States). Following the withdrawal of the United Kingdom from the European Union (i.e., Brexit), and the expiry of the Brexit transition period which ended on December 31, 2020, the European Union GDPR has been implemented in the United Kingdom, referred to as the U.K. GDPR. The U.K. GDPR sits alongside the U.K. Data Protection Act 2018, which implements certain derogations in the E.U. GDPR into English law. The requirements of the U.K. GDPR, which are (at this time) largely aligned with those under the E.U. GDPR, may lead to similar compliance and operational costs and potential fines.

Some countries are considering or have enacted legislation requiring local storage and processing of data that could increase the cost and complexity of delivering our services. In addition, under the GDPR and a growing number of other legislative and regulatory requirements globally, jurisdictions are adopting consumer, regulator and customer notification obligations and other requirements in the event of a data breach.

The costs of compliance with, and other burdens imposed by, these laws and regulations may become substantial and may limit the use and adoption of our offerings Taegis subscription solutions in new or existing locations, require us to change our business practices, impede the performance and development of our Taegis subscription solutions, lead to significant fines, penalties or liabilities for noncompliance with such laws or regulations, including through individual or class action litigation, or result in reputational harm. We also may be subject to claims of liability or responsibility for the actions of third parties with which we interact or upon which we rely in relation to various services, including, among others, vendors, and business partners.

If we are not able unable to maintain and enhance our brand, our revenue and profitability could be adversely affected.

We believe that maintaining it is critical to maintain and enhancing enhance the Secureworks brand is critical to grow our relationships with our existing and potential customers, channel partners, technology alliance partners, and employees and in order to expand our revenue growth and profitability. Our However, our brand promotion activities however, may not be successful. Any successful unsuccessful. Successful promotion of our brand will depend on our marketing and public relations efforts, our ability to continue to offer offering high-quality information security cybersecurity solutions and our ability to successfully differentiate our Taegis subscription solutions and other cybersecurity offerings from the services offered by our competitors.

We believe our association with Dell has helped us to build relationships with many of our customers because of Dell's its globally recognized brand and the favorable market perception of the quality of its products. We have entered into a trademark license agreement with Dell Inc. under which Dell Inc. has granted us a non-exclusive, royalty-free worldwide license to use the trademark "DELL," solely in the form of "SECUREWORKS-A DELL COMPANY," in connection with our business and products, services and advertising and marketing materials related to our business. Under the agreement, our use of the Dell trademark in connection with relation to any product, service or otherwise is subject to Dell Inc.'s prior review and written approval, which may be revoked at any time. The agreement is terminable at will by either party and, if terminated, we must cease all use of the Dell trademark upon any such termination in connection with any product, service, or material. If we discontinue our association with Dell in the future, our ability we may be unable to attract new customers may suffer, and channel partners.

We may expand through acquisitions of other companies, which could divert our management's attention and company resources from our current business, which may result resulting in unforeseen operating difficulties, increased costs and dilution to the ownership interests of our stockholders.

We may make strategic acquisitions of other companies in addition to supplement our internal organic growth. We may not realize the anticipated benefits of any acquisition we are able to complete. We could experience unforeseen operating difficulties in assimilating or integrating the businesses, technologies, services, products, personnel, or operations of acquired companies, especially if the key personnel of any acquired company choose not to work for us. To complete an acquisition, we may be required to use a substantial amount of our cash, sell or use equity securities, or incur debt to secure additional funds. If we raise additional funds through issuances of equity or convertible debt securities, our existing stockholders could suffer significant dilution of their ownership, and any new equity securities we issue could have rights, preferences, and privileges senior to those of our Class A common stock. Our debt financing obtained by us in the future could involve restrictive covenants that will would limit our capital-raising activities and operating flexibility. In addition, we may not be able to obtain additional financing on terms favorable to us or at all, which could limit our ability to engage in acquisitions or develop new products or technologies.

Earthquakes, fires, power outages, floods, terrorist attacks, geopolitical and military conflicts, public health issues, and other catastrophic events could disrupt our business and ability to serve our customers and could have a material adverse effect on our business, supply chain, results of operations or financial condition.

A significant natural disaster, such as an earthquake, a fire, a flood or a significant power outage, geopolitical conflicts, such as the ongoing military action between Russia and Ukraine or between Israel and Hamas (including the risk of potential escalation or geographic expansion), increasing tensions between the United States and China, or a widespread public health issue including a pandemic such as COVID-19, could have a material adverse effect on our business, supply chain, results of operations or financial condition. We rely on public cloud providers to sustain our operations. While these public cloud providers are capable of sustaining our operations, a failure of these public cloud providers could disrupt our ability to serve our customers. customers for a period of time.

In addition, our ability to deliver our Taegis subscription solutions as agreed upon with our customers depends on the ability of our supply chain, manufacturing vendors or logistics providers to deliver products or perform services we have procured from them. If any natural disaster, terrorist attacks, war, geopolitical turmoil, civil unrest, or other catastrophic event, including widespread public health issues, impairs the ability of our vendors or service providers to provide timely support or disrupts our Taegis subscription solutions or other cybersecurity services offerings, our ability to perform our customer engagements may suffer. Disruptions, resulting from such as those caused by COVID-19, included resulted in restrictions on the ability of our employees or the employees of our customers, vendors, channel partners, or suppliers to travel, as well as closures of our facilities or the facilities of these third parties. Any expansion of hostilities into nearby countries related to the ongoing conflict between Russia and Ukraine may have a direct impact on our employees and operations in Romania as well as on the businesses of our customers, vendors and suppliers. Any restrictions or closures could affect our ability to sell our Taegis subscription solutions, develop and maintain customer relationships or render other security services, such as our consulting services, could may adversely affect our ability to generate revenues or could might lead to inadvertent breaches of contract by us or by our customers, channel partners, vendors or suppliers.

During fiscal 2023, While we experienced did not experience a limited reduction in customer demand and or lengthening of in sales cycles during fiscal 2024 that we believe is attributable to COVID-19, in prior fiscal periods we did experience such reductions in demand and elongated sales cycles, which may also could again impact our results in future periods. Although we Pandemics such as COVID-19 are unable impossible to predict the in terms of extent and severity of all future impacts of COVID-19, the severity; therefore, should we encounter another pandemic, we might further curtail experience curtailed customer spending, lead to delayed or deferred purchasing decisions, lengthen elongated sales cycles, and result in delays in receiving customer or partner payments. These effects, individually or in the aggregate, could have a material negative impact on our business and future financial results.

Risks Related to Intellectual Property

We rely in part on patents to protect our intellectual property rights, and if our patents are ineffective in doing so, third parties may be able to use certain aspects of our proprietary technology without compensating us.

As of February 3, 2023 February 2, 2024, we owned 56 58 issued patents and 10 8 pending patent applications in the United States and four six issued patents and eight 12 pending patent applications outside the United States. Any failure of our patents and patent strategy to adequately protect our intellectual property rights could harm our competitive position. The legal systems of some countries do not favor the aggressive enforcement of patents, and the laws of other countries may not allow us to protect our inventions with patents to the same extent as U.S. laws. Changes in patent laws, implementing regulations or the interpretation of patent laws may diminish the value of our rights. Our competitors may design around technologies we have patented, licensed, or developed. In addition, the issuance of a patent does not necessarily give us the right to practice the patented invention. Third parties may have blocking patents that could prevent us from marketing our Taegis subscription solutions and other cybersecurity offerings or practicing our own patented technology. If any of our patents is challenged, invalidated, or circumvented by third parties, and if we do not own or have exclusive rights to other enforceable patents protecting our Taegis subscription solutions or other technologies, competitors and other third parties could market products or services and use processes that incorporate aspects of our proprietary technology without compensating us, which may have an adverse effect on our business.

If we are unable to protect, maintain or enforce our non-patented intellectual property rights and proprietary information, our competitive position could be harmed, and we could be required forced to incur significant expenses to enforce our rights.

Our business relies in part on non-patented intellectual property rights and proprietary information, such as trade secrets, confidential information, and know-how, all of which offer only limited protection to our technology. The legal standards relating to the validity, enforceability, and scope of protection of intellectual property rights in the information technology industry and software industries are highly uncertain and evolving. Although While we regularly enter into non-disclosure and confidentiality agreements with employees, vendors, customers, channel partners, technology alliance partners, and other third parties, these agreements may be breached or otherwise fail to prevent disclosure of our proprietary or confidential information effectively or to provide an adequate remedy in the event of such unauthorized disclosure. Our ability to police that such misappropriation or infringement is uncertain, particularly in other countries. Costly and time-consuming litigation could be necessary to enforce and determine the scope of our proprietary rights, and our failure to maintain trade secret protection could adversely affect our competitive business position.

Claims by others that we infringe their proprietary technology could harm our business and financial condition.

Third parties could claim that our technologies and the processes underlying our Taegis subscription solutions infringe or otherwise violate their proprietary rights. The software and technology industries are characterized by the existence of a large number of numerous patents, copyrights, trademarks, and trade secrets, and by causing frequent litigation, including by non-practicing entities, based on allegations of infringement or other violations of intellectual property rights. We expect that such claims may increase as competition in the information security cybersecurity market continues to intensify, further intensifies, as we introduce new cybersecurity offerings, including within our Taegis subscription solutions (including by increasing our global presence in geographic areas where we currently do not operate), and as business-model or service overlaps between the overlap of our competitors and us cybersecurity offerings continue to occur, occur with our competitors.

Our use of open source open-source technology could require us in some circumstances to make available the source code of our modifications to that technology available to the public, which could include source code of our proprietary technologies, and may restrict restricting our ability to commercialize our solutions. cybersecurity offerings.

Some portions of our solutions cybersecurity offerings and technologies incorporate open-source software licensed by its authors or by other third parties under open source licenses. parties. To the extent that we use open source such software, we face risks arising from relating to the scope and requirements of common open source open-source software licenses. Some of these open-source licenses contain requirements that we make available the source code for certain modifications or derivative works that we create based on the open source open-source software and that we license such modifications or derivative works under the terms of a particular open source open-source license or another license granting third parties certain rights of further use. If we combine our proprietary technology with open source open-source software in a certain manner, we may could face periodic claims from third parties claiming ownership of, or demanding that we release, of the open source open-source software or derivative works that we developed using such software, which could include our proprietary source code, or otherwise seeking the third parties could seek to enforce the terms of the applicable open source open-source license.

Our ability to commercialize solutions our cybersecurity offerings or technologies incorporating open source open-source software may be restricted because, among other reasons, open source open-source license terms may be ambiguous and may could result in unanticipated or uncertain obligations regarding our solutions, cybersecurity offerings, litigation, or loss of the right to use this such software or the modifications or derivative works we develop based on such software. Therefore, there is a risk that the terms of these open-source licenses will be construed in a manner that imposes unanticipated conditions or restrictions on our ability to commercialize our solutions. cybersecurity offerings utilizing such software. As a result, we could may be required to seek licenses from third parties to continue offering our solutions, certain cybersecurity offerings, re-engineer our technology to remove the open-source software or discontinue offering our solutions certain cybersecurity offerings if re-engineering is not commercially reasonable.

Risks Related to Our Relationship with Dell and Dell Technologies

Our inability to favorably resolve any potential conflicts or disputes that arise between us and Dell or Dell Technologies with respect relating to our past and ongoing relationships may adversely affect our business and prospects.

Potential conflicts or disputes may arise between us and Dell or Dell Technologies and us in a number variety of areas relating to our past or ongoing relationships, including:

- intellectual property, tax, employee benefits, indemnification, and other matters arising from our agreements and relationship with Dell;
- employee retention and recruiting;
- business combinations involving us;
- our ability to engage in activities with certain channel, technology alliance or other marketing partners;
- sales or dispositions by Dell Technologies of all or any portion of its beneficial ownership interest in us;
- dilution in the ownership or voting interest of Dell Technologies resulting from the issuance of additional shares of Class A common stock authorized and available under the SecureWorks Corp. 2016 Long-Term Incentive Plan;
- sales of our Taegis subscription solutions and other cybersecurity offerings by Dell Technologies in accordance with our agreements with Dell or Dell Technologies;
- the nature, quality and pricing of services Dell has agreed to provide to us;

- business opportunities that may be attractive to both Dell us and us; Dell;
- Dell's ability to use and sublicense patents that we have licensed to Dell under a patent license agreement; and
- product or technology development developments or marketing activities that may require consent of Dell or Dell Technologies.

The resolution of any potential conflicts or disputes between us and Dell or Dell Technologies over these or other matters may be less favorable to us than the resolution we might achieve if we were dealing with an unaffiliated party.

If Dell Technologies, Dell or Dell Technologies' other affiliates, or Silver Lake or its affiliates, engage in the same or similar type of business we conduct, enter partnerships with our competitors, or take advantage of business opportunities that might be attractive to us, our ability to operate successfully and expand our business may be hampered.

Our certificate of incorporation, or charter, provides that, except as otherwise agreed in writing between us and Dell Technologies, Dell or Dell Technologies' other affiliates (other than us or our controlled affiliates), referred to as the Dell Technologies Entities, have no duty to refrain from:

- engaging in the same or similar activities or lines of business as those in which we are engaged;
- doing business with any of our customers, partners or vendors; or
- employing, or otherwise engaging or soliciting for such purpose, any of our officers, directors or employees.

In addition, under our charter, Silver Lake and its affiliates, referred to as the Silver Lake Entities, which are significant stockholders in Dell Technologies, have no duty to refrain from any of the foregoing activities except as otherwise agreed in writing between us and a Silver Lake Entity. These and other related provisions of our charter could may result in the Dell Technologies Entities and the Silver Lake Entities having rights to corporate opportunities in which both we and the Dell Technologies Entities or the Silver Lake Entities have an interest, which might could impede our ability to operate successfully and expand our business.

To preserve in accordance with agreements between us and Dell or Dell Technologies', we have limited ability capabilities to conduct a tax-free distribution of the shares of our Class B common stock that it beneficially owns and its ability to consolidate with us for tax purposes, we may be prevented from pursuing pursue opportunities to raise capital, acquire other companies, or undertake other transactions without Dell's or Dell Technologies' express consent, which could hurt may limit our ability to grow. grow our business.

To preserve its ability to effectuate a future tax-free spin-off of our company, or certain other tax-free transactions involving us, Dell Technologies is required to maintain "control" of us within the meaning of Section 368(c) of the Internal Revenue Code, which is defined as 80% of the total voting power and 80% of each class all other classes of nonvoting stock. In addition, to preserve its ability to consolidate with us for tax purposes, Dell Technologies generally is required to maintain 80% of the voting power and 80% of the value of our outstanding stock. We have entered into a an amended and restated tax matters agreement with Dell Technologies that restricts our ability to issue any stock, issue any instrument that is convertible, exercisable or exchangeable into any of our stock or which may be deemed to be equity for tax purposes, or take any other action that would be reasonably expected to cause Dell Technologies to beneficially own stock in us that, on a fully diluted basis, does not constitute "control" within the meaning of Section 368(c) of the Internal Revenue Code or causes us to cause a deconsolidation of us for tax purposes become deconsolidated with respect to the Dell Technologies consolidated group, affiliated group, unless we have obtained Dell's prior written consent. We also have agreed to indemnify Dell Technologies for any breach by us of the tax matters agreement. As a result, we may be prevented from raising equity capital or pursuing acquisitions or other growth initiatives that involve issuing equity securities as consideration.

Upon our deconsolidation from the Dell Technologies affiliated tax group, we may be unable to collect reimbursements or fully utilize related tax assets, and we might be obligated to pay to Dell Technologies certain previously realized or future tax benefits, which may adversely affect our results of operations and financial condition.

We may have payment obligations or be unable to collect reimbursements from Dell Technologies upon the deconsolidation of our Company since we will become ineligible for inclusion in the Dell Technologies affiliated tax group, which may have adversely effect on our cash flow and liquidity, the severity of which depends on the magnitude of such payments. On August 1, 2015, we entered into a tax matters agreement, or TMA, with Dell Technologies whereby, in general, Dell Technologies would reimburse us for any amounts by which our tax assets reduce the amount of tax liability owed by the Dell Technologies affiliated tax group. Under the TMA, as amended and restated in June 2023, upon deconsolidation, our Company will only fully utilize our income tax assets to the extent we generate sufficient income. On or about March 13, 2024, Dell's economic ownership of our Company dropped below 80%, and Dell Technologies can no longer utilize our tax assets for which we currently receive reimbursement. If we are unable to generate sufficient taxable income to fully utilize our tax assets, our operations and financial condition could be adversely affected. In addition, under the TMA, as amended and restated in June 2023, upon deconsolidation for tax purposes from the Dell Technologies affiliated tax group, we may be required to pay Dell Technologies in cash amounts for the benefits we previously realized under the TMA and for certain benefits Dell Technologies will no longer be receiving because of the allocation of taxes and tax assets upon the deconsolidation. The amounts that we may have to pay to Dell Technologies could reflect benefits that we have already realized or may relate to benefits that we will not realize until future periods. Such payments, if significant, could materially and adversely affect our results of operations and financial condition.

Risks Related to Ownership of Our Class A Common Stock

The market price for our Class A common stock has been and is likely to continue to be volatile or may decline regardless of our operating performance.

The stock markets, and securities of companies within the technology companies in particular, and software industries particularly, have experienced extreme price and volume fluctuations that have affected and continue to affect the market prices of equity securities of many technology companies. Stock prices of companies similarly situated to us. For many technology and software companies, the fluctuations in the stock prices have fluctuated in a manner been unrelated or disproportionate to the their operating performance of those companies. In particular, stock prices of companies with significant operating losses have recently declined significantly, and in many instances more significantly than stock prices of companies with operating profits. performance. The economic impact and uncertainty of changes in the inflation, interest rate, and the macroeconomic and geopolitical environments, and including Russia's ongoing conflict with Ukraine and the ongoing conflict between Israel and Hamas (including the risk of potential escalation or geographic expansion), have exacerbated this price and volume volatility in both the overall stock markets and the market price of our Class A common stock. The market price of our Class A common stock may continue to fluctuate significantly in response to numerous a variety factors, many of which are beyond our control, including:

- actual or anticipated changes or fluctuations in our operating results;
- the financial forecasts and guidance we may provide to the public, any changes in our forecasts or guidance, or our failure to meet the forecasts or guidance;
- reactions by financial analysts, industry analysts or financial analyst or investor reaction investors to our press releases, other public announcements, and SEC filings filings;

- failure of **industry or** financial analysts to maintain coverage of us, changes in financial estimates by any **financial** analysts who follow our company, or our failure to meet **these the financial** estimates or the expectations of investors;
- announcements by us or our competitors of **new or enhanced** offerings, or new or terminated significant contracts, commercial relationships or capital commitments;
- rumors and market speculation involving us or **other companies in our industry; competitors;**
- **a gain or loss of material changes in** investor confidence in the market for technology stocks or the stock market in general;
- **changes in industry analyst or** investor perceptions of us, the benefits of our offerings and the industries in which we operate;
- **periodic** price and volume fluctuations in the overall stock **market from time to time; market;**
- changes in operating performance and/or stock market valuations of other technology companies generally, or those in our industry in particular;
- actual or anticipated **general** developments in our business or our competitors' businesses or the competitive **landscape generally; landscape;**
- litigation involving us, our industry, both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property rights or our **Taegis subscription solutions or other cybersecurity offerings,** or third-party proprietary rights;
- **rumored,** announced or completed acquisitions of businesses or technologies by us or our competitors;
- breaches of, or failures relating to, privacy, data protection or information security;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our **business; business, including, but not limited to, the SEC's finalized cybersecurity disclosure requirements;**
- any major changes **in to the composition of** our management **team** or our board of directors;
- general economic conditions, **whether in the United States or globally,** and slow growth of our markets; and
- other events or factors, including those resulting from war, **pandemics, geopolitical conflict, trade embargoes,** incidents of terrorism, or **any** responses to **those such** events.

As long as Dell Technologies Inc. controls us, the ability of our other stockholders to influence matters requiring stockholder approval will be limited.

As of **February 3, 2023 February 2, 2024,** Dell Technologies owned, indirectly through Dell Inc. and Dell Inc.'s subsidiaries, all 70,000,000 outstanding shares of our Class B common stock, which represented approximately **82.6% 81.0%** of our total outstanding shares of common stock and approximately **97.9% 97.7%** of the combined voting power of both classes of our outstanding common stock.

So long as Dell Technologies controls the majority of the voting power of our outstanding common stock, our Our other stockholders will not be able to affect the outcome of any stockholder vote in which holders of the Class B common stock are entitled to **vote. vote as long as** Dell Technologies **is generally able to controls the majority of the voting power of our outstanding common stock. Generally, Dell Technologies can** control, directly or indirectly and subject to applicable law, significant matters affecting us, including, among others, the election and removal of our directors, and determinations with respect to business combinations, dispositions of assets or other extraordinary corporate transactions. If Dell Technologies does not provide **any** its required affirmative vote on matters requiring stockholder approval allowing **us to take** particular corporate actions when requested, we will not be able to take such **actions, action,** and, as a result, our business and our results of operations may be adversely affected.

While it is not expected to occur, Dell Technologies could have interests that differ from, or conflict with, the interests of our other stockholders, and could cause us to take corporate actions even if **the such** actions are not in the interest of our company or our other stockholders, or **such actions** are opposed by our other stockholders. For example, **Dell Technologies'** the voting control possessed by Dell Technologies could discourage or prevent a change in control of our **company Company** even if some of our other stockholders might favor such a transaction.

We do not expect to pay any dividends on our Class A common stock for the foreseeable future.

We In accordance with our current business strategy, **we** intend to retain **any earnings the profits we make** to finance the operation and **expansion continued growth** of our **business, and business;** therefore, we currently do not expect to pay any cash dividends on our Class A common stock for the foreseeable future. Accordingly, **for investors to realize any future profit on their investments, they** must rely on **sales the sale** of our Class A common stock after **price appreciation, which may never occur, as the only way to realize any future gains on their investment, its value increases.**

The dual-class structure of our common stock may adversely affect the trading price of our Class A common stock.

Our Class B common stock has ten votes per share and our Class A common stock has one vote per share. The limited ability of holders of our Class A common stock to influence matters requiring stockholder approval may adversely affect the market price of our Class A common stock.

In addition, **certain stock indices, including, but not limited to,** FTSE Russell and S&P Dow Jones, have adopted eligibility criteria to exclude new companies with multiple classes of common stock from being added to certain of their stock indices. Under the current criteria, our dual-class capital structure **makes might make** our Class A common stock ineligible for inclusion in **any of these certain** indices, **and, as a result, which may cause certain** mutual funds, exchange-traded funds, and other investment vehicles that track **these certain** indices **will may not** invest in our stock. Other major stock indices might adopt similar requirements in the future. It is unclear **what effect, if any,** challenging to gauge whether the exclusion from any indices will **have on affect** the **valuations financial valuation and market price** of **the affected publicly-traded companies, such an excluded company.** It is possible that such policies could depress the **valuations financial valuation and stock price** of **a public companies company** excluded from such indices compared to **those of** other companies that do not have multi-class capital structures.

As a "controlled company" under the marketplace rules of the Nasdaq Stock Market, we may rely on exemptions from certain corporate governance requirements that provide protection to stockholders of companies that are subject to such requirements.

As of February **3, 2023 2, 2024,** Dell Technologies beneficially owns more than 50% of the combined voting power of both classes of our outstanding shares of common stock. As a result, we are a "controlled company" under the marketplace rules of the Nasdaq Stock Market, or Nasdaq, and eligible to rely on exemptions from Nasdaq corporate governance requirements that generally obligate listed companies to maintain a board of directors having a majority of independent directors and compensation and nominating committees composed solely of independent directors. We currently rely on the exemption from the requirement to maintain a board of directors having a majority of independent directors. Although we do not currently rely on the other exemptions from Nasdaq's corporate governance requirements **pertaining to the composition of compensation and nominating committees,** we may decide to avail ourselves of one or more of these exemptions in the future. During any period in which we do so, investors may not have the same protections

afforded to stockholders of companies that must comply with all of Nasdaq's corporate governance requirements. Our status as a controlled company could make our Class A common stock less attractive to some investors or otherwise adversely affect its trading price.

Future sales, or the perception of future sales, of a substantial number of shares of our Class A common stock could depress the trading price of our Class A common stock.

Sales of a substantial number of shares of our Class A common stock in the public market, or the perception that these sales may occur, could adversely affect the market price of the Class A common stock.

As of **February 3, 2023** **February 2, 2024**, we have outstanding **14,748,810****16,392,287** shares of our Class A common stock and 70,000,000 shares of our Class B common stock. The shares of Class A common stock are freely tradeable without restriction or further registration under the Securities Act of 1933, or Securities Act, unless these shares are held by our "affiliates," as that term is defined in

Rule 144 under the Securities Act, or Rule 144. As of **February 3, 2023** **February 2, 2024**, Dell Technologies owned, indirectly through its subsidiary Dell Inc. and through Dell Inc.'s subsidiaries, no shares of our Class A common stock and all 70,000,000 outstanding shares of our Class B common stock. The shares of our Class A common stock eligible for resale by our affiliates under Rule 144, subject to the volume limitations and other requirements of Rule 144, include the 70,000,000 shares of Class A common stock issuable upon conversion of the same number of shares of our Class B common stock that are outstanding.

We have entered into a registration rights agreement with Dell Marketing L.P. (the record holder of our Class B common stock), Michael S. Dell, the Susan Lieberman Dell Separate Property Trust, MSDC Denali Investors, L.P., MSDC Denali EIV,

LLC and the Silver Lake investment funds that own Dell Technologies common stock in which we have granted them and their respective permitted transferees demand and piggyback registration rights with respect to the shares of our Class A common stock and Class B common stock held by them from time to time. Registration of those shares under the Securities Act would permit the stockholders under the registration rights agreement to sell their shares into the public market.

Our 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 with our directors, our officers or other employees, or our majority stockholder.

Our 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 law, be the exclusive forum for:

- any derivative action or proceeding brought on our behalf;
- any action asserting a claim of breach of a fiduciary duty owed, or other wrongdoing, by any of our directors, officers or other employees, or stockholders to us or our stockholders;
- any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law or as to which the Delaware General Corporation Law confers jurisdiction on the Court of Chancery of the State of Delaware; and
- any action asserting a claim governed by the internal affairs doctrine.

Any person purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have received notice of and consented to the foregoing provisions. This choice of forum provision may limit a stockholder's ability to bring a claim in a judicial forum that it finds more favorable for disputes with us or with our directors, our officers or other employees, or our other stockholders, including our majority stockholder, which may discourage such lawsuits against us and such other persons. Alternatively, if a court were to find this choice of forum provision 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, results of operations and financial condition.

Our choice of forum provision is intended to apply to the fullest extent permitted by law to the types of actions and proceedings specified above, including, to the extent permitted by the federal securities laws, to lawsuits asserting claims under such actions and proceedings and claims under the federal securities laws. Application of the choice of forum provision may be limited in some instances by applicable law. Section 27 of the Securities Exchange Act of 1934, or Exchange Act, creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the choice of forum provision will not apply to actions arising under the Exchange Act or the rules and regulations thereunder. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder, subject to a limited exception for certain "covered class actions." **There Due to current litigation, there** is uncertainty **particularly in light of current litigation**, as to whether a court would enforce the choice of forum provision with respect to claims under the Securities Act. Our stockholders will not be deemed, by operation of our choice of forum provision, to have waived claims arising under the federal securities laws and the rules and regulations thereunder.

We are obligated to develop and maintain proper and effective internal control over financial reporting and any failure to maintain the adequacy of our internal controls may adversely affect investor confidence in our company, and, as potentially resulting in a result, negative impact on the value of our Class A common stock.

We are required, pursuant to Section 404 of the Sarbanes-Oxley Act to furnish a report by our management each year on the effectiveness of our internal control over financial reporting. We are required to **also** disclose significant changes made in our internal control procedures on a quarterly basis. In addition, our independent registered public accounting firm is required annually to express an opinion as to the effectiveness of our internal control over financial reporting.

During the evaluation and testing process of our internal controls, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to assert that our internal control over financial reporting is effective. We may experience material weaknesses or significant deficiencies in our internal control over financial reporting. Any failure to maintain internal control over financial reporting could severely inhibit our ability to report accurately our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness in our internal control over financial reporting, investors could lose confidence in the accuracy and completeness of our financial reports, the market price of our Class A common stock could decline, and we **could may** be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, also could restrict our future access to the capital markets.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

As a provider of cybersecurity offerings, we understand that threat actors are increasingly becoming more sophisticated and extremely effective at compromising information and operational technologies. As this trend continues, it is vital that we have processes in place to timely and accurately detect, mitigate, respond to, and remediate cybersecurity incidents, threats or vulnerabilities that may create a material risk to our Company, that could, if the risk occurs, materially impact our Company, including, but not limited to, our financial condition and results of operations. For additional information regarding the variety of material risks we may face, including, but not limited to, those that relate to cybersecurity, refer to "Part I – Item 1A – Risk Factors" in this report.

While our enterprise risk management program considers cybersecurity risks alongside other significant business risks, we also maintain robust cybersecurity processes, technologies, and controls to aid our efforts to identify, assess, and manage material risks posed to our Company. Annually, we conduct an information security risk assessment, and we periodically review our security architecture and assess third-party vendors that we use. We continuously monitor for security risks and vulnerabilities posed by the technological tools and people enabled processes we utilize. In addition, we employ a range of tools and services, including network and endpoint monitoring, third-party penetration testing, and periodic tabletop exercises to ensure timely discovery of, response to, and remediation of, security incidents. While we assess and monitor for security risks and vulnerabilities posed by our critical third parties, including our third-party vendors and service providers, our control over the security posture of our critical third parties is limited, and there can be no assurance that our assessment and monitoring of such third parties will prevent or mitigate the risk of any compromise or failure in the information assets they own or control.

Our internal security controls are designed to align with standards set by the National Institute of Standards and Technology, or NIST, and the International Organization for Standardization, or ISO. In addition, our security processes are assessed by the Federal Financial Institutions Examination Council, or FFIEC, due to our status as a cybersecurity provider to several financial institutions and financial services organizations. Our security processes also are tested or assessed in accordance with the Sarbanes-Oxley Act of 2002, compliance obligations under the Service Organization Control Type 2 auditing procedure, or SOC2, and applicable privacy laws, both in the United States and internationally.

Our internal security controls and our cybersecurity processes, technologies, and controls are governed by the Company's Chief Security Officer and Chief Information Security Officer, or CISO, who reports quarterly on security matters, including cybersecurity, to the Company's internal Enterprise Risk Committee. Our CISO has been with us since 2011 and has worked in cybersecurity for over 21 years. In addition, as a provider of cybersecurity offerings, we employ numerous leaders who have experience in the cybersecurity industry. All Company employees must complete required annual information security and privacy training, which are reviewed and updated annually. They also receive ongoing security awareness education through emails, presentations, and other available training materials on our intranet.

Pursuant to the Board's oversight of the Company's operational risk management, the Board has designated authority and responsibility to its Audit Committee to regularly review our processes and procedures for managing cybersecurity risks and handling cybersecurity incidents. The Audit Committee receives quarterly updates from the CISO and others from the CISO's security team regarding our security programs, including a review of cybersecurity risks, threats, and vulnerabilities. Additionally, the Board of Directors receives an annual report on the cybersecurity threat landscape from at least one senior leader.

Our Company, through the leadership of the CISO, utilizes a variety of security governance and operational processes to manage our secure use of technology, including, but not limited to, the management of risks from insiders, third-parties, security controls, vulnerabilities, threats, and incident response.

We have adopted a comprehensive cybersecurity assessment framework, which is integrated into our security team's processes to ensure cybersecurity incidents are assessed and escalated in a timely manner, so that certain leaders within our organization further investigate, respond to, and remediate, the incident. Certain members of the Company's executive leadership team will also consider potentially applicable legal and regulatory obligations and take action to mitigate brand and reputational damage. In fiscal 2024, we did not identify any cybersecurity threats or incidents that have materially affected or are reasonably likely to materially affect our business strategy, results of operations, or financial condition. However, despite our efforts, we cannot eliminate all risks from cybersecurity threats or incidents or provide assurances that we have not experienced an undetected cybersecurity incident. If a cybersecurity incident is determined to be material, in accordance with reporting requirements applicable to us, our comprehensive cybersecurity assessment framework outlines our controls and the procedures adopted to ensure timely compliance with our reporting obligations.

Item 2. Properties

As of February 3, 2023 February 2, 2024, our facilities consisted of our corporate headquarters and various other facilities housing our security operations center personnel as well as research and development, marketing and sales, administrative and IT functions. We either lease these facilities or have the right to use them pursuant to service agreements with Dell or with other third parties. As of February 3, 2023 February 2, 2024, we did not own any facilities.

Our corporate headquarters is located in Atlanta, Georgia, where we lease facilities of approximately 115,800 square feet. As of February 3, 2023 February 2, 2024, we leased or licensed additional facilities in the following locations: Providence, Rhode Island; Edinburgh, Scotland; and Bucharest, Romania. Our employees also operate out of a number of Dell facilities internationally pursuant to arrangements with Dell. For information about our facility leases, see "Notes to Consolidated Financial Statements—Note 8—Leases" in our consolidated financial statements included in this report.

In future periods, we may lease or license additional sites, either from Dell or other third parties for sales offices and other functions. We believe that suitable additional facilities will be available on commercially reasonable terms.

Item 3. Legal Proceedings

From time to time, we are a party to or otherwise subject to legal proceedings that arise in the ordinary course of our business. As of February 3, 2023 February 2, 2024, we were not subject to any material pending legal proceedings.

Item 4. Mine Safety Disclosures

Not applicable.

Part II

Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities

Market for Class A Common Stock

Our Class A common stock is listed and traded on the Nasdaq Global Select Market under the symbol "SCWX." There is no public market for our Class B common stock.

Holders

As of **March 20, 2023** **March 19, 2024**, there were seven holders of record of our Class A common stock and one holder of record of our Class B common stock. The number of record holders of our Class A common stock does not include individuals or entities that beneficially own shares of Class A common stock, but whose shares are held of record by a broker, bank, or other nominee.

Dividends

We have not declared or paid cash dividends on our common stock. We do not anticipate declaring or paying any cash dividends on our common stock in the foreseeable future. We currently intend to retain all available funds and any future earnings to support our operations and finance the growth and development of our business. Any future determination related to our dividend policy will be made at the discretion of our board of directors and will depend upon, among other factors, our results of operations, financial condition, capital requirements, contractual restrictions, business prospects and other factors our board of directors may deem relevant.

Stock Performance Graph

The following graph compares the cumulative total return on the Class A common stock for the period from **February 2, 2018** **February 1, 2019** through **February 3, 2023** **February 2, 2024** with the total return over the same period on the Nasdaq Composite Index and the PureFunds ISE Cyber Security ETF Index. The graph assumes that \$100 was invested on **February 2, 2018** **February 1, 2019**, in the Class A common stock and in each of the foregoing indices and assumes reinvestment of dividends, if any. The comparisons in the graph are based on historical data and are not necessarily indicative of the future price performance of the Class A common stock.

 1921

	February 2, 2018	February 1, 2019	January 31, 2020	January 29, 2021	January 28, 2022	February 3, 2023
Secureworks	\$ 100.00	\$244.81	\$166.63	\$146.61	\$149.05	\$90.20
NASDAQ Composite	100.00	116.73	130.22	182.63	162.67	143.56
PureFunds ISE Cyber Security ETF	100.00	100.32	126.38	180.51	190.18	165.82

This performance graph shall not be deemed to be incorporated by reference by means of any general statement incorporating by reference this annual report on Form 10-K into any filing under the Securities Act of 1933, or **Securities Act**, or the Securities Exchange Act of 1934, or **Exchange Act**, except to the extent that Secureworks specifically incorporates such information by reference, and shall not otherwise be deemed filed under the Securities Act or the Exchange Act.

Item 6. Reserved

Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations

This management's discussion and analysis is based upon the financial statements of Secureworks which have been prepared in accordance with accounting principles generally accepted in the United States, or GAAP, and should be read in conjunction with our consolidated financial statements and related notes included in this report. In addition to historical financial information, the following discussion contains forward-looking statements that reflect our plans, estimates, beliefs, **expected future responses to and effects of the COVID-19 pandemic, the Ukraine/Russia conflict, the macroeconomic environment and other future events or circumstances.** **expectations.** Our actual results could differ materially from those discussed or implied in our forward-looking statements. Factors that could cause or contribute to these differences include those discussed in "Risk Factors."

Our fiscal year is the 52- or 53-week period ending on the Friday closest to January 31. We refer to the fiscal year ending **February 3, 2023** **February 2, 2024** as fiscal **2023** **2024** and the fiscal years ended **January 28, 2022** **February 3, 2023** and **January 29, 2021** **January 28, 2022** as fiscal **2022** **2023** and fiscal **2021**, **2022**, respectively. **Fiscal 2024 and fiscal 2022 each consisted of 52 weeks. Fiscal 2023 consisted of 53 weeks. Fiscal 2022 and fiscal 2021 each consisted of 52 weeks.** Unless otherwise indicated, all changes identified for the current-period results represent comparisons to results for the prior corresponding fiscal period. For discussion and analysis related to our financial results comparing fiscal **2022** **2023** with fiscal **2021** **2022**, see Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations in our Annual Report on Form 10-K for fiscal year ended **January 28, 2022** **February 3, 2023**, which was filed with the Securities and Exchange Commission on **March 23, 2022** **March 23, 2023**.

All percentage amounts and ratios presented in this management's discussion and analysis were calculated using the underlying data in thousands.

Except where the context otherwise requires or where otherwise indicated, (1) all references to "Secureworks" "we," "us," "our" "our," and "our Company" in this management's discussion and analysis refer to SecureWorks Corp. and our subsidiaries on a consolidated basis, (2) all references to "Dell" refer to Dell Inc. and its subsidiaries on a consolidated basis and (3) all references to "Dell Technologies" refer to Dell Technologies Inc., the ultimate parent company of Dell Inc.

Overview

We are a leading global cybersecurity provider of technology-driven solutions singularly focused on protecting our customers by outpacing and outmaneuvering the adversary. customers.

Our vision is to be the essential cybersecurity company for a digitally connected world by providing world. We believe we are the security platform of choice to deliver our a holistic approach to security at scale for our customers to achieve their best security outcomes. We combine considerable experience from securing thousands of customers, processing billions of customer events with our leveraging artificial intelligence and machine-learning capabilities in our security platform, and actionable insights from our team of elite researchers, analysts and consultants to create a powerful network effect that provides increasingly strong protection for our customers.

Our experience shows proprietary Taegis security platform utilizes an open architecture that is designed to process a wide variety of telemetry to see security based on "point" products operating in silos is not sufficient threats quickly and leverage our customers' existing investments. Our solutions collect and process vast amounts of data across the IT ecosystem by integrating a wide array of proprietary and third-party security products. This open-platform approach allows us to outpace aggregate events from a wide range of endpoint, network, cloud and business systems to increase the adversary at scale. Through effectiveness of our open platform approach, we create integrated and comprehensive solutions by proactively managing the collection of point products deployed by our customers to address specific security issues and provide solutions to fortify gaps in their defenses. solutions.

By aggregating and analyzing data from sources around the world, we offer solutions that enable organizations to:

- prevent security breaches,
- detect malicious activity,
- respond rapidly when a security breach occurs, and
- identify emerging threats.

We believe a our security platform that supports innovation and collaboration enables by enabling the power of the security community to outmaneuver the adversary. Leveraging our extensive security expertise and knowledge, threat intelligence, we utilize our unique insights to build an integrated security extend our Taegis XDR platform that fuels efficient and effective security operations for customers and partners. to defend against cyber-attacks.

The integrated approach we have pioneered enables us to deliver a broad portfolio of security solutions to organizations of varying size and complexity. We seek to provide the right level of security for each customer's customer's particular situation, which evolves with our customers as the customer's organization grows their organizations grow and changes change over time. Our flexible and scalable solutions support secure the evolving needs of the largest, most sophisticated large enterprises as well as small and medium-sized businesses and U.S. state and local government agencies with limited in-house capabilities and resources.

We offer our customers:

- software-as-a-service, or SaaS, solutions,
- managed solutions, and
- professional services, including incident response and adversarial penetration testing services.

Our security solutions leverage the our proprietary technologies, security operations workflows, and extensive expertise and knowledge of the tactics, techniques, and procedures of the adversary that we have developed over more than two decades. As key elements of our strategy, we seek to:

- be the cloud-native SaaS security platform of choice,
- broaden our reach with security service providers to deliver our security platform globally, and
- empower the global security community to beat the adversary at scale.

Our proprietary Taegis security platform was purpose-built as a cloud-native software SaaS platform that combines the power of artificial intelligence and machine-learning capabilities with actionable security analytics and threat intelligence to unify detection and response across endpoint, network, cloud, email and other systems for better security outcomes and simpler security operations. The Taegis software security platform is a core element for of our SaaS solutions, which leverage workflows designed from our extensive security operations expertise and our integrated orchestration and automation capabilities to increase the speed of response actions.

We offer an integrated suite of technology-driven security solutions enabled by our Taegis software security platform and team of highly-skilled highly skilled security experts. Our technology-driven security solutions offer an innovative approach to prevent, detect and respond to cybersecurity breaches. The platforms collect, aggregate, correlate platform collects, aggregates, correlates and analyze analyzes billions of events daily from our extensive customer base utilizing sophisticated algorithms to detect malicious activity and deliver security countermeasures, dynamic intelligence and valuable context regarding the intentions and actions of cyber adversaries. Through our Taegis solutions, which are sold on a subscription basis, we provide global visibility and insight into malicious activity, enabling our customers to detect, respond to and effectively remediate threats quickly.

In addition to our Taegis solutions, we offer a variety of professional services that to advise customers on a broad range of security and risk-related matters, which include incident response, adversarial penetration testing services and Taegis professional services, to accelerate adoption of our software solutions.

Reorganization and other related costs

During the fiscal year ended February 3, 2023, the Company committed to a plan to align its investments more closely with its strategic priorities to meet the expected future needs of the business by reducing the Company's workforce and implementing certain real estate-related and other cost optimization actions. Under this plan and through continued reorganization actions conducted during fiscal year ended February 2, 2024, the Company intends to rebalance began rebalancing investments across all functions to align cross-functionally in alignment with the Company's top strategic priorities current strategy and growth opportunities, such as focusing on the higher value, higher margin Taegis solutions, optimizing the Company's organizational structure to increase its scalability, and other priorities, in order to balance better position the Company for continued growth with improving operating margins over time. The Company incurred expenses of approximately \$17.1 million and \$15.5 million for the fiscal years ended February 2, 2024, and February 3, 2023, respectively, consisting primarily of severance and other termination benefits, real estate-related expenses, as well as other related costs. See Note 14 — "Reorganization and other related costs." costs" for further discussion.

COVID-19

We did not incur significant disruptions in our business operations or a material impact on our results of operations, financial condition, liquidity or capital resources during fiscal 2023 as a result of the COVID-19 pandemic. We have experienced a limited reduction in customer demand for our solutions that we believe is attributable to COVID-19, which may impact our results in future periods.

We continue to actively monitor the impacts and potential impacts of the COVID-19 pandemic in all aspects of our business. The extent of the impact of COVID-19 on our future operational and financial performance will depend on various developments, including the duration and spread of variations of the virus, effectiveness and acceptance of vaccines deployed to contain the virus, impact on our employees, customers and vendors, impact on our customers' liquidity and our volume of sales, and length of our sales cycles, none of which can be predicted with certainty.

Key Factors Affecting Our Performance

We believe that our future sustained success will depend on many factors, including the adoption of our Taegis security solutions by organizations, continued investment in our technology and threat intelligence research, our introduction of new solutions, our ability to increase sales of our solutions to new and existing customers, and our ability to attract and retain top talent. Although these areas present significant opportunities, they also present risks that we must manage to ensure our future success. For additional information about these risks, refer to "Risk Factors" in this report. We remain successful. We operate in an intensely competitive industry and face, among other competitive challenges, pricing pressures within the information security market as a result of action resulting from actions taken by our larger competitors to reduce the prices of their security prevention, detection, and response solutions, as well as the prices of their managed security services. We must if we are unable to continue to manage our investments in an efficient manner and or to effectively execute our strategy strategies aimed to succeed. If we are unable to address these challenges, foster sustained success, our business could be adversely affected.

The key factors affecting our performance include the following:

Adoption of Technology-Driven Solution Strategy. The evolving landscape of applications, modes of communication, and IT architectures makes it increasingly challenging for organizations of all sizes to protect their critical business assets, including proprietary information, from cyber threats. New technologies heighten security risks by increasing the number of ways a threat actor can attack a target, by giving users greater access to important business networks and information and by facilitating the transfer of control of underlying applications and infrastructure to third-party vendors. An effective cyber defense security strategy requires the coordinated deployment of multiple products and a solution across the entire network infrastructure. Our Taegis security solutions tailored to an organization's specific security needs. Our integrated suite of solutions, including our new Taegis offerings, is are designed to facilitate the successful implementation of such a strategy, but continuous investment in, and adaptation of, our technology will be required as the threat landscape continues to evolve rapidly. The degree to which prospective and current customers recognize the mission-critical nature of our technology-driven information security solutions, and subsequently allocate budget dollars to our solutions, will affect our future financial results.

Investment in Our Technology and Threat Intelligence Research. Our software platforms constitute the core of our technology-driven security solutions. They provide our customers with an integrated perspective and intelligence regarding their network environments and security threats. Our software platforms are augmented by our Counter Threat Unit research team, which conducts exclusive research into threat actors, uncovers new attack techniques, analyzes emerging threats and evaluates the risks posed to our customers. Our performance is significantly dependent on the investments we make in expect to continue making into our research and development efforts and on our ability to be remain at the forefront of threat intelligence research and adapt these software platforms to new technologies as well as to changes in existing technologies. This is an area in which we will expect to continue to invest, while leveraging a flexible staffing model to align with solutions development. invest. We believe that continued investment in our Taegis software platform and subscription solutions will contribute to its long-term revenue growth, but the costs of our investment may continue to adversely affect our prospects for near-term profitability.

Introduction of New Security Solutions. Our performance is significantly dependent on our ability to continue to innovate and introduce new information security solutions, such as our Taegis solutions, that protect our customers from an expanding array of cybersecurity threats. We intend to continue to invest in security solutions innovation and leadership, including by hiring top technical talent and focusing on core technology innovation. In addition, we will continue to evaluate and utilize third-party proprietary technologies, where appropriate, for the continuous development of complementary offerings. We believe that our investment in security solutions development will contribute to increase the likelihood we will achieve long-term revenue growth, but this investment may continue to adversely affect our prospects for near-term profitability.

Investments in Expanding Our Customer Base.

Embracing our Partner Ecosystem. To support future sales, we will expect to need to continue to devote resources to the development of strategic partnerships with our channel partners, technology alliance partners, and system integrators. We have made and plan to continue to make investments in both marketing and go-to-market efforts with our partners. These investments may not result in an increase in revenue or an improvement in our results of operations in the near term, although we do expect both will improve in the long term from these investments.

Deepening Our Customer Relationships. The continued growth of our business also depends in part on our ability to sell additional solutions to our existing customers. As our customers realize the benefits of the solutions they previously purchased, our portfolio of solutions provides us with a significant opportunity to expand these relationships.

Investment in Our People. The difficulty in providing effective information security is exacerbated by the highly competitive environment for identifying, hiring, and retaining qualified information security professionals. Our technology leadership, brand, exclusive focus on information security, customer-first culture, and robust training and development program have enabled us to attract and retain highly talented professionals with a passion for building a career in the information security industry. These professionals are led by a highly experienced and tenured management team with extensive IT security expertise and a record of developing successful new technologies and solutions to help protect our customers. We will expect to continue to invest in attracting and retaining top talent to support and enhance our information security offerings.

Key Operating Metrics

Commencing in fiscal 2021, we began transitioning our subscription customers to our Taegis solutions from our non-strategic, lower margin other managed security subscription services. This transition Although it has resulted in a decline in both our total customer base and total annual recurring revenue. Despite these declines, our gross profit has remained relatively stable and our gross margins have increased. We revenue, we believe the transition of our subscription business to our Taegis solutions is resulting in a higher value and higher margin business. As part of our ongoing transition, we informed our customers early in the fourth quarter of fiscal 2022 that many of our other managed security

subscription services would no longer be available for purchase effective as of the beginning of fiscal 2023, as many of those services offer a natural transition to our Taegis platform. Renewals associated with many of our existing other managed security subscription services were not extended beyond the end of fiscal 2023. 2024, the vast majority of our managed security services have reached end of life worldwide. A small number of contractual commitments will exist into the fiscal year ending January 31, 2025 as reflected in the operating metric table below.

The transition has resulted in the growth of our Taegis portfolio of technology-driven information security solutions offered to customers of all sizes and across all industries. We have achieved this organic growth by re-solutioning existing customers to our Taegis offerings, which generate more average revenue per customer, and through continued expansion in volume and breadth of the Taegis solutions we deploy. The transformation of our Taegis subscription-based model has required ongoing investment in our business, which has contributed to higher net losses. We believe these investments are critical to our long-term success, although they may continue to impact our prospects for near-term profitability.

Relevant key operating metrics are presented below as of the dates indicated and for the fiscal years then ended.

		February 3, 2023	January 28, 2022	January 29, 2021	February 2, 2024	February 3, 2023	January 28, 2022
Taegis subscription customer base	Taegis subscription customer base	2,000	1,200	400			
Managed security subscription customer base	Managed security subscription customer base	700	2,400	3,500			
Total subscription customer base	Total subscription customer base	2,500	3,400	3,800			
Total customer base	Total customer base	4,500	5,000	5,200			
Total customer base							
Total customer base							
Taegis annual recurring revenue (in millions)							
Taegis annual recurring revenue (in millions)							
Taegis annual recurring revenue (in millions)	Taegis annual recurring revenue (in millions)	\$261.5	\$164.7	\$ 54.9			
Managed security annual recurring revenue (in millions)	Managed security annual recurring revenue (in millions)	58.4	224.4	371.9			
Total annual recurring revenue (in millions)	Total annual recurring revenue (in millions)	\$319.9	\$389.1	\$426.8			
Taegis average subscription revenue per customer (in thousands)							
Taegis average subscription revenue per customer (in thousands)							

Taegis average subscription revenue per customer (in thousands)	Taegis average subscription revenue per customer (in thousands)	\$132.3	\$134.6	\$138.3
Managed security average subscription revenue per customer (in thousands)	Managed security average subscription revenue per customer (in thousands)	\$ 86.9	\$ 92.9	\$106.1
Total average subscription revenue per customer (in thousands)	Total average subscription revenue per customer (in thousands)	\$129.1	\$113.9	\$113.8
Net revenue retention rate	Net revenue retention rate	75 %	86 %	88 %
Net revenue retention rate				
Net revenue retention rate		88 %	75 %	86 %

Taegis Subscription Customer Base and Managed Security Subscription Customer Base. We define our Taegis subscription customer base and managed security subscription customer base as the number of customers who have a subscription agreement for that respective offering as of a particular date. Some customers may have subscription agreements for both security offerings to address their current security needs.

Total Subscription Customer Base. We define our total subscription customer base as the number of unique customers who have a subscription agreement for our Taegis solutions and/or managed security services as of a particular date. We believe that growing our existing customer base and our ability to grow our average subscription revenue per customer represent significant future revenue opportunities for us.

Total Customer Base. We define total customer base as the number of customers that subscribe to our Taegis solutions and managed security services and customers that buy professional and other services from us, as of a particular date.

Total Annual Recurring Revenue. We define total annual recurring revenue as of the measurement date. Changes to recurring revenue may result from the expansion of our offerings and sales of additional solutions to our existing customers, as well as the timing of customer renewals.

Total Average Subscription Revenue Per Customer. We define total average subscription revenue per customer as the average annual revenue per customer that subscribes to either our Taegis or other managed security subscription solutions, or both, as of the measurement date. Total average subscription revenue per customer is primarily related to driven by the persistence of cyber threats and the results of our sales and marketing efforts to increase the awareness of our solutions. Our customer composition of both enterprise and small and medium sized businesses provides us with an opportunity to expand our professional services revenue. For fiscal 2024, fiscal 2023 and fiscal 2022, and fiscal 2021, approximately 47% 46%, 58% 47% and 65% 58%, respectively, of our professional services customers subscribed to our Taegis solutions or managed security services.

Net Revenue Retention Rate. Net revenue retention rate is an important measure of our success in retaining and growing revenue from our subscription-based customers. To calculate our revenue retention rate for any period, we compare the annual recurring revenue of our subscription-based customers at the beginning of the fiscal year (base period, or base recurring revenue) revenue, to the same measure from that same cohort of customers at the end of the fiscal year (retained period, which we refer to as retained recurring revenue), revenue. By dividing the end-of-period retained recurring revenue by the base recurring revenue from the beginning of the period, we measure our success in retaining and growing installed revenue from the specific cohort of customers we served at the beginning of the period. Our calculation includes the positive revenue impacts of selling and installing additional solutions to this cohort of customers and the negative revenue impacts of customer or service attrition during the period. The calculation, however, does not include the positive impact on revenue from sales of solutions to any customers acquired during the period. Our net revenue retention rates may increase or decline from period to period as a result of various factors, including the timing of solutions installations, and customer renewal rates, rates, and changes to solution offerings.

Non-GAAP Financial Measures

We use supplemental measures of our performance, which are derived from our financial information, but which are not presented in our financial statements prepared in accordance with generally accepted accounting principles in the United States of America, referred to as GAAP. Non-GAAP financial measures presented in this management's discussion and analysis include non-GAAP cost of revenue, non-GAAP **Taegis Subscription Solutions cost of revenue, non-GAAP Managed Security Services cost of revenue, non-GAAP subscription cost of revenue, non-GAAP professional services cost of revenue, non-GAAP gross profit, non-GAAP Taegis Subscription Solutions gross profit, non-GAAP Managed Security Services gross profit, non-GAAP subscription gross profit, non-GAAP professional services gross profit, non-GAAP gross margin, non-GAAP Taegis Subscription Solutions gross margin, non-GAAP Managed Security Services gross margin, non-GAAP subscription gross margin, non-GAAP professional services gross margin, non-GAAP operating expenses, non-GAAP research and development expenses, non-GAAP sales and marketing expenses, non-GAAP general and administrative expenses, non-GAAP operating income (loss), non-GAAP net (loss) income (loss), non-GAAP earnings (loss) earnings per share and adjusted earnings before interest, taxes, depreciation and amortization, stock-based compensation and reorganization and other related charges, or adjusted EBITDA.** We use non-GAAP financial measures to supplement financial information presented on a GAAP basis. We believe these non-GAAP financial measures provide useful information to help evaluate our operating results by facilitating an enhanced understanding of our operating performance and enabling more meaningful period-to-period **comparisons, comparisons and comparisons to our peers. Non-GAAP measures have been used as metrics used to determine variable compensation for employees.**

There are limitations to the use of the non-GAAP financial measures presented in this management's discussion and analysis. Our non-GAAP financial measures may not be comparable to similarly titled measures of other companies. Other companies, including companies in our industry, may calculate non-GAAP financial measures differently than we do, limiting the usefulness of those measures for comparative purposes.

The non-GAAP financial measures we present, as defined by us, exclude the items described in the reconciliation below. As the excluded items can have a material impact on earnings, our management compensates for this limitation by relying primarily on GAAP results and using non-GAAP financial measures supplementally. The non-GAAP financial measures are not meant to be considered as indicators of performance in isolation from or as a substitute for revenue, **subscription revenue, professional services revenue, Taegis Subscription Solutions revenue, Managed Security Services revenue, gross profit, subscription gross profit, professional services gross profit, Taegis Subscription Solutions gross profit, Managed Security Services gross profit, cost of revenue, subscription cost of revenue, professional services cost of revenue, Taegis Subscription Solutions cost of revenue, Managed Security Services cost of revenue, operating expense, research and development expenses, sales and marketing expenses, general and administrative expenses, gross margin, subscription gross margin, professional services gross margin, Taegis Subscription Solutions gross margin, Managed Security Services gross margin, operating income (loss), net income (loss), or earnings (loss) per share in accordance with GAAP, and the non-GAAP financial measures should be read only in conjunction with financial information presented on a GAAP basis.**

Reconciliation of Non-GAAP Financial Measures

The table below presents a reconciliation of each non-GAAP financial measure to its most directly comparable GAAP financial measure. We encourage you to review the reconciliations in conjunction with the presentation of the non-GAAP financial measures for each of the periods presented. In future fiscal periods, we may exclude such items and may incur income and expenses similar to these excluded items. Accordingly, the exclusion of these items and other similar items in our non-GAAP presentation should not be interpreted as implying that these items are non-recurring, infrequent or unusual.

The following is a summary of the items excluded from the most comparable GAAP financial measures to calculate our non-GAAP financial measures:

- *Amortization of Intangible Assets.* Amortization of intangible assets consists of amortization associated with external software development costs capitalized and acquired customer relationships and technology. In connection with the acquisition of Dell by Dell Technologies in fiscal 2014 and our acquisition of Delve Laboratories Inc. in fiscal 2021, our tangible and intangible assets and liabilities associated with customer relationships and technology were accounted for and recognized at fair value on the related transaction date.
- *Stock-based Compensation Expense.* Non-cash stock-based compensation expense relates to Secureworks' equity plan. We exclude such expense when assessing the effectiveness of our operating performance since stock-based compensation does not necessarily correlate with the underlying operating performance of the business.
- *Aggregate Adjustment for Income Taxes.* The aggregate adjustment for income taxes is the estimated combined income tax effect for the adjustments mentioned above. The tax effects are determined based on the tax jurisdictions where the above items were incurred.
- *Reorganization and other related charges.* The aggregate adjustment for expenses associated with the Company's plan to align its investments more closely with its strategic priorities, **as described in the "Notes to Consolidated Financial Statements—Note 14—Reorganization and Other Related Costs."**

	February 3, 2023	January 28, 2022	January 29, 2021
GAAP net revenue ⁽¹⁾	\$ 463,475	\$ 535,214	\$ 561,034
Net revenue:			
Net revenue:			
Net revenue:			
Taegis Subscription Solutions			
Taegis Subscription Solutions			
Taegis Subscription Solutions			
Managed Security Services			
Managed Security Services			
Managed Security Services			
Total Subscription revenue			
Total Subscription revenue			
Total Subscription revenue			
Professional services			
Professional services			

Professional services							
Total net revenue							
Total net revenue							
Total net revenue							
GAAP Taegis Subscription Solutions cost of revenue							
GAAP Taegis Subscription Solutions cost of revenue							
GAAP Taegis Subscription Solutions cost of revenue							
Amortization of intangibles							
Amortization of intangibles							
Amortization of intangibles							
Stock-based compensation expense							
Stock-based compensation expense							
Stock-based compensation expense							
Non-GAAP Taegis Subscription Solutions cost of revenue							
Non-GAAP Taegis Subscription Solutions cost of revenue							
Non-GAAP Taegis Subscription Solutions cost of revenue							
GAAP Managed Security Services cost of revenue							
GAAP Managed Security Services cost of revenue							
GAAP Managed Security Services cost of revenue							
Amortization of intangibles							
Amortization of intangibles							
Amortization of intangibles							
Stock-based compensation expense							
Stock-based compensation expense							
Stock-based compensation expense							
Non-GAAP Managed Security Services cost of revenue							
Non-GAAP Managed Security Services cost of revenue							
Non-GAAP Managed Security Services cost of revenue							
GAAP subscription cost of revenue							
GAAP subscription cost of revenue							
GAAP subscription cost of revenue	GAAP subscription cost of revenue	\$	131,998	\$	143,515	\$	162,139
Amortization of intangibles	Amortization of intangibles		(17,133)		(16,080)		(14,587)
Amortization of intangibles							
Amortization of intangibles							
Stock-based compensation expense	Stock-based compensation expense		(642)		(218)		(665)
Reorganization and other related charges							
							—
Stock-based compensation expense							
Stock-based compensation expense							
Non-GAAP subscription cost of revenue							
Non-GAAP subscription cost of revenue							
Non-GAAP subscription cost of revenue	Non-GAAP subscription cost of revenue	\$	113,779	\$	127,217	\$	146,887

GAAP professional services cost of revenue	GAAP professional services cost of revenue	\$	59,644	\$	73,611	\$	80,028
GAAP professional services cost of revenue							
GAAP professional services cost of revenue							
Stock-based compensation expense	Stock-based compensation expense		(1,358)		(905)		(680)
Reorganization and other related charges			(141)		—		—
Stock-based compensation expense							
Stock-based compensation expense							
Non-GAAP professional services cost of revenue							
Non-GAAP professional services cost of revenue							
Non-GAAP professional services cost of revenue	Non-GAAP professional services cost of revenue	\$	58,145	\$	72,706	\$	79,348
GAAP gross profit	GAAP gross profit	\$	271,833	\$	318,088	\$	318,867
GAAP gross profit							
GAAP gross profit							
Amortization of intangibles							
Amortization of intangibles							
Amortization of intangibles	Amortization of intangibles		17,133		16,080		14,587
Stock-based compensation expense	Stock-based compensation expense		2,000		1,123		1,346
Reorganization and other related charges			585		—		—
Stock-based compensation expense							
Stock-based compensation expense							
Non-GAAP gross profit							
Non-GAAP gross profit							
Non-GAAP gross profit	Non-GAAP gross profit	\$	291,551	\$	335,291	\$	334,800
GAAP research and development expenses	GAAP research and development expenses	\$	141,837	\$	122,494	\$	105,008
GAAP research and development expenses							
GAAP research and development expenses							
Stock-based compensation expense	Stock-based compensation expense		(11,589)		(7,220)		(4,410)
Reorganization and other related charges			(2,052)		—		—
Stock-based compensation expense							
Stock-based compensation expense							
Non-GAAP research and development expenses							
Non-GAAP research and development expenses							
Non-GAAP research and development expenses	Non-GAAP research and development expenses	\$	128,196	\$	115,274	\$	100,598
GAAP sales and marketing expenses	GAAP sales and marketing expenses	\$	166,410	\$	145,134	\$	144,934
GAAP sales and marketing expenses							
GAAP sales and marketing expenses							
Stock-based compensation expense	Stock-based compensation expense		(6,568)		(4,065)		(3,676)
Reorganization and other related charges			(2,773)		—		—
Stock-based compensation expense							
Stock-based compensation expense							

Non-GAAP sales and marketing expenses							
Non-GAAP sales and marketing expenses							
Non-GAAP sales and marketing expenses	Non-GAAP sales and marketing expenses	\$	157,069	\$	141,069	\$	141,258
GAAP general and administrative expenses							
GAAP general and administrative expenses							
GAAP general and administrative expenses	GAAP general and administrative expenses	\$	111,615	\$	102,834	\$	101,760
Amortization of intangibles	Amortization of intangibles		(14,094)		(14,094)		(14,094)
Amortization of intangibles							
Amortization of intangibles							
Stock-based compensation expense	Stock-based compensation expense		(16,698)		(18,038)		(14,982)
Reorganization and other related charges			(10,061)		—		—
Stock-based compensation expense							
Stock-based compensation expense							
Non-GAAP general and administrative expenses							
Non-GAAP general and administrative expenses							
Non-GAAP general and administrative expenses	Non-GAAP general and administrative expenses	\$	70,762	\$	70,702	\$	72,684

			February 3, 2023		January 28, 2022		January 29, 2021
GAAP operating loss	GAAP operating loss	\$	(148,029)	\$	(52,374)	\$	(32,835)
GAAP operating loss							
GAAP operating loss							
Amortization of intangibles							
Amortization of intangibles							
Amortization of intangibles	Amortization of intangibles		31,228		30,174		28,682
Stock-based compensation expense	Stock-based compensation expense		36,855		30,446		24,414
Stock-based compensation expense							
Stock-based compensation expense							
Reorganization and other related charges	Reorganization and other related charges		15,471		—		—
Reorganization and other related charges							
Reorganization and other related charges							
Non-GAAP operating (loss)/income							
Non-GAAP operating (loss)/income							
Non-GAAP operating (loss)/income	Non-GAAP operating (loss)/income	\$	(64,475)	\$	8,246	\$	20,261
GAAP net loss	GAAP net loss	\$	(114,499)	\$	(39,791)	\$	(21,902)
GAAP net loss							
GAAP net loss							
Amortization of intangibles	Amortization of intangibles		31,228		30,174		28,682
Amortization of intangibles							
Amortization of intangibles							
Stock-based compensation expense							
Stock-based compensation expense							

Stock-based compensation expense	Stock-based compensation expense	36,855	30,446	24,414
Reorganization and other related charges	Reorganization and other related charges	15,471	—	—
Reorganization and other related charges				
Reorganization and other related charges				
Aggregate adjustment for income taxes				
Aggregate adjustment for income taxes				
Aggregate adjustment for income taxes	Aggregate adjustment for income taxes	(15,941)	(12,113)	(13,267)
Non-GAAP net (loss)/income	Non-GAAP net (loss)/income	\$ (46,886)	\$ 8,716	\$ 17,927
Non-GAAP net (loss)/income				
Non-GAAP net (loss)/income				
GAAP loss per share		\$ (1.36)	\$ (0.48)	\$ (0.27)
GAAP net loss per share				
GAAP net loss per share				
GAAP net loss per share				
Amortization of intangibles	Amortization of intangibles	0.37	0.36	0.35
Amortization of intangibles				
Amortization of intangibles				
Stock-based compensation expense				
Stock-based compensation expense				
Stock-based compensation expense	Stock-based compensation expense	0.44	0.36	0.30
Reorganization and other related charges	Reorganization and other related charges	0.18	—	—
Reorganization and other related charges				
Reorganization and other related charges				
Aggregate adjustment for income taxes	Aggregate adjustment for income taxes	(0.19)	(0.14)	(0.16)
Non-GAAP (loss)/earnings per share *		\$ (0.56)	\$ 0.11	\$ 0.22
Aggregate adjustment for income taxes				
Aggregate adjustment for income taxes				
Non-GAAP net (loss)/earnings per share *				
Non-GAAP net (loss)/earnings per share *				
Non-GAAP net (loss)/earnings per share *				
* Sum of reconciling items may differ from total due to rounding of individual components				
* Sum of reconciling items may differ from total due to rounding of individual components				
* Sum of reconciling items may differ from total due to rounding of individual components				
* Sum of reconciling items may differ from total due to rounding of individual components				
GAAP net loss	GAAP net loss	\$ (114,499)	\$ (39,791)	\$ (21,902)
GAAP net loss				
GAAP net loss				
Interest and other expense/(income), net				
Interest and other expense/(income), net				
Interest and other expense/(income), net	Interest and other expense/(income), net	(1,248)	3,532	(1,034)
Income tax benefit	Income tax benefit	(32,282)	(16,115)	(9,899)
Income tax benefit				

Income tax benefit				
Depreciation and amortization				
Depreciation and amortization				
Depreciation and amortization	Depreciation and amortization	36,668	40,520	41,614
Stock-based compensation expense	Stock-based compensation expense	36,855	30,446	24,414
Stock-based compensation expense				
Stock-based compensation expense				
Reorganization and other related charges				
Reorganization and other related charges				
Reorganization and other related charges	Reorganization and other related charges	15,471	—	—
Adjusted EBITDA	Adjusted EBITDA	\$ (59,035)	\$ 18,592	\$ 33,193
Adjusted EBITDA				
Adjusted EBITDA				

(1) Historically the Company has presented non-GAAP net revenue as a financial measure. There are no such adjustments that give rise to non-GAAP net revenue for any of the periods presented. GAAP net revenue is inclusive of both subscription and professional services revenue.

Our Relationship with Dell and Dell Technologies

On April 27, 2016, we completed our IPO. Upon the closing of our IPO, Dell Technologies owned, indirectly through Dell Inc. and Dell Inc.'s subsidiaries, all shares of our outstanding Class B common stock, which as of February 3, 2023 February 2, 2024, represented approximately 82.6% 81.0% of our total outstanding shares of common stock and approximately 97.9% 97.7% of the combined voting power of both classes of our outstanding common stock. In early March 2024, Dell's economic ownership of the Company dropped below 80%. As a result, we will no longer qualify for inclusion in Dell Technologies' U.S. federal income tax return and most U.S. state jurisdictions. For more information, see "Notes to Consolidated Financial Statements—Note 11—Income and Other Taxes" in our consolidated financial statements included in this report.

As a majority-owned subsidiary of Dell, we receive from Dell various corporate services in the ordinary course of business, including finance, tax, human resources, legal, insurance, IT, procurement, and facilities related services. The costs of these services have been charged in accordance with a shared services agreement, as amended or amended and restated, in part, from time to time, that went into effect on August 1, 2015, which is the effective date of our carve-out from Dell. For more information regarding the allocated costs and related party transactions, see "Notes to Consolidated Financial Statements—Note 13—Related Party Transactions" in our consolidated financial statements included in this report.

During the periods presented in the consolidated financial statements included in this report, Secureworks did not file separate federal tax returns, as Secureworks was generally included in the tax grouping of other Dell entities within the respective entity's tax jurisdiction. The income tax benefit has been calculated using the separate return separate-return method, modified to apply the benefits for loss benefits-for-loss approach. Under the benefits for loss benefits-for-loss approach, net operating losses or other tax attributes are characterized as realized or as realizable by Secureworks when those attributes are utilized or expected to be utilized by other members of the Dell consolidated affiliated group. For more information, see "Notes to Consolidated Financial Statements—Note 11—Income and Other Taxes" in our consolidated financial statements included in this report.

Additionally, we participate in various commercial arrangements with Dell, under which, for example, we provide information security solutions to third-party customers with which whom Dell has contracted with to provide our solutions, procure hardware, software, and services from Dell, and sell our solutions through Dell in the United States and some international jurisdictions. In connection with our IPO, effective August 1, 2015, we entered into agreements with Dell that govern these commercial arrangements. These in general, these agreements generally were initially effective for up to one to three years and include extension and cancellation options. To the extent that we choose to, or are required to, transition away from the corporate services currently provided by Dell, we may incur additional non-recurring transition costs to establish our own stand-alone corporate functions. For more information regarding the allocated costs and related party transactions, see "Notes to Consolidated Financial Statements—Note 13—Related Party Transactions" in our consolidated financial statements included in this report.

Components of Results of Operations

Revenue

We generate revenue from the sales of our subscriptions and professional services.

- Subscription Revenue.** Subscription revenue primarily consists of subscription fees derived from our Taegis solutions and managed security services. Taegis' core offerings are the security platform, Taegis subscription-based revenue currently includes two applications, Extended Detection and Response, or XDR, and Vulnerability Detection and Response, or VDR, along with the add-on managed our supplemental MDR service, to supplement the XDR SaaS application, referred to as Managed Detection and Response, or ManagedXDR. Managed security service Security Services are subscription-based arrangements that typically include a suite of security services up-front installation fees and maintenance, and also may include the provision of an associated hardware appliance, utilizing our legacy platform. Our subscription contracts typically range from one to three years and, as of February 3, 2023 February 2, 2024, averaged approximately two years in duration. The revenue and any related costs for these deliverables are recognized ratably over the contractual term, beginning on the date on which service the tenant is made available to customers.

- **Professional Services Revenue.** Professional services revenue consists primarily of incident response solutions and security and risk consulting. Professional services engagements are typically purchased as fixed-fee and retainer-based contracts. Professional services customers typically purchase solutions pursuant to customized contracts that are shorter in duration. Revenue from these engagements is recognized under the proportional performance method of accounting. Revenue from **time and time-and materials-based contracts** is recognized as costs are incurred at amounts represented by the agreed-upon billing rates. In general, these contracts have terms of less than one year.

The fees we charge for our solutions vary based on a number of factors, including the solutions selected, the number of customer devices covered by the selected solutions, and the level of management we provide for the solutions. In fiscal **2023, 2024**, approximately **78% 83%** of our revenue was derived from subscription-based arrangements, attributable to Taegis solutions and managed security services, while approximately **22% 17%** was derived from professional services engagements. As we respond to the evolving needs of our customers, the relative mix of subscription-based solutions and professional services we provide our customers may fluctuate. International revenue, which we define as revenue contracted through non-U.S. entities, represented approximately **34% 37%, 33% 34%** and **30% 33%** of our total net revenue in fiscal **2024, fiscal 2023 and fiscal 2022, and fiscal 2021**, respectively. Although our international customers are located primarily in **the Japan, United Kingdom, Japan, Australia, and Canada**, we provided our Taegis solutions or managed security services to customers across **77 73** countries as of **February 3, 2023 February 2, 2024**.

Over all of the periods presented in this report, our pricing strategy for our various offerings was relatively consistent, and accordingly did not significantly affect our revenue growth. However, we may adjust our pricing to remain competitive and support our strategic initiatives.

Cost of Revenue

Our cost of revenue consists of costs incurred to provide subscription and professional services.

- **Cost of Subscription Revenue.** Cost of subscription revenue consists primarily of personnel-related expenses associated with maintaining our platforms and delivering managed services to our subscription customers, as well as hosting costs for these platforms. Personnel-related expenses consist primarily of salaries, benefits, and performance-based compensation. Also included in cost of subscription revenue **are is** amortization of equipment and costs associated with hardware utilized as part of providing subscription services, amortization of technology licensing fees, amortization of intangible assets, amortization of external software development costs capitalized, maintenance fees, and overhead allocations. As our business grows, the cost of subscription revenue associated with our solutions may fluctuate.
- **Cost of Professional Services Revenue.** Cost of professional services revenue consists primarily of personnel-related expenses, such as salaries, benefits, and performance-based compensation. Also included in cost of professional services revenue **are is** fees paid to contractors who supplement or support our solutions, maintenance fees, and overhead allocations. As our business grows, the cost of professional services revenue associated with our solutions may fluctuate.

Gross Profit and Margin

Gross margin, or gross profit as a percentage of revenue, has been and will continue to be affected by a variety of factors, including the mix between our existing solutions, introduction of new solutions, personnel-related costs, and cloud hosting costs. We expect our gross margins to fluctuate depending on these factors, but we expect them to increase over time with expected growth and higher mix of Taegis subscription solutions revenue compared to managed security services and professional services revenue. As we balance **achieving** revenue growth and **continue to invest with continued investment** in initiatives **to that** drive the efficiency of our business, **however**, we expect gross margin as a percentage of total revenue to continue to fluctuate from period to period.

Operating Costs and Expenses

Our operating costs and expenses consist of research and development expenses, sales and marketing expenses and general and administrative expenses.

- **Research and Development, or R&D, Expenses.** Research and development expenses include compensation and related expenses for the continued development of our solutions offerings, including a portion of **expenses costs** related to our threat research team, which focuses on the identification of system vulnerabilities, data forensics, and malware analysis. R&D expenses also encompass expenses related to the development of prototypes of new solutions offerings and allocated overhead. Our customer solutions have generally been developed internally. We operate in a competitive and highly technical **industry. Therefore, industry, therefore**, to maintain and extend our technology leadership, we intend to continue to invest in our R&D efforts by hiring more personnel to enhance our existing security solutions and **to** add complementary solutions.
- **Sales and Marketing, or S&M, Expenses.** Sales and marketing expenses include salaries, sales commissions and performance-based compensation benefits and related expenses for our S&M personnel, travel and entertainment, marketing and advertising programs (including lead generation), customer advocacy events, and other brand-building expenses, as well as allocated overhead. **As we continue to grow our business, both domestically and internationally, we will invest in our sales capability, which will increase our sales and marketing expenses in absolute dollars.**
- **General and Administrative, or G&A, Expenses.** General and administrative expenses include primarily the costs of human resources and recruiting, finance and accounting, legal support, information management and information security systems, facilities management, corporate development, and other administrative functions, and are partially offset by allocations of information technology and facilities costs to other functions.
- **Reorganization and other related charges.** Reorganization and other related charges consist primarily of severance and other termination benefits and real estate-related expenses, as described in the "Notes to Consolidated Financial Statements—Note 14—Reorganization and Other Related Costs."

Interest and Other, Net

Interest and other, net consists primarily of the effect of exchange rates on our foreign currency-denominated asset and liability balances and interest income earned on our cash and cash equivalents. All foreign currency transaction adjustments are recorded as foreign currency gains (losses) in the Consolidated Statements of Operations. To date, we have had minimal interest income.

Income Tax Expense (Benefit)

Our effective tax benefit rate was 22.0% 24.9% and 28.8% 22.0% for fiscal 2023 2024 and fiscal 2022, 2023, respectively. The change in effective tax rate between the periods was primarily attributable to the impact of certain adjustments related to the vesting of stock-based compensation awards and the recognition of additional benefits relating to research and development credits.

We calculate a provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized by identifying the temporary differences arising from the different treatment of items for tax and accounting purposes. We provide valuation allowances for deferred tax assets, where appropriate. We will file the current year's U.S. federal returns on a consolidated basis with Dell and we expect to continue doing so until such time (if any) as we are deconsolidated for tax purposes with respect to the Dell consolidated group, Dell. According to the terms of the tax matters agreement between Dell Technologies and Secureworks that went into effect on August 1, 2015, Dell Technologies will reimburse us for any amounts by which our tax assets reduce the amount of tax liability owed by the Dell group on an unconsolidated basis.

In early March 2024, Dell's economic ownership of the Company dropped below 80%. As a result, we will no longer qualify for inclusion in Dell Technologies' U.S. federal income tax return and most U.S. state jurisdictions. Given our history of losses, a full valuation allowance will be recorded against our deferred tax assets due to our inability to file with Dell. We expect for the foreseeable future that a full valuation allowance will be recorded against our deferred tax assets until such time that we meet the more likely than not recognition criteria.

For a further discussion of income tax matters, see "Notes to Consolidated Financial Statements—Note 11—Income and Other Taxes" in our consolidated financial statements included in this report.

Results of Operations

Fiscal 2023 2024 Compared to Fiscal 2022 2023

The following table summarizes our key performance indicators for the fiscal years ended February 3, 2023 February 2, 2024 and January 28, 2022 February 3, 2023.

		Fiscal Years Ended								February 2, 2024			February 3, 2023				
		February 3, 2023		January 28, 2022		Change											
		\$	% of Revenue	\$	% of Revenue	\$	%										
		(in thousands, except percentages)								(in thousands, except percentages)							
Net revenue:	Net revenue:																
Subscription	Subscription	\$ 363,448	78.4 %	\$ 408,947	76.4 %	\$ (45,499)	(11.1)%										
Subscription	Subscription							\$ 304,556	83.2 %			\$ 363,448					
Professional Services	Professional Services	100,027	21.6 %	126,267	23.6 %	(26,240)	(20.8)%	61,323	16.8 %			100,027	21.6 %				
Total net revenue	Total net revenue	\$ 463,475	100.0 %	\$ 535,214	100.0 %	\$ (71,739)	(13.4)%	\$ 365,879	100.0 %			\$ 463,475	100.0 %				
Cost of revenue:	Cost of revenue:																
Subscription	Subscription							\$ 109,833	36.1 %			\$ 131,554	36.2 %				
Professional Services	Professional Services	59,644	59.6 %	73,611	58.3 %	(13,967)	(19.0)%	38,287	62.4 %			59,503	59.6 %				
Total cost of revenue	Total cost of revenue	\$ 191,642	41.3 %	\$ 217,126	40.6 %	\$ (25,484)	(11.7)%	\$ 148,120	40.5 %			\$ 191,057	41.3 %				
Total gross profit	Total gross profit	\$ 271,833	58.7 %	\$ 318,867	59.4 %	\$ (46,255)	(14.5)%	\$ 217,759	59.5 %			\$ 272,418	58.7 %				
Operating expenses:	Operating expenses:																
Research and development	Research and development	\$ 141,837	30.6 %	\$ 122,494	22.9 %	\$ 19,343	15.8 %										
Research and development	Research and development							\$ 110,996	30.3 %			\$ 139,785	30.6 %				
Sales and marketing	Sales and marketing	166,410	35.9 %	145,134	27.1 %	21,276	14.7 %	118,351	32.3 %			163,637	35.9 %				
General and administrative	General and administrative	111,615	24.1 %	102,834	19.2 %	8,781	8.5 %	83,233	22.7 %			101,554	24.1 %				

Reorganization and other related charges								Reorganization and other related charges							
								17,145		4.7 %		15,471			
Total operating expenses:	Total operating expenses:	\$ 419,862	90.6 %	\$370,462	69.2 %	\$ 49,400	13.3 %	Total operating expenses:	\$ 329,725	90.1	90.1 %	\$ 420,447	90.1	90.1 %	
Operating loss	Operating loss	(148,029)	(31.9) %	(52,374)	(9.8) %	(95,655)	182.6 %	Operating loss	(111,966)	(30.6)	(30.6) %	(148,029)	(31.9)	(31.9) %	
Net loss	Net loss	\$(114,499)	(24.7) %	\$(39,791)	(7.4) %	\$(74,708)	187.8 %	Net loss	\$(86,042)	(23.5)	(23.5) %	\$(114,499)	(24.7)	(24.7) %	
Other Financial Information (1)		Other Financial Information (1)		Other Financial Information (1)		Other Financial Information (1)		Other Financial Information (1)		Other Financial Information (1)		Other Financial Information (1)			
GAAP net revenue:		GAAP net revenue:		GAAP net revenue:		GAAP net revenue:		GAAP net revenue:		GAAP net revenue:		GAAP net revenue:			
Net revenue:		Net revenue:		Net revenue:		Net revenue:		Net revenue:		Net revenue:		Net revenue:			
Subscription		Subscription		Subscription		Subscription		Subscription		Subscription		Subscription			
Subscription	Subscription	\$ 363,448	78.4 %	\$408,947	76.4 %	\$(45,499)	(11.1) %	\$ 304,556	83.2	83.2 %	\$363,448	78.4	78.4 %		
Professional Services	Professional Services	100,027	21.6 %	126,267	23.6 %	(26,240)	(20.8) %	61,323	16.8	16.8 %	100,027	21.6	21.6 %		
Total GAAP net revenue		\$ 463,475	100.0 %	\$535,214	100.0 %	\$(71,739)	(13.4) %	Total GAAP net revenue		\$ 463,475	100.0 %	Total GAAP net revenue			
Total net revenue		Total net revenue		Total net revenue		Total net revenue		Total net revenue		Total net revenue		Total net revenue			
Non-GAAP cost of revenue:		Non-GAAP cost of revenue:		Non-GAAP cost of revenue:		Non-GAAP cost of revenue:		Non-GAAP cost of revenue:		Non-GAAP cost of revenue:		Non-GAAP cost of revenue:			
Non-GAAP Subscription		Non-GAAP Subscription		Non-GAAP Subscription		Non-GAAP Subscription		Non-GAAP Subscription		Non-GAAP Subscription		Non-GAAP Subscription			
Non-GAAP Subscription	Non-GAAP Subscription	\$ 113,779	31.3 %	127,217	31.1 %	(13,438)	(10.6) %	\$ 94,661	31.1	31.1 %	113,779	31.3	31.3 %		
Non-GAAP Professional Services	Non-GAAP Professional Services	58,145	58.1 %	72,706	57.6 %	(14,561)	(20.0) %	36,760	59.9	59.9 %	58,145	58.1	58.1 %		
Total Non-GAAP cost of revenue		\$ 171,924	37.1 %	\$199,923	37.4 %	\$(27,999)	(14.0) %	Total Non-GAAP cost of revenue		\$ 171,924	37.1 %	Total Non-GAAP cost of revenue			
Non-GAAP gross profit		Non-GAAP gross profit		Non-GAAP gross profit		Non-GAAP gross profit		Non-GAAP gross profit		Non-GAAP gross profit		Non-GAAP gross profit			
Non-GAAP operating expenses:	Non-GAAP operating expenses:	\$ 291,551	62.9 %	335,291	62.6 %	(43,740)	(13.0) %	\$ 234,458	64.1	64.1 %	\$ 291,551	62.9	62.9 %		
Non-GAAP research and development		Non-GAAP research and development		Non-GAAP research and development		Non-GAAP research and development		Non-GAAP research and development		Non-GAAP research and development		Non-GAAP research and development			
Non-GAAP research and development	Non-GAAP research and development	\$ 128,196	27.7 %	\$115,274	21.5 %	\$ 12,922	11.2 %	\$ 98,371	26.9	26.9 %	\$128,196	27.7	27.7 %		
Non-GAAP sales and marketing	Non-GAAP sales and marketing	157,069	33.9 %	141,069	26.4 %	16,000	11.3 %	114,185	31.2	31.2 %	157,069	33.9	33.9 %		
Non-GAAP general and administrative	Non-GAAP general and administrative	70,762	15.3 %	70,702	13.2 %	60	0.1 %	53,404	14.6	14.6 %	70,762	15.3	15.3 %		
Non-GAAP operating expenses		\$ 356,027	76.8 %	\$327,045	61.1 %	\$ 28,982	8.9 %	Non-GAAP operating expenses		\$ 356,027	76.8 %	Non-GAAP operating expenses			

Non-GAAP operating (loss) income	Non-GAAP operating (loss) income	(64,475)	(13.9)%	8,246	1.5%	(72,721)	(881.9)%	Non-GAAP operating (loss) income	(31,501)	(8.6)	(8.6)%	(64,475)	(13.9)%
Non-GAAP net (loss) income	Non-GAAP net (loss) income	\$ (46,886)	(10.1)%	8,716	1.6%	(55,602)	(637.9)%	Non-GAAP net (loss) income	\$ (19,119)	(5.2)	(5.2)%	\$ (46,886)	(10.1)%
Adjusted EBITDA	Adjusted EBITDA	\$ (59,035)	(12.7)%	\$ 18,592	3.5%	\$ (77,627)	(417.5)%	Adjusted EBITDA	\$ (27,824)	(7.6)	(7.6)%	\$ (59,035)	(12.7)%

(1) See "Non-GAAP Financial Measures" and "Reconciliation of Non-GAAP Financial Measures" for more information about these non-GAAP financial measures, including our reasons for including the measures, material limitations with respect to the usefulness of the measures, and a reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure. Non-GAAP financial measures as a percentage of revenue are calculated based on total GAAP net revenue, except for non-GAAP subscription cost of revenue and non-GAAP professional services cost of revenue measures, which are calculated based on GAAP subscription net revenue and GAAP professional services net revenue, respectively.

Revenue

The following table presents information regarding our net revenue for the fiscal years ended February 3, 2023, February 2, 2024 and January 28, 2022, February 3, 2023.

		Fiscal Years Ended						Fiscal Years Ended							
		February 3, 2023		January 28, 2022		Change		February 2, 2024		February 2, 2024		February 3, 2023		February 3, 2023	
		% of Revenue		% of Revenue		% Change		% of Revenue		% of Revenue		% of Revenue		% of Revenue	
		\$	%	\$	%	\$	%	\$	%	\$	%	\$	%	\$	%
		(in thousands, except percentages)													
Net revenue:	Net revenue:	\$ 463,475	100.0%	\$ 535,214	100.0%	\$ (71,739)	(13.4)%	\$ 463,475	100.0%	\$ 463,475	100.0%	\$ 463,475	100.0%	\$ 463,475	100.0%
Taegis Subscription Solutions	Taegis Subscription Solutions	\$ 188,085	40.6%	\$ 85,599	16.0%	\$ 102,486	119.7%	\$ 188,085	40.6%	\$ 188,085	40.6%	\$ 188,085	40.6%	\$ 188,085	40.6%
Managed Security Services	Managed Security Services	\$ 175,363	37.8%	\$ 323,348	60.4%	\$ (147,985)	(45.8)%	\$ 175,363	37.8%	\$ 175,363	37.8%	\$ 175,363	37.8%	\$ 175,363	37.8%
Total Subscription revenue	Total Subscription revenue	\$ 363,448	78.4%	\$ 408,947	76.4%	\$ (45,499)	(11.1)%	\$ 363,448	78.4%	\$ 363,448	78.4%	\$ 363,448	78.4%	\$ 363,448	78.4%
Professional services	Professional services	\$ 100,027	21.6%	\$ 126,267	23.6%	\$ (26,240)	(20.8)%	\$ 100,027	21.6%	\$ 100,027	21.6%	\$ 100,027	21.6%	\$ 100,027	21.6%
Total net revenue	Total net revenue	\$ 463,475	100.0%	\$ 535,214	100.0%	\$ (71,739)	(13.4)%	\$ 463,475	100.0%	\$ 463,475	100.0%	\$ 463,475	100.0%	\$ 463,475	100.0%

Subscription Revenue. Subscription revenue decreased \$45.5 million \$58.9 million, or 11.1% 16.2%, in fiscal 2023, 2024, which consisted of 53 52 weeks, compared to fiscal 2022, 2023, which consisted of 52 53 weeks. Adjusting for the additional week in fiscal 2023, subscription revenue decreased \$52.0 million \$52.4 million, or 12.7% 14.4%. The revenue decrease reflected our continued focus on reducing non-strategic service offerings and prioritizing the growth of our Taegis subscription solutions, which includes reselling Taegis offerings to our current managed security services customer base.

Professional Services Revenue. Professional services revenue decreased \$26.2 million \$38.7 million, or 20.8% 38.7%, in fiscal 2023, 2024, which consisted of 53 52 weeks, compared to fiscal 2022, 2023, which consisted of 52 53 weeks. Adjusting for the additional week in fiscal 2023, professional services revenue decreased \$27.9 million \$37.0 million, or 22.1% 37.0%. The revenue decrease reflects our focus on reducing non-strategic professional service offerings and an overall decrease of billable hours.

Revenue for certain services provided to or on behalf of Dell under our commercial agreements with Dell totaled approximately \$4.6 million \$0.9 million and \$11.7 million \$4.6 million for fiscal 2023 2024 and fiscal 2022 2023, respectively. Of the revenue derived from Dell, subscription revenue represented approximately 22% 16% and 35% 22% for fiscal

Taegis Subscription Solutions										
Taegis Subscription Solutions						\$ 190,120	\$ 127,736	\$ 62,384	48.8	%
Managed Security Services						19,775	121,933	(102,158)	(83.8)	%
Non-GAAP Subscription	Non-GAAP Subscription	\$ 249,669	\$ 281,730	\$(32,061)	(11.4)%	\$ 209,895	\$ 249,669	\$(39,774)	(15.9)	(15.9) %
Non-GAAP Professional Services	Non-GAAP Professional Services	41,882	53,561	(11,679)	(21.8)%	24,563	41,882	(17,319)	(41.4)	(41.4) %
Total Non-GAAP Gross Profit	Total Non-GAAP Gross Profit	\$ 291,551	\$ 335,291	\$(43,740)	(13.0)%	\$ 234,458	\$ 291,551	\$(57,093)	(19.6)	(19.6) %
Gross Margin:										
Non-GAAP Gross Margin:										
Non-GAAP Gross Margin:										
Taegis Subscription Solutions										
Taegis Subscription Solutions										
Taegis Subscription Solutions										
Managed Security Services										
Managed Security Services										
Managed Security Services										
Non-GAAP Subscription										
Non-GAAP Subscription										
Non-GAAP Subscription	Non-GAAP Subscription	68.7	% 68.9	%	(0.2)%					
Non-GAAP Professional Services	Non-GAAP Professional Services	41.9	% 42.4	%	(0.5)%					
Non-GAAP Professional Services										
Non-GAAP Professional Services										
Total Non-GAAP Gross Margin	Total Non-GAAP Gross Margin	62.9	% 62.6	%	0.3 %					
Total Non-GAAP Gross Margin										
Total Non-GAAP Gross Margin										

Subscription Gross Margin. Subscription gross margin decreased increased 1.2% 0.1% in fiscal 2023. We expect 2024. Overall, gross margin for Taegis Subscription Solutions has improved as we scale our comprehensive, higher-value offerings. The subscription gross margin continues to fluctuate from period to period as we continue to prioritize trail the growth and delivery of comprehensive higher-value security offerings with our increasing Taegis subscription solutions while driving scale gross margin due to the higher costs as a

percentage of revenue required to maintain and operational efficiencies associated with support our non-strategic managed security services. Managed Security Service offerings as we complete the end-of-life transition.

Subscription gross margin on a GAAP basis includes amortization of intangible assets and stock-based compensation expense, and reorganization related costs. expense. On a non-GAAP basis, excluding these adjustments, fiscal 2023 2024 gross margin decreased increased 0.2%.

Professional Services Gross Margin. Professional services gross margin decreased 1.3% 2.9% in fiscal 2023 2024. We expect professional services gross margin to fluctuate due to the timing of the revenue and related expense reductions associated with the reduction of our non-strategic professional services offerings.

Professional services gross margin on a GAAP basis includes stock-based compensation expense and reorganization related costs. expense. On a non-GAAP basis, excluding that adjustment, fiscal 2023 2024 gross margin decreased 0.5% 1.8%.

Operating Expenses

The following table presents information regarding our operating expenses during the fiscal years ended February 3, 2023 February 2, 2024 and January 28, 2022 February 3, 2023.

		Fiscal Year Ended					
		February 3, 2023			% Change	January 28, 2022	
		\$	% of Revenue	\$		% of Revenue	
Operating expenses:	Operating expenses:						
Operating expenses:							
Operating expenses:							
Research and development	Research and development	141,837	30.6 %	15.8%	122,494	22.9 %	
Research and development							
Sales and marketing	Sales and marketing	166,410	35.9 %	14.7%	145,134	27.1 %	
Sales and marketing							
General and administrative	General and administrative	111,615	24.1 %	8.5%	102,834	19.2 %	
General and administrative							
Reorganization and other related charges							
Reorganization and other related charges							
Reorganization and other related charges							
Total operating expenses	Total operating expenses						
Total operating expenses							
Total operating expenses	Total operating expenses	\$ 419,862	90.6 %	13.3%	\$ 370,462	69.2 %	
Other Financial Information	Other Financial Information						
Other Financial Information							
Other Financial Information							
Non-GAAP research and development	Non-GAAP research and development	128,196	27.7 %	11.2%	115,274	21.5 %	
Non-GAAP research and development							
Non-GAAP sales and marketing	Non-GAAP sales and marketing	157,069	33.9 %	11.3%	141,069	26.4 %	
Non-GAAP sales and marketing							
Non-GAAP general and administrative	Non-GAAP general and administrative	70,762	15.3 %	0.1%	70,702	13.2 %	
Non-GAAP general and administrative							

Total Non-GAAP operating expenses (1)	Total Non-GAAP operating expenses (1)	\$	356,027	76.8	%	8.9%	\$	327,045	61.1	%
Total Non-GAAP operating expenses (1)										
Total Non-GAAP operating expenses (1)										

(1) See "Non-GAAP Financial Measures" and "Reconciliation of Non-GAAP Financial Measures" for a reconciliation of each non-GAAP financial measure to the most directly comparable GAAP financial measure.

Research and Development Expenses. R&D expenses increased \$19.3 million decreased \$28.8 million, or 15.8% 20.6%, in fiscal 2023 2024. As a percentage of revenue, R&D expenses increased 770 10 basis points to 30.6% 30.3% in fiscal 2023 2024. As a percentage of revenue on a non-GAAP basis, R&D expenses increased 620 decreased 80 basis points to 27.7% 26.9%. The increase decrease in R&D expenses was primarily attributable to higher lower employee-related expenses, associated with R&D personnel resulting from the continued development of our Taegis solutions. Additionally, we incurred \$2.1 million of severance professional services costs, classified as R&D expenses, associated with our reorganization and consulting-related costs.

Sales and Marketing Expenses. S&M expenses increased \$21.3 million decreased \$45.3 million, or 14.7% 27.7%, in fiscal 2023 2024. As a percentage of revenue, S&M expenses increased 880 decreased 300 basis points to 35.9% 32.3% in fiscal 2023 2024. On a non-GAAP basis, S&M expenses as a percentage of revenue increased 750 decreased 270 basis points to 33.9% 31.2%. The increase decrease in S&M expenses was primarily attributable to costs incurred in connection with our Taegis marketing campaigns and headcount growth, the effect of which was partially offset by a decrease in commission marketing and advertising vendor costs as well as lower employee-related expenses. Additionally, we incurred \$2.5 million of severance costs, classified as S&M expenses, associated with our reorganization.

General and Administrative Expenses. G&A expenses increased \$8.8 million decreased \$18.3 million, or 8.5% 18.0%, in fiscal 2023 2024. As a percentage of revenue, G&A expenses increased 490 80 basis points to 24.1% 22.7% in fiscal 2023 2024. On a non-GAAP basis, G&A expenses as a percentage of revenue increased 210 decreased 70 basis points to 15.3% 14.6%. The increase decrease in G&A expenses was primarily attributable to our lower employee-related expenses, professional services costs, and consulting-related costs.

Reorganization and other related charges. During fiscal 2024, the Company incurred expenses of \$17.1 million associated with its reorganization plan to align our investments more closely with our strategic priorities. We incurred \$10.1 million consisting primarily of severance real estate, and other costs, classified as G&A expenses, associated termination benefits and real estate-related impairment, compared with our reorganization. These costs were partially offset by lower professional services and consulting related costs. \$15.5 million in fiscal 2023.

Operating Loss

Our operating loss for fiscal 2023 2024 and fiscal 2022 2023 was \$148.0 million \$112.0 million and \$52.4 million \$148.0 million, respectively. As a percentage of revenue, our operating loss was 31.9% 30.6% and 9.8% 31.9% in fiscal 2023 2024 and fiscal 2022 2023, respectively. The increase decrease in our operating loss as a percentage of revenue was primarily attributable to our decreased gross profit and increased operating expenses supplemented by increased gross margins as we continue complete our transition to invest in the business to drive growth, higher value, higher margin Taegis solutions.

Operating loss on a GAAP basis includes amortization of intangible assets, stock-based compensation expense, and reorganization related costs. On a non-GAAP basis, excluding these adjustments, our operating loss for fiscal 2023 2024 was \$64.5 million \$31.5 million compared to operating income loss of \$8.2 \$64.5 million in fiscal 2022 2023 respectively.

Interest and Other, Net

Interest and other, net represented net expense of \$2.6 million in fiscal 2024 compared with income of \$1.2 million in fiscal 2023 compared with expense of \$3.5 million in fiscal 2022 2023. The change primarily reflected the effects of foreign currency transactions and related exchange rate fluctuations.

Income Tax Expense (Benefit)

Our income tax benefit was \$28.5 million, or 24.9% of our pre-tax loss, in fiscal 2024 and \$32.3 million, or 22.0% of our pre-tax loss, in fiscal 2023 and \$16.1 million, or 28.8% of our pre-tax loss, in fiscal 2022 2023. The changes in the effective tax benefit rate were primarily attributable to both the increase decrease in loss before income taxes, the impact of certain adjustments related to stock-based compensation awards, and the recognition of additional benefits relating to research and development credits.

Net Income (Loss)

Our net loss of \$114.5 million increased \$74.7 million \$86.0 million decreased \$28.5 million, or 187.8% 24.9%, in fiscal 2023 2024 compared to fiscal 2022 2023. Net loss on a non-GAAP basis was \$46.9 million \$19.1 million in fiscal 2023 2024, which represented an increase a decrease of \$55.6 million \$27.8 million from fiscal 2022 2023. The changes on both a GAAP and non-GAAP basis were attributable to lower revenue from our continued focus on reducing non-strategic service offerings with a corresponding increase in decreased operating expenses the effect of which was offset in part supplemented by the increased gross margins as we complete our transition to higher income tax benefit recognized in the current period, value, higher margin Taegis solutions.

Liquidity, Capital Commitments and Contractual Cash Obligations

Overview

As of February 2, 2024, we have \$68.7 million of cash and cash equivalents. We believe that our cash and cash equivalents and access to the revolving credit facility will provide us with sufficient liquidity to meet our material cash requirements, including to fund our business and meet our obligations for at least 12 months from the filing date of this report and for the foreseeable future thereafter.

As of the balance sheet date, we have reported a deficit in working capital. This deficit in working capital represents an excess of our current liabilities over our current assets and is primarily the result of the significant balance of deferred revenue, reported as a current liability, as of the balance sheet date. We have in recent periods incurred losses from operations and operating cash outflows. Our future capital requirements will depend on many factors, including our rate of revenue growth, the rate of expansion of our workforce,

the timing and extent of our expansion into new markets, the timing of introductions of new functionality and enhancements to our solutions, potential acquisitions of complementary businesses and technologies, continuing market acceptance of our solutions and general economic and market conditions.

We expect our recent reorganization actions to result in significant cost savings as we complete our transition to higher value, higher margin Taegis solutions. We believe these efforts will optimize our organizational structure and increase scalability to better position us for continued growth with improving operating margins over time.

In the event that our financial results are below our expectations as a result of the factors mentioned above or other factors, we may need to raise take additional actions to preserve existing cash reserves. To the extent we undertake future material acquisitions, investments, or unanticipated capital or operating expenditures, we may require additional capital or incur indebtedness. In this context, we regularly evaluate opportunities to continue to fund enhance our operations in the future or to fund our needs for less predictable strategic initiatives, such as acquisitions, capital structure. In addition to our \$30 million \$50 million revolving credit facility from Dell, described below, sources of financing may include arrangements with unaffiliated third parties, depending parties. The timing, term, size, and pricing of any such financing will depend on the availability of capital, the cost of funds investor interest and lender collateral requirements, market conditions, and there can be no assurance that we will be able to obtain any such financing on favorable terms or at all.

Selected Measures of Liquidity and Capital Resources

Our principal sources of liquidity, consisting of cash and cash equivalents, are set forth below as of the dates indicated.

	February 3, 2023	January 28, 2022
	(in thousands)	
Cash and cash equivalents	\$ 143,517	\$ 220,655

	February 2, 2024	February 3, 2023
	(in thousands)	
Cash and cash equivalents	\$ 68,655	\$ 143,517

Revolving Credit Facility

SecureWorks, Inc., our wholly-owned subsidiary, is party to a revolving credit agreement with a wholly-owned subsidiary of Dell Inc. under which we have obtained a \$30 million \$50 million senior unsecured revolving credit facility. Under Effective September 6, 2023, the facility, up to \$30 million revolving credit agreement was amended and restated to: (1) increase the maximum principal amount of borrowings may be outstanding at any time. The maximum amount under the revolving credit facility to \$50 million, (2) remove the one-time increase of borrowings may be increased by up to an additional \$30 million by \$30 million in borrowings upon mutual agreement of by the lender and borrower, (3) extend the commitment and required repayment date under the revolving credit agreement to March 23, 2026, and (4) modify the rate at which interest accrues on funds drawn against the revolving credit agreement to SOFR plus 2.00%.

Amounts under the facility may be borrowed, repaid, and reborrowed from time to time during the term of the facility. The proceeds from loans made under the facility may be used for general corporate purposes. The facility is not guaranteed by us or our subsidiaries. There was no outstanding balance under the facility as credit agreement contains customary representations, warranties, covenants, and events of February 3, 2023, and we did not borrow any amounts under the facility during any period covered by this report. Effective as of March 24, 2023, the facility agreement was amended and restated to extend the maturity date to March 24, 2024 and to modify the annual rate at which interest accrues to the applicable Secured Overnight Financing Rate ("SOFR") plus 1.15% default. The unused portion of the facility is subject to a commitment fee of 0.35%, which is due upon expiration of the facility. There was no outstanding balance under the facility as of February 2, 2024 or February 3, 2023, and we did not borrow any amounts under the facility during any period covered by this report.

The borrower will be required to repay, in full, all of the loans outstanding, including all accrued interest, and the facility will terminate upon a change of control of SecureWorks Corp. or following a transaction in which SecureWorks, Inc. ceases to be a direct or indirect wholly-owned subsidiary of SecureWorks Corp. The facility is not guaranteed by us or our subsidiaries.

For more information regarding the facility, see "Notes to Consolidated Financial Statements—Note 6—Debt" in our consolidated financial statements included in this report.

Cash Flows

The following table presents information concerning our cash flows for the fiscal years ended February 3, 2023 February 2, 2024 and January 28, 2022 February 3, 2023.

	Fiscal Year Ended		Fiscal Year Ended	
	February 3, 2023	January 28, 2022	February 2, 2024	February 3, 2023
	(in thousands)		(in thousands)	
<i>Net change in cash from:</i>	<i>Net change in cash from:</i>		<i>Net change in cash from:</i>	
Operating activities	\$(62,600)	\$16,737		

Investing activities	Investing activities	(5,651)	(8,014)
Financing activities	Financing activities	(8,887)	(8,368)
Effect of exchange rate changes on cash and cash equivalents			
Change in cash and cash equivalents	Change in cash and cash equivalents	\$(77,138)	\$ 355

- Operating Activities** — Cash used in operating activities was \$62.6 million \$59.2 million in fiscal 2023 2024 compared to cash provided by used in operating activities of \$16.7 million \$58.7 million in fiscal 2022, 2023. The increased use of our operating cash was primarily driven by one-time costs incurred in connection with the reorganization, partially offset by our strategic investment decreased net loss as we rebalance investments cross-functionally in the business focused on marketing alignment with our current strategy and research and development initiatives regarding our Taegis offerings. growth opportunities.
- Investing Activities** — Cash used in investing activities totaled \$5.7 million \$6.4 million and \$8.0 million \$6.0 million in fiscal 2023 2024 and fiscal 2022, 2023, respectively. Investing activities consisted primarily of capitalized expenses related to the continued development of our Taegis software platform and SaaS applications, which decreased slightly in fiscal 2023 when increased \$1.5 million compared to fiscal 2022, 2023.
- Financing Activities** — Cash used in financing activities was \$8.9 million \$6.2 million and \$8.4 million \$8.9 million in fiscal 2023 2024 and fiscal 2022, 2023, respectively. The use of cash in fiscal 2023 reflected employee tax withholding payments paid by us of \$8.9 million on restricted stock-based awards. The use of cash in fiscal 2022 reflected employee tax withholding payments paid by us of \$12.5 million on restricted stock-based awards, which were partially offset by proceeds of \$4.1 million from stock options exercised during fiscal 2022.

Contractual Cash Obligations

Our material cash requirements represented by contractual cash obligations as of February 3, 2023 February 2, 2024, are summarized in the following table:

		Payments Due by Fiscal Year					Payments Due by Fiscal Year					Payments Due by Fiscal Year						
(in thousands)	(in thousands)	Less than 1 year	1-3 years	3-5 years	Thereafter	Total	(in thousands)	Less than 1 year	1-3 years	3-5 years	Thereafter	Total	(in thousands)	Less than 1 year	1-3 years	3-5 years	Thereafter	Total
Operating leases	Operating leases	\$ 5,321	\$ 9,622	\$ 4,088	\$ —	\$ 19,031												
Purchase obligations	Purchase obligations	47,061	78,775	44,000	—	169,836												
Total	Total	\$52,382	\$88,397	\$48,088	\$ —	\$188,867												
Total																		
Total																		

For information about leases and purchase obligations, see "Notes to Consolidated Financial Statements—Note 8—Leases" and "Notes to Consolidated Financial Statements—Note 7—Commitments and Contingencies" in our consolidated financial statements included in this report.

Critical Accounting Policies and Estimates

We prepare our financial statements in conformity with GAAP, which requires certain estimates, assumptions, and judgments to be made that may affect our consolidated financial statements. Accounting policies that have a significant impact on our results are described in "Notes to Consolidated Financial Statements—Note 2—Significant Accounting Policies" in our consolidated financial statements included in this report. The accounting policies discussed in this section are those that we consider to be the most critical. We consider an accounting policy to be critical if the policy is subject to a material level of judgment and if changes in those judgments are reasonably likely to materially impact our results.

Revenue Recognition. Secureworks derives revenue primarily from subscription services and professional services. Subscription revenue is derived from (i) Taegis software-as-a-service, or SaaS, security platform and (ii) managed security services. Professional services typically include incident response and security and risk consulting solutions.

Taegis is a cloud-native SaaS security software platform deployed as a subscription-based software-as-a-service, or SaaS, designed to unify detection and response across endpoint, network and cloud environments for better security outcomes and simpler security operations for our customers. Taegis Taegis' core offerings currently includes two applications, Extended Detection and Response, or are the security platform, Taegis XDR, and Vulnerability Detection and Response, or VDR. The two SaaS applications are

separate performance obligations. They are promises that are both capable of being distinct and distinct within the context of the contract, primarily because they function independently and can be purchased separately from one another, our supplemental MDR service, ManagedXDR. Customers do not have the right to take possession of the software platform. Revenue for our SaaS applications is recognized on a straight-line basis over the term of the arrangement, beginning with provision of the tenant by grant of access to the software platform. Customers also have the option to purchase an add-on managed service to supplement the XDR SaaS application, referred to as our Managed Detection and Response, or as ManagedXDR, subscription service. The ManagedXDR service is identified as a distinct performance obligation that is separable from the SaaS application. While a customer must purchase and deploy the XDR software to gain utility from the ManagedXDR service, a customer may purchase and benefit from using the XDR SaaS application on its own. In order to conclude that the two promises are not separately identifiable, the interrelationship/interdependence would most likely have to be reciprocal between the two separate offerings. The nature of the ManagedXDR service is to stand-ready, stand ready, or deliver, an unspecified quantity of services each day during the contract term, based on customer-specific needs. The ManagedXDR service period is contractually tied to the related software application and, as a stand ready obligation, will be is recognized on a straight-line basis over the term of the arrangement.

Subscription-based managed security service arrangements typically include security services, up-front installation fees and maintenance, and also may include the provision of an associated hardware appliance. We use our hardware appliances in providing security services required to access our Counter Threat Platform. The arrangements that require hardware do not typically convey ownership of the appliance to the customer. Moreover, any related installation fees are non-refundable and are also incapable of being distinct within the context of the arrangement. Therefore, we have determined that these arrangements constitute a single performance obligation for which the revenue and any related costs are recognized ratably over the term of the arrangement, which reflects our performance in transferring control of the services to the customer.

Amounts that have been invoiced for the managed security service subscription arrangements and the Taegis SaaS application offerings where the relevant revenue recognition criteria have not been met will be included in deferred revenue.

Professional services consist primarily of fixed-fee and retainer-based contracts. Revenue from these engagements is recognized using an input method over the contract term.

Secureworks reports revenue net of any revenue-based taxes assessed by governmental authorities that are imposed on, and concurrently with, specific revenue-producing transactions.

We recognize revenue when all of the following criteria are met:

- **Identification of the contract, or contracts, with a customer**—A contract with a customer exists when (i) we enter into an enforceable contract with a customer, (ii) the contract has commercial substance and the parties are committed to perform, and (iii) payment terms can be identified and collection of substantially all consideration to which we will be entitled in exchange for goods or services that will be transferred is deemed probable based on the customer's intent and ability to pay. Contracts entered into for professional services and subscription-based solutions near or at the same time are generally not combined as a single contract for accounting purposes, since neither the pricing nor the services are interrelated.
- **Identification of the performance obligations in the contract**—Performance obligations promised in a contract are identified based on the goods or services that will be transferred to the customer that are both (i) capable of being distinct, whereby the customer can benefit from the goods or service either on its own or together with other resources that are readily available from third parties or from us, and (ii) distinct in the context of the contract, whereby the transfer of the goods or services is separately identifiable from other promises in the contract. When promised goods or services are incapable of being distinct, we account for them as a combined performance obligation. With regard to a

typical contract for subscription-based managed security services, the performance obligation represents a series of distinct services that will be accounted for as a single performance obligation. For a typical contract that includes subscription-based SaaS applications, each application is generally considered to be distinct and accounted for as a separate performance obligation. In a typical professional services contract, Secureworks has a separate performance obligation associated with each service. We generally act as a principal when delivering either our subscription-based solutions or our professional services arrangement and, thus, recognize revenue on a gross basis.

- **Determination of the transaction price**—The total transaction price is primarily fixed in nature as the consideration is tied to the specific services purchased by the customer, which constitutes a series of distinct services for delivery of the solutions over the duration of the contract for our subscription services. For professional services contracts, variable consideration exists in the form of rescheduling penalties and expense reimbursements; no estimation is required at contract inception, since variable consideration is allocated to the applicable period.
- **Allocation of the transaction price to the performance obligations in the contract**—We allocate the transaction price to each performance obligation based on the performance obligation's standalone selling price. Standalone selling price is determined by considering all information available to us, such as historical selling prices of the performance obligation, geographic location, overall strategic pricing objective, market conditions, and internally approved pricing guidelines related to the performance obligations.
- **Recognition of revenue when, or as, the Company satisfies performance obligation**—We recognize revenue over time on a ratable recognition basis using a time-elapsed output method to measure progress for all subscription-based performance obligations, including managed security services and SaaS applications, over the contract term. For any upgraded installation services, which we have determined represent a performance obligation separate from its subscription-based arrangements, revenue is recognized over time using hours elapsed over the service term as an appropriate method to measure progress. For the performance obligation pertaining to professional services arrangements, we recognize revenue over time using an input method based on time (hours or days) incurred to measure progress over the contract term.

Business Combinations. The Company accounts for business combinations under the acquisition method of accounting. This method requires therecording of acquired assets and assumed liabilities at their acquisition date fair values. The allocation of the purchase price in a business combination requires us to make significant estimates in determining the fair value of acquired assets and assumed liabilities, especially with respect to intangible assets. The excess of the purchase price over the fair value of assets acquired and liabilities assumed is recorded as goodwill. These estimates are based upon a number of factors, including historical experience, market conditions and information obtained from the management of the acquired company. Critical estimates in valuing certain intangible assets include, but are not limited to, cash flows that an asset is expected to generate in the future, discount rates and the profit margin a market participant would receive. Results of operations related to business combinations are included prospectively beginning with the date of acquisition and transaction costs related to business combinations are recorded within selling, general and administrative expenses in the Consolidated Statements of Operations.

Intangible Assets Including Goodwill. Identifiable intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives. Finite-lived intangible assets are reviewed for impairment on a quarterly basis, or as potential triggering events are identified. Goodwill and indefinite-lived intangible assets are tested for impairment on an annual basis in the third fiscal quarter, or sooner if an indicator of impairment exists.

We may elect to first assess qualitative factors to determine whether it is more-likely-than-not that the fair value of goodwill at the reporting unit level, as well as indefinite-lived intangible assets at the individual asset level, are less than their respective carrying amounts. We determined that we have one reporting unit.

The qualitative assessment includes our consideration of relevant events and circumstances that would affect our single reporting unit and indefinite-lived assets, including macroeconomic, industry and market conditions, our overall financial performance, and trends in the market price of our Class A common stock. If indicators of impairment exist after performing the qualitative assessment, we will perform a quantitative assessment of goodwill and indefinite-lived intangible assets. We also may choose to perform the quantitative assessment periodically even if the qualitative assessment does not require us to do so. If the carrying amount exceeds the fair value of the reporting unit determined through the quantitative analysis, an impairment charge is recognized in an amount equal to that excess.

For the annual impairment review in the third quarter of fiscal 2023, 2024, we elected to bypass the performed a Step 0 qualitative assessment of qualitative factors to determine whether goodwill at the reporting unit level, and the indefinite-lived intangible assets at the individual asset level. It was concluded that it was not more likely than not that the fair value of its reporting unit was less than its carrying amount, including goodwill. In electing to bypass the qualitative assessment, we proceeded directly to performing a quantitative goodwill impairment test to measure the fair value of its reporting unit relative to its carrying amount.

The fair value of the reporting unit is generally estimated using a combination of public company multiples and discounted cash flow methodologies. The discounted cash flow and public company multiples methodologies require significant judgment,

including estimation of future revenues, gross margins, and operating expenses, which are dependent on internal forecasts, current and anticipated economic conditions and trends, selection of market multiples through assessment of the reporting unit's performance relative to peer competitors, the estimation of the long-term revenue growth rate and discount rate of our business, and the determination of our weighted average cost of capital. Changes in these estimates and assumptions could materially affect the fair value of the reporting unit, potentially resulting in a non-cash impairment charge.

The fair value of the indefinite-lived trade names is generally estimated using discounted cash flow methodologies. The discounted cash flow methodology requires significant judgment, including estimation of future revenue, the estimation of the long-term revenue growth rate of the our business and the determination of our weighted average cost of capital and royalty rates. Changes in these estimates and assumptions could materially affect the fair value of the indefinite-lived intangible assets, potentially resulting in a non-cash impairment charge.

Based on the results of the annual impairment test, we determined that the derived fair values of the reporting unit and indefinite-lived intangible asset exceeded was less than their respective carrying values, which indicated no impairment as of the annual impairment date. Further, values. Subsequently, no triggering events have transpired since the performance of the quantitative assessment our annual test that would indicate a potential impairment occurred during the fiscal year ended February 3, 2023 period through February 2, 2024.

Impairment of long-lived assets. We evaluate all long-lived assets, other than goodwill, whenever events or circumstances change that indicate the asset's carrying value may no longer be recoverable. If impairment indicators exist, a test of recoverability is performed by comparing the sum of the estimated undiscounted future cash flows attributable to the asset's carrying value. Impairment analyses are performed at the asset group level. If the asset's carrying value is not recoverable, impairment is measured by determining the asset's fair value and recording any difference as an impairment loss. Long-lived assets subject to this policy include property, plant & equipment, intangible assets, and Right-of-use assets. An impairment loss right-of-use assets, such as operating leases. Impairment losses of \$2.9 million and \$4.0 million was were recognized to our right-of-use assets for the fiscal year years ended February 2, 2024, and February 3, 2023, , respectively. No impairments were impairment was recognized in the fiscal years year ended January 28, 2022. These amounts are presented in the Consolidated Statement of Operations as reorganization and January 29, 2021, respectively, other related charges.

Stock-Based Compensation. Our compensation programs include grants under the SecureWorks Corp. 2016 Long-Term Incentive Plan and, prior to the IPO date, grants under share-based payment plans of Dell Technologies Inc., or Dell Technologies. Under the plans, we and, prior to the IPO date, Dell Technologies have granted stock options, restricted stock awards and restricted stock units. Compensation expense related to stock-based transactions is measured and recognized in the financial statements based on grant date fair value. Fair value for restricted stock awards and restricted stock units under our plan is based on the closing price of our Class A common stock as reported on the Nasdaq Global Select Market on the day of the grant. The fair value of each option award is estimated on the grant date using the Black-Scholes option-pricing model and a single option award approach. This model requires that at the date of grant we determine the fair value of the underlying Class A common stock, the expected term of the award, the expected volatility, risk-free interest rates, and expected dividend yield. The annual grant of restricted stock and restricted stock units issued during the fiscal year ended February 3, 2023 February 2, 2024 vest over an average service period of three years and approximately 16% 17% of such awards are subject to performance conditions. Stock-based compensation expense, regarding service-based awards, is adjusted for forfeitures, and recognized using a straight-line basis over the requisite service periods of the awards, which is generally three to four years. Stock-based compensation expense, regarding performance awards, is adjusted for forfeitures and performance criteria, and recognized on a graded vesting basis. We estimate a forfeiture rate, based on an analysis of actual historical forfeitures, to calculate stock-based compensation expense.

Loss Contingencies. We are subject to the possibility of various losses arising in the ordinary course of business. We consider the likelihood of loss or impairment of an asset or the incurrence of a liability, as well as our ability to reasonably estimate the amount of loss, in determining loss contingencies. An estimated loss contingency is accrued when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can reasonably be estimated. We regularly evaluate current information available to us to determine whether such accruals should be adjusted and whether new accruals are required.

Recently Issued Accounting Pronouncements

Information about recently issued accounting pronouncements is presented in "Notes to Consolidated Financial Statements—Note 2—Significant Accounting Policies" in our consolidated financial statements included in this report.

Item 7A. Quantitative and Qualitative Disclosures About Market Risk

Our results of operations and cash flows have been and will continue to be subject to fluctuations because of changes in foreign currency exchange rates, particularly changes in exchange rates between the U.S. dollar and the Euro, the British Pound, the Romanian Leu, the Japanese Yen, the Australian Dollar, and the Canadian Dollar; the currencies of

countries where we currently have our most significant international operations. Our expenses in international locations are generally denominated in the currencies of the countries in which our operations are located.

As our international operations grow, we may begin to use foreign exchange forward contracts to partially mitigate the impact of fluctuations in net monetary assets denominated in foreign currencies.

Item 8. Financial Statements and Supplementary Data

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Report of Independent Registered Public Accounting Firm

To the Board of Directors and Stockholders of SecureWorks Corp.

Opinions on the Financial Statements and Internal Control over Financial Reporting

We have audited the accompanying consolidated statements of financial position of SecureWorks Corp. and its subsidiaries (the "Company") as of February 3, 2023 February 2, 2024 and January 28, 2022 February 3, 2023, and the related consolidated statements of operations, of comprehensive loss, of stockholders' equity and of cash flows for each of the three years in the period ended February 3, 2023 February 2, 2024, including the related notes and financial statement schedule listed in the accompanying index (collectively referred to as the "consolidated financial statements"). We also have audited the Company's internal control over financial reporting as of February 3, 2023 February 2, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of February 3, 2023 February 2, 2024 and January 28, 2022 February 3, 2023, and the results of its operations and its cash flows for each of the three years in the period ended February 3, 2023 February 2, 2024 in conformity with accounting principles generally accepted in the United States of America. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of February 3, 2023 February 2, 2024, based on criteria established in Internal Control - Integrated Framework (2013) issued by the COSO.

Basis for Opinions

The Company's management is responsible for these consolidated financial statements, for maintaining effective internal control over financial reporting, and for its assessment of the effectiveness of internal control over financial reporting, included in Management's Report on Internal Control Over Financial Reporting appearing under Item 9A. Our responsibility is to express opinions on the Company's consolidated financial statements and on the Company's internal control over financial reporting based on our audits. We are a public accounting firm registered with the Public Company Accounting Oversight Board (United States) (PCAOB) and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud, and whether effective internal control over financial reporting was maintained in all material respects.

Our audits of the consolidated financial statements included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. Our audit of internal control over financial reporting included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audits also included performing such other procedures as we considered necessary in the circumstances. We believe that our audits provide a reasonable basis for our opinions.

Definition and Limitations of Internal Control over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (i) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (ii) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (iii) provide

reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

Because of its inherent limitations, internal control over financial reporting may not prevent or detect misstatements. Also, projections of any evaluation of effectiveness to future periods are subject to the risk that controls may become inadequate because of changes in conditions, or that the degree of compliance with the policies or procedures may deteriorate.

Critical Audit Matters

The critical audit matter communicated below is a matter arising from the current period audit of the consolidated financial statements that was communicated or required to be communicated to the audit committee and that (i) relates to accounts or disclosures that are material to the consolidated financial statements and (ii) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matter below, providing a separate opinion on the critical audit matter or on the accounts or disclosures to which it relates.

Revenue recognition – subscription contracts

As described in Note 2 to the consolidated financial statements, the Company recognizes revenue when all of the following criteria are met: (i) identification of the contract, or contracts, with a customer; (ii) identification of the performance obligations in the contract; (iii) determination of the transaction price; (iv) allocation of the transaction price to the performance obligations in the contract; and (v) recognition of the revenue when, or as, the Company satisfies a performance obligation. Subscription revenue is derived from (i) the Taegis software-as-a-service security platform and (ii) managed security services. The Company recognizes revenue over time on a ratable recognition basis using a time-elapsed output method to measure progress for all subscription-based performance obligations, over the contract term. As disclosed by management, judgment is applied in recognizing revenue based on determining all the aforementioned criteria have been met. For the year ended **February 3, 2023** **February 2, 2024**, the Company's subscription revenue was **\$363.4 million** **\$304.6 million**.

The principal considerations for our determination that performing procedures relating to revenue recognition for subscription contracts is a critical audit matter are (i) the significant judgment by management in assessing whether all of the criteria have been met related to revenue recognition for subscription contracts and (ii) the significant auditor judgment, subjectivity, and effort in performing procedures and evaluating audit evidence related to management's assessment of the revenue recognition criteria.

Addressing the matter involved performing procedures and evaluating audit evidence in connection with forming our overall opinion on the consolidated financial statements. These procedures included testing the effectiveness of controls relating to the Company's revenue recognition process for subscription contracts. These procedures also included, among others (i) evaluating management's accounting policies related to the recognition of subscription revenue, (ii) testing, for a sample of contracts, management's assessment of whether all of the criteria for revenue recognition have been met based on the contractual terms and conditions and evaluating the impact of management's assessment on the completeness, accuracy, and occurrence of revenue recognized, and (iii) testing the completeness and accuracy of data provided by management.

/s/ PricewaterhouseCoopers LLP
Atlanta, Georgia
March **23, 2023** **22, 2024**

We have served as the Company's auditor since 2014.

SECUREWORKS CORP.
CONSOLIDATED STATEMENTS OF FINANCIAL POSITION
(in thousands)

		February 3, 2023	January 28, 2022	February 2, 2024	February 3, 2023
ASSETS					
Current assets:	Current assets:			Current assets:	
Cash and cash equivalents	Cash and cash equivalents	\$143,517	\$220,655		
Accounts receivable, net	Accounts receivable, net	72,627	86,231		
Inventories	Inventories	620	505		
Other current assets	Other current assets	17,526	26,040		
Total current assets	Total current assets	234,290	333,431		
Property and equipment, net	Property and equipment, net	4,632	8,426		
Goodwill	Goodwill	425,519	425,926		
Operating lease right-of-use assets, net	Operating lease right-of-use assets, net	9,256	17,441		
Intangible assets, net	Intangible assets, net	106,208	133,732		

Other non-current assets	Other non-current assets	60,965	68,346
Total assets	Total assets	\$840,870	\$987,302

LIABILITIES AND STOCKHOLDERS' EQUITY

LIABILITIES AND STOCKHOLDERS' EQUITY

Current liabilities: Current liabilities:

Accounts payable
Accounts payable

Accounts payable	Accounts payable	\$ 18,847	\$ 15,062
Accrued and other current liabilities	Accrued and other current liabilities	81,566	88,122
Deferred revenue	Deferred revenue	145,170	163,304

Total current liabilities
Total current liabilities

Total current liabilities	Total current liabilities	245,583	266,488
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Long-term deferred revenue	Long-term deferred revenue	11,162	12,764
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Operating lease liabilities, non-current	Operating lease liabilities, non-current	12,141	16,869
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Other non-current liabilities	Other non-current liabilities	14,023	43,124
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Total liabilities	Total liabilities	282,909	339,245
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Commitments and contingencies (Note 7)	Commitments and contingencies (Note 7)	Commitments and contingencies (Note 7)	
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Stockholders' equity: Stockholders' equity:

Preferred stock - \$0.01 par value: 200,000 shares authorized; — shares issued		—	—
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Common stock - Class A of \$0.01 par value: 2,500,000 shares authorized; 14,749 and 14,282 shares issued and outstanding at February 3, 2023 and January 28, 2022, respectively		147	143
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Preferred stock - \$0.01 par value: 200,000 shares authorized; 0 shares issued			
Preferred stock - \$0.01 par value: 200,000 shares authorized; 0 shares issued			

Preferred stock - \$0.01 par value:
200,000 shares authorized; 0
shares issued

Common stock
- Class A of
\$0.01 par value:
2,500,000
shares
authorized;
16,392 and
14,749 shares
issued and
outstanding at
February 2,
2024 and
February 3,
2023,
respectively

Common stock - Class B of \$0.01 par value: 500,000 shares authorized; 70,000 shares issued and outstanding	Common stock - Class B of \$0.01 par value: 500,000 shares authorized; 70,000 shares issued and outstanding	700	700
Additional paid in capital	Additional paid in capital	967,367	939,404
Accumulated deficit	Accumulated deficit	(384,121)	(269,622)
Accumulated other comprehensive loss	Accumulated other comprehensive loss	(6,237)	(2,672)
Treasury stock, at cost - 1,257 and 1,257 shares, respectively	Treasury stock, at cost - 1,257 and 1,257 shares, respectively	(19,896)	(19,896)
Total stockholders' equity	Total stockholders' equity	557,961	648,057
Total liabilities and stockholders' equity	Total liabilities and stockholders' equity	\$840,870	\$987,302

The accompanying notes are an integral part of these consolidated financial statements.

SECUREWORKS CORP.
CONSOLIDATED STATEMENTS OF OPERATIONS
(in thousands, except per share data)

		Fiscal Year Ended					
		Fiscal Year Ended			Fiscal Year Ended		
		February 3, 2023	January 28, 2022	January 29, 2021	February 2, 2024	February 3, 2023	January 28, 2022
Net revenue:	Net revenue:						
Net revenue:							
Net revenue:							

Subscription				
Subscription	Subscription	\$ 363,448	\$408,947	\$427,937
Professional services	Professional services	100,027	126,267	133,097
Total net revenue	Total net revenue	463,475	535,214	561,034
Cost of revenue:	Cost of revenue:			
Subscription				
Subscription	Subscription	131,998	143,515	162,139
Professional services	Professional services	59,644	73,611	80,028
Total cost of revenue	Total cost of revenue	191,642	217,126	242,167
Gross profit	Gross profit	271,833	318,088	318,867
Operating expenses:	Operating expenses:			
Research and development	Research and development	141,837	122,494	105,008
Research and development				
Sales and marketing	Sales and marketing	166,410	145,134	144,934
General and administrative	General and administrative	111,615	102,834	101,760
Reorganization and other related charges				
Total operating expenses	Total operating expenses	419,862	370,462	351,702
Operating loss	Operating loss	(148,029)	(52,374)	(32,835)
Interest and other (expense)	Interest and other (expense)			
income, net	income, net	1,248	(3,532)	1,034
Loss before income taxes	Loss before income taxes	(146,781)	(55,906)	(31,801)
Income tax benefit	Income tax benefit	(32,282)	(16,115)	(9,899)
Net loss	Net loss	\$(114,499)	\$(39,791)	\$(21,902)
Loss per common share (basic and diluted)		\$ (1.36)	\$ (0.48)	\$ (0.27)
Net loss per common share (basic and diluted)				
Net loss per common share (basic and diluted)				
Net loss per common share (basic and diluted)				

Weighted-average common shares outstanding (basic and diluted)	Weighted-average common shares outstanding (basic and diluted)	84,389	82,916	81,358
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The accompanying notes are an integral part of these consolidated financial statements.

SECUREWORKS CORP.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(in thousands)

		Fiscal Year Ended					
		February 3, 2023	January 28, 2022	January 29, 2021			
		Fiscal Year Ended			Fiscal Year Ended		
		February 2, 2024			February 2, 2024	February 3, 2023	January 28, 2022
Net loss	Net loss	\$(114,499)	\$(39,791)	\$(21,902)			
Foreign currency translation adjustments, net of tax	Foreign currency translation adjustments, net of tax	(3,565)	(2,012)	2,430			
Comprehensive loss	Comprehensive loss	\$(118,064)	\$(41,803)	\$(19,472)			

The accompanying notes are an integral part of these consolidated financial statements.

SECUREWORKS CORP.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(in thousands)

		Fiscal Year Ended					
		February 3, 2023	January 28, 2022	January 29, 2021			
		Fiscal Year Ended			Fiscal Year Ended		
		February 2, 2024			February 2, 2024	February 3, 2023	January 28, 2022
Cash flows from operating activities:	Cash flows from operating activities:						
Net loss	Net loss	\$(114,499)	\$(39,791)	(21,902)			
Adjustments to reconcile net loss to net cash (used) provided by operating activities:	Adjustments to reconcile net loss to net cash (used) provided by operating activities:						
Net loss	Net loss						
Adjustments to reconcile net loss to net cash (used in) provided by operating activities:	Adjustments to reconcile net loss to net cash (used in) provided by operating activities:						
Depreciation and amortization	Depreciation and amortization	36,668	40,520	41,614			

Amortization of right of use asset	Amortization of right of use asset	3,800	3,846	4,482
Reorganization and other related charges	Reorganization and other related charges	6,112	—	—
Amortization of costs capitalized to obtain revenue contracts	Amortization of costs capitalized to obtain revenue contracts	18,203	19,330	21,273
Amortization of costs capitalized to fulfill revenue contracts	Amortization of costs capitalized to fulfill revenue contracts	4,773	5,186	5,699
Stock-based compensation expense	Stock-based compensation expense	36,855	30,446	24,414
Effects of exchange rate changes on monetary assets and liabilities denominated in foreign currencies		(824)	3,393	(1,485)
Income tax benefit	Income tax benefit	(32,282)	(16,115)	(9,899)
Other non-cash impacts		—	—	392
Income tax benefit				
Income tax benefit				
Provision for credit losses				
Provision for credit losses				
Provision for credit losses	Provision for credit losses	(524)	(430)	1,810
Changes in assets and liabilities:	Changes in assets and liabilities:			
Accounts receivable				
Accounts receivable				
Accounts receivable	Accounts receivable	13,729	21,221	2,557
Net transactions with Dell	Net transactions with Dell	(2,561)	(12,025)	11,788
Inventories	Inventories	(115)	55	186
Other assets	Other assets	25,451	(15,967)	(9,460)
Accounts payable	Accounts payable	3,587	(1,623)	(1,527)
Deferred revenue	Deferred revenue	(20,309)	(3,253)	(9,759)
Operating leases, net	Operating leases, net	(5,184)	(5,707)	(3,284)
Accrued and other liabilities	Accrued and other liabilities	(35,480)	(12,349)	3,690
Net cash (used in) provided by operating activities	Net cash (used in) provided by operating activities	(62,600)	16,737	60,589

Cash flows from investing activities:	Cash flows from investing activities:			
Capital expenditures	Capital expenditures	(1,947)	(1,928)	(3,005)
Capital expenditures	Capital expenditures			
Software development costs	Software development costs	(3,704)	(6,086)	—
Acquisition of business, net of cash acquired		—	—	(15,081)
Net cash used in investing activities				
Net cash used in investing activities				
Net cash used in investing activities	Net cash used in investing activities	(5,651)	(8,014)	(18,086)
Cash flows from financing activities:	Cash flows from financing activities:			
Proceeds from stock option exercises	Proceeds from stock option exercises			
Proceeds from stock option exercises	Proceeds from stock option exercises	—	4,134	1,469
Taxes paid on vested restricted shares	Taxes paid on vested restricted shares	(8,887)	(12,502)	(5,510)
Net cash used in financing activities	Net cash used in financing activities	(8,887)	(8,368)	(4,041)
Net cash used in financing activities				
Net cash used in financing activities				
Effect of exchange rate changes on cash and cash equivalents				
Net (decrease) increase in cash and cash equivalents	Net (decrease) increase in cash and cash equivalents	(77,138)	355	38,462
Cash and cash equivalents at beginning of the period	Cash and cash equivalents at beginning of the period	220,655	220,300	181,838
Cash and cash equivalents at end of the period	Cash and cash equivalents at end of the period	143,517	220,655	220,300
Supplemental Disclosures of Non-Cash Investing and Financing Activities:	Supplemental Disclosures of Non-Cash Investing and Financing Activities:			
Supplemental Disclosures of Non-Cash Investing and Financing Activities:	Supplemental Disclosures of Non-Cash Investing and Financing Activities:			
Income taxes paid	Income taxes paid	\$ 2,461	\$ 2,554	\$ 1,933
Income taxes paid				
Income taxes paid				

The accompanying notes are an integral part of these consolidated financial statements.

SECUREWORKS CORP.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(in thousands, except per share data)

		Common Stock - Class A		Common Stock - Class B		Additional Paid in		Accumulated Other	Treasury	Total Stockholders'
		Common Stock - Class A		Common Stock - Class B		Capital		Comprehensive Loss	Stock	Equity
		Outstanding	Amount	Outstanding	Amount					
		Shares		Shares						
Balances, January 31, 2020		11,206	\$ 112	70,000	\$ 700	\$ 896,983	\$ (207,929)	\$ (3,090)	\$ (19,896)	\$ 666,880
Balances, January 29, 2021										
Balances, January 29, 2021										
Balances, January 29, 2021										
Net loss	Net loss	—	—	—	—	—	(21,902)	—	—	(21,902)
Other comprehensive income		—	—	—	—	—	—	2,430	—	2,430
Net loss										
Net loss										
Other comprehensive loss										
Other comprehensive loss										
Other comprehensive loss										
Vesting of restricted stock units										
Vesting of restricted stock units										
Vesting of restricted stock units	Vesting of restricted stock units	1,148	11	—	—	(11)	—	—	—	—
Exercise of stock options	Exercise of stock options	105	1	—	—	1,468	—	—	—	1,469
Exercise of stock options										
Exercise of stock options										
Grant and forfeitures of restricted stock awards										
Grant and forfeitures of restricted stock awards										
Grant and forfeitures of restricted stock awards	Grant and forfeitures of restricted stock awards	455	5	—	—	(5)	—	—	—	—
Common stock withheld as payment of taxes and cost for equity awards	Common stock withheld as payment of taxes and cost for equity awards	(464)	(5)	—	—	(5,505)	—	—	—	(5,510)
Common stock withheld as payment of taxes and cost for equity awards										
Common stock withheld as payment of taxes and cost for equity awards										
Stock-based compensation	Stock-based compensation	—	—	—	—	24,414	—	—	—	24,414
Shares repurchased		—	—	—	—	—	—	—	—	—
Balances, January 29, 2021		12,450	\$ 125	70,000	\$ 700	\$ 917,344	\$ (229,831)	\$ (660)	\$ (19,896)	\$ 667,781
Stock-based compensation										

Stock-based compensation										
Balances, January 28, 2022										
Balances, January 28, 2022										
Balances, January 28, 2022										
Net loss	Net loss	—	—	—	—	—	(39,791)	—	—	(39,791)
Other comprehensive income		—	—	—	—	—	—	(2,012)	—	(2,012)
Net loss										
Net loss										
Other comprehensive loss										
Other comprehensive loss										
Other comprehensive loss										
Vesting of restricted stock units	Vesting of restricted stock units	1,515	15	—	—	(15)	—	—	—	—
Exercise of stock options		1,417	14	—	—	4,120	—	—	—	4,134
Vesting of restricted stock units										
Vesting of restricted stock units										
Grant and forfeitures of restricted stock awards										
Grant and forfeitures of restricted stock awards										
Grant and forfeitures of restricted stock awards	Grant and forfeitures of restricted stock awards	485	5	—	—	(5)	—	—	—	—
Common stock withheld as payment of taxes and cost for equity awards	Common stock withheld as payment of taxes and cost for equity awards	(1,585)	(16)	—	—	(12,486)	—	—	—	(12,502)
Common stock withheld as payment of taxes and cost for equity awards										
Common stock withheld as payment of taxes and cost for equity awards										
Stock-based compensation										
Stock-based compensation										
Stock-based compensation	Stock-based compensation	—	—	—	—	30,446	—	—	—	30,446
Balances, January 28, 2022		14,282	\$ 143	70,000	\$ 700	\$ 939,404	\$ (269,622)	\$ (2,672)	\$ (19,896)	\$ 648,057
Balances, February 3, 2023										
Balances, February 3, 2023										
Balances, February 3, 2023										
Net loss	Net loss	—	—	—	—	—	(114,499)	—	—	(114,499)
Other comprehensive loss		—	—	—	—	—	—	(3,565)	—	(3,565)
Net loss										
Net loss										
Other comprehensive income										
Other comprehensive income										
Other comprehensive income										
Vesting of restricted stock units										
Vesting of restricted stock units										

Vesting of restricted stock units	Vesting of restricted stock units	1,718	17	—	—	(17)	—	—	—	—
Grant and forfeitures of restricted stock awards		(423)	(4)	—	—	4	—	—	—	—
Common stock withheld as payment of taxes and cost for equity awards										
Common stock withheld as payment of taxes and cost for equity awards										
Common stock withheld as payment of taxes and cost for equity awards	Common stock withheld as payment of taxes and cost for equity awards	(828)	(8)	—	—	(8,879)	—	—	—	(8,887)
Stock-based compensation	Stock-based compensation	—	—	—	—	36,855	—	—	—	36,855
Stock-based compensation										
Stock-based compensation										
Balance, February 3, 2023		14,749	\$ 147	70,000	\$ 700	\$ 967,367	\$ (384,121)	\$ (6,237)	\$ (19,896)	\$ 557,961
Balance, February 2, 2024										
Balance, February 2, 2024										
Balance, February 2, 2024										

The accompanying notes are an integral part of these consolidated financial statements.

SECUREWORKS CORP.
Notes to Consolidated Financial Statements

NOTE 1 - DESCRIPTION OF THE BUSINESS AND BASIS OF PRESENTATION

Description of the Business

SecureWorks Corp. (individually and collectively with its consolidated subsidiaries, "Secureworks" or the "Company") is a leading global cybersecurity provider of technology-driven security solutions singularly focused on protecting the Company's customers by outpacing and outmaneuvering adversaries. customers.

On April 27, 2016, the Company completed its initial public offering ("IPO"). Upon the closing of the IPO, Dell Technologies Inc. ("Dell Technologies") owned, indirectly through Dell Inc. and Dell Inc.'s subsidiaries (Dell Inc., individually and collectively with its consolidated subsidiaries, "Dell"), all shares of the Company's outstanding Class B common stock, which as of February 3, 2023 February 2, 2024 represented approximately 82.6% 81.0% of the Company's total outstanding shares of common stock and approximately 97.9% 97.7% of the combined voting power of both classes of the Company's outstanding common stock.

The Company has one primary business activity, which is to provide customers with technology-driven cybersecurity solutions. The Company's chief operating decision-maker, who is the Chief Executive Officer, makes operating decisions, assesses performance, and allocates resources on a consolidated basis. There are no segment managers who are held accountable for operations and operating results below the consolidated unit level. Accordingly, Secureworks operates its business as a single reportable segment.

Basis of Presentation and Consolidation

The Company's consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("GAAP"). Certain amounts from the prior years have been reclassified to conform to current year presentation. The preparation of financial statements in accordance with GAAP requires management to make assumptions and estimations that affect the amounts reported in the Company's financial statements and notes. The inputs into certain of the Company's assumptions and estimations considered the economic implications of the coronavirus 2019 ("COVID-19") pandemic, the Ukraine/Russia conflict and inflation concerns on the Company's critical and significant accounting estimates. The consolidated financial statements include assets, liabilities, revenue, and expenses of all majority-owned subsidiaries. Intercompany transactions and balances are eliminated in consolidation.

For the periods presented, Dell has provided various corporate services to the Company in the ordinary course of business, including finance, tax, human resources, legal, insurance, IT, procurement, and facilities-related services. The cost of these services is charged in accordance with a shared services agreement, as amended or amended and restated, in part, from time to time, that went into effect on August 1, 2015. For more information regarding the related party transactions, see "Note 13—Related Party Transactions."

During the periods presented in the financial statements, Secureworks did not file separate federal tax returns, as the Company is generally included in the tax grouping of other Dell entities within the respective entity's tax jurisdiction. The income tax benefit has been calculated using the separate return separate-return method, modified to apply the benefits for loss benefits-for-loss approach. Under this approach, net operating losses or other tax attributes are characterized as realized or as realizable by Secureworks when those attributes are utilized or expected to be utilized by other members of the Dell consolidated affiliated group. See "Note 11—Income and Other Taxes" for more information.

Revisions

The Company's historical classification of the effects of exchange rate changes on the Company's foreign denominated cash and cash equivalents balances was not presented separately as the effect of exchange rate changes on cash and cash equivalents in the Company's Consolidated Statement of Cash Flows, but rather was included as a component of net cash provided by (used in) operating activities and investing activities. The Company has revised the Consolidated Statements of Cash Flows for fiscal year 2023 and 2022 to correct these classifications. For the fiscal year ended February 3, 2023, the impact of this correction was a decrease in net cash used in operating activities of \$3.9 million and an increase in net cash used for capital expenditures, as included in the total net cash used in investing activities, of \$0.4 million. For the fiscal year ended January 28, 2022, the impact of this correction was an increase in net cash provided by operating activities of \$7.8 million, and an increase in cash used for capital expenditures, as included in total cash used in investing activities, of \$0.2 million. The corresponding amounts are now presented separately on the Consolidated Statements of Cash Flows as the effect of exchange rate changes on cash and cash equivalents for each of the periods. These revisions do not impact the Consolidated Statements of Operations, the Consolidated Statements of Comprehensive Loss, or the Consolidated Statements of Financial Position.

The Company has concluded that the effect of this revision is not material to any of our previously issued financial statements. This revision also impacts our unaudited interim Condensed Consolidated Financial Statements for each fiscal quarter during fiscal 2024. Please see Note 15 for further details related to impacts on referenced interim periods.

SECUREWORKS CORP. Notes to Consolidated Financial Statements (Continued)

Fiscal Year

The Company's fiscal year is the 52- or 53-week period ending on the Friday closest to January 31. The Company refers to the fiscal years ended February 3, 2023 February 2, 2024, January 28, 2022 February 3, 2023, and January 29, 2021 January 28, 2022, as fiscal 2024, fiscal 2023 and fiscal 2022, respectively. Fiscal 2024 and fiscal 2021, respectively. Fiscal 2023 consists of 53 weeks. Fiscal 2022 and fiscal 2021 each consisted of 52 weeks. Fiscal 2023 consisted of 53 weeks.

Use of Estimates

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, the disclosure of contingent assets and liabilities at the date of the financial statements, and the reported amounts of revenue and expenses during the reporting periods. Estimates are revised as additional information becomes available. In the Consolidated Statements of Operations, estimates are used when accounting for revenue arrangements, determining the cost of revenue, allocating cost, and estimating the impact of contingencies. In the Consolidated Statements of Financial Position, estimates are used in determining the valuation and recoverability of assets, such as accounts receivables, inventories, fixed assets, capitalized software, goodwill and other identifiable intangible assets, and purchase price allocation for business combinations. Estimates are also used in determining the reported amounts of liabilities, such as taxes payable and the impact of contingencies. All estimates also impact the Consolidated Statements of Operations. Actual results could differ from these estimates due to risks and uncertainties, including uncertainty in the current economic environment as a result of the COVID-19 pandemic, due to the Ukraine/Russia conflict and impacts of inflation. The Company considered the potential impact of the COVID-19 pandemic and current economic and geopolitical uncertainty on its estimates and assumptions and determined there was not a material impact to the Company's consolidated financial statements as of and for the fiscal year ended February 3, 2023 February 2, 2024. As the COVID-19 pandemic and current economic environment continue continues to develop, many of the Company's estimates could require increased judgment and be subject to a higher degree of variability and volatility. As a result, the Company's estimates may change materially in future periods.

Liquidity

In recent periods, the Company has incurred losses from operations and operating cash outflows and, as of the Balance Sheet date, the Company has reported a deficit in working capital.

During fiscal 2024, the Company completed reorganization actions which are expected to result in significant cost savings as the Company completes a transition to higher value, higher margin Taegis solutions. These efforts are expected to optimize the organizational structure and increase scalability to better position the Company for continued growth with improving operating margins over time. In the event that the Company's financial results are below its expectations as a result of these or other factors, the Company may need to take additional actions to preserve existing cash reserves.

As of February 2, 2024, the Company held \$68.7 million of cash and cash equivalents. There were no amounts drawn on the \$50 million Revolving Credit Facility with Dell as of February 2, 2024. The Company believes that its cash and cash equivalents and access to the Revolving Credit Facility will provide sufficient liquidity to meet its material cash requirements, including to fund its business and meet its obligations for at least 12 months from the filing date of this report.

SECUREWORKS CORP. Notes to Consolidated Financial Statements (Continued)

NOTE 2 — SIGNIFICANT ACCOUNTING POLICIES

Cash and Cash Equivalents. As of February 3, 2023 February 2, 2024 and January 28, 2022 February 3, 2023, cash and cash equivalents are comprised of cash held in bank accounts and money market funds. The cash and cash equivalents are reported at their current carrying value, which approximates fair value due to the short-term nature of these instruments. The money market funds are valued using quoted market prices and are included as Level 1 inputs. As of February 3, 2023 February 2, 2024 and January 28, 2022 February 3, 2023, the Company had \$16.5 \$1.7 million and \$115.8 million \$16.5 million, respectively, invested in money market funds.

Accounts Receivable. Trade accounts receivable are recorded at the invoiced amount, net of allowances for credit losses. Accounts receivable are charged against the allowance for credit losses when deemed uncollectible. Management regularly reviews the adequacy of the allowance for credit losses by considering the age of each outstanding invoice, each customer's expected ability to pay, and the collection history with each customer, when applicable, to determine whether a specific allowance is appropriate. As of February 3, 2023 February 2, 2024 and January 28, 2022 February 3, 2023, the allowance for credit losses was \$2.4 million \$1.6 million and \$3.5 million \$2.4 million, respectively.

Unbilled accounts receivable included in accounts receivable, totaling \$4.8 \$2.9 million and \$7.4 \$4.8 million as of February 3, 2023 February 2, 2024 and January 28, 2022 February 3, 2023, respectively, relate to work that has been performed, though invoicing has not yet occurred. All of the unbilled receivables are expected to be billed and collected within the

upcoming fiscal year.

Allowance for Credit Losses. The Company recognizes an allowance for losses on accounts receivable in an amount equal to the estimated probable losses, net of recoveries. The Company assesses its allowance by taking into consideration forecasts of future economic conditions, information about past events, such as its historical trend of write-offs, and customer-specific circumstances, such as bankruptcies and disputes. The expense associated with the allowance for credit losses is recognized in general and administrative expenses.

Fair Value Measurements. The Company measures fair value within the guidance of the three-level valuation hierarchy. This hierarchy is based upon the transparency of inputs to the valuation of an asset or liability as of the measurement date. The categorization of a measurement within the valuation hierarchy is based upon the lowest level of input that is significant to the fair value measurement. The carrying amounts of the Company's financial instruments, including cash equivalents, accounts receivable, accounts payable, and accrued expenses, approximate their respective fair values due to their short-term nature.

Inventories. Inventories consist of finished goods, which include hardware devices such as servers, log retention devices and appliances that are sold in connection with the Company's solutions offerings. Inventories are stated at lower of cost or net realizable value, with cost being determined on a first-in, first-out (FIFO) basis.

Prepaid Maintenance and Support Agreements. Prepaid maintenance and support agreements represent amounts paid to third-party service providers for maintenance, support, and software license agreements in connection with the Company's obligations to provide maintenance and support services. The prepaid maintenance and support agreement balance is amortized on a straight-line basis over the contract term and is primarily recognized as a component of cost of revenue. Amounts that are expected to be amortized within one year are recorded in other current assets and the remaining balance is recorded in other non-current assets.

Property and Equipment. Property and equipment are carried at depreciated cost. Depreciation is calculated using the straight-line method over the estimated economic lives of the assets, which range from two to five years. Leasehold improvements are amortized over the shorter of five years or the lease term. For the fiscal years ended February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021, January 28, 2022, depreciation expense was \$5.9 million \$4.1 million, \$10.3 million \$5.9 million and \$12.9 million \$10.3 million, respectively. Gains or losses related to retirement or disposition of fixed assets are recognized in the period incurred.

Leases. The Company determines if any arrangement is, or contains, a lease at inception based on whether or not the Company has the right to control the asset during the contract period and other facts and circumstances. Secureworks is the lessee in a lease contract when the Company obtains the right to control the asset. Operating leases are included in the line items operating lease right-of-use assets, net; accrued and other current liabilities; and operating lease liabilities, non-current in the Consolidated Statements of Financial Position. Leases with a lease term of 12 months or less at inception are not recorded in the Consolidated Statements of Financial Position and are expensed on a straight-line basis over the lease term in the Consolidated Statements of Operations. The Company determines the lease term by assuming the exercise of renewal options that are reasonably certain. As most of the Company's leases do not provide an implicit interest rate, Secureworks uses the Company's incremental borrowing rate based on the information available at commencement date in determining the present value of future payments. When the Company's contracts contain lease and non-lease components, the Company accounts for both components as a single lease component. See "Note 8—Leases" for further discussion.

Intangible Assets Including Goodwill. Identifiable intangible assets with finite lives are amortized on a straight-line basis over their estimated useful lives. Finite-lived intangible assets are reviewed for impairment on a quarterly basis, or as potential

SECUREWORKS CORP.

Notes to Consolidated Financial Statements (Continued)

triggering events are identified. Goodwill and indefinite-lived intangible assets are tested for impairment on an annual basis in the third fiscal quarter, or sooner if an indicator of impairment exists.

SECUREWORKS CORP.

Notes to Consolidated Financial Statements (Continued)

The Company may elect to first assess qualitative factors to determine whether it is more likely than not (greater than 50% likelihood) that the fair value of the Company's goodwill at the reporting unit, as well as indefinite-lived assets at the individual asset level, are less than their respective carrying amounts. The Company has determined it has one reporting unit.

The qualitative assessment includes the Company's consideration of relevant events and circumstances that would affect the Company's single reporting unit and indefinite-lived assets, including macroeconomic, industry, and market conditions, the Company's overall financial performance, and trends in the market price of the Company's Class A common stock. If indicators of impairment exist after performing the qualitative assessment, the Company will perform a quantitative impairment assessment of goodwill and indefinite-lived assets. The Company may also choose to perform the quantitative assessment periodically even if the qualitative assessment does not require the Company to do so. For the Company's goodwill and indefinite-lived intangible assets, if the quantitative analysis determines the carrying amount exceeds the fair value of at the reporting unit determined through the quantitative analysis, level or individual asset level, an impairment charge is recognized in an amount equal to that excess.

For The Company performed a Step 0 qualitative assessment of goodwill at the annual impairment review in reporting unit level, and the indefinite-lived intangible assets at the individual asset level, during its third quarter of fiscal 2023, the Company elected to bypass the assessment of qualitative factors to determine whether 2024. It was concluded that it was not more likely than not that the fair value of its reporting unit was less than its carrying amount, including goodwill. In electing to bypass the qualitative assessment, the Company proceeded directly to performing a quantitative goodwill impairment test to measure the fair value of its reporting unit relative to its carrying amount.

Based on the results of the annual impairment test, the Company determined that the derived fair values of the reporting unit and indefinite-lived intangible asset exceeded was less than their respective carrying values, which indicated values. The Company has determined that it has a single goodwill reporting unit, and, accordingly, assessed the goodwill carrying value at the reporting unit level. Subsequently, no impairment as of the annual impairment date. Further, no triggering events have transpired since the performance of the quantitative assessment occurred through February 2, 2024 year-end that would indicate a potential an impairment during the fiscal year ended February 3, 2023. See Note 5 —"Goodwill and Intangible Assets" for further discussion.

Business Combinations. The Company accounts for business combinations under the acquisition method of accounting. This method requires therecording of acquired assets and assumed liabilities at their acquisition date fair values. The allocation of the purchase price in a business combination requires significant estimates to be made in determining the fair value of acquired assets and assumed liabilities, especially with respect to intangible assets. The excess of the purchase price over the fair value of assets acquired and liabilities assumed is recorded as goodwill. These estimates are based upon a number of factors, including historical experience, market conditions and information obtained from the management of the acquired company. Critical estimates in valuing certain intangible assets include, but are not limited to, cash flows that an asset is expected to generate in the future, discount rates and the profit margin a market participant would receive. Results of operations related to business combinations are included prospectively beginning with the date of acquisition and transaction costs related to business combinations are recorded within selling, general and administrative expenses in the Consolidated Statements of Operations. For more information, see Note 15 —“Business Combinations.”exists.

Impairment of long-lived assets. The Company evaluates all long-lived assets, other than goodwill, whenever events or circumstances change that indicate the asset's carrying value may no longer be recoverable. If impairment indicators exist, a test of recoverability is performed by comparing the sum of the estimated undiscounted future cash flows attributable to the asset's carrying value. Impairment analyses are performed at the asset group level. If the asset's carrying value is not recoverable, impairment is measured by determining the asset's fair value and recording any difference as an impairment loss. Long-lived assets subject to this policy include property, plant & equipment, definite-lived intangible assets, and Right-of-use assets. An impairment loss Impairment losses of \$2.9 million and \$4.0 million was/were recognized to the Company's right-of-use assets for the fiscal year/years ended February 2, 2024 and February 3, 2023, respectively. No impairments were recognized in the fiscal years/year ended January 28, 2022 and January 29, 2021, respectively.

Deferred Commissions and Deferred Fulfillment Costs. The Company accounts for both costs to obtain a contract for a customer, which are defined as costs that the Company would not have incurred if the contract had not been obtained, and costs to fulfill a contract by capitalizing and systematically amortizing the assets on a basis that is consistent with the transfer to the customer of the goods or services to which the assets relate. These costs generate or enhance resources used in satisfying performance obligations that directly relate to contracts. The Company recognizes the incremental costs of obtaining contracts as an expense when incurred if the amortization period of the incremental costs of obtaining contracts that the Company otherwise would have recognized is one year or less.

The Company's customer acquisition costs are primarily attributable to sales commissions and related fringe benefits earned by the Company's sales force and such costs are considered incremental costs to obtain a contract. Sales commissions for initial contracts are deferred and amortized taking into consideration the pattern of transfer to which assets relate and may include expected renewal periods where renewal commissions are not commensurate with the initial commission period. The Company recognizes deferred commissions on a straight-line basis over the life of the customer relationship (estimated to be six years) in sales and marketing expenses. These assets are classified as non-current and included in other non-current assets in the Consolidated Statements of Financial Position. As of February 3, 2023 February 2, 2024 and January 28, 2022 February 3, 2023, the amount of deferred commissions included in other non-current assets was \$49.6 \$41.8 million and \$54.0 million \$49.6 million, respectively.

SECUREWORKS CORP.

Notes to Consolidated Financial Statements (Continued)

Additionally, the Company incurred certain costs to install and activate hardware and software related to its other managed security services, primarily associated with a portion of the compensation for the personnel who performed the installation activities. The Company made judgments regarding the fulfillment costs to be capitalized. Specifically, the Company capitalized direct labor and associated fringe benefits using standards developed from actual costs and applicable operational data. The Company updated the information quarterly for items such as the estimated amount of time required to perform such activity. The Company recognizes historically recognized deferred fulfillment costs related to its other managed security services in cost of revenue on a straight-line basis that is consistent over the device service life estimated at four years. Consistent with the transfer to the customer Company's end-of-life transition of the related goods and its non-strategic managed security services, (estimated to be four years) in cost these deferred fulfillment costs are fully amortized as of revenue. fiscal 2024. As of February 3, 2023 February 2, 2024 and January 28, 2022 February 3, 2023, the amount of deferred fulfillment costs included in other non-current assets was \$3.2 million \$0.0 million and \$7.6 million \$3.2 million, respectively.

SECUREWORKS CORP.

Notes to Consolidated Financial Statements (Continued)

Foreign Currency Translation. During the periods presented, Secureworks primarily operated in the United States. For the majority of the Company's international subsidiaries, the Company has determined that the functional currency of those subsidiaries is the local currency. Accordingly, assets and liabilities for these entities are translated at current exchange rates in effect at the balance sheet date. Revenue and expenses from these international subsidiaries are translated using the monthly average exchange rates in effect for the period in which the items occur. Foreign currency translation adjustments are included as a component of accumulated other comprehensive loss, while foreign currency transaction gains and losses are recognized in the Consolidated Statements of Operations within interest and other (expense) income, net. These transaction gains (losses) totaled \$0.8 (2.6) million, \$0.8 million and \$(3.4) million and \$1.5 million for the fiscal years ended February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021 January 28, 2022, respectively.

Revenue Recognition. Secureworks derives revenue primarily from subscription services and professional services. Subscription revenue is derived from (i) the Taegis software-as-a-service (“SaaS”) security platform and (ii) managed security services. Professional services typically include incident response and security and risk consulting solutions.

As indicated above, the Company has one primary business activity, which is to provide customers with technology-driven information security solutions. The Company's chief operating decision maker, who is the Chief Executive Officer, makes operating decisions, assesses performance, and allocates resources on a consolidated basis. There are no segment managers who are held accountable for operations and operating results below the consolidated unit level. Accordingly, the Company is considered to be in a single reportable segment and operating unit structure.

Beginning in fiscal 2021, the Company began transitioning its subscription business to its Taegis subscription solutions from non-strategic other managed security subscription services. As part of the Company's ongoing transition, early in the fourth quarter of fiscal 2022, it informed customers that many of its other managed security subscription services would no longer be available for purchase, effective as of the beginning of fiscal 2023, as many of those services offer a natural transition to its Taegis platform. Renewals associated with many of the Company's existing other managed security subscription services are/were not expected to extend/extended beyond the end of fiscal 2023.

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

The following table presents revenue by service type (in thousands):

		Fiscal Year Ended		
		January 28, 2022		January 29, 2021
		February 3, 2023	2022	2021
		Fiscal Year Ended		
		February 2, 2024	February 3, 2023	January 28, 2022
Net revenue:	Net revenue:			
Taegis Subscription Solutions	Taegis Subscription Solutions			
Taegis Subscription Solutions	Taegis Subscription Solutions	\$ 188,085	\$ 85,599	\$ 32,149
Managed Security Services	Managed Security Services	175,363	323,348	395,788
Total Subscription revenue	Total Subscription revenue	363,448	408,947	427,937
Professional Services	Professional Services	100,027	126,267	133,097
Total net revenue	Total net revenue	\$ 463,475	\$535,214	\$561,034

The Company's proprietary Taegis Subscription Solutions revenue for the fiscal year ended January 29, 2021 has been presented for consistency with current period presentation but security platform was not separately disclosed in the annual filing for that period.

Taegis is a cloud-native security software platform deployed purpose-built as a subscription-based software-as-a-service ("SaaS"), SaaS platform that combines the power of artificial intelligence and designed machine-learning with security analytics and threat intelligence to unify detection and response across endpoint, network, cloud, and cloud environments other business systems for better security outcomes and simpler security operations for customers.

Taegis' core offerings are the security platform, Taegis offerings currently include two applications, Extended Detection XDR, and Response ("XDR"), and Vulnerability Detection and Response ("VDR"). The two SaaS applications are separate performance obligations. They are promises that are both capable of being distinct and distinct within the context of the contract, primarily because they function independently and can be purchased separately from one another, our supplemental MDR service, ManagedXDR. Customers do not have the right to take possession of the software security platform. Revenue for the our Taegis SaaS applications solutions is recognized on a straight-line basis over the term of the arrangement, beginning with provision of the tenant by grant of access to the software security platform.

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Notes to Consolidated Financial Statements (Continued)

Customers also have the option to purchase an add-on managed service to supplement the XDR SaaS application, referred to as the Managed Detection and Response ("ManagedXDR") subscription service. The ManagedXDR service is identified as a distinct performance obligation that is separable from the XDR SaaS application. While a customer must purchase and deploy the XDR software solution to gain any utility from the ManagedXDR service, a customer can purchase and benefit from using the XDR SaaS application solution on its own. In order to conclude that the two promises are not separately identifiable, the interrelationship/interrelationship and interdependence would most likely have to be reciprocal between the two separate offerings. The nature of the ManagedXDR service is to stand ready or deliver an unspecified quantity of services each day during the contract term, based on customer-specific needs. The ManagedXDR service period is contractually tied to the related software application, security solution and, as a stand-ready obligation, will be recognized on a straight-line basis over the term of the arrangement.

Subscription-based managed security service arrangements typically include included security services, up-front installation fees and maintenance and also may include the provision of an associated hardware appliance. The Company uses its hardware appliances in providing security services required to access the Company's legacy Counter Threat Platform. The arrangements that require hardware do not typically convey ownership of the appliance to the customer. Moreover, any related installation fees are non-refundable and are also incapable of being distinct within the context of the arrangement. Therefore, the Company has determined that these arrangements constitute a single performance obligation for which the revenue and any related costs are recognized over the term of the arrangement ratably, which reflects the Company's performance in transferring control of the services to the customer.

Amounts that have been invoiced for the subscription-based managed security service subscription arrangements services and the Taegis SaaS application offerings subscription solutions where the relevant revenue recognition criteria have not been met will be included in deferred revenue.

Professional services consist primarily of fixed-fee and retainer-based contracts. Revenue from these engagements is recognized using an input method over the contract term. The Company reports revenue net of any revenue-based taxes assessed by governmental authorities that are imposed on, and concurrently with, specific revenue-producing transactions.

The Company recognizes revenue when all of the following criteria are met:

- **Identification of the contract, or contracts, with a customer**—A contract with a customer exists when (i) the Company enters into an enforceable contract with a customer, (ii) the contract has commercial substance and the parties are committed to perform, and (iii) payment terms can be identified and collection of substantially all consideration to which the Company will be entitled in exchange for goods or services that will be transferred is deemed probable based on the customer's intent and ability to pay. Contracts entered into for professional services and subscription-based solutions near or at the same time are generally not combined as a single contract for accounting purposes, since neither the pricing nor the services are interrelated.

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Notes to Consolidated Financial Statements (Continued)

- **Identification of the performance obligations in the contract**—Performance obligations promised in a contract are identified based on the goods or services that will be transferred to the customer that are both (i) capable of being distinct, whereby the customer can benefit from the goods or service either on its own or together with other resources that are readily available from third parties or from the Company, and (ii) distinct in the context of the contract, whereby the transfer of the goods or services is separately identifiable from other promises in the contract. When promised goods or services are incapable of being distinct, the Company accounts for them as a combined performance obligation. With regard to a typical contract for subscription-based managed security services, the performance obligation represents a series of distinct services that will be accounted for as a single performance obligation. For a typical contract that includes subscription-based SaaS applications, each is generally considered to be distinct and accounted for as separate performance obligations. In a typical professional services contract, Secureworks has a separate performance obligation associated with each service. The Company generally acts as a principal when delivering either the subscription-based solutions or the professional services arrangement and, thus, recognizes revenue on a gross basis.
- **Determination of the transaction price**—The total transaction price is primarily fixed in nature as the consideration is tied to the specific services purchased by the customer, which constitutes a series for delivery of the solutions over the duration of the contract for the Company's subscription services. For professional services contracts, variable consideration exists in the form of rescheduling penalties and expense reimbursements; no estimation is required at contract inception, since variable consideration is allocated to the applicable period.
- **Allocation of the transaction price to the performance obligations in the contract**—The Company allocates the transaction price to each performance obligation based on the performance obligation's standalone selling price. Standalone selling price is determined by considering all information available to the Company, such as historical selling prices of the performance obligation, geographic location, overall strategic pricing objective, market conditions and internally approved pricing guidelines related to the performance obligations.

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Notes to Consolidated Financial Statements (Continued)

- **Recognition of revenue when, or as, the Company satisfies performance obligation**—The Company recognizes revenue over time on a ratable recognition basis using a time-elapsed output method to measure progress for all subscription-based performance obligations, including managed security services and SaaS applications, over the contract term. For any upgraded installation services which the Company has determined represent a performance obligation separate from its subscription-based arrangements, revenue is recognized over time using hours elapsed over the service term as an appropriate method to measure progress. For the performance obligation pertaining to professional services arrangements, the Company recognizes revenue over time using an input method based on time (hours or days) incurred to measure progress over the contract term.

Deferred Revenue (Contract Liabilities). Deferred revenue represents amounts contractually billed to customers or payments received from customers for which revenue has not yet been recognized. Deferred revenue that is expected to be recognized as revenue within one year is recorded as short-term deferred revenue and the remaining portion is recorded as long-term deferred revenue.

The Company has determined that its contracts generally do not include a significant financing component. The primary purpose of the Company's invoicing terms is to provide customers with simplified and predictable ways of purchasing its solutions, not to receive financing from customers or to provide customers with financing. Examples of such terms include invoicing at the beginning of a subscription term with revenue recognized ratably over the contract period.

Cost of Revenue. Cost of revenue consists primarily of compensation and related expenses, including salaries, benefits and performance-based compensation for employees who maintain the Counter Threat Platform and provide support security services to customers, as well as perform other critical functions, including those who deliver services associated with the Taegis platform. Other expenses include depreciation of equipment and costs associated with maintenance agreements for hardware provided to customers as part of their subscription-based solutions. In addition, cost of revenue includes amortization of technology licensing fees and external software development costs capitalized, fees paid to contractors/vendors who supplement or support solutions and enable subscription offerings, maintenance fees and overhead allocations.

Research and Development Costs. Development. Research and development costs are expensed as incurred. Research and development expenses include compensation and related expenses for the continued development of solutions offerings, including a portion of expenses costs related to the threat research team, which focuses on the identification of system vulnerabilities, data forensics and malware analysis, and product management. In addition, expenses related to the development and prototype of new solutions offerings also are included in research and development costs, as well as allocated overhead. The Company's solutions offerings have generally been developed internally.

Sales and Marketing. Sales and marketing expense consists of compensation and related expenses that include salaries, benefits, and performance-based compensation (including sales commissions and related expenses for sales and marketing personnel), marketing and advertising programs, such as lead generation, customer advocacy events, other brand-building expenses and

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

allocated overhead. Advertising costs are expensed as incurred and were \$42.8 million \$26.2 million, \$25.2 million \$42.8 million and \$19.2 million \$25.2 million for the fiscal years ended February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021 January 28, 2022, respectively.

General, and Administrative. General and administrative expense primarily includes the costs of human resources and recruiting, finance and accounting, legal support, management information systems and information security systems, facilities management, and other administrative functions, offset by allocations of information technology and facilities costs to other functions.

Reorganization and other related charges. Reorganization and other related charges consist primarily of severance and other termination benefits and real estate-related expenses, as described in "Note 14—Reorganization and Other Related Costs."

Software Development Costs. Qualifying software costs developed for internal use are capitalized when application development begins, it is probable that the project will be completed, and the software will be used as intended. In order to expedite delivery of the Company's security solutions, the application stage typically commences before the preliminary development stage is completed. Accordingly, no significant internal-use software development costs have been capitalized during any period presented.

The Company capitalizes development costs associated with software and applications to be sold, leased, or otherwise marketed after technological feasibility of the software or application is established. Under the Company's current practice of developing new software, the technological feasibility of the underlying software or application is not established until substantially all product development and testing is complete, which generally includes the development of a working model. Software development costs associated with software and applications to be sold, leased, or otherwise marketed that have been capitalized to date total approximately \$3.7 5.2 million for the fiscal year ended February 3, 2023 2, 2024.

Income Taxes. Current income tax expense is the amount of income taxes expected to be payable for the current year. Deferred tax assets and liabilities are recorded based on the difference between the financial statement and tax basis of assets and liabilities using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in the Consolidated Statement of Operations in the period that includes the enactment date. The Company calculates a provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized by identifying the temporary differences arising from the different

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

treatment of items for tax and accounting purposes. The Company accounts for the tax impact of including Global Intangible Low Tax Income, ("GILTI") or GILTI, in U.S. taxable income as a period cost. The Company provides valuation allowances for deferred tax assets, where appropriate. In assessing the need for a valuation allowance, the Company considers all available evidence for each jurisdiction, including past operating results, estimates of future taxable income, and the feasibility of ongoing tax planning strategies. In the event the Company determines all or part of the net deferred tax assets are not realizable in the future, it will make an adjustment to the valuation allowance that would be charged to earnings in the period in which such determination is made.

The accounting guidance for uncertainties in income tax prescribes a comprehensive model for the financial statement recognition, measurement, presentation, and disclosure of uncertain tax positions taken or expected to be taken in income tax returns. The Company recognizes a tax benefit from an uncertain tax position in the financial statements only when it is more likely than not that the position will be sustained upon examination, including resolution of any related appeals or litigation processes, based on the technical merits and a consideration of the relevant taxing authority's administrative practices and precedents.

During the periods presented in the financial statements, the Company did not file separate federal tax returns, as the Company was generally included in the tax grouping of other Dell entities within the respective entity's tax jurisdiction. The income tax benefit has been calculated using the separate return separate-return method, modified to apply the benefits for loss benefits-for-loss approach. Under the benefits for loss benefits-for-loss approach, net operating losses or other tax attributes are characterized as realized or as realizable by the Company when those attributes are utilized or expected to be utilized by other members of the Dell consolidated affiliated group.

Stock-Based Compensation. The Company's compensation programs include grants under the SecureWorks Corp. 2016 Long-Term Incentive Plan and, prior to the IPO date, grants under share-based payment plans of Dell Technologies. Under the plans, the Company, and prior to the IPO, Dell Technologies, have granted stock options, restricted stock awards, and restricted stock units. Compensation expense related to stock-based transactions is measured and recognized in the financial statements based on grant date fair value. Fair value for restricted stock awards and restricted stock units under the Company's plan is based on the closing price of the Company's Class A common stock as reported on the Nasdaq Global Select Market on the day of the grant. The fair value of each option award is estimated on the grant date using the Black-Scholes option-pricing model and a single option award approach. This model requires that at the date of grant the Company must determine the fair value of the underlying Class A common stock, the expected term of the award, the expected volatility, risk-free interest rates and expected dividend yield. The Company's annual grant of restricted stock and restricted stock units issued during the fiscal year ended February 3, 2023 February 2, 2024 vest over an average service period of three years and approximately 16% 17% of such awards are subject to

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

performance conditions. Stock-based compensation expense with respect to service-based awards is adjusted for forfeitures and recognized using a straight-line basis over the requisite service periods of the awards, which is generally three to four years. Stock-based compensation expense with respect to performance awards is adjusted for forfeitures and performance criteria and recognized on a graded vesting basis. The Company estimates a forfeiture rate, based on an analysis of actual historical forfeitures, to calculate stock-based compensation expense.

Loss Contingencies. Secureworks is subject to the possibility of various losses arising in the ordinary course of business. An estimated loss contingency is accrued when it is probable that an asset has been impaired or a liability has been incurred and the amount of loss can be reasonably estimated. The Company regularly evaluates current information available to determine whether such accruals should be adjusted and whether new accruals are required. See "Note 7—Commitments and Contingencies" for more information about loss contingencies.

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

Recently Adopted Issued Accounting Pronouncements

Business Combinations Segment Reporting – In November 2023, the Financial Accounting Standards Board, or FASB, issued Accounting Standards Update, or ASU, No. 2023-07, Segment Reporting, which expands annual and interim disclosure requirements for reportable segments, primarily through enhanced disclosures about significant segment expenses. The updated standard is effective for our annual periods beginning in the fiscal year ending January 31, 2025 and interim periods beginning in the first quarter of fiscal 2026. Early adoption is permitted. The Company has adopted Accounting Standard Update ("ASU") 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers." The guidance requires contract assets and contract liabilities (i.e., deferred revenue) acquired in a business combination to be recognized and measured by is currently evaluating the acquirer impact that the updated standard will have on the acquisition date in accordance with ASC 606, "Revenue from Contracts with Customers." ASU 2021-08 was effective for the Company beginning on January 29, 2022. There was no impact to the Company's consolidated its financial statements as a result of adoption of this standard update.

Debt - The Company has adopted Accounting Standard Update ("ASU") 2020-04, "Reference Rate Reform (Topic 848): Facilitation of the Effects of Reference Rate Reform on Financial Reporting." ASU 2020-04 provides optional expedients and exceptions for applying GAAP to contract modifications, hedging relationships, and other transactions, subject to meeting certain criteria, that reference the London Interbank Offered Rate ("LIBOR") or another reference rate expected to be discontinued because of reference rate reform. ASU 2020-04 was effective for the Company beginning on March 12, 2020 and the Company will apply the amendments prospectively through February 3, 2023. There was no impact to the Company's consolidated financial statements as a result of adoption of this standard update. statement disclosures.

Income Taxes - The Company has adopted –In December 2023, the FASB issued ASU 2019-12, "Income 2023-09, Income Taxes (Topic 740): Simplifying the Accounting for Improvements to Income Taxes," effective February 1, 2021. ASU No. 2019-12 simplifies the accounting for Tax Disclosures, which requires an entity, on an annual basis, to disclose additional income taxes by eliminating certain exceptions to the guidance in Topic 740 tax information, primarily related to the approach for intraperiod tax allocation, the methodology for calculating rate reconciliation and income taxes paid. The amendment in an interim period the ASU is intended to enhance the transparency and decision usefulness of income tax disclosures. The ASU is effective for annual periods beginning after December 15, 2024. The Company is currently evaluating the recognition of deferred tax liabilities for outside basis differences. The new guidance also simplifies aspects impact of the accounting for franchise taxes and enacted changes in tax laws or rates and clarifies the accounting for transactions that result in a step-up in the tax basis of goodwill and allocation of consolidated income taxes to separate financial statements of entities not subject to income tax. The adoption of the standard had no material impact on the Company's consolidated financial statements. new standard.

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

NOTE 3 — NET LOSS PER SHARE

Loss Net loss per share is calculated by dividing net loss for the periods presented by the respective weighted-average number of common shares outstanding, and it excludes any dilutive effects of share-based awards that may be anti-dilutive. Diluted net loss per common share is computed by giving effect to all potentially dilutive common shares, including common stock issuable upon the exercise of stock options and unvested restricted common stock and restricted stock units. The Company applies the two-class method to calculate earnings per share. Because the Class A common stock and the Class B common stock share the same rights in dividends and earnings, earnings per share (basic and diluted) are the same for both classes of common stock. Since losses were incurred in all periods presented, all potential common shares were determined to be anti-dilutive.

The following table sets forth the computation of net loss per common share (in thousands, except per share amounts):

		Fiscal Year Ended		
		February 3, 2023	January 28, 2022	January 29, 2021
		Fiscal Year Ended		
		February 2, 2024	February 3, 2023	January 28, 2022
Numerator:	Numerator:			
	Net loss			
	Net loss			
	Net loss	\$ (114,499)	\$(39,791)	\$(21,902)
Denominator:	Denominator:			

Weighted-average number of shares outstanding:	Weighted-average number of shares outstanding:			
Weighted-average number of shares outstanding:				
Weighted-average number of shares outstanding:				
Basic and Diluted	Basic and Diluted	84,389	82,916	81,358
Loss per common share:				
Basic and Diluted	Basic and Diluted			
Basic and Diluted	Basic and Diluted			
Net loss per common share:				
Basic and Diluted	Basic and Diluted			
Basic and Diluted	Basic and Diluted	\$ (1.36)	\$ (0.48)	\$ (0.27)
Weighted-average anti-dilutive stock options, non-vested restricted stock and restricted stock units	Weighted-average anti-dilutive stock options, non-vested restricted stock and restricted stock units	6,039	5,020	6,347

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

NOTE 4 — CONTRACT BALANCES AND CONTRACT COSTS

Promises to provide the Company's subscription-based solutions related to SaaS applications solutions are accounted for as separate performance obligations and managed security services are accounted for as a single performance obligation. Our subscription-based solutions have an average contract term of approximately two years as of February 3, 2023 February 2, 2024. Performance obligations related to the Company's security and risk consulting professional service services contracts are separate obligations associated with each service. Although the Company has many multi-year customer relationships for its various professional service solutions, the arrangement is typically structured as a separate performance obligation over the contract period and recognized over a duration of less than one year.

The deferred revenue balance does not represent the total contract value of annual or multi-year, non-cancelable subscription agreements. The Company invoices its customers based on a variety of billing schedules. During the fiscal year ended February 3, 2023 February 2, 2024, on average, 63% 65% of the Company's recurring revenue was billed annually in advance and approximately 37% 35% was billed on either a monthly or quarterly basis in advance. In addition, many of the Company's professional services engagements are billed in advance of service commencement. The deferred revenue balance is influenced by several factors, including seasonality, the compounding effects of renewals, invoice duration and invoice timing.

Changes to the Company's deferred revenue during the fiscal years ended February 3, 2023 February 2, 2024 and January 28, 2022 February 3, 2023 are as follows (in thousands):

	As of February 3, 2023		Upfront payments received and billings during the fiscal year ended February 2, 2024		Revenue recognized during the fiscal year ended February 2, 2024		As of February 2, 2024	
	Deferred revenue	\$	156,332	\$	186,931	\$	(206,312)	\$
	As of January 28, 2022		Upfront payments received and billings during the fiscal year ended February 3, 2023		Revenue recognized during the fiscal year ended February 3, 2023		As of February 3, 2023	
	Deferred revenue	\$	176,068	\$	220,063	\$	(239,799)	\$
	As of January 29, 2021		Upfront payments received and billings during the fiscal year ended January 28, 2022		Revenue recognized during the fiscal year ended January 28, 2022		As of January 28, 2022	

Deferred revenue	\$	178,027	\$	265,977	\$	(267,936)	\$	176,068
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SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

Remaining Performance Obligation

The remaining performance obligation represents the transaction price allocated to contracted revenue that has not yet been recognized, which includes deferred revenue and non-cancellable contracts that **will are expected to** be invoiced and recognized as revenue in future periods. The remaining performance obligation consists of two elements: (i) the value of remaining services to be provided through the contract term for customers whose services have been activated, ("**active**"); **or active**; and (ii) the value of subscription-based solutions contracted with customers that have not yet been installed, ("**backlog**"), **or backlog**. Backlog is not recorded in revenue, deferred revenue or elsewhere in the consolidated financial statements until the Company establishes a contractual right to invoice, at which point backlog is recorded as revenue or deferred revenue, as appropriate. The Company applies the practical expedient in ASC paragraph 606-10-50-14(a) and does not disclose information about remaining performance obligations that are part of a contract that has an original expected duration of one year or less.

The Company expects that the amount of backlog relative to the total value of its contracts will change from year to year due to several factors, including the amount invoiced at the beginning of the contract term, the timing and duration of the Company's customer agreements, varying invoicing cycles of agreements and changes in customer financial circumstances. Accordingly, fluctuations in backlog are not always a reliable indicator of future revenues.

As of **February 3, 2023** **February 2, 2024**, the Company expects to recognize remaining performance obligations as follows (in thousands):

		Expected to be recognized in the next 12 months	Expected to be recognized in 12-24 months	Expected to be recognized in 24-36 months	Expected to be recognized thereafter					
Total		Expected to be recognized in the next 12 months	Expected to be recognized in 12-24 months	Expected to be recognized in 24-36 months	Expected to be recognized thereafter	Total	Expected to be recognized in the next 12 months	Expected to be recognized in 12-24 months	Expected to be recognized in 24-36 months	Expected to be recognized thereafter
Performance obligation - active	Performance obligation - active	\$ 266,822	\$139,083	\$ 94,234	\$ 32,853	\$ 652				
Performance obligation - backlog	Performance obligation - backlog	3,275	1,128	1,099	1,048	—				
Total	Total	\$ 270,097	\$140,211	\$ 95,333	\$ 33,901	\$ 652				

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

Deferred Commissions and Fulfillment Costs

The Company capitalizes a significant portion of its commission expense and related fringe benefits earned by its sales personnel. Additionally, the Company capitalizes certain costs to install and activate hardware and software used in its managed security services, primarily related to a portion of the compensation for the personnel who perform the installation activities. These deferred costs are amortized on a systematic basis that is consistent with the transfer to the customer of the goods or services to which the assets relate.

Changes in the balance of total deferred commission and total deferred fulfillment costs during the fiscal years ended **February 3, 2023** **February 2, 2024** and **January 28, 2022** **February 3, 2023** are as follows (in thousands):

		As of January 28, 2022	Amount capitalized	Amount expensed	As of February 3, 2023				
As of February 3, 2023		As of February 3, 2023	Amount capitalized	Amount expensed	As of February 2, 2024				
Deferred commissions	Deferred commissions	\$ 53,978	\$ 13,790	\$(18,203)	\$49,565				
Deferred fulfillment costs	Deferred fulfillment costs	7,597	408	(4,773)	3,232				
As of January 29, 2021		Amount capitalized	Amount expensed	As of January 28, 2022					

		As of January 28, 2022			As of January 28, 2022		Amount capitalized	Amount expensed	As of February 3, 2023
Deferred commissions	Deferred commissions	\$ 57,888	\$ 15,420	\$(19,330)	\$53,978				
Deferred fulfillment costs	Deferred fulfillment costs	11,009	1,774	(5,186)	7,597				

As referenced in "Note 2 — Significant Accounting Policies," deferred commissions are recognized on a straight-line basis over the life of the customer relationship, which has a current estimated life of six years, while deferred fulfillment costs are were recognized over the device service life estimated at four years. During the fourth quarter of fiscal 2022, Secureworks announced the end-of-sale for a number of managed security service offerings effective the first day of fiscal 2023. The Company evaluated Additionally, renewals associated with many of these deferred costs as part existing other managed security subscription services were not extended beyond the end of a broader asset group for impairment and potential changes to their estimated lives. The Company did not record any impairment losses on fiscal 2023. Consistent with the deferred commissions or end-of-life transition of these non-strategic managed security services, these deferred fulfillment costs nor did it identify any material change to be fully amortized as of the expense recognition pattern during the end of fiscal year ended February 3, 2023, 2024.

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

NOTE 5 — GOODWILL AND INTANGIBLE ASSETS

Goodwill relates to the acquisition of Dell by Dell Technologies and represents the excess of the purchase price attributable to Secureworks over the fair value of the assets acquired and liabilities assumed, as well as subsequent business combinations completed by the Company. Goodwill decreased \$0.4 million due to foreign currency translation for the fiscal year ended February 3, 2023, as compared to the fiscal year ended January 28, 2022. Accordingly, goodwill totaled remained unchanged, totaling \$425.5 million as of February 3, 2023 each of the fiscal years ended February 2, 2024 and \$425.9 million as of January 28, 2022 February 3, 2023.

Goodwill and indefinite-lived intangible assets are tested for impairment on an annual basis during the third fiscal quarter of each fiscal year, or earlier if an indicator of impairment occurs. The Company completed the most recent annual impairment test in the third quarter of fiscal 2023 2024 by assessing performing a "Step 0" qualitative assessment of goodwill at the reporting unit level, as well as the Company's Company's indefinite-lived trade name asset at the individual asset level. The Company has determined it has one reporting unit.

For The qualitative assessment includes the annual impairment review Company's consideration of the relevant events and circumstances that would affect the Company's single reporting unit, including macroeconomic, industry and market conditions, the Company's overall financial performance including changes to its cost structure during calendar 2023 and trends in the third quarter market price of fiscal 2023, the Company's Class A common stock. After assessing the totality of these events and circumstances, the Company elected to bypass the assessment of qualitative factors to determine whether determined it was more likely than not more-likely-than not that the fair value of its reporting unit was less than its carrying amount, including goodwill. In electing to bypass the qualitative assessment, the Company proceeded directly to performing a quantitative analysis to determine the fair value of its reporting unit relative to its carrying amount, as well as its indefinite-lived trade name asset at the individual asset level, to determine the amount of impairment loss to be recognized, if any.

The fair value of the reporting unit is generally estimated using a combination of public company multiples and discounted cash flow methodologies. The discounted cash flow and public company multiples methodologies require significant judgment, including estimation of future revenues, gross margins, and operating expenses, which are dependent on internal forecasts, current and anticipated economic conditions and trends, selection of market multiples through assessment of the reporting unit's performance relative to peer competitors, the estimation of the long-term revenue growth rate and discount rate of the Company's business, and the determination of the Company's weighted average cost of capital. Changes in these estimates and assumptions could materially affect the fair value of the reporting unit, potentially resulting in a non-cash impairment charge.

The fair value of the indefinite-lived trade names is generally estimated using discounted cash flow methodologies. The discounted cash flow methodology requires significant judgment, including estimation of future revenue, the estimation of the long-term revenue growth rate of the Company's business and the determination of the Company's weighted average cost of capital and royalty rates. Changes in these estimates and assumptions could materially affect the fair value of the indefinite-lived intangible assets, potentially resulting in a non-cash impairment charge.

Based on the results of the annual impairment test, the Company determined that the derived fair values of the reporting unit and indefinite-lived intangible asset exceeded was less than their respective carrying values which indicated no impairment as of the annual impairment date. Further, no triggering events have transpired since the performance of the quantitative qualitative assessment that would indicate a potential impairment during the fiscal year ended February 3, 2023, February 2, 2024.

Intangible Assets

The Company's intangible assets at February 3, 2023 February 2, 2024 and January 28, 2022 February 3, 2023 were as follows:

		February 3, 2023			January 28, 2022			February 2, 2024			February 3, 2023		
		Accumulated		Net	Accumulated		Net	Gross	Accumulated		Net	Accumulated	
		Gross	Amortization		Gross	Amortization			Gross	Amortization		Gross	Amortization
(in thousands)													
Customer relationships	Customer relationships	\$189,518	\$(133,530)	\$ 55,988	\$189,518	\$(119,435)	\$ 70,083						
Acquired Technology	Acquired Technology	141,784	(128,612)	13,172	141,784	(113,937)	27,847						

Developed Technology	Developed Technology	11,827	(4,897)	6,930	8,123	(2,439)	5,684
Finite-lived intangible assets	Finite-lived intangible assets	343,129	(267,039)	76,090	339,425	(235,811)	103,614
Trade name	Trade name	30,118	—	30,118	30,118	—	30,118
Total intangible assets	Total intangible assets	\$373,247	\$(267,039)	\$106,208	\$369,543	\$(235,811)	\$133,732

Amortization expense related to finite-lived intangible assets was approximately \$31.2 million \$28.2 million, \$30.2 million \$31.2 million and \$28.7 million \$30.2 million for the fiscal years ended February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021 January 28, 2022, respectively. Amortization expense is included within cost of revenue and general and administrative expenses in the Consolidated Statement of Operations. There were no impairment charges related to intangible assets during the past three fiscal years.

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

Estimated future amortization expense of finite-lived intangible assets as of February 3, 2023 February 2, 2024 over the next five years and thereafter is as follow (in thousands):

Fiscal Years Ending	Fiscal Years Ending	February 3, 2023	Fiscal Years Ending	February 2, 2024
2024		\$27,772		
2025	2025	17,672		
2026	2026	16,167		
2027	2027	14,479		
2028	2028	—		
2029				
Thereafter	Thereafter	—		
Total	Total	\$76,090		

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Notes to Consolidated Financial Statements (Continued)

NOTE 6 — DEBT

Revolving Credit Facility

SecureWorks, Inc., a wholly-owned subsidiary of SecureWorks Corp., is party to a revolving credit agreement with a wholly-owned subsidiary of Dell Inc. under which the Company obtained a \$30 million \$50 million senior, unsecured revolving credit facility. Effective March 24, 2023 September 6, 2023, the Company executed an amendment to the revolving credit agreement that was effectuated on March 23, 2023. This amended agreement: (1) increased the maximum principal amount of borrowings outstanding under the revolving credit facility to \$50 million, (2) removed the one-time increase of up to an additional \$30 million in borrowings upon mutual agreement by lender and restated borrower, (3) extended the commitment and required repayment date under the revolving credit agreement to extend March 23, 2026, and (4) modified the maturity date from March 23, 2023 to March 24, 2024 and to modify the annual rate at which interest accrues to on funds drawn against the applicable SOFR rate plus 1.15%. The amended and restated revolving credit agreement otherwise has terms substantially similar to those of the facility before the amendment and restatement. See "Note 16 - Subsequent Events." SOFR plus 2.00%.

Under the facility, up to \$30 million principal amount of borrowings may be outstanding at any time. Amounts under the facility may be borrowed, repaid and reborrowed from time to time during the term of the facility. The proceeds from loans made under the facility may be used for general corporate purposes. The credit agreement contains customary representations, warranties, covenants, and events of default. The unused portion of the facility is subject to a commitment fee of 0.35%, which is due upon expiration of the facility. There was no outstanding balance under the credit facility as of February 3, 2023 February 2, 2024 or January 28, 2022 February 3, 2023, and there were no amounts borrowed under the credit facility during the fiscal years ended February 3, 2023 February 2, 2024 or January 28, 2022 February 3, 2023.

The maximum amount of borrowings may be increased by up to an additional \$30 million by mutual agreement of the lender and borrower. The borrower will be required to repay, in full, all of the loans outstanding, including all accrued interest, and the facility will terminate upon a change of control of SecureWorks Corp. or following a transaction in which SecureWorks, Inc. ceases to be a direct or indirect wholly-owned subsidiary of SecureWorks Corp. The facility is not guaranteed by SecureWorks Corp. or its subsidiaries.

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

NOTE 7 — COMMITMENTS AND CONTINGENCIES

Purchase Obligations —The Company had various purchase obligations at February 3, 2023 February 2, 2024 over a period of approximately four years with vendors or contractors, subject to the Company's operational needs. As of February 3, 2023 February 2, 2024, the purchase obligations (in thousands) are as follows:

		Payments Due For	
		Purchase	
Fiscal Years Ending	Fiscal Years Ending	Obligations	
2024		\$	47,061
Fiscal Years Ending			
Fiscal Years Ending			
2025			
2025			
2025	2025		38,467
2026	2026		40,308
2026			
2026			
2027			
2027			
2027	2027		44,000
2028	2028		—
2028			
2028			
2029			
2029			
2029			
2029 and beyond			
2029 and beyond			
2029 and beyond	2029 and beyond		—
Total	Total	\$	169,836
Total			
Total			

Legal Contingencies — From time to time, the Company is involved in claims and legal proceedings that arise in the ordinary course of business. The Company accrues a liability when it believes that it is both probable that a liability has been incurred and that it can reasonably estimate the amount of the loss. The Company reviews the status of such matters at least quarterly and adjusts its liabilities as necessary to reflect ongoing negotiations, settlements, rulings, advice of legal counsel and other relevant information. Whether the outcome of any claim, suit, assessment, investigation, or legal proceeding, individually or collectively, could have a material adverse effect on the Company's business, financial condition, results of operations or cash flows will depend on a number of factors, including the nature, timing and amount of any associated expenses, amounts paid in settlement, damages or other remedies or consequences. To the extent new information is obtained and the Company's views on the probable outcomes of claims, suits, assessments, investigations, or legal proceedings change, changes in accrued liabilities would be recorded in the period in which such a determination is made. As of **February 3, 2023** **February 2, 2024**, the Company does not believe that there were any such matters that, individually or in the aggregate, would have a material adverse effect on its business, financial condition, results of operations or cash flows.

Customer-based Taxation Contingencies—Various government entities, ("or taxing authorities") authorities, require the Company to bill its customers for the taxes they owe based on the services they purchase from the Company. The application of the rules of each taxing authority concerning which services are subject to each tax and how those services should be taxed involves the application of judgment. Taxing authorities periodically perform audits to verify compliance and include all periods that remain open under applicable statutes, which generally range from three to four years. These audits could result in significant assessments of past taxes, fines, and interest if the Company were found to be non-compliant. During the course of an audit, a taxing authority may question the Company's application of its rules in a manner that, if the Company were not successful in substantiating its position, could result in a significant financial impact to the Company. In the course of preparing its financial statements and disclosures, the Company considers whether information exists that would warrant disclosure or an accrual with respect to such a contingency.

As of **February 3, 2023** **February 2, 2024**, the Company is under audit with various state taxing authorities in which rulings related to the taxability of certain of its services are pending. During fiscal **2023**, **2024**, the Company paid **\$2.6** **\$7.4** million related to such matters. As of **February 3, 2023** **February 2, 2024**, the Company had recorded remaining an estimated liability in the amount of **\$8.3** **\$1.6** million related to such matters. The Company will continue to appeal these rulings, but should the Company not prevail, it could be subject to obligations to pay additional taxes together with associated penalties and interest for the audited tax period, as well as additional taxes for periods subsequent to the tax audit period, including penalties and interest. While Dell does provide an indemnification for certain state tax issues for tax periods prior to August 1, 2015, such indemnification would not cover a material portion of the current estimated liability.

Indemnifications — In the ordinary course of business, the Company enters into contractual arrangements under which it agrees to indemnify its customers from certain losses incurred by the customer as to third-party claims relating to the services performed on behalf of the Company or for certain losses incurred by the customer as to third-party claims arising from certain events as defined within the particular contract. Such indemnification obligations may not be subject to maximum loss clauses. Historically, payments related to these indemnifications have been immaterial.

Concentrations — The Company sells solutions to customers of all sizes primarily through its sales organization, supplemented by sales through partners. During the fiscal years ended February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021 January 28, 2022, the Company had no customer that represented 10% or more of its net revenue during any such fiscal year.

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

NOTE 8 — LEASES

The Company recorded operating lease cost for facilities terms of approximately \$5.2 million and \$5.4 million for the fiscal 0.5 years ended February 3, 2023 and January 28, 2022, respectively. For the fiscal 2.9 years, ended February 3, 2023 and January 28, 2022, operating lease cost included expenses in connection with variable lease costs inclusive of \$0.6 million and \$0.3 million, respectively, which primarily consisted of utilities and common area charges.

For the fiscal years ended February 3, 2023 and January 28, 2022, renewal or termination options that the Company recorded operating lease costs of equipment leases of approximately \$0.0 million and \$0.3 million, respectively. For the fiscal years ended February 3, 2023 and January 28, 2022, equipment leases included short-term lease costs of \$0.0 million and \$0.3 million, respectively. Lease expense for equipment was included in cost of revenues. is reasonably certain to exercise.

Cash paid for amounts included in

	Fiscal Year Ended	
	February 2, 2024	February 3, 2023
	(in thousands)	
Operating lease cost	\$ 4,327	\$ 4,628
Variable lease costs	402	560
Total lease costs	<u>\$ 4,729</u>	<u>\$ 5,188</u>
Supplemental cash flow information:		
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 5,371	\$ 5,926

Weighted-average information associated with the measurement of the Company's remaining operating lease obligations is as follows:

	February 2, 2024	February 3, 2023
Weighted-average remaining lease term	2.8 years	3.6 years
Weighted-average discount rate	5.41 %	5.38 %

The following table summarizes the maturity of the Company's operating lease liabilities was \$5.9 million and \$6.9 million during the fiscal years ended February 3, 2023 and January 28, 2022, respectively, as of February 2, 2024 (in thousands):

Fiscal Years Ending	February 2, 2024
2025	\$ 5,095
2026	4,526
2027	4,088
2028	—
2029	—
Thereafter	—
Total operating lease payments	<u>\$ 13,709</u>
Less imputed interest	884
Total operating lease liabilities	<u>\$ 12,825</u>

As part of the Company's plan its actions to align its rebalance investments more closely cross-functionally in alignment with its strategic priorities to meet the expected future needs of the business, an impairment loss of \$4.0 million was recorded to one of its right-of-use assets for the fiscal year ended February 3, 2023. During this fiscal quarter, current strategy and growth opportunities, the Company ceased use of certain corporate office space on February 3, 2023 as a part of its real estate-related cost optimization actions. The right-of-use asset impaired was assessed to be part of an asset group separate from the Company-level single asset group. Fair value of the asset was determined using a discounted cash flow methodology considering the asset's specific use to generate cash flows. In fiscal 2023, an impairment loss of \$4.0 million was recorded to its right-of-use assets. During fiscal 2024, in consideration of updated facts and circumstances, the Company reassessed the discounted cash flow methodology used to derive fair value of this asset group. The Company determined the asset values were not recoverable and recorded an impairment loss of \$2.9 million to its operating lease right-of-use assets. An additional \$0.4 million and \$0.5 million of expenses were incurred in fiscal 2024 and fiscal 2023, respectively, associated with the real estate-related cost optimization actions taken by the Company.

Weighted-average information associated with the measurement of the Company's remaining operating lease obligations is as follows:

	February 3, 2023
Weighted-average remaining lease term	3.6 years
Weighted-average discount rate	5.38 %

The following table summarizes the maturity of the Company's operating lease liabilities as of February 3, 2023 (in thousands):

Fiscal Years Ending	February 3, 2023	
2024	\$	5,321
2025		5,095
2026		4,526
2027		4,088
2028		—
Thereafter		—
Total operating lease payments	\$	19,030
Less imputed interest		1,652
Total operating lease liabilities	\$	17,378

The Company's leases have remaining lease terms of 1.5 years to 3.9 years, inclusive of renewal or termination options that the Company is reasonably certain to exercise. See Note 14 — "Reorganization and other related costs" for further discussion.

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

NOTE 9 — STOCKHOLDERS' EQUITY

On September 26, 2018, the Company's board of directors authorized a stock repurchase program, under which the Company was authorized to repurchase up to \$15 million of the Company's Class A common stock through September 30, 2019. On March 26, 2019, the board of directors expanded the repurchase program to authorize the repurchase up to an additional \$15 million of the Company's Class A common stock through May 1, 2020, on which date the program terminated. No shares of Class A common stock were repurchased during the fiscal years ended January 28, 2022, February 3, 2023 and February 3, 2023, February 2, 2024.

NOTE 10 — STOCK-BASED COMPENSATION AND EMPLOYEE BENEFIT PLAN

In connection with the IPO, the Company's board of directors adopted the SecureWorks Corp. 2016 Long-Term Incentive Plan (the "2016 Plan"). The 2016 Plan became effective on April 18, 2016, and will expire on the tenth anniversary of the effective date unless the 2016 Plan is terminated earlier by the board of directors or in connection with a change in control of SecureWorks Corp. The Company has reserved 17,500,000 25,000,000 shares of Class A common stock for issuance pursuant to awards under the 2016 Plan. The 2016 Plan provides for the grant of options, stock appreciation rights, restricted stock, restricted stock units, deferred stock units, unrestricted stock, dividend equivalent rights, other equity-based awards, and cash bonus awards. Awards may be granted under the 2016 Plan to individuals who are employees, officers, or non-employee directors of the Company or any of its affiliates, consultants and advisors who perform services for the Company or any of its affiliates, and any other individual whose participation in the 2016 Plan is determined to be in the best interests of the Company by the compensation committee of the board of directors. The Company utilizes both authorized and unissued shares to satisfy all shares issued under the 2016 Plan. During fiscal 2022, 2024, the 2016 Plan was amended to increase the total shares of Class A common stock available for issuance by an additional 5,000,000 7,500,000 shares. As of February 3, 2023, February 2, 2024, there were approximately 2,435,679 3,887,644 shares of Class A common stock available for future grants under the 2016 Plan.

Stock Options

Under the 2016 Plan, the exercise price of each option will be determined by the compensation committee, except that the exercise price may not be less than 100% (or, for incentive stock options to any 10% stockholder, 110%) of the fair market value of a share of Class A common stock on the date on which the option is granted. The term of an option may not exceed ten years (or, for incentive stock options to any 10% stockholder, five years) from the date of grant. The compensation committee will determine the time or times at which each option may be exercised and the period of time, if any, after retirement, death, disability or termination of employment during which options may be exercised. Options may be made exercisable in installments, and the exercisability of options may be accelerated by the compensation committee.

During the fiscal years ended February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021, January 28, 2022, no stock options were granted to employees or directors. The Company recognized zero, \$0.2 million zero and \$1.4 million \$0.2 million in compensation expense for the fiscal years ended February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021, January 28, 2022, respectively, for previously granted options.

The fair value of stock options is estimated as of the date of the grant using the Black-Scholes option pricing model. This model requires the input of subjective assumptions that will usually have a significant impact on the fair value estimate. The expected term was estimated using the SEC simplified method. The risk-free interest rate is the continuously compounded, term-matching, zero-coupon rate from the valuation date. The volatility is the leverage-adjusted, term-matching, historical volatility of peer firms. The dividend yield assumption is consistent with management expectations of dividend distributions based upon the Company's business plan at the date of grant.

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

The following table summarizes stock option activity and options outstanding and exercisable for the fiscal years ended, and as of, February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021, January 28, 2022.

	Number of Options	Weighted-Average Exercise Price Per Share	Weighted-Average Contractual Life (years)	Weighted-Average Grant date Fair Value Per Share	Aggregate Intrinsic Value: (in thousands)	Number of Options	Weighted-Average Exercise Price Per Share	Weighted-Average Contractual Life (years)	Weighted-Average Grant date Fair Value Per Share	Aggregate Intrinsic Value ₁ (in thousands)
Balance, January 31, 2020	2,247,997	\$ 14.00								
Balance, January 29, 2021										
Granted										
Granted										
Granted	Granted	—	—							
Exercised	Exercised	(104,921)	14.00							
Exercised										
Exercised										
Canceled, expired or forfeited	Canceled, expired or forfeited	(367,511)	14.00							
Balance, January 29, 2021	1,775,565	\$ 14.00								
Canceled, expired or forfeited										
Canceled, expired or forfeited										
Balance, January 28, 2022										
Balance, January 28, 2022										
Balance, January 28, 2022										
Granted										
Granted										
Granted	Granted	—	—							
Exercised	Exercised	(1,417,105)	14.00							
Exercised										
Exercised										
Canceled, expired or forfeited	Canceled, expired or forfeited	(196,535)	14.00							
Balance, January 28, 2022	161,925	\$ 14.00								
Canceled, expired or forfeited										
Canceled, expired or forfeited										
Balance, February 3, 2023										
Balance, February 3, 2023										
Balance, February 3, 2023										
Granted										
Granted										

Granted	Granted	—	—				
Exercised	Exercised	—	14.00				
Exercised							
Exercised							
Canceled, expired or forfeited	Canceled, expired or forfeited	—	14.00				
Balance, February 3, 2023		161,925	\$ 14.00	3.3	\$ 6.17	\$	—
Canceled, expired or forfeited							
Canceled, expired or forfeited							
Balance, February 2, 2024							
Balance, February 2, 2024							
Balance, February 2, 2024							
Options vested and expected to vest, February 3, 2023		161,925	\$ 14.00	3.3	\$ 6.17	\$	—
Options vested and expected to vest, February 2, 2024							
Options vested and expected to vest, February 2, 2024							
Options vested and expected to vest, February 2, 2024							
Options exercisable, February 3, 2023		161,925	\$ 14.00	3.3	\$ 6.17	\$	—
Options exercisable, February 2, 2024							
Options exercisable, February 2, 2024							
Options exercisable, February 2, 2024							

(4) The aggregate intrinsic values represent the total pre-tax intrinsic values based on the Company's closing share price of **\$8.52** **\$7.65** as reported on the Nasdaq Global Select Market on **February 3, 2023** **February 2, 2024**, that would have been received by the option holders had all in-the-money options been exercised as of that date.

The total fair value of options vested was zero, **\$1.1 million** **zero** and **\$2.6 million** **\$1.1 million** for the fiscal years ended **February 2, 2024**, February 3, 2023, **January 28, 2022** and **January 29, 2021** **January 28, 2022**, respectively. At **February 3, 2023** **February 2, 2024**, there was no remaining unrecognized stock-based compensation expense related to stock options as all stock options outstanding are exercisable.

In connection with the acquisition of Dell by Dell Technologies in 2013, the Company's compensation programs included grants under the Dell Technologies Inc. 2013 Stock Incentive Plan, (the "or 2013 Plan"), **Plan**. Under the 2013 Plan, time-based and performance-based options to purchase shares of the Series C common stock of Dell Technologies were awarded to two of the Company's executive officers. Upon the closing of the Company's IPO, all unvested time-based awards were forfeited, and 32,000 vested time-based stock options remained outstanding and 400,001 performance-based options remained unvested and outstanding subject to award terms. **During the fiscal year ended January 29, 2021**, 332,001 options were exercised with a pre-tax intrinsic value of **\$16.1 million**. Cash proceeds received by Dell Technologies from the exercise of these stock options were **\$4.6 million** and the tax benefit realized was **\$3.9 million** for the fiscal year ended **January 29, 2021**. During the fiscal year ended January 28, 2022, 10,000 options were exercised with a pre-tax intrinsic value of **\$1.0 million**. Cash proceeds received by Dell Technologies from the exercise of these stock options were **\$0.1 million** and the tax benefit realized was **\$0.2 million** for the fiscal year ended January 28, 2022. As of January 28, 2022, there were no stock options outstanding.

Restricted Stock and Restricted Stock Units

Under the 2016 Plan, a restricted stock award, ("RSA") or **RSA**, is an award of shares of Class A common stock that may be subject to restrictions on transferability and other restrictions as the compensation committee determines in its sole discretion on the date of grant. The restrictions, if any, may lapse over a specified period of time or through the satisfaction of conditions, in installments or otherwise as the Company's compensation committee may determine. Unless otherwise provided in an award agreement, a grantee who receives restricted stock will have all of the rights of a stockholder as to those shares, including, without limitation, the right to vote and the right to receive dividends or distributions on the shares of Class A common stock, except that the compensation committee may require any dividends to be withheld and accumulated contingent on vesting of the underlying shares or reinvested in shares of restricted stock.

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

Under the 2016 Plan, a restricted stock unit, ("RSU") or RSU, represents the grantee's right to receive a compensation amount, based on the value of the shares of Class A common stock, if vesting criteria or other terms and conditions established by the compensation committee are met. If the vesting criteria or other terms and conditions are met, the Company may settle, subject to the terms and conditions of the applicable award agreement, restricted stock units in cash, shares of Class A common stock or a combination of the two. All award agreements currently outstanding require settlement in shares of Class A common stock.

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

During the fiscal years ended February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021 January 28, 2022, the Company issued restricted stock awards and restricted stock units to employees at weighted-average fair values per share of \$6.88, \$12.88, \$19.81 and \$11.60, \$19.81, respectively. The Company's annual grants of RSAs and RSUs issued during the fiscal years ended February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021 January 28, 2022 vest ratably over three years. Approximately 16% 17%, 26% 16%, and 15% 26% of such awards were subject to performance conditions for the fiscal years ended February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021 January 28, 2022, respectively. Of the 5.3 million 8.9 million RSUs outstanding on February 3, 2023 February 2, 2024, approximately 0.9 1.2 million were performance-based awards and 4.4 7.7 million were service-based awards. For the fiscal year ended February 3, 2023 February 2, 2024, approximately 34,777 279,839 shares were forfeited for the performance-based awards that were tied to results for that fiscal year.

As of February 3, 2023 February 2, 2024, unrecognized stock-based compensation expense related to restricted stock awards and restricted stock units was \$37.8 \$37.3 million, which is expected to be recognized over the weighted-average remaining requisite period of 1.8 years.

The following table summarizes activity for restricted stock and restricted stock units for the fiscal years ended, and as of, February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021 January 28, 2022.

	Number of Shares	Weighted-Average Grant Date Fair Value Per Share	Weighted-Average Contractual Life (years)	Aggregate Intrinsic Value ¹	Number of Shares	Weighted-Average Grant Date Fair Value Per Share	Weighted-Average Contractual Life (years)	Aggregate Intrinsic Value ¹
				(in thousands)				
Balance, January 31, 2020	3,062,617	\$ 14.32						
				(in thousands)				(in thousands)
Balance, January 29, 2021								
Granted								
Granted	Granted	3,334,932	11.60					
Vested	Vested	(1,441,689)	13.51					
Vested								
Vested								
Forfeited	Forfeited	(442,767)	13.11					
Balance, January 29, 2021	4,513,093	\$ 12.68						
Forfeited								
Forfeited								
Balance, January 28, 2022								
Balance, January 28, 2022								
Balance, January 28, 2022								
Granted								
Granted								
Granted	Granted	3,119,246	19.81					

Vested	Vested	(1,894,276)	12.71		
Vested					
Vested					
Forfeited	Forfeited	(1,039,567)	16.69		
Balance, January 28, 2022		4,698,496	\$ 16.52		
Forfeited					
Forfeited					
Balance, February 3, 2023					
Balance, February 3, 2023					
Balance, February 3, 2023					
Granted					
Granted					
Granted	Granted	4,250,300	12.88		
Vested	Vested	(2,060,611)	15.93		
Vested					
Vested					
Forfeited	Forfeited	(1,600,683)	14.91		
Balance, February 3, 2023		5,287,502	\$ 14.27	1.0 \$	45,023
Forfeited					
Forfeited					
Balance, February 2, 2024					
Balance, February 2, 2024					
Balance, February 2, 2024					
Restricted stock and restricted stock units expected to vest, February 3, 2023		4,747,633	\$ 14.31	1.0 \$	40,426
Restricted stock and restricted stock units expected to vest, February 2, 2024					
Restricted stock and restricted stock units expected to vest, February 2, 2024					
Restricted stock and restricted stock units expected to vest, February 2, 2024					

(1) The aggregate intrinsic values represent the total pre-tax intrinsic values based on the Company's closing share price of **\$8.52** **\$7.65** as reported on the Nasdaq Global Select Market on **February 3, 2023** **February 2, 2024**, that would have been received by the restricted stock and restricted stock unit holders had all restricted stock and restricted stock units been issued as of that date.

As of **February 3, 2023** **February 2, 2024**, restricted stock units representing approximately **5.3** **8.9** million shares of Class A common stock were outstanding, with an aggregate intrinsic value of **\$45.0 million** **\$68.1 million** based on the Company's closing stock price as reported on the Nasdaq Global Select Market on **February 3, 2023** **February 2, 2024**. The total fair value of Secureworks' restricted stock and restricted stock units that vested during the fiscal years ended **February 2, 2024**, **February 3, 2023**, and **January 28, 2022** and **January 29, 2021** was **\$35.0 million**, **\$32.8 million**, **\$24.1 million** and **\$19.5** **\$24.1 million**, respectively, and the pre-tax intrinsic value was **\$24.9 million** **\$19.0 million**, **\$29.2 million** **\$24.9 million** and **\$17.6 million** **\$29.2 million**, respectively.

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

		February 3, 2023	January 28, 2022	January 29, 2021				
Loss before income taxes								
Loss before income taxes								
Loss before income taxes	Loss before income taxes	\$(146,781)	\$(55,906)	\$(31,801)				
Income tax benefit	Income tax benefit	\$ (32,282)	\$ (16,115)	\$ (9,899)				
Effective tax rate	Effective tax rate	22.0 %	28.8 %	31.1 %	Effective tax rate	24.9 %	22.0 %	28.8 %

During the periods presented in the accompanying Consolidated Financial Statements, the Company did not file separate federal tax returns, as the Company generally was included in the tax grouping of other Dell entities within the respective entity's tax jurisdiction. The income tax benefit has been calculated using the separate return separate-return method modified to apply the benefits-for-loss approach. Under the benefits-for-loss approach, net operating losses or other tax attributes are characterized as realized by the Company when those attributes are utilized by other members of the Dell consolidated affiliated group.

Effective for tax years beginning on or after January 1, 2022, the Tax Cuts and Jobs Act of 2017 eliminated the option to deduct research and development, (" or R&D") &D, expenses in the year incurred and instead requires taxpayers to capitalize R&D expenses, including software development cost, and subsequently amortize such expenses over five years for R&D activities conducted in the United States and over fifteen years for R&D activities conducted outside of the United States.

The change in the Company's effective income tax rate for the fiscal years ended February 2, 2024, February 3, 2023 and January 28, 2022 was primarily attributable to the impact of certain nondeductible items related to the vesting of stock-based compensation units and the recognition of additional benefits relating to the research and development credits. The change in the Company's effective income tax rate for the fiscal years ended January 28, 2022 and January 29, 2021 was primarily attributable to the improvement in loss before income taxes, the impact of certain nondeductible items related to the vesting of stock-based compensation, and the recognition of additional benefits from the utilization of state net operating losses.

Throughout the fiscal year ended February 3, 2023 February 2, 2024, the U.S. Department of the Treasury and Internal Revenue Service issued preliminary and final regulatory guidance clarifying certain provisions of the Tax Cuts and Jobs Act of 2017, and the Company anticipates additional regulatory guidance and technical clarifications to be issued. When additional guidance and technical clarifications are issued, the Company will recognize the related tax impact in the quarter in which such guidance is issued. The GILTI provisions of the Act signed into law on December 22, 2017 require the Company to include in its U.S. income tax return foreign subsidiary earnings in excess of an allowable return on the foreign subsidiary's tangible assets. The Company has elected to account for GILTI as a current period cost included in the year incurred.

A reconciliation of the Company's benefit from income taxes to the statutory U.S. federal tax rate is as follows:

	Fiscal Year Ended			Fiscal Year Ended		
	February 2, 2024	February 2, 2024	February 3, 2023	February 2, 2024	February 3, 2023	January 28, 2022
		Fiscal Year Ended				
		February 3, 2023	January 28, 2022	January 29, 2021		
U.S. federal statutory rate	U.S. federal statutory rate	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %
U.S. federal statutory rate	U.S. federal statutory rate	21.0 %	21.0 %	21.0 %	21.0 %	21.0 %
Impact of foreign operations	Impact of foreign operations	(0.7)	(1.8)	(2.3)		
State income taxes, net of federal tax benefit	State income taxes, net of federal tax benefit	2.5	4.3	8.9		
Research and development credits	Research and development credits	2.4	8.8	7.2		
Nondeductible/nontaxable items	Nondeductible/nontaxable items	(0.7)	0.3	(3.0)		
Stock-based compensation	Stock-based compensation	(2.5)	(3.8)	(0.7)		
Stock-based compensation	Stock-based compensation					
Total	Total	22.0 %	28.8 %	31.1 %		
Total	Total					

Total	24.9 %	22.0 %	28.8 %
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SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

The benefit for income taxes consists of the following:

		Fiscal Year Ended			Fiscal Year Ended		
		February 3, 2023	January 28, 2022	January 29, 2021	February 2, 2024	February 3, 2023	January 28, 2022
		(in thousands)			(in thousands)		
Current:	Current:				Current:		
Federal	Federal	\$ (1,904)	\$(10,076)	\$ 1,543			
State/Local	State/Local	688	(2,603)	(3,755)			
Foreign	Foreign	1,685	2,364	1,906			
Current	Current	\$ 469	\$(10,315)	\$ (306)			
Deferred:	Deferred:				Deferred:		
Federal	Federal	(28,241)	(4,869)	(9,345)			
State/Local	State/Local	(4,257)	(328)	137			
Foreign	Foreign	(253)	(603)	(385)			
Deferred	Deferred	\$(32,751)	\$ (5,800)	\$(9,593)			
Income tax benefit	Income tax benefit	\$(32,282)	\$(16,115)	\$(9,899)			

Loss before provision for income taxes consists of the following:

		Fiscal Year Ended			Fiscal Year Ended		
		February 3, 2023	January 28, 2022	January 29, 2021	February 2, 2024	February 3, 2023	January 28, 2022
		(in thousands)			(in thousands)		
Domestic	Domestic	\$(154,426)	\$(59,541)	\$(35,064)			
Foreign	Foreign	7,645	3,635	3,263			
Loss before income taxes	Loss before income taxes	\$(146,781)	\$(55,906)	\$(31,801)			

The components of the Company's net deferred tax balances are as follows:

		February 3, 2023	January 28, 2022	February 2, 2024	February 3, 2023
		(in thousands)		(in thousands)	
Deferred tax assets:	Deferred tax assets:			Deferred tax assets:	
Deferred revenue	Deferred revenue	\$ 3,158	\$ 2,373		
Provision for credit losses	Provision for credit losses	523	689		
Credit carryforwards	Credit carryforwards	534	4,601		
Loss carryforwards	Loss carryforwards	5,717	5,632		
Stock-based and deferred compensation	Stock-based and deferred compensation	5,896	5,084		

Lease right-of-use asset	Lease right-of-use asset	3,525	4,406
Capitalized research and development	Capitalized research and development	27,482	—
Other	Other	3,881	3,966
Other			
Other			
Deferred tax assets	Deferred tax assets	\$ 50,716	\$ 26,751
Valuation allowance	Valuation allowance	(5,824)	(5,533)
Deferred tax assets, net of valuation allowance	Deferred tax assets, net of valuation allowance	\$ 44,892	\$ 21,218
<i>Deferred tax liabilities:</i>	<i>Deferred tax liabilities:</i>		
Property and equipment			
Property and equipment			
Property and equipment	Property and equipment	(325)	(823)
Purchased intangible assets	Purchased intangible assets	(25,848)	(32,082)
Operating and compensation related accruals	Operating and compensation related accruals	(10,821)	(13,201)
Lease liability	Lease liability	(1,613)	(3,220)
Other	Other	(2,347)	(1,480)
Deferred tax liabilities	Deferred tax liabilities	\$ (40,954)	\$ (50,806)
Net deferred tax asset (liabilities)	Net deferred tax asset (liabilities)	\$ 3,938	\$ (29,588)

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

Net deferred tax balances are included in other non-current assets and other non-current liabilities in the Consolidated Statements of Financial Position.

As of February 3, 2023 February 2, 2024 and January 28, 2022 February 3, 2023, the Company had \$5.8 million \$8.8 million and \$5.5 million \$5.8 million, respectively, of deferred tax assets related to net operating loss carryforwards for state tax returns that are not included with those of other Dell entities. The change in the valuation allowance was \$0.3 \$3.0 million and \$0.2 \$0.3 million for the fiscal years ended February 3, 2023 February 2, 2024 and January 28, 2022 February 3, 2023, respectively. These net operating loss carryforwards began expiring in the fiscal year ended February 3, 2023 February 2, 2024. Due to the uncertainty surrounding the realization of these net operating loss carryforwards, the Company has provided valuation allowances for the full amount as of February 3, 2023 February 2, 2024 and January 28, 2022 February 3, 2023. Because the Company is included in the tax filings of certain other Dell entities, management has determined that it will be able to realize the remainder of its deferred tax assets.

When Dell's economic ownership percentage falls below 80%, the Company will become ineligible for inclusion in the Dell Technologies affiliated tax group. The Company's ability to benefit from its losses and other tax attributes may be impaired resulting from the need to file its own Federal and State tax returns without the ability to offset its losses against the profits from the parent. Currently, net consolidated deferred tax assets are approximately \$25.7 million. If the Company's tax provision had been prepared using the separate return separate-return method, the unaudited pro forma pre-tax loss, tax benefit expense and net loss for the fiscal year ended February 3, 2023 February 2, 2024 would have been \$146.8 million \$114.5 million, \$5.3 million \$2.1 million, and \$141.5 million \$116.6 million, respectively, as a result of the recognition of a valuation allowance that would have been recorded on certain deferred tax assets, as well as certain attributes from the Tax Cuts and Jobs Act of 2017 that would be lost if not utilized by the Dell consolidated affiliated group.

In early March 2024, Dell's economic ownership of the Company dropped below 80%. As a result, the Company will no longer qualify for inclusion in Dell Technologies' U.S. federal income tax return and most U.S. state jurisdictions. Given the Company's history of losses, a full valuation allowance will be recorded against its deferred tax assets due to the inability to file with Dell. The full valuation allowance will be recorded in the period ended May 3, 2024. Currently, the net deferred tax assets in the U.S. are approximately \$23.4 million. We expect for the foreseeable future that a full valuation allowance will be recorded against our deferred tax assets until such time that we meet the more likely than not recognition criteria.

As of February 3, 2023 February 2, 2024, the Company has cumulative undistributed foreign earnings that would incur some amount of local withholding and state taxes if the earnings are distributed to SecureWorks Corp., which is domiciled in the United States. The Tax Cuts and Jobs Act of 2017 fundamentally changes the U.S. approach to taxation of foreign earnings. The Company has analyzed its global working capital and cash requirements and the potential tax liabilities attributable to repatriation, and it has determined that it may repatriate certain unremitted foreign earnings that were previously deemed indefinitely reinvested. As of February 3, 2023 February 2, 2024 and January 28, 2022 February 3, 2023, the Company has recorded withholding taxes of \$0.1 million \$0.4 million and \$0.2 million \$0.1 million, respectively, related to certain unremitted foreign earnings that may be repatriated.

A reconciliation of the Company's beginning and ending amount of unrecognized tax benefits is as follows:

		Fiscal Year Ended			Fiscal Year Ended		
		February 3, 2023	January 28, 2022	January 29, 2021	February 2, 2024	February 3, 2023	January 28, 2022
		(in thousands)			(in thousands)		
Beginning unrecognized tax benefits	Beginning unrecognized tax benefits	\$6,509	\$6,148	\$6,134			
Increases related to tax positions of the current year	Increases related to tax positions of the current year	106	107	21			
Increases related to tax position of prior years	Increases related to tax position of prior years	4	256	—			
Reductions for tax positions of prior years	Reductions for tax positions of prior years	—	(2)	(7)			
Ending unrecognized tax benefits	Ending unrecognized tax benefits	\$6,619	\$6,509	\$6,148			

The Company's net unrecognized tax benefits of \$4.9 million, \$4.5 million, \$4.2 million and \$3.8 million \$4.2 million include amounts reflected in the table above, plus accrued interest and penalties of \$0.6 million, \$0.4 million, \$0.3 million and \$0.2 \$0.3 million as of February 3, 2023 February 2, 2024, January 28, 2022 February 3, 2023 and January 29, 2021 January 28, 2022, respectively, and a tax benefit associated with other indirect jurisdictional effects of uncertain tax positions of \$2.6 million as of February 2, 2024, February 3, 2023 and January 28, 2022 are included in other non-current liabilities in the Consolidated Statements of Financial Position. The net unrecognized tax benefits, if recognized, would increase the Company's income tax benefit and effective income tax benefit rate. Interest and penalties related to income tax liabilities are included in income tax expense. The Company recorded interest and penalties of \$0.1 \$0.2 million, \$0.1 million and \$(0.3) million \$0.1 million for the fiscal years ended February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021 January 28, 2022, respectively.

Judgment is required in evaluating the Company's uncertain tax positions and determining the Company's provision for income taxes. The Company does not anticipate a significant change to the total amount of unrecognized tax benefits within the next twelve months.

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

The Company is currently under income tax audit in both domestic and foreign jurisdictions. The Company is undergoing negotiations and, in some cases, contested proceedings relating to tax matters with the taxing authorities in these jurisdictions. The Company believes that it has provided adequate reserves related to all matters contained in the tax periods open to examination. Although the Company believes it has made adequate provisions for the uncertainties relating to these audits, if the Company should experience unfavorable outcomes, such outcomes could have a material impact on its results of operations, financial position, and cash flows.

The Company takes certain non-income tax positions in the jurisdictions in which it operates and has received certain non-income tax assessments from various jurisdictions. The Company believes that a material loss in these matters is not probable and that it is not reasonably possible that a material loss exceeding amounts already accrued has been incurred. The Company believes its positions in these non-income tax litigation matters are supportable and that it ultimately will prevail. In the normal

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

course of business, the Company's positions and conclusions related to its non-income taxes could be challenged and assessments may be made. To the extent new information is obtained and the Company's views on its positions, probable outcomes of assessments, or litigation change, changes in estimates to the Company's accrued liabilities would be recorded in the period in which such a determination is made. In the resolution process for income tax and non-income tax audits, the Company may be required to provide collateral guarantees or indemnification to regulators and tax authorities until the matter is resolved. As of February 3, 2023 February 2, 2024, the Company is under audit with various state taxing authorities in which rulings related to the taxability of certain of our services are in appeals. See "Note 7 — Commitments and Contingencies, Customer-based Taxation Contingencies" for more information about loss contingencies.

The Company is no longer subject to tax examinations for years prior to fiscal 2016. 2017.

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

NOTE 12 — SELECTED FINANCIAL INFORMATION

The following table provides additional information on amounts included in accounts receivable, net, other current assets, property and equipment, net, accrued and other current liabilities, and other non-current liabilities the Company's Consolidated Statement of Financial Position as of February 3, 2023 February 2, 2024 and January 28, 2022 February 3, 2023.

	February 2, 2024	February 2, 2024	February 2, 2024	February 3, 2023	
	(in thousands)				(in thousands)
<i>Accounts receivable, net:</i>					
Gross accounts receivable					
Gross accounts receivable					
Gross accounts receivable					
Allowance for credit losses					
Total					
<i>Other current assets:</i>					
Income tax receivable					
Income tax receivable					
Income tax receivable					
Prepaid maintenance and support agreements					
Prepaid other					
Total					
<i>Property and equipment, net</i>					

Computer equipment
Computer equipment
Computer equipment
Leasehold improvements
Other equipment
Total property and equipment
Accumulated depreciation and amortization
Total
<i>Other non-current assets</i>
Prepaid maintenance agreements
Prepaid maintenance agreements
Prepaid maintenance agreements
Deferred tax asset
Deferred commission and fulfillment costs
Other
Total
<i>Accrued and other current liabilities</i>
Compensation
Compensation
Compensation
Related party payable, net
Other
Total

	Consolidated	
	February 3, 2023	January 28, 2022
	(in thousands)	
<i>Accounts receivable, net:</i>		
Gross accounts receivable	\$75,029	\$89,742

Allowance for credit losses	(2,402)	(3,511)
Total	<u>\$72,627</u>	<u>\$86,231</u>
<i>Other current assets:</i>		
Income tax receivable	\$ 4,733	\$11,639
Prepaid maintenance and support agreements	7,276	8,547
Prepaid other	5,517	5,854
Total	<u>\$17,526</u>	<u>\$26,040</u>
<i>Property and equipment, net</i>		
Computer equipment	\$30,108	\$32,250
Leasehold improvements	22,390	23,841
Other equipment	2,144	2,816
Total property and equipment	54,642	58,907
Accumulated depreciation and amortization	(50,010)	(50,481)
Total	<u>\$ 4,632</u>	<u>\$ 8,426</u>
<i>Other noncurrent assets</i>		
Prepaid maintenance agreements	\$ 799	\$ 2,461
Deferred tax asset	3,951	2,571
Deferred commission and fulfillment costs	52,797	61,575
Other	3,418	1,739
Total	<u>\$60,965</u>	<u>\$68,346</u>
<i>Accrued and other current liabilities</i>		
Compensation	\$50,397	\$60,203
Related party payable, net	1,141	3,088
Other	30,028	24,831
Total	<u>\$81,566</u>	<u>\$88,122</u>
<i>Other non-current liabilities</i>		
Deferred tax liabilities	\$ 13	\$32,157
Other	14,010	10,967
Total	<u>\$14,023</u>	<u>\$43,124</u>

The allocation between domestic and foreign net revenue is based on the location of the Company's customers. Net revenue from any single foreign country did not constitute 10% or more of the Company's net revenue during any of the periods presented. As of February 3, 2023 and January 28, 2022, net property and equipment in Romania represented 7% and 14%, respectively, of the Company's consolidated net property and equipment.

SECUREWORKS CORP.

Notes to Consolidated Financial Statements (Continued)

The following tables present net revenue and property, plant and equipment allocated between the United States and international locations. The Company defines international revenue as revenue contracted through non-U.S. entities.

	Fiscal Year Ended		
	February 3, 2023	January 28, 2022	January 29, 2021
<i>Net revenue</i>			
United States	\$ 306,799	\$ 359,707	\$ 392,515
International	156,676	175,507	168,519
Total	\$ 463,475	\$ 535,214	\$ 561,034

	Fiscal Year Ended		
	February 2, 2024	February 3, 2023	January 28, 2022
<i>Net revenue</i>			
United States	\$ 229,454	\$ 306,799	\$ 359,707
Japan	36,347	31,944	32,795
International	100,078	124,732	142,712
Total	\$ 365,879	\$ 463,475	\$ 535,214

	February 3, 2023	January 28, 2022
	<i>Property and equipment, net</i>	
United States	\$ 3,945	\$ 6,767
International	687	1,659
Total	\$ 4,632	\$ 8,426

	February 2, 2024	February 3, 2023
	<i>Property and equipment, net</i>	
United States	\$ 1,649	\$ 3,945
International	500	687
Total	\$ 2,149	\$ 4,632

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

NOTE 13 — RELATED PARTY TRANSACTIONS

Allocated Expenses

For the periods presented, Dell has provided various corporate services to Secureworks in the ordinary course of business. The costs of services provided to Secureworks by Dell are governed by a shared services agreement between Secureworks and Dell Inc. The total amounts of the charges under the shared services agreement with Dell were \$2.9 million, \$3.8 million, \$3.8 million and \$4.0 million \$3.8 million for the fiscal years ended February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021 January 28, 2022, respectively. Management believes that the basis on which the expenses have been allocated is a reasonable reflection of the utilization of services provided to or the benefit received by the Company during the periods presented.

Related Party Arrangements

For the periods presented, related party transactions and activities involving Dell Inc. and its wholly-owned subsidiaries were not always consummated on terms equivalent to those that would prevail in an arm's-length transaction where conditions of competitive, free-market dealing may exist.

The Company purchases computer equipment for internal use from Dell Inc. and its subsidiaries that is capitalized within property and equipment in the Consolidated Statements of Financial Position. Purchases of computer equipment from Dell and EMC Corporation, a wholly-owned subsidiary of Dell that provides enterprise software and storage, ("EMC"), or EMC, totaled \$0.9 0.5 million, \$0.7 million \$0.9 million, and \$0.8 million \$0.7 million for the fiscal years ended February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021 January 28, 2022, respectively.

EMC previously maintained a majority ownership interest in VMware, Inc. ("VMware"), or VMware, a company that provides cloud and virtualization software and services. The Company's purchases of annual maintenance services, software licenses and hardware systems for internal use from Dell, EMC and VMware totaled \$1.1 0.9 million, \$1.6 million \$1.1 million, and \$2.8 million \$1.6 million for the fiscal years ended February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021 January 28, 2022, respectively. On November 1, 2021, Dell Technologies completed its spin-off of all shares of common stock of VMware that were beneficially owned by Dell Technologies and its subsidiaries, including EMC, to Dell Technologies' stockholders. As a result of the spin-off transaction, the businesses of VMware were separated from the remaining businesses of Dell Technologies, although Michael S. Dell, the Chairman, Chief Executive Officer and majority stockholder of Dell Technologies, continues continued to serve as Chairman of the Board of VMware. VMware until VMware was acquired by Broadcom Inc. on November 22, 2023.

The Company recognized revenue related to solutions provided to VMware that totaled \$0.6 million, and \$0.5 million and \$0.5 million for the fiscal years ended February 2, 2024, February 3, 2023 and January 28, 2022, respectively. In October 2019, VMware acquired Carbon Black Inc., a security business with which the Company had an existing commercial relationship. Purchases by the Company of solutions from Carbon Black totaled \$2.9 million, \$2.0 million, \$6.2 million, \$2.9 million, and \$5.5 million, \$6.2 million for the fiscal years ended February 3, 2023, February 2, 2024, January 28, 2022, February 3, 2023, and January 29, 2021, January 28, 2022, respectively.

The Company also recognized revenue related to solutions provided to significant beneficial owners of Secureworks common stock, which include Mr. Dell and affiliates of Mr. Dell. The revenues recognized by the Company from solutions provided to Mr. Dell, MSD Capital, L.P. (a firm founded for the purposes of managing investments of Mr. Dell and his family), DFI Resources LLC, an entity affiliated with Mr. Dell, and the Michael and Susan Dell Foundation totaled \$0.3 million, \$0.2 million, \$0.3 million, and \$0.2 million for the fiscal years ended February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021, January 28, 2022, respectively.

SECUREWORKS CORP.

Notes to Consolidated Financial Statements (Continued)

The Company provides solutions to certain customers whose contractual relationships have historically been with Dell rather than Secureworks, although the Company has the primary responsibility to provide the services. Effective August 1, 2015, in connection with the IPO, many of such customer contracts were transferred from Dell to the Company, forming a direct contractual relationship between the Company and the end customer. For customers whose contracts have not yet been transferred or whose contracts were subsequently originated through Dell under a reseller agreement, the Company recognized revenues of approximately \$56.6 million, \$65.0 million, \$61.7 million and \$59.1 million, \$61.7 million for the fiscal years ended February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021, January 28, 2022, respectively. In addition, as of February 3, 2023, February 2, 2024, the Company had approximately \$3.2 million of contingent obligations to Dell related to outstanding performance bonds for certain customer contracts which Dell issued on behalf of the Company. These contingent obligations are not recognized as liabilities on the Company's financial statements.

As the Company's customer and on behalf of certain of its own customers, Dell also purchases solutions from the Company. The Company recognized revenues from such purchases of approximately \$0.9 million, \$4.6 million, \$11.7 million and \$18.6 million, \$11.7 million for the fiscal years ended February 2, 2024, February 3, 2023, January 28, 2022 and January 29, 2021, January 28, 2022, respectively.

SECUREWORKS CORP.

Notes to Consolidated Financial Statements (Continued)

As a result of the foregoing related party arrangements, the Company has recorded the following related party balances in the Consolidated Statement of Financial Position as of February 3, 2023, February 2, 2024 and January 28, 2022, February 3, 2023:

		February 3, 2023	January 28, 2022
		(in thousands)	
	February 2, 2024	February 2, 2024	
	(in thousands)	February 3, 2023	
		(in thousands)	
Related party payable (in accrued and other current liabilities)	Related party payable (in accrued and other current liabilities)	\$ 1,141	\$ 3,088
Accounts receivable from customers under reseller agreements with Dell (in accounts receivable, net)	Accounts receivable from customers under reseller agreements with Dell (in accounts receivable, net)	\$ 5,584	\$ 7,700

Net operating loss sharing receivable under agreement with Dell (in other current assets)	Net operating loss tax sharing receivable under agreement with Dell (in other current assets)	\$	3,472	\$10,693
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SECUREWORKS CORP.

Notes to Consolidated Financial Statements (Continued)

NOTE 14 — REORGANIZATION AND OTHER RELATED COSTS

During the fiscal year ended February 3, 2023, the Company committed to a plan to align its investments more closely with its strategic priorities to meet the expected future needs of the business by reducing the Company's workforce and implementing certain real estate-related and other cost optimization actions. Under this plan and through continued reorganization actions conducted during fiscal year ended February 2, 2024, the Company intends to rebalance began rebalancing investments across all functions to align cross-functionally in alignment with the Company's top strategic priorities current strategy and growth opportunities, such as focusing on the higher value, higher margin Taegis solutions, optimizing the Company's organizational structure to increase its scalability, and other priorities, in order to balance better position the Company for continued growth with improving operating margins over time. For The Company incurred expenses associated with the plan of approximately \$17.1 million and \$15.5 million for the fiscal year ended February 2, 2024 and February 3, 2023, the Company incurred respectively. These expenses of approximately \$15.5 million under the plan, consisting consisted primarily of severance and other termination benefits, real estate-related expenses, and various other cost saving measures.

Expenses recognized in the current fiscal year relating to the Company's plan (in thousands) are as follows.

	Workforce	Real estate-related	Other	Total
Subscription cost of revenue	\$ 444	\$ —	\$ —	\$ 444
Professional services cost of revenue	141	—	—	141
Research and development	2,052	—	—	2,052
Sales and marketing	2,510	—	263	2,773
General and administrative	2,403	4,570	3,088	10,061
Total reorganization and other related charges	\$ 7,550	\$ 4,570	\$ 3,351	\$ 15,471

The following table summarizes the liability associated with these charges that is included in accrued and other current liabilities on the accompanying Consolidated Statement of Financial Position (in thousands):

		Real estate-related			
		Workforce	Workforce related	Other	Total
	Workforce	Workforce	Real estate-related	Other	Total
Balance as of January 28, 2022	Balance as of January 28, 2022	\$ —	\$ —	\$ —	\$ —
Reorganization charge	Reorganization charge	7,550	4,570	3,351	15,471
Charges settled in cash	Charges settled in cash	—	(90)	(325)	(415)
Charges settled in non-cash	Charges settled in non-cash	—	(4,480)	(1,632)	(6,112)
Balance as of February 3, 2023	Balance as of February 3, 2023	\$ 7,550	\$ —	\$ 1,394	\$ 8,944
Reorganization charge					
Charges settled in cash					

Charges
settled in non-
cash
Balance as of
February 2, 2024

SECUREWORKS CORP.
Notes to Consolidated Financial Statements (Continued)

NOTE 15 — BUSINESS COMBINATIONS REVISION TO PREVIOUSLY ISSUED 2024 INTERIM CONDENSED CONSOLIDATED FINANCIAL STATEMENTS (UNAUDITED)

The following disclosure information relates As detailed in Note 1 to business combination activity that occurred during the comparative periods Company's Consolidated Financial Statements, the Company's historical classification of the effects of exchange rate changes on the Company's foreign denominated cash and cash equivalents balances was not presented separately as the effect of exchange rate changes on cash and cash equivalents in the Company's financial statements. There were no business combination transactions entered into Company's Consolidated Statement of Cash Flows, but rather was included as a component of net cash provided by (used in) operating activities and investing activities. This matter also impacted interim Condensed Consolidated Financial Statements of the Company during the and fiscal year ended February 3, 2023.

On September 21, 2020, the Company acquired all of the outstanding shares (representing 100% of the voting interest) of Delve Laboratories Inc. ("Delve") for approximately \$15.4 million. Delve provides comprehensive vulnerability assessment solutions through its automated vulnerability platform. Delve's software-as-a-service solution is powered by artificial intelligence and machine-learning to provide customers with more accurate and actionable data about the highest risk vulnerabilities across their network, endpoints and cloud. Secureworks is integrating the vulnerability discovery and prioritization technology into new offerings within its cloud-based portfolio, including its Taegis software platform and XDR application, expanding visibility and insights for users. The financial results of Delve have been included in the Company's consolidated financial statements prospectively from the date of acquisition within the Company's single reporting unit. The goodwill recognized as described below 2024 quarterly periods will also be revised in connection with our future fiscal 2025 unaudited interim Condensed Consolidated Financial Statement filings in Quarterly Reports on Form 10-Q. The Company will revise the transaction is primarily attributable Condensed Consolidated Statements of Cash Flows for the year-to-date periods ended May 5, 2023, August 4, 2023, and November 3, 2023 to correct the anticipated synergies from future growth presentation of the product effect of exchange rate changes on cash and the Company's Taegis software platform. The acquisition was treated as an asset transaction for tax purposes and \$9.1 cash equivalents. This revision will result in a decrease of \$1.6 million, of goodwill acquired is expected to be deductible for tax purposes. Transaction costs were approximately \$0.6 \$2.6 million, and were expensed \$4.6 million in net cash used in operating activities and de minimis impacts to cash flows from capital expenditures, as incurred by included in total cash used in investing activities, for the Company three months ended May 5, 2023, six months ended August 4, 2023, and nine months ended November 3, 2023, respectively. The acquired business did not have a material impact corresponding amounts will be presented separately as the effect of exchange rate changes on the Company's consolidated financial statements, cash and therefore historical and pro forma disclosures have not been presented.

The following table summarizes the allocation of the aggregate purchase price to the fair values of the assets acquired and liabilities assumed at the date of acquisition (in thousands), which was completed as of January 29, 2021:

	Total Purchase Price Allocation for Acquisitions
Assets acquired:	
Cash	\$ 343
Accounts and notes receivable	101
Other current assets	608
Intangibles	6,200
Total identifiable assets	7,252
Goodwill	9,108
	16,360
Liabilities assumed:	
Accounts Payable	28
Accrued and other liabilities	688
Non-current liabilities	220
Total Liabilities Assumed	936
Purchase consideration	\$ 15,424

The intangibles identified in the transaction represent technology-based assets with an established useful life of 6 years. The value of the acquired assets was estimated using the relief from royalty method, an income approach (Level 3), which provides an estimate of cost savings that accrue to the owner of the asset that would otherwise be payable as royalties or license fees on revenue earned through the use of the asset.

NOTE 16 — SUBSEQUENT EVENTS

SecureWorks, Inc., the Company's wholly-owned subsidiary, extended a revolving credit agreement with a wholly-owned subsidiary of Dell Inc. under which the Company has a \$30 million senior unsecured revolving credit facility. Subsequent to the end of fiscal 2023, the revolving credit agreement was amended and restated, effective as of March 24, 2023, to extend the maturity date to March 24, 2024 and to modify the annual rate at which interest accrues from the London Interbank Offered Rate ("LIBOR") plus 1.23% to the applicable SOFR rate plus 1.15%. The amended and restated revolving credit agreement otherwise has terms substantially similar to those of the facility before the amendment and restatement. cash equivalents.

SCHEDULE II - VALUATION AND QUALIFYING ACCOUNTS

Valuation and Qualifying Accounts

		Balance at	Charged to	Charged to	Balance at							
		Beginning	Income	to	End of							
		Balance at	Charged to			Balance at	Charged	End				
		Beginning				Beginning	Income	to				
Fiscal Year	Fiscal Year	Description	of Period	Statement	Allowance	Period	Fiscal Year	Description	of Period	Statement	Allowance	Period
Trade Receivables:	Trade Receivables:											
2024												
2024												
2024												
2023	2023	Allowance for credit losses	\$ 3,511	\$ (524)	\$ (585)	\$ 2,402						
2022	2022	Allowance for credit losses	\$ 4,830	\$ (430)	\$ (889)	\$ 3,511						
2021		Allowance for credit losses	\$ 5,121	\$ 1,810	\$ (2,101)	\$ 4,830						

Item 9. Changes in and Disagreements With Accountants on Accounting and Financial Disclosure

None

Item 9A. Controls and Procedures

This report includes the certifications of our Chief Executive Officer and Chief Financial Officer required by Rule 13a-14 under the Securities Exchange Act of 1934, as amended, (the "Exchange Act"), or Exchange Act. See Exhibits 31.1 and 31.2 filed with this report. This Item 9A includes information concerning the controls and control evaluations referred to in those certifications.

Evaluation of Disclosure Controls and Procedures

Disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) are designed to provide reasonable assurance that information required to be disclosed in reports filed or submitted under the Exchange Act is recorded, processed, summarized and reported, within the time periods specified in the SEC's rules and forms and that such information is accumulated and communicated to management, including the Chief Executive Officer and the Chief Financial Officer, as appropriate to allow timely decisions regarding required disclosure.

In connection with the preparation of this report, our management, under the supervision and with the participation of our Chief Executive Officer and our Chief Financial Officer, conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures as of February 3, 2023 February 2, 2024. Based on that evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of February 3, 2023 February 2, 2024.

Management's Report on Internal Control Over Financial Reporting

Management, under the supervision of the Chief Executive Officer and the Chief Financial Officer, is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Internal control over financial reporting includes those policies and procedures which (a) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of assets, (b) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, (c) provide reasonable assurance that receipts and expenditures are being made only in accordance with appropriate authorization of management and the board of directors, and (d) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of assets that could have a material effect on the financial statements.

In connection with the preparation of this report, our management, under the supervision and with the participation of our Chief Executive Officer and Chief Financial Officer, conducted an evaluation of the effectiveness of our internal control over financial reporting as of February 3, 2023 February 2, 2024, based on the criteria established in *Internal Control — Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission. As a result of that evaluation, management has concluded that our internal control over financial reporting was effective as of February 3, 2023 February 2, 2024.

The effectiveness of our internal control over financial reporting as of February 3, 2023 February 2, 2024 has been audited by PricewaterhouseCoopers LLP, our independent registered public accounting firm, as stated in their report, which is included in "Item 8 — Financial Statements and Supplementary Data."

Changes in Internal Control Over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the period covered by this Annual Report on Form 10-K that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

SECUREWORKS CORP. **Notes to Consolidated Financial Statements (Continued)**

Limitations on the Effectiveness of Controls

Our system of controls is designed to provide reasonable, not absolute, assurance regarding the reliability and integrity of accounting and financial reporting. Management does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system will be met. These inherent limitations include the following:

- Judgments in decision-making can be faulty, and control and process breakdowns can occur because of simple errors or mistakes.
- Controls can be circumvented by individuals, acting alone or in collusion with each other, or by management override.
- The design of any system of controls is based in part on certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions.
- Over time, controls may become inadequate because of changes in conditions or deterioration in the degree of compliance with associated policies or procedures.
- The design of a control system must reflect the fact that resources are constrained, and the benefits of controls must be considered relative to their costs.

Item 9B. Other Information

SecureWorks, Inc., our wholly-owned subsidiary, is party to a revolving credit agreement with a wholly-owned subsidiary of Dell Inc. under which we have a \$30 million senior unsecured revolving credit facility. Subsequent to the end of fiscal 2023, the revolving credit agreement was amended and restated, effective as of March 24, 2023, to extend the maturity date to March 24, 2024 and to modify the annual rate at which interest accrues from the applicable LIBOR rate plus 1.23% to the applicable SOFR rate plus 1.15%. The amended and restated revolving credit agreement otherwise has terms substantially similar to those of the facility before the amendment and restatement. The credit facility and the recent amendment and restatement to the credit facility to extend the term are described under "Notes to Consolidated Financial Statements—Note 6—Debt" and "—Note 16—Subsequent Events" in our consolidated financial statements included in this annual report on Form 10-K. None.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable applicable.

Part III

Item 10. Directors, Executive Officers and Corporate Governance

We have adopted a code of ethics applicable to our principal executive officer and other senior financial officers. The code of ethics, which we refer to as our Code of Ethics for Senior Financial Officers, is available on the Investors page of our website at www.secureworks.com. To the extent required by SEC rules, we intend to disclose any amendments to this code and any waiver of a provision of the code for the benefit of any senior financial officer on our website within any period that may be required under SEC rules from time to time.

See "Part I — Item 1 — Business — Information about our Executive Officers" for information about our executive officers, which is incorporated by reference in this Item 10. Other information required by this Item 10 is incorporated herein by reference to our definitive proxy statement for our 2023 2024 annual meeting of stockholders, referred to as the "2023 2024 proxy statement," which we will file with the SEC on or before 120 days after our 2023 2024 fiscal year end, and which will appear in the 2023 2024 proxy statement, including the information in the 2023 2024 proxy statement appearing under the captions "Proposal 1 — Election of Directors" and "Delinquent Section 16(a) Reports."

The following lists the members of our board of directors and the principal occupation of each director as of the date of this report.

Wendy K. Thomas
Chief Executive Officer
SecureWorks Corp.

Michael S. Dell
Chairman and Chief Executive Officer
Dell Technologies Inc.

Kyle Paster
Managing Director
Silver Lake Partners
(private equity)

Mr. William (Bill) H. Cary
Retired Executive of General Electric Company
Former President and Chief Operating Officer of GE Capital Corp.

Pamela Daley
Retired Senior Vice President and
Senior Advisor to the Chairman
of General Electric Company

Mark J. Hawkins
Former President and Chief Financial Officer
Salesforce.com, Inc.
(software)

Yagyensh C. (Buno) Pati
Partner Centerview Capital Technology
(investments)

Item 11. Executive Compensation

Information required by this Item 11 is incorporated herein by reference to the 2023 2024 proxy statement, including the information in the 2023 2024 proxy statement appearing under the captions "Proposal 1 — Election of Directors — Director Compensation" and "Compensation of Executive Officers."

Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters

Information required by this Item 12 is incorporated herein by reference to the 2023 2024 proxy statement, including the information in the 2023 2024 proxy statement appearing under the captions "Equity Compensation Plan Information" and "Security Ownership of Certain Beneficial Owners and Management."

Item 13. Certain Relationships and Related Transactions, and Director Independence

Information required by this Item 13 is incorporated herein by reference to the 2023 2024 proxy statement, including the information in the 2023 2024 proxy statement appearing under the captions "Proposal 1—Election of Directors" and "Transactions with Related Persons."

Item 14. Principal Accountant Fees and Services

Information required by this Item 14 is incorporated herein by reference to the 2023 2024 proxy statement, including the information in the 2023 2024 proxy statement appearing under the caption "Proposal 2 — Ratification of Appointment of Independent Registered Public Accounting Firm."

Part IV

Item 15. Exhibit Exhibits and Financial Schedules

The following documents are filed as a part of this annual report on Form 10-K:

- (1) *Financial Statements*: The following financial statements are filed as a part of this report under "Part II — Item 8 Financial Statements and Supplementary Data":

Report of Independent Registered Public Accounting Firm

Consolidated Statements of Financial Position as of February 3, 2023 February 2, 2024 and January 28, 2022 February 3, 2023

Consolidated Statements of Operations for the fiscal years ended February 3, 2023 February 2, 2024, January 28, 2022 February 3, 2023 and January 29, 2021 January 28, 2022

Consolidated Statements of Comprehensive Loss for the fiscal years ended February 3, 2023 February 2, 2024, January 28, 2022 February 3, 2023 and January 29, 2021 January 28, 2022

Consolidated Statements of Cash Flows for the fiscal years ended February 3, 2023 February 2, 2024, January 28, 2022 February 3, 2023 and January 29, 2021 January 28, 2022

Consolidated Statements of Stockholder's Equity for the fiscal years ended February 3, 2023 February 2, 2024, January 28, 2022 February 3, 2023 and January 29, 2021 January 28, 2022

Notes to Consolidated Financial Statements

Schedule II - Valuation and Qualifying Accounts

- (2) *Financial Statement Schedules*: The following financial statement schedule is included following the Notes to the Consolidated Financial Statements under "Part II — Item 8 — Financial Statements and Supplementary Data":

Schedule II — Valuation and Qualifying Accounts

- (3) *Exhibits*:

EXHIBIT INDEX

Exhibit No.	Description
3.1	Restated Certificate of Incorporation of SecureWorks Corp. (the "Company") (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-8 filed with the Securities and Exchange Commission (the "Commission") on April 22, 2016 (the "Form S-8")) (Registration No. 333-210866).
3.2	Amended and Restated Bylaws of SecureWorks Corp. (incorporated by reference to Exhibit 4.2 to the Form S-8) (Registration No. 333-210866).
4.1	Specimen Certificate of Class A Common Stock, \$0.01 par value per share, of the Company (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1 filed with the Commission on December 17, 2015 (the "Form S-1")) (Registration No. 333-208596).
4.2	Description of the Company's Securities Registered Pursuant to Section 12 of the Securities Exchange Act of 1934 (incorporated by reference to Exhibit 4.2 to the Company's Annual Report on Form 10-K for the fiscal year ended January 31, 2020) (Commission File No. 001-37748).
10.1	Shared Services Agreement, effective as of August 1, 2015, between Dell Inc., for itself and its subsidiaries, and the Company (formerly known as SecureWorks Holding Corporation), for itself and its subsidiaries (incorporated by reference to Exhibit 10.1 to the Form S-1) (Registration No. 333-208596).
10.1.1	Amendment #1 to Shared Services Agreement, dated December 8, 2015, between Dell Inc., for itself and its subsidiaries, and the Company, for itself and its subsidiaries (incorporated by reference to Exhibit 10.1.1 to the Form S-1) (Registration No. 333-208596).
10.1.2	Amendment #2 to Shared Services Agreement, dated November 8, 2017, between Dell Inc., for itself and its subsidiaries, and the Company, for itself and its subsidiaries (incorporated by reference to Exhibit 10.1.2 to the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2018) (Commission File No. 001-37748).
10.1.3	Amendment #3 to Shared Services Agreement, dated as of July 11, 2018, between Dell Inc., for itself and its subsidiaries, and the Company, for itself and its subsidiaries (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended August 3, 2018) (Commission File No. 001-37748).
10.1.4	Amendment #4 to Shared Services Agreement, dated as of May 29, 2019, between Dell Inc., for itself and its subsidiaries, and the Company, for itself and its subsidiaries (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended May 3, 2019) (Commission File No. 001-37748).
10.1.5	Amendment #5 to Shared Services Agreement, dated as of February 1, 2022, between Dell Inc., for itself and its subsidiaries, and the Company, for itself and its subsidiaries (incorporated by reference to Exhibit 10.1.5 to the Company's Annual Report on Form 10-K for the fiscal year ended January 28, 2022) (Commission File No. 001-37748).
10.1.6† 10.1.6	Amendment #6 to Shared Services Agreement, dated September 13, 2022, between Dell Inc., for itself and its subsidiaries, and the Company, for itself and its subsidiaries (incorporated by reference to Exhibit 10.1.6 to the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 2023) (Commission File No. 001-37748).
10.1.7	Amendment #7 to the Shared Services Agreement, dated July 21, 2023, between Dell Inc., for itself and its subsidiaries, and the Company, for itself and its subsidiaries.
10.2	Intellectual Property Contribution Agreement, effective as of August 1, 2015, among Dell Inc., the Company and other subsidiaries of Dell Inc. party thereto (incorporated by reference to Exhibit 10.2 to the Form S-1) (Registration No. 333-208596).
10.3	Patent License Agreement, effective as of August 1, 2015, between Dell Inc., for itself and its subsidiaries, and the Company, for itself and its subsidiaries (incorporated by reference to Exhibit 10.3 to the Form S-1) (Registration No. 333-208596).
10.4	License Agreement, dated as of September 9, 2015, between Dell Inc. and the Company (incorporated by reference to Exhibit 10.4 to the Form S-1) (Registration No. 333-208596).
10.5	Tax Matters Agreement, effective as of August 1, 2015, between the Company, for itself and its subsidiaries, and Dell Technologies Inc. (formerly known as Denali Holding Inc.), for itself and its subsidiaries other than the Company (incorporated by reference to Exhibit 10.5 to the Form S-1) (Registration No. 333-208596).
10.5.1	Amendment #1 to Tax Matters Agreement, dated December 8, 2015, between the Company, for itself and its subsidiaries, and Dell Technologies Inc., for itself and its subsidiaries other than the Company (incorporated by reference to Exhibit 10.5.1 to the Form S-1) (Registration No. 333-208596).
10.5.2	Amended and Restated Tax Matters Agreement, dated as of June 6, 2023, by and among SecureWorks Corp. (the "Company"), for itself and its subsidiaries, and Dell Technologies Inc., for itself and its subsidiaries other than the Company and the Company's subsidiaries (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended May 5, 2023) (Commission File No. 001-37748)
Exhibit No.	Description
10.6	Amended and Restated Employee Matters Agreement, effective as of August 1, 2015, among Dell Technologies Inc., Dell Inc. and the Company (incorporated by reference to Exhibit 10.6 to the Form S-1) (Registration No. 333-208596).
10.7+	Security Services Customer Master Services Agreement, effective as of July 7, 2015, between SecureWorks, Inc. and Dell USA L.P., on behalf of itself, Dell Inc., and Dell Inc.'s subsidiaries (incorporated by reference to Exhibit 10.7 to the Form S-1) (Registration No. 333-208596).
10.8	Letter Agreement to Security Services Customer Master Services Agreement and Reseller Agreement, effective as of August 1, 2015, between Dell Inc. and SecureWorks, Inc. (incorporated by reference to Exhibit 10.8 to the Form S-1) (Registration No. 333-208596).

Exhibit No.	Description
10.8.1+	First Amendment to Security Services Customer Master Services Agreement, effective as of November 3, 2017, between Dell USA L.P. and SecureWorks, Inc. (incorporated by reference to Exhibit 10.8.1 to the Company's Annual Report on Form 10-K for the fiscal year ended February 2, 2018) (Commission File No. 001-37748).
10.8.2+	Amendment #2 to Security Services Customer Master Services Agreement, effective as of August 18, 2022, between Dell USA L.P., for itself and its subsidiaries (excluding SecureWorks, Inc.), and SecureWorks, Inc., for itself and its subsidiaries (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended October 28, 2022) (Commission File No. 001-37748).
10.9+	Amended and Restated Master Commercial Customer Agreement, effective as of August 1, 2015, between Dell Marketing L.P. and SecureWorks, Inc. (incorporated by reference to Exhibit 10.9 to the Form S-1) (Registration No. 333-208596).
10.9.1+	Amendment No. 1 to Amended and Restated Master Commercial Customer Agreement, effective as of August 4, 2018, between Dell Marketing L.P. and SecureWorks, Inc. (incorporated by reference to Exhibit 10.9.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended November 2, 2018) (Commission File No. 001-37748).
10.9.2	Joinder of EMC Corporation to the Amended and Restated Master Commercial Customer Agreement, dated as of March 8, 2019 (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended May 3, 2019) (Commission File No. 001-37748).
10.10+	Amended and Restated Reseller Agreement, effective as of August 1, 2015, between SecureWorks, Inc., for itself and its subsidiaries, and Dell Inc., for itself and its subsidiaries other than the Company (incorporated by reference to Exhibit 10.10 to the Form S-1) (Registration No. 333-208596).
10.10.1+	Amendment No. 1 to Amended and Restated Reseller Agreement, dated as of January 23, 2019, between Dell, Inc., for itself and its subsidiaries other than SecureWorks, Inc. and SecureWorks, Inc., for itself and its subsidiaries (incorporated by reference to Exhibit 10.10.1 to the Company's Annual Report on Form 10-K for the fiscal year ended February 1, 2019) (Commission File No. 001-37748).
10.10.2**	Addendum No. 1 to Amendment No. 1 to Amended and Restated Reseller Agreement, dated as of May 8, 2019, between Dell, Inc., for itself and its subsidiaries other than SecureWorks, Inc., and SecureWorks, Inc., for itself and its subsidiaries (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended May 3, 2019) (Commission File No. 001-37748).
10.10.3**	Amendment No. 2 to Amended and Restated Reseller Agreement, dated as of May 21, 2019, between Dell Inc., for itself and its subsidiaries other than SecureWorks, Inc., and SecureWorks, Inc., for itself and its subsidiaries (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended August 2, 2019) (Commission File No. 001-37748).
10.10.4**	Amendment No. 3 to Amended and Restated Reseller Agreement, dated as of June 13, 2019, between Dell Inc., for itself and its subsidiaries other than SecureWorks, Inc., and SecureWorks, Inc., for itself and its subsidiaries (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended August 2, 2019) (Commission File No. 001-37748).
10.10.5**	Amendment No. 4 to Amended and Restated Reseller Agreement, dated as of July 30, 2019, between Dell Inc., for itself and its subsidiaries other than SecureWorks, Inc., and SecureWorks, Inc., for itself and its subsidiaries (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended August 2, 2019) (Commission File No. 001-37748).
10.10.6	Amendment No. 5 to Amended and Restated Reseller Agreement, dated as of October 1, 2019, between Dell Inc., for itself and its subsidiaries other than SecureWorks, Inc., and SecureWorks, Inc., for itself and its subsidiaries (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended November 1, 2019) (Commission File No. 001-37748).
10.10.7**	Amendment No. 6 to Amended and Restated Reseller Agreement, dated as of October 23, 2019, between Dell Inc., for itself and its subsidiaries other than SecureWorks, Inc., and SecureWorks, Inc., for itself and its subsidiaries (incorporated by reference to Exhibit 10.2 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended November 1, 2019) (Commission File No. 001-37748).

Exhibit No.	Description
10.10.8**	Amended and Restated Amendment No. 6 to Amended and Restated Reseller Agreement, dated as of December 3, 2020, between Dell Inc., for itself and its subsidiaries other than SecureWorks, Inc., and SecureWorks, Inc., for itself and its subsidiaries (incorporated by reference to Exhibit 10.10.8 to the Company's Annual Report on Form 10-K for the fiscal year ended January 29, 2021) (Commission File No. 001-37748).
10.10.9	Letter Agreement to Amended and Restated Reseller Agreement, dated as of December 30, 2021, between Dell Inc., for itself and its subsidiaries other than SecureWorks, Inc., and SecureWorks, Inc., for itself and its subsidiaries (incorporated by reference to Exhibit 10.10.9 to the Company's Annual Report on Form 10-K for the fiscal year ended January 28, 2022) (Commission File No. 001-37748).

Exhibit No.	Description
10.10.10+	Amendment No. 7 to Amended and Restated Reseller Agreement, dated as of June 23, 2022, between Dell Inc., for itself and its subsidiaries other than SecureWorks, Inc., and SecureWorks, Inc., for itself and its subsidiaries (incorporated by reference to Exhibit 10.1 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended July 29, 2022) (Commission File No. 001-37748).
10.11	Registration Rights Agreement, dated as of August 3, 2015, among the Company and the Holders party thereto (incorporated by reference to Exhibit 10.22 to the Form S-1) (Registration No. 333-208596).
10.12	Registration Rights Agreement, dated as of April 27, 2016, among the Company, Dell Marketing L.P., Michael S. Dell, the Susan Lieberman Dell Separate Property Trust, MSDC Denali Investors, L.P., MSDC Denali EIV, LLC, Silver Lake Partners III, L.P., Silver Lake Technology Investors III, L.P., Silver Lake Partners IV, L.P., Silver Lake Technology Investors IV, L.P. and SLP Denali Co-Invest, L.P. (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on April 27, 2016) (Commission File No. 001-37748).
10.13†† 10.13	Sixth Amended and Restated Revolving Credit Agreement, dated as of March 23, 2023, between SecureWorks, Inc. and Dell USA L.P. (incorporated by reference to Exhibit 10.13 to the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 2023) (Commission File No. 001-37748).
10.13.1	First Amendment to Sixth Amended and Restated Revolving Credit Agreement, dated as of September 6, 2023, between SecureWorks, Inc. and Dell USA L.P. (incorporated by reference to Exhibit 10.3 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended August 4, 2023) (Commission File No. 001-37748).
10.14	Note Purchase Agreement, dated as of June 30, 2015 and amended on July 31, 2015, among the Company, Dell Technologies Inc. and the Investors party thereto (incorporated by reference to Exhibit 10.21 to the Form S-1) (Registration No. 333-208596).
10.15	Office Lease between Teachers Concourse, LLC and SecureWorks, Inc., dated as of April 20, 2012, as amended (incorporated by reference to Exhibit 10.23 to the Form S-1) (Registration No. 333-208596).
10.16	Unconditional Guaranty of Payment and Performance, entered into on April 20, 2012, by Dell Inc. in favor of Teachers Concourse, LLC (incorporated by reference to Exhibit 10.24 to the Form S-1) (Registration No. 333-208596).
10.17	Sublease Agreement between Dell International Services SRL and SecureWorks Europe SRL, dated as of June 22, 2015, as amended (incorporated by reference to Exhibit 10.26 to the Form S-1) (Registration No. 333-208596).
10.18	Lease Deed between Dell International Services India Private Limited and SecureWorks India Private Limited, dated as of August 8, 2015 (incorporated by reference to Exhibit 10.27 to the Form S-1) (Registration No. 333-208596).
10.19*	Dell Technologies Inc. 2013 Stock Incentive Plan (as amended and restated) (incorporated by reference to Exhibit 10.8 to Dell Technologies Inc.'s Current Report on Form 8-K filed with the Commission on December 28, 2018) (Commission File No. 001-37867).
10.20*	Dell Technologies Inc. 2012 Long-Term Incentive Plan (formerly known as Dell Inc. 2012 Long-Term Incentive Plan) as amended and restated as of October 6, 2017 (incorporated by reference to Exhibit 10.4 to Dell Technologies Inc.'s Quarterly Report on Form 10-Q for the quarterly period ended November 3, 2017) (Commission File No. 001-37867).
10.21*	Form of Indemnification Agreement between the Company and each director and executive officer of the Company (incorporated by reference to Exhibit 10.20 to the Form S-1) (Registration No. 333-208596).
10.22*	SecureWorks Corp. 2016 Long-Term Incentive Plan, as amended and restated as of June 21, 2021, June 27, 2023 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on June 22, 2021, June 27, 2023) (Commission File No. 001-37748).
10.23*	Form of Nonqualified Stock Option Agreement for Executives under SecureWorks Corp. 2016 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.13 to the Form S-1) (Registration No. 333-208596).
10.24*	Form of Nonqualified Stock Option Agreement for Directors under SecureWorks Corp. 2016 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.13.1 to Amendment No. 1 to the Form S-1 filed with the Commission on March 22, 2016) (Registration No. 333-208596).

Exhibit No.	Description
10.25††	Form of Restricted Stock Unit Agreement for Executives under SecureWorks Corp. 2016 Long-Term Incentive Plan.
10.26*	Form of Restricted Stock Unit Agreement for Non-Employee Directors under SecureWorks Corp. 2016 Long-Term Incentive Plan (incorporated by reference to Exhibit 10.5 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended July 30, 2021) (Commission File No. 001-37748).
10.27*	SecureWorks Corp. Amended and Restated Severance Pay Plan for Executive Employees (incorporated by reference to Exhibit 10.6 to the Company's Quarterly Report on Form 10-Q for the quarterly period ended May 1, 2020) (Commission File No. 001-37748).
10.28††	SecureWorks Corp. Amended and Restated Non-Employee Director Compensation Policy, effective March 20, 2023 (incorporated by reference to Exhibit 10.28 to the Company's Annual Report on Form 10-K for the fiscal year ended February 3, 2023) (Commission File No. 001-37748).
10.29*	SecureWorks Corp. Form of Protection of Sensitive Information, Noncompetition and Nonsolicitation Agreement (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K filed with the Commission on December 7, 2016) (Commission File No. 001-37748).

SIGNATURE	TITLE	DATE
/s/ Wendy K. Thomas Wendy K. Thomas	Chief Executive Officer and Director (Principal Executive Officer)	March 23, 2023 22, 2024
/s/ Paul M. Parrish Alpana Wegner Paul M. Parrish Alpana Wegner	Senior Vice President, Chief Financial Officer (Principal Financial Officer)	March 23, 2023 22, 2024
/s/ Christian Grant Christian Grant	Vice President, Chief Accounting Officer (Principal and Accounting Officer)	March 23, 2023
/s/ Michael S. Dell Michael S. Dell	Chairman of the Board of Directors	March 23, 2023 22, 2024
/s/ Kyle Paster Kyle Paster	Director	March 23, 2023 22, 2024
/s/ Pamela Daley Pamela Daley	Director	March 23, 2023 22, 2024
/s/ Yagyensh C. Pati Yagyensh C. Pati	Director	March 23, 2023 22, 2024
/s/ Mark J. Hawkins Mark J. Hawkins	Director	March 23, 2023 22, 2024

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Exhibit 10.1.6 10.1.7

AMENDMENT #6 #7

TO THE SHARED SERVICES AGREEMENT

This Amendment No. 6 Amendment 7 to the Shared Services Agreement (this "Amendment"), dated as of the last date of signature below, is made by and between Dell Inc., for itself and its Subsidiaries (excluding Spyglass) ("Dell"), and SecureWorks Corp. (f/k/a SecureWorks Holding Corporation), for itself and its Subsidiaries ("Spyglass") (each a "Party" and collectively, the "Parties") to amend and restate Schedule AD to the Shared Services Agreement, dated July 20, 2015, that was entered into by and between the Parties (as amended, the "Agreement" or the "SSA").

Since the effective date of the Agreement, Spyglass and Dell have agreed to two letter amendments of Schedule A to the SSA, which occurred on December 14, 2017 (Re: Early Termination of certain Accounting Services under the Shared Services Agreement (Dell to Spyglass and Spyglass to Dell) effective August 1, 2015) and July 11, 2018 (Re: Early Termination of Global Financial Services under the Shared Services Agreement (Dell to Spyglass and Spyglass to Dell) effective August 1, 2015), respectively.

Capitalized terms used herein, but not defined herein, shall have the meanings given to such terms in the Agreement. The effective date of this Amendment shall be September 1, 2022 July 1, 2023 (the "Effective Date").

RECITALS

WHEREAS, pursuant to the Agreement, Dell is providing to Spyglass certain Services set forth on Service Schedules in accordance with the terms and subject to the conditions set forth in the Agreement; and

WHEREAS, the Parties desire to amend and restate Schedule AD of the Agreement.

NOW, THEREFORE, in consideration condition of the mutual agreements, provisions provision and covenants contained in this Amendment, the Parties, intending to be legally bound, hereby agree agrees as follows:

1. Schedule A, chedule D. Schedule AD of the Agreement shall be amended and restated in its entirety as follows:

Schedule A SCHEDULE D

Finance Legal

Summary Description of Services

Functional Category	Services	Service Termination Date
Treasury, including Insurance & Risk Litigation	Dell shall provide internal support to Spyglass for the following matters: <ul style="list-style-type: none"> (i) Employment matters, ethics interviews and employee investigations (including arbitration) (ii) Management of legal holds and assistance with policies, procedures and processes on such matters (iii) Litigation management for all other matters not included in (i) or (ii) above (iv) Coordination with outside litigation counsel and other litigation professionals or vendors for matters not included in (i) above. 	Each Litigation Service listed in the Services column of this Schedule D shall terminate on the corresponding date below. <ul style="list-style-type: none"> (i) Ongoing (ii) Ongoing (iii) November 3, 2023 (iv) November 3, 2023
Intellectual Property Management	Dell will shall provide support for: <ul style="list-style-type: none"> (i) Patent prosecution (ii) Trademark, copyright and patent management (iii) Coordination with outside IP counsel (iv) Domain name management. 	All Intellectual Property Management Services shall terminate on February 2, 2024.
General Corporate	Dell shall provide support for: <ul style="list-style-type: none"> (i) SEC Compliance (ii) Board management for U.S.-based entities of Spyglass (iii) Legal entity management of U.S.-based entities of Spyglass (iv) Board management activities of the non-U.S. subsidiaries of Spyglass (v) Legal entity management of the non-U.S. subsidiaries of Spyglass (vi) ERISA and general employment matters for Spyglass and its subsidiaries. 	Each General Corporate Service listed in the Services column of this Schedule D shall terminate on the corresponding date below. <ul style="list-style-type: none"> (i) August 4, 2023 (ii) February 2, 2024 (iii) Ongoing (iv) Ongoing (v) Ongoing (vi) Ongoing
Ethics and Compliance	Dell shall assist with the implementation and maintenance of policies and procedures designed to ensure compliance with (1) external regulatory requirements, and (2) business and ethical standards.	All Ethics and Compliance Services listed in the Services column of this Schedule D are to be provided on an ongoing basis.
Real Estate	Dell shall provide support for the negotiation and management of leasing for facilities.	All Real Estate Services listed in the Services column of this Schedule D shall terminate on November 3, 2023; provided, however, that Dell shall continue the Facilities/Security Services provided to Spyglass treasury support services for under Schedule F of the following core activities: SSA (and any amendments or modifications made thereto).

- Insurance and risk management functions.
 - FX Trading on Spyglass's behalf
 - Investment of excess cash (Custody)

Dell will provide to Spyglass accounting support services for the following core activities:

- The following cash management and liquidity functions:
 - Daily Parser File
 - Monthly Quantum Interface/Close
 - Monthly AFF String Reclass
 - Monthly Cash Reconciliation
 - Monthly Money Market Fund accounting services
- Stock plan administration – maintenance of all LTI records on the Fidelity platform
- Tracking of SCWX shares authorized for plan use
- Maintenance of capitalization table – shares outstanding – involves communications with AST
- Accounting
 - stock-based compensation expense reporting / booking journal entries
 - quarterly cutoff review and tracking of anticipated employee/exec terminations for performance awards, communication with SCWX teams to monitor attainment rates throughout the year– rates are loaded into Fidelity FAS system as part of accounting close – drives SBC expense recognition annual determination of forfeiture rates – which are applied in the Fidelity

Accounting

	<ul style="list-style-type: none"> o diluted shares reporting o EPS calculations o disclosures – preparation and review Quarterly reporting in 10-Q – equity rollforward, EPS, capitalization Annual reporting 10-K – equity rollforward, EPS, capitalization, stock-based compensation footnote Proxy disclosures – preparation of all tables and disclosures related to cash/equity LTI compensation technical accounting reviews for modification of equity awards
<p>STPI Compliance (India)</p>	<p>Dell will provide the following one-time services for Spyglass in India (total cost \$2,000):</p> <ul style="list-style-type: none"> ▪ Import Export code for new legal entity ▪ Registration of the legal entity with STPI (must be renewed once in 5 years) ▪ Registration of the legal entity with Central Excise Department (must be renewed once in 5 years) ▪ Port registrations <p>Dell will provide the following recurring maintenance and compliance services for Spyglass in India (total cost will fluctuate based on number of transactions per month – current estimate is \$1,000 per month):</p> <ul style="list-style-type: none"> ▪ Day to day transaction services ▪ Filing of monthly, quarterly and annual returns ▪ Annual maintenance charges – this depends on the turnover/exports in terms of revenue declared

Terms and Conditions Specifically Applicable to Financial Legal Services:

- Dell Service Coordinator:

Indirect Procurement:

Monica Lomba

Phone: +1 (507) 6615-3664o Christopher Garcia

Email: Monica.Lomba@dell.com Christopher.A.Garcia@dell.com

- Spyglass Service Coordinator:

Tim Reynolds

Phone: 404-307-1883o George Hanna

Email: treynolds@secureworks.com ghanna@secureworks.com

- Billing Methodology:

o **Pricing:** \$10,000 per month, effective July 1, 2023

Pricing: \$150,000 per year plus STPI Compliance costs as noted above o Special Pricing (if different than set forth above):

Pricing Spyglass shall be responsible for transition services provided the cost of any judgments, settlements and legal fees incurred in jurisdictions where Spyglass will establish a legal entity after the Effective Date will be mutually agreed by the parties based on the specific scope and duration of services provided, connection with any existing or future litigation matter attributable to Spyglass.

Scope, pricing and billing All expenses for statutory accounting services will be mutually agree by the parties

All external audit services necessary to coordinate, administer, and execute against audit testing processes and audit matters consistent with a public company outside counsel will be billed directly to Spyglass, Spyglass and processed through TyMetrix.

Spyglass shall be responsible for the costs associated with external support hired by Dell or Spyglass to assist Dell with its responsibilities in supporting Spyglass with employment matters, ethics interviews and employee investigations.

- Dell agrees to use commercially reasonable efforts to assist Spyglass will reimburse Dell for vendor costs related to stock option administration for Spyglass plans to with the extent not billed directly to Spyglass, transition of Legal services, and all associated data, as described in this amended and restated Schedule D.

[END OF SCHEDULE A] D]

2. Except as amended by the terms of this Amendment, the terms and conditions of the Agreement shall remain in full force and effect. In the event of a conflict between the terms of the Agreement and the terms of this Amendment, the terms of this Amendment shall govern and control. This Amendment amendment and the Agreement constitute the sole and entire understanding of the Parties with respect to the matters contemplated hereby and supersede and render null and void all prior negotiations, representations, agreements, and understandings (oral and or written) between the Parties with respect to such matters. This Amendment shall inure to the benefit of, and be binding upon, the Parties and their respective successors and assigns. This Amendment may be executed in counterparts, each of which shall be deemed to be an original but all of which shall constitute one and the same agreement.

[Signature Page Follows]

IN WITNESS WHEREOF, THEREOF, the Parties have executed this Amendment to the Agreement as of the date set forth below.

DELL INC.

BY: /s/ Christopher A. Garcia

NAME: Christopher A. Garcia

TITLE: Senior Vice President and
Assistant

Secretary

DATE: 9/8/2022

SECUREWORKS CORP.

BY: /s/ George B. Hanna

NAME: George B. Hanna

TITLE: SVP, CLO

DATE: 9/13/2022

EXHIBIT 10.13

SIXTH AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT

This SIXTH AMENDED AND RESTATED REVOLVING CREDIT AGREEMENT (this "Agreement"), dated as of March 23, 2023 and effective as of the Effective Date, is made by and between SecureWorks, Inc., a Georgia corporation, as borrower (the "Borrower"), and Dell USA L.P., a Texas limited partnership, as lender (the "Lender").

RECITALS

WHEREAS, the Borrower and the Lender are parties to the Fifth Amended and Restated Revolving Credit Agreement dated as of March 23, 2022 (the "Existing Agreement");

WHEREAS, the Borrower and the Lender each desire to amend and restate the Existing Agreement in its entirety; and

WHEREAS, the Borrower has requested that the Lender make loans to the Borrower and the Lender is prepared to make such loans on a revolving basis and subject to the terms and conditions hereof.

NOW, THEREFORE, in consideration of the premises and the mutual agreements herein contained and other good and valuable consideration, the sufficiency and receipt of which are hereby acknowledged, and subject to the conditions set forth herein, the parties hereto agree to amend and restate the Existing Agreement as follows:

SECTION 1. DEFINITIONS.

1.1. Certain Defined Terms. As used herein, the following terms have the following respective meanings:

"Affiliate" means, as to any Person, any other Person that, directly or indirectly, controls, is controlled by or is under common control with such Person or is a director or officer of such Person;

and for purposes of this definition, the term "control" (including the terms "controlling," "controlled by" and "under common control with") of a Person means the possession, direct or indirect, of 50% or more of the total voting power of the Voting Stock of such Person or the power to direct or cause the direction of the management and policies of such Person, whether through the possession of such voting power, by contract or otherwise.

"Applicable Margin" means a margin of 1.15% above the Secured Overnight Financing Rate (SOFR) applicable to each Loan.

"Asset Disposition" means any sale, lease, license, assignment, sale leaseback, transfer or other disposition by the Borrower or any of its Subsidiaries of any of their respective assets, other than (a) sales of inventory for at least fair value in the ordinary course of business, and (b) sales of obsolete or worn out property if promptly replaced with other similar property of at least equal usefulness.

"Assignment and Assumption" means an assignment and assumption entered into between the Lender and an assignee in a form approved by the Lender.

"Availability Period" means the period from the Effective Date to, but excluding, the Commitment Termination Date.

"Available Commitment" means, at any time, the Commitment then in effect less the aggregate principal amount of all Loans outstanding under the Agreement at such time.

"Beneficial Owner" has the meaning set forth in Rule 13d-3 under the Exchange Act.

"Borrower" has the meaning set forth in the introduction hereto.

"Borrowing" means a borrowing by the Borrower of a Loan.

"Borrowing Date" means the date of a Borrowing.

"Business Day" means a day (other than a Saturday or Sunday) on which commercial banks are not authorized or required to close in New York, New York.

"Change in Law" means the occurrence, after the date of this Agreement, of any of the following: (a) the adoption or taking effect of any law, rule, regulation or treaty; (b) any change in any law, rule, regulation or treaty or in the administration, interpretation or application thereof by any Governmental Authority; or (c) the making or issuance of any request, guideline or directive (whether or not having the force of law) by any Governmental Authority.

"Change of Control" means the occurrence of any of the following:

(a) The Borrower ceases for any reason to be a direct or indirect Subsidiary of the Company;

(b) A transaction or a series of related transactions pursuant to which any Person or Group (other than a Dell Entity or Group of Dell Entities) becomes the Beneficial Owner of more than fifty percent (50%) of the total voting power of the Voting Stock of the Company, on a Fully Diluted Basis;

(c) Individuals who, as of the Effective Date, constitute the Board of Directors of the Company (the "Incumbent Board") (together with any new directors whose election by such Incumbent Board or whose nomination by such Incumbent Board for election by the stockholders of the Company was approved by a vote of at least a majority of the members of such Incumbent Board then in office who either were members of such Incumbent Board or whose election or nomination for election was previously so approved) cease for any reason to constitute a majority of the members of the Board of Directors of the Company then in office;

(d) The Company consolidates with, or merges with or into, any Person, or any Person consolidates with, or merges with or into, the Company (regardless of whether the Company is the surviving Person), other than any such transaction in which one or more Dell Entities continues to be the Beneficial Owner of more than 50% of the total voting power of the Voting Stock of the Company, on a Fully Diluted Basis; or

(e) The consummation of any direct or indirect sale, lease, transfer, conveyance, or other disposition (other than by way of reorganization, merger, or consolidation), in one transaction or a series of related transactions, of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to any Person or Group (other than one or more Dell Entities).

"Commitment" means the obligation of the Lender to make, on and subject to the terms and conditions hereof, Loans to the Borrower pursuant to Section 2.1 in an aggregate principal amount at any one time outstanding up to but not exceeding \$30 million, as such amount may be increased or reduced pursuant to Section 2.3 or reduced pursuant to assignments effected in accordance with Section 10.5.

"Commitment Termination Date" means the one-year anniversary of the Effective Date.

"Company" means SecureWorks Corp., a Delaware corporation, and any successor thereto.

"Default" means an Event of Default specified in Section 9 or an event that with the giving of notice or lapse of time or both would become an Event of Default.

"Dell Entity" means Dell Technologies Inc. or any direct or indirect Subsidiary thereof.

"Dollars" and "\$" mean lawful money for the time being of the United States of America.

"Effective Date" means the date on which all of the conditions precedent set forth in Section 6 have been fulfilled.

"Event of Default" has the meaning set forth in Section 9.

"Exchange Act" means the Securities Exchange Act of 1934, as amended, as the same shall be in effect from time to time.

"Excluded Taxes" means, with respect to the Lender or any other recipient of any payment to be made by or on account of any obligation of the Borrower under this Agreement, Taxes imposed on or measured by its overall net income, overall gross income or overall gross receipts (however denominated), and franchise taxes imposed on it (in lieu of net income taxes) or capital taxes, by the jurisdiction (or any political subdivision thereof) under the laws of which such recipient is organized, in which it is resident for tax purposes or in which its principal office is located.

"Fully Diluted Basis" means, as of any date of determination, the sum of (a) the number of shares of Voting Stock outstanding as of such date of determination plus (b) the number of shares of Voting Stock issuable upon the exercise, conversion, or exchange of all then-outstanding warrants, options, convertible capital stock or indebtedness, exchangeable capital stock or indebtedness, or other rights exercisable for or convertible or exchangeable into, directly or indirectly, shares of Voting Stock (excluding, for the avoidance of doubt, securities issuable in connection with the conversion or exchange of outstanding shares of Voting Stock), whether at the time of issue or upon the passage of time or upon the occurrence of some future event, and whether or not in-the-money as of such date of determination.

“GAAP” means accounting principles generally accepted in the United States of America in effect from time to time.

“Governmental Authority” means the government of the United States of America or any other nation, or of any political subdivision thereof, whether state or local, and any agency, authority, instrumentality, regulatory body, court or other entity exercising executive, legislative, judicial, taxing, regulatory or administrative powers or functions of or pertaining to government.

“Group” has the meaning set forth in Sections 13(d) and 14(d)(2) of the Exchange Act.

“Indebtedness” means, with respect to any Person, without duplication, (a) all obligations of such Person for borrowed money, (b) all obligations of such Person evidenced by bonds, debentures, notes or other similar instruments, (c) all obligations of such Person to pay the deferred purchase price of property or services (other than trade accounts payable arising in the ordinary course of business not overdue for more than 60 days), (d) all obligations of such Person to reimburse any Person with respect to amounts paid under a letter of credit or similar instrument, (e) all Indebtedness of other Persons secured by a Lien on any property of such Person, whether or not such Indebtedness is assumed by such Person, and (f) all Indebtedness of other Persons guaranteed by such Person.

“Indemnified Taxes” means Taxes other than Excluded Taxes.

“Indemnitee” has the meaning set forth in Section 10.3(b).

“Interest Period” means, with respect to each Borrowing and the Loan constituting the same, each fiscal quarterly period of the Borrower occurring during the Availability Period.

“Lender” has the meaning set forth in the introduction hereto.

“Lien” means any mortgage, lien, pledge, charge, encumbrance or other security interest or any preferential arrangement that has the practical effect of creating a security interest.

“Loan” has the meaning set forth in Section 2.1.

“Material Adverse Effect” means a material adverse change in or effect on (a) the business, condition (financial or otherwise), operations, performance, property or prospects of the Borrower and its Subsidiaries taken as a whole, (b) the ability of the Borrower to perform its obligations under this Agreement, (c) the legality, validity, binding effect or enforceability of any provision of this Agreement or (d) the rights and remedies of the Lender under any provision of this Agreement.

“Material Indebtedness” means, at any time, as to any Person, Indebtedness of such Person the outstanding principal amount of which, individually or in the aggregate, is equal to or greater than \$5,000,000.

“Net Proceeds” means, with respect to any Asset Disposition, (a) the proceeds received in respect of such Asset Disposition in cash, instruments, securities or other property, including any cash, instruments, securities or other property received in respect of any non-cash proceeds, including any cash received by way of deferred payment of principal pursuant to a note or installment receivable or purchase price adjustment or earn-out, but only as and when received, minus (b) the sum of (i) all fees and out-of-pocket expenses actually paid by the Borrower or the relevant Subsidiary, as applicable, in connection with such Asset Disposition, (ii) any funded escrow established pursuant to the documents evidencing any Asset Disposition to secure any indemnification obligations or adjustments to the purchase price associated with such Asset Disposition, provided that the amount of any subsequent reduction of such escrow (other than in connection with a payment in respect of any such liability) shall be deemed to be Net Proceeds occurring on the date of such reduction solely to the extent that the Borrower or any of its Subsidiaries receives cash in an amount equal to the amount of such reduction, (iii) the amount of all payments that are permitted hereunder and are actually made by the Borrower or the relevant Subsidiary, as applicable, as a result of such event to repay Indebtedness (other than the Loans) directly secured by such asset, (iv) the pro rata portion of net cash proceeds thereof (calculated without regard to this clause (b)(iv)) attributable to minority interests or other shareholdings (other than that of the Lender) and not lawfully available for distribution to or for the account of the Borrower or any of its Subsidiaries as a result thereof, (v) the amount of any liabilities directly associated with such asset and retained by the Borrower or the relevant Subsidiary, as applicable, and (vi) the amount of all Taxes actually paid

(or reasonably estimated to be payable, including any withholding Taxes estimated to be payable in connection with the repatriation of such Net Proceeds) with respect to such Asset Disposition.

"Notice of Borrowing" has the meaning set forth in Section 2.2.

"Other Taxes" means all present or future stamp or documentary taxes or any other excise or property taxes, charges or similar levies arising from any payment made under this Agreement or from the execution, delivery or enforcement of, or otherwise with respect to, this Agreement.

"Permitted Indebtedness" means (a) Indebtedness owing to the Lender, (b) Indebtedness in respect of workers' compensation claims, property casualty or liability insurance, and self-insurance obligations, in each case in the ordinary course of business, (c) Indebtedness arising from the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business, and (d) Indebtedness in connection with performance bonds, bid bonds, appeal bonds, bankers acceptances, insurance obligations, workers' compensation claims, health or other types of social security benefits, surety bonds, completion guarantees or other similar bonds and obligations, including self-bonding arrangements, issued by the Borrower or a Subsidiary thereof in the ordinary course of business or pursuant to self-insurance obligations and in each case not in connection with the borrowing of money or the obtaining of advances.

"Permitted Liens" means (a) non-commercial Liens arising solely by operation of applicable law, (b) Liens in favor of the Lender, (c) Liens for Taxes, assessments or other governmental charges not delinquent or being contested in good faith, (d) deposits or pledges to secure obligations under worker's compensation, social security or similar laws, or under unemployment insurance, (e) deposits or pledges to secure bids, tenders, contracts (other than contracts for the payment of money), leases, statutory obligations, surety and appeal bonds and other obligations of like nature arising in the ordinary course of business, (f) mechanics', workers', materialmen's, carrier's, repairmen's or other like Liens arising in the ordinary course of business with respect to obligations which are not yet due and payable or which are being contested in good faith, and (g) licenses or sublicenses of patents, trademarks and other intellectual property rights granted by the Borrower or any of its Subsidiaries in the ordinary course of business and not interfering in any respect with the ordinary course of business of the Borrower of such Subsidiary.

"Person" means any natural person, corporation, company, voluntary association, partnership, limited liability company, joint venture, trust, unincorporated organization or Governmental Authority or other entity of whatever nature.

"Related Parties" means, with respect to any Person, such Person's Affiliates and such Person's and such Person's Affiliates' respective managers, administrators, trustees, partners, members, directors, officers, employees, agents and advisors.

"Subsidiary" of any Person means any corporation, partnership, limited liability company or other entity more than 50% of the voting power represented by the Voting Stock of which is owned or controlled, directly or indirectly, by such Person and/or by any Subsidiary of such Person.

"Taxes" means all present or future taxes, levies, imposts, duties, deductions, withholdings, assessments, fees or other charges imposed by any Governmental Authority, including any interest, additions to Tax or penalties applicable thereto.

"Voting Stock" means, with respect to any Person, any class or classes of capital stock or partnership or limited liability company units or other ownership interests pursuant to which the holders thereof have the general voting power under ordinary circumstances to elect directors, managers or trustees of such Person (irrespective of whether or not, at the time, stock of any other class or classes has, or might have, voting power by reason of the happening of any contingency).

1.2. GAAP. Except as otherwise expressly provided herein, all terms of an accounting or financial nature shall be construed in accordance with GAAP, as in effect from time to time.

1.3. Terms Generally. The definitions of terms herein shall apply equally to the singular and plural forms of the terms defined.

Whenever the context may require, any pronoun shall include the corresponding masculine, feminine and neuter forms. The words "include," "includes" and "including" shall be deemed to be followed by the phrase "without limitation." The word "will" shall be construed to have the same meaning and effect as the word "shall." Unless the context requires otherwise

(a) any definition of or reference to any agreement, instrument or other document herein shall be construed as referring to such agreement, instrument or other document as from time to time amended, supplemented or otherwise modified (subject to any restrictions on such amendments, supplements or modifications set forth herein), (b) any reference herein to any Person shall be construed to include such Person's successors and assigns, (c) the words "herein," "hereof" and "hereunder," and words of similar import, shall be construed to refer to this Agreement in its entirety and not to any particular provision hereof, (d) all references herein to Sections or Exhibits shall be construed to refer to Sections of or Exhibits to this Agreement, (e) any reference to any law or regulation herein shall, unless otherwise specified, refer to such law or regulation as amended, supplemented or otherwise modified from time to time, (f) the words "asset" and "property" shall be construed to have the same meaning and effect and to refer to any and all tangible and intangible assets and properties, including cash, securities, accounts and contract rights, (g) the word "from" when used in connection with a period of time means "from and including" and the word "until" means "to but not including" and (h) references to days, months, quarters and years refer to calendar days, months, quarters and years, respectively.

SECTION 2. THE COMMITMENT.

2.1. Loans. The Lender agrees, on and after the Effective Date, and subject to the terms and conditions of this Agreement, to make

loans to the Borrower (each, a "Loan") from time to time on any Business Day during the Availability Period in Dollars in an aggregate principal amount at any one time outstanding up to but not exceeding the Commitment. Within such limit and subject to the other terms and conditions of this Agreement, the Borrower may borrow under this Section 2.1, prepay under Section 3.3, and reborrow under this Section 2.1. The Borrower agrees that the Lender's books and records shall be *prima facie* evidence of the date, amount and due date of each Loan and of all interest accrued thereon.

2.2. Borrowing. The Borrower shall give the Lender notice of each Borrowing in substantially the form of Exhibit A hereto (each, a "Notice of Borrowing").

Each Notice of Borrowing shall be signed by the chief financial officer of the Borrower and will include the information and the certifications set forth in Exhibit A. Each Borrowing shall be in the amount of \$500,000 or an integral multiple of \$100,000 in excess thereof. Each Notice of Borrowing shall be effective only if received by the Lender not later than 11:00 a.m. Eastern time on the date which is five (5) Business Days prior to the relevant Borrowing Date. Each Notice of Borrowing shall specify the amount to be borrowed and the relevant Borrowing Date. Not later than 11:00 a.m. Eastern time on each Borrowing Date, subject to the terms and conditions of this Agreement, the Lender shall make available to the Borrower the amount of the Loan to be made on such Borrowing Date in such manner as may be agreed by the Lender and the Borrower.

2.3. Changes of Commitment.

(a) The Borrower shall have the right to request a one-time increase to the amount of the Commitment of up to \$30 million (such that, following such \$30 million increase, the aggregate principal amount at any one time outstanding under this Agreement may equal but shall not exceed \$60 million); provided that the Lender shall have the right either to approve or to deny such request in whole or in part in its sole discretion. In connection with such a request, the Borrower shall deliver to the Lender a notice of the request not later than 11:00 a.m. Eastern time on the date ten (10) Business Days prior to the date upon which the requested increase shall become effective. Such notice shall specify the amount of the increase in the Commitment requested by the Borrower and the requested effective date of such increase. No later than five (5) Business Days following receipt of such a notice pursuant to this Section 2.3(a), the Lender shall notify the Borrower as to whether the requested increase to the amount of the Commitment has been approved or denied in whole or in part; provided that any failure by the Lender to deliver such notice shall be deemed to be a denial of the requested increase.

(b) The Commitment shall be automatically reduced to zero on the earlier of (i) 5:00

p.m. Eastern time on the last day of the Availability Period and (ii) the date on which a Change of Control of the Borrower shall occur.

(c) The Borrower shall have the right to terminate or reduce the unused amount of

the Commitment at any time or from time to time upon not less than three (3) Business Days' prior notice to the Lender; provided that the Borrower may not reduce the Commitment to an amount less than the aggregate principal amount of all Loans then outstanding under the Agreement. The Commitment once terminated or reduced pursuant to this Section 2.3 may not be reinstated. Following such a termination or reduction in the unused amount of the Commitment, any Loans made by the Lender shall remain outstanding, and shall become due in accordance with the terms of this Agreement.

2.4. Fees. The Borrower agrees to pay to the Lender a commitment fee, which shall accrue at a rate of 0.35% on the average daily

amount of the Available Commitment during the period from and including the Effective Date to but excluding the Commitment Termination Date.

Accrued commitment fees shall be payable on the Commitment Termination Date and shall be calculated on the basis of a 360-day year for the actual number of days elapsed.

2.5. **Use of Proceeds.** The Borrower shall use the proceeds of the Loans for working capital, acquisitions of companies, business and assets, and other general corporate purposes; provided that the proceeds of the Loans shall not be used to repay other Indebtedness incurred by the Borrower. The Lender shall not have any responsibility as to the use of any of such proceeds.

SECTION 3. PAYMENTS OF PRINCIPAL AND INTEREST.

3.1. **Repayment.** The Borrower agrees to repay to the Lender the full principal amount of each Loan outstanding, together with accrued interest thereon, on the Commitment Termination Date.

3.2. Interest.

(a) **Interest Generally.** Interest shall accrue on the outstanding principal amount of each Loan for the period from the relevant Borrowing Date until the date such Loan shall be paid in full, at the per annum rate of interest which, for each Interest Period, is equal to the Applicable Margin plus SOFR (or such other agreed rate) for such Interest Period, calculated on the basis of a 360-day year for the actual number of days elapsed.

(b) **Interest Payment Dates.** Accrued interest on each Loan shall be payable on the last day of each Interest Period, and upon the payment or prepayment thereof (on the principal amount so paid or prepaid).

(c) Any principal of or interest on any Loan that is not paid in full when due (whether at stated maturity, by acceleration or otherwise) shall bear interest until paid in full at a rate per annum equal to 2% above the rate of interest otherwise applicable to Loans under this Agreement. Interest on amounts in Default shall be payable on demand by the Lender from time to time.

3.3. Prepayments.

(a) **Optional Prepayments.** The Borrower shall have the right to prepay the Loans in whole or in part at any time or from time to time, without penalty or premium. In connection with any such optional prepayment, the Borrower shall give the Lender a notice of such optional prepayment, which shall be effective only if received by the Lender not later than 11:00 a.m. Eastern time on the date which is five (5) Business Days prior to the relevant date of prepayment. Each notice of optional prepayment shall specify the amount to be prepaid and the date of prepayment (and, upon the date specified in any such notice, the amount to be prepaid shall become due and payable hereunder). Each partial prepayment shall be in the aggregate amount of \$250,000 or an integral multiple of \$50,000 in excess thereof.

(b) Mandatory Prepayments.

(i) **Repayment Upon Change of Control.** In the event that a Change of Control occurs after the date hereof and prior to the repayment in full of the Loans and the termination of the Commitments, the Commitments shall automatically terminate, and the Borrower shall pay to the Lender an aggregate amount equal to all amounts outstanding under this Agreement, including principal of all Loans, all accrued and unpaid interest thereon and any other amounts that may be or become due under this Agreement to the Lender.

(ii) **Illegality, etc.** Notwithstanding any other provision of this Agreement, if the Lender shall notify the Borrower that any Change in Law makes it unlawful for the Lender to perform its obligations hereunder to make Loans or to fund or otherwise maintain Loans hereunder, (a) the obligation of the Lender to make Loans shall be suspended until the Lender shall notify the Borrower that the circumstances causing such suspension no longer exist and (b) if such Change in Law shall so mandate, the Loans shall be prepaid by the Borrower, together with accrued and unpaid interest thereon and all other amounts payable by the Borrower under this Agreement, on or before such date as shall be mandated by such Change in Law or, if earlier, on the date required by the Lender in a notice to the Borrower.

(iii) In the event of any Asset Disposition, the Borrower shall, on the date of receipt by it or a Subsidiary of any Net Proceeds of such Asset Distribution, prepay the Loans and Notes in an amount equal to the Net Proceeds of such Asset Dispositions, together with accrued and unpaid interest on the amount prepaid through the date of prepayment and all other amounts payable by the Borrower

under this Agreement, and the Commitment, if then in effect, shall be reduced or terminated, as applicable, by an amount equal to such Net Proceeds; provided, that the Borrower shall not be required to make any prepayment pursuant to this Section 3.3(b)(iii): (1) if Asset Disposition proceeds are reinvested (but prepayment shall only be delayed for a period of up to 365 days with an option to extend for up to an additional 180 days), or (2) until the Net Proceeds of Asset Dispositions exceed \$5,000,000 in the aggregate, in which event, the Borrower shall be required to make prepayment only of the amount of such Net Proceeds which exceeds \$5,000,000.

(c) Other Amounts. All prepayments under this Section 3.3 shall be accompanied by interest accrued on the principal amount prepaid.

SECTION 4. PAYMENTS, ETC.

4.1. Payments.

(a) Payments Generally. Each payment of principal, interest and other amounts to be made by the Borrower under this Agreement shall be made in Dollars, in immediately available funds, without deduction, set-off or counterclaim, to such account as the Lender may specify from time to time, not later than 11:00 a.m. Eastern time on the date on which such payment shall become due (each such payment made after such time on such due date to be deemed to have been made on the next succeeding Business Day).

(b) Application of Payments. The Borrower shall, at the time of making each payment under this Agreement, specify to the Lender the amounts payable by the Borrower hereunder to which such payment is to be applied (and in the event that the Borrower fails to so specify, or if an Event of Default has occurred and is continuing, the Lender may apply such payment in such manner as it may determine to be appropriate in its sole discretion).

(c) Application of Insufficient Payments. If at any time insufficient funds are received by the Lender to pay fully all amounts of principal, interest, fees and other amounts then due and payable hereunder, such funds shall be applied (i) first, to pay interest then due and payable hereunder, (ii) then, to pay principal then due and payable hereunder, and (iii) then, to pay other amounts then due and payable under this Agreement.

(d) Non-Business Days. If the due date of any payment under this Agreement would otherwise fall on a day that is not a Business Day, such date shall be extended to the next succeeding Business Day and, in the case of any payment accruing interest, interest thereon shall be payable for the period of such extension.

4.2. Computations. Interest on the Loans and fees hereunder shall be computed on the basis of a year of 360 days for the actual number of days (including the first day but excluding the last day) occurring in the period for which payable.

4.3. Set-Off. Upon the occurrence and during the continuance of any Event of Default, the Lender and each of its Affiliates is hereby authorized at any time and from time to time, to the fullest extent permitted by applicable law, to set off and apply any and all indebtedness at any time owing by the Lender or such Affiliate to or for the credit or the account of the Borrower against any and all of the obligations of the Borrower now or hereafter existing under this Agreement to the Lender, irrespective of whether or not the Lender shall have made any demand under this Agreement. The Lender agrees promptly to notify the Borrower after any such set-off and application; provided that the failure to give such notice shall not affect the validity of such set-off and application. The rights of the Lender and its Affiliates under this Section 4.3 are in addition to other rights and remedies (including other rights of set-off) that the Lender and its Affiliates may have. Nothing contained in this Section 4.3 shall require the Lender to exercise any such right or shall affect the right of the Lender to exercise, and retain the benefits of exercising, any such right with respect to any other indebtedness or obligation of the Borrower.

SECTION 5. TAXES.

(a) Payments Free of Taxes. Any and all payments by or on account of any obligation of the Borrower hereunder shall be made free and clear of and without reduction or withholding for any Indemnified Taxes or Other Taxes; provided that if the Borrower shall be required by applicable law to deduct any Indemnified Taxes (including any Other Taxes) from such payments, then (i) the sum payable shall be increased as necessary so that after making all required deductions for Indemnified Taxes or Other Taxes (including deductions for Indemnified Taxes or Other Taxes applicable to additional sums payable under this Section) the Lender shall receive an amount equal to the sum it would have received had no such deductions for Indemnified Taxes or Other Taxes been made, (ii) the Borrower shall make such deductions and (iii) the Borrower shall timely pay the full amount deducted to the relevant Governmental Authority in accordance with applicable law.

(b) **Payment of Other Taxes by the Borrower.** Without limiting the provisions of subsection (a) above, the Borrower shall timely pay any Other Taxes that arise from any payment made by it under, or otherwise with respect to, this Agreement to the relevant Governmental Authority in accordance with applicable law.

(c) **Indemnification by the Borrower.** The Borrower shall indemnify the Lender for the full amount of any Indemnified Taxes or Other Taxes (including Indemnified Taxes or Other Taxes imposed or asserted on or attributable to amounts payable under this Section 5) attributable to the Borrower under this Agreement and paid by the Lender and any penalties, interest and reasonable expenses arising therefrom or with respect thereto, whether or not such Indemnified Taxes or Other Taxes were correctly or legally imposed or asserted by the relevant Governmental Authority. A certificate as to the amount of such payment or liability delivered to the Borrower by the Lender shall be conclusive and binding absent manifest error.

SECTION 6. **CONDITIONS PRECEDENT.**

6.1. **Conditions to Closing.** The effectiveness of this Agreement and the Commitment of the Lender shall be subject to the conditions precedent that (a) no applicable law or regulation shall restrain, prevent or, in the reasonable judgment of the Lender, impose materially adverse conditions upon the transactions contemplated hereby, and (b) the Lender shall have received, on or prior to March 23, 2023 the following documents, each of which shall be in form and substance satisfactory to the Lender:

- (a) this Agreement, duly executed and delivered by the Borrower and the Lender;
- (b) copies of all licenses, consents, authorizations and approvals of, and notices to and filings and registrations with, any Governmental Authority (including all foreign exchange approvals), and of all third-party consents and approvals, necessary in connection with the making and performance by the Borrower of the Agreement and the transactions contemplated thereby;
- (c) copies of the resolutions of the Board of Directors of the Borrower authorizing the making and performance by it of the Agreement; and
- (d) such other documents relating hereto as the Lender shall reasonably request.

6.2. **Additional Conditions to Borrowings.** The obligation of the Lender to make each Loan to be made by it is also subject to the further conditions precedent that both immediately prior to the making of such Loan and after giving effect thereto and to the intended use of proceeds thereof:

- (a) no Default shall have occurred and be continuing;
- (b) there shall have occurred no event or condition that could reasonably be expected to result in a Material Adverse Effect;
- (c) the representations and warranties made by the Borrower in Section 7 shall be true in all respects on and as of the relevant Borrowing Date and immediately after giving effect to the application of the proceeds of the relevant Borrowing with the same force and effect as if made on and as of such date (unless expressly stated to relate to an earlier date, in which case such representations and warranties shall be true in all respects as of such earlier date); and
- (d) the Lender shall have received such other documents relating hereto as the Lender shall reasonably request, each of which shall be in form and substance satisfactory to the Lender.

The giving of a Notice of Borrowing shall constitute a certification by the Borrower to the effect that the conditions set forth in this Section 6.2 have been fulfilled (both as of the date of such Notice of Borrowing and, unless the Borrower otherwise notifies the Lender prior to the relevant Borrowing Date, as of such Borrowing Date).

SECTION 7. **REPRESENTATIONS AND WARRANTIES.**

The Borrower represents and warrants to the Lender that:

7.1. **Power and Authority.** Each of the Borrower and each of its Subsidiaries (a) is a company duly organized and validly existing under the laws of its jurisdiction of organization, (b) has all requisite corporate or other power, and has all material governmental licenses, authorizations,

consents and approvals necessary to own its property and carry on its business as now being or as proposed to be conducted except to the extent that failure to have the same could not reasonably be expected to have a Material Adverse Effect, (c) is qualified to do business and is in good standing in all jurisdictions in which the nature of the business conducted by it makes such qualification necessary and where failure so to qualify could (either individually or in the aggregate) have a Material Adverse Effect, (d) is in material compliance with all applicable laws and regulations and all agreements binding on or affecting it or any of its property, and (e) has good title to all its assets, free and clear of any Liens or adverse claims except as expressly permitted by this Agreement. The Borrower has full power, authority and legal right to make and perform this Agreement and to borrow the Loans hereunder.

7.2. Due Authorization, Etc. The making and performance by the Borrower of this Agreement and all other documents and instruments to be executed and delivered hereunder by the Borrower have been duly authorized by all necessary corporate action, and do not and will not contravene (a) the constitutive documents of the Borrower, (b) any applicable law or regulation, (c) any judgment, award, injunction or similar legal restriction or (d) any agreement or instrument binding on or affecting the Borrower or any of its property, and do not and will not result in the imposition of any Lien on any property of the Borrower.

7.3. Governmental and Other Approvals. No license, consent, authorization or approval or other action by, or notice to or filing or registration with, any Governmental Authority (including any foreign exchange approval), and no other third-party consent or approval, is necessary for the due execution, delivery and performance by the Borrower of this Agreement or for the legality, validity or enforceability thereof against the Borrower, and there is no law, regulation or decree that imposes material adverse conditions upon the credit facility contemplated hereby.

7.4. Legal Effect. This Agreement has been duly executed and delivered by the Borrower and is the legal, valid and binding obligation of the Borrower, enforceable against the Borrower in accordance with its terms, except as may be limited by bankruptcy, insolvency, reorganization, fraudulent conveyance or transfer, moratorium or other similar laws relating to or affecting the rights of creditors generally, and except as the enforceability of this Agreement is subject to the application of general principles of equity (regardless of whether considered in a proceeding inequity or at law).

7.5. No Default. No Default has occurred and is continuing.

7.6. Ranking. The payment obligations of the Borrower hereunder are and will at all times be senior unsecured obligations of the Borrower, and will at all times rank at least pari passu in right of payment with all other present and future senior unsecured Indebtedness of the Borrower.

7.7. Litigation. There is no litigation, investigation or proceeding pending or, to the best of the Borrower's knowledge, threatened by or before any Governmental Authority or arbitrator that (either individually or in the aggregate) could reasonably be expected to have a Material Adverse Effect.

SECTION 8. COVENANTS OF THE BORROWER.

The Borrower covenants and agrees with the Lender that, so long as the Commitment or any Loan is outstanding and until payment in full of all amounts payable by the Borrower hereunder:

8.1. Corporate Existence, Etc. The Borrower will, and will cause each of its Subsidiaries to, (a) preserve and maintain its corporate existence and (b) preserve and maintain all of its material rights, privileges, licenses and franchises, including all trade names, patents and other intellectual property necessary for its business, except in the case of this clause (b) to the extent the failure to preserve and maintain the same could not reasonably be expected to have a Material Adverse Effect.

8.2. Compliance with Law. The Borrower will, and will cause each of its Subsidiaries to, (a) comply in all material respects with the requirements of all applicable laws, rules, regulations and orders of Governmental Authorities and all agreements binding on or affecting the Borrower or such Subsidiary or any of their respective properties, except where the necessity of compliance therewith is being contested in good faith by appropriate proceedings and for which adequate reserves have been made if required in accordance with GAAP, (b) timely file all required tax returns and pay and discharge at or before maturity all of its material obligations (including tax liabilities, except where the same are contested in good faith and by appropriate proceedings and against which adequate reserves are being maintained to the extent required by GAAP and where the failure to pay or discharge such

obligations or liabilities would not result in a Material Adverse Effect), (c) maintain all of its property used in its business in good working order and condition, ordinary wear and tear excepted, and (d) maintain insurance with respect to its property and businesses.

8.3. **Governmental Authorizations.** The Borrower will, and will cause each of its Subsidiaries to, promptly from time to time obtain and maintain in full force and effect all licenses, consents, authorizations and approvals of, and make all filings and registrations with, any Governmental Authority necessary under applicable law for the making and performance by it of this Agreement.

8.4. **Information.** The Borrower will provide to the Lender: (a) such information relating to the financial condition, business, prospects, or affairs of the Borrower as the Lender may from time to time reasonably request; (b) not later than five (5) days after any officer of the Borrower obtains knowledge of the occurrence of any Default, a certificate of the chief financial officer of the Borrower setting forth the details thereof and the action which the Borrower is taking or proposes to take with respect thereto; and (c) promptly upon the commencement of, or any material adverse development in, any litigation, investigation or proceeding against the Borrower or any of its Subsidiaries that could reasonably be expected to have a Material Adverse Effect, notice thereof with a description thereof in reasonable detail.

8.5. **Keeping of Books; Inspection Rights.** The Borrower will, and will cause each of its Subsidiaries to, (a) keep proper books of record and account, in which full and correct entries shall be made of all financial transactions and the assets and business of the Borrower and such Subsidiary in accordance with GAAP and (b) permit representatives of the Lender to visit and inspect the Borrower's properties, examine its books of account and records and discuss the Borrower's affairs, finances, and accounts with its officers, during normal business hours of the Borrower as may be reasonably requested by the Lender.

8.6. **Ranking.** The Borrower will promptly take all actions as may be necessary to ensure that the payment obligations of the Borrower under this Agreement will at all times constitute senior unsecured obligations of the Borrower ranking at least pari passu in right of payment with all other present and future senior unsecured Indebtedness of the Borrower.

8.7. **Negative Pledge.** The Borrower shall not, and shall not permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Lien (other than Permitted Liens) on any of their property or assets, tangible or intangible, now owned or hereafter acquired, or agree or become liable to do so.

8.8. **Indebtedness.** The Borrower shall not, and shall not permit any of its Subsidiaries to, create, incur, assume or suffer to exist any Indebtedness (other than Permitted Indebtedness).

8.9. **Net Proceeds Reporting.** The Borrower shall promptly notify the Lender in writing if the Net Proceeds of Asset Dispositions exceed \$5,000,000 in the aggregate.

8.10. **Remedies Cumulative.** All remedies, either under this Agreement or by law or otherwise afforded to any party, shall be cumulative and not alternative.

8.11. **Further Assurances.** The Borrower will from time to time give, execute, deliver, file and/or record any notice, instrument, document, agreement or other papers that may be necessary or desirable or that may be reasonably requested by the Lender to further effectuate the purposes of this Agreement or the enforceability thereof against the Borrower.

SECTION 9. EVENTS OF DEFAULT.

If one or more of the following events (each, an "Event of Default") shall occur and be continuing:

(a) the Borrower shall fail to pay when due (i) any principal of any Loan or (ii) any interest or any other amount whatsoever payable hereunder, and such failure to pay shall, in the case of this clause (ii) only, continue for five (5) Business Days;

(b) any representation, warranty or certification made or deemed made by the Borrower herein (or in any modification or supplement hereto or thereto) or in any certificate furnished to the Lender pursuant to the provisions hereof or thereof shall prove to have been untrue in any material respect as of the time made or furnished;

(c) (i) the Borrower shall fail to perform or observe any of its obligations under Section 8.1, or (ii) the Borrower shall fail to perform or observe any of its obligations under this Agreement (other than as referred to in clause (a) or (c)(i) above) if such failure shall remain unremedied for thirty (30) or more days;

(d) (i) the Borrower or any Subsidiary thereof shall default in the payment of any principal of or interest on any Material Indebtedness (whether at stated maturity or at mandatory or optional prepayment or otherwise) and such default shall continue beyond any applicable grace period set forth in the agreements or instruments evidencing or governing such Material Indebtedness, or (ii) any default or event of default shall occur under any agreement or instrument evidencing or governing any Material Indebtedness of the Borrower or any Subsidiary thereof if the effect thereof is to accelerate the maturity thereof, or to permit the holder or holders of such Material Indebtedness, or an agent or trustee on its or their behalf, to accelerate the maturity thereof, or to require the mandatory prepayment or redemption thereof;

(e) the Borrower or any of its Subsidiaries shall admit in writing its inability to, or be generally unable to, pay its debts as such debts become due;

(f) the Borrower or any of its Subsidiaries shall (i) apply for or consent to the appointment of, or the taking of possession by, a receiver, custodian, trustee, examiner or liquidator of itself or of all or a substantial part of its property, (ii) make a general assignment for the benefit of its creditors, (iii) file a petition seeking to take advantage of any other law relating to bankruptcy, insolvency, reorganization, suspension of payments, liquidation, dissolution, arrangement or winding-up, or composition or readjustment of debts or (iv) take any action in furtherance of, or indicating its consent to, approval of, or acquiescence in, any of the acts described in this clause (f);

(g) a proceeding or case shall be commenced against the Borrower or any of its Subsidiaries, without its application or consent, seeking (i) its reorganization, liquidation, dissolution, arrangement or winding up, (ii) the appointment of a receiver, custodian, trustee, examiner, liquidator or like Person of it or of all or any substantial part of its property or (iii) similar relief with respect to it under any law relating to bankruptcy, insolvency, reorganization, winding up, or composition or adjustment of debts, and such proceeding or case shall continue undismissed, or an order, judgment or decree approving or ordering any of the foregoing shall be entered and continue unstayed and in effect, for a period of sixty (60) or more days, or a declaration of bankruptcy or suspension of payments shall be entered against the Borrower or such Subsidiary under the bankruptcy laws of the United States of America as now or hereafter in effect; or

(h) this Agreement shall become unenforceable or the performance of the obligations of the Borrower thereunder shall become illegal; or

(i) a Change of Control shall occur;

THEREUPON: in any such event, the Lender may, by notice to the Borrower, (i) declare the Commitment to be terminated forthwith, whereupon the Commitment shall forthwith terminate, and/or (ii) declare the principal of and the accrued interest on the Loans and all other amounts whatsoever payable by the Borrower hereunder to be forthwith due and payable, whereupon such amounts shall be immediately due and payable without presentment, demand, protest or other formalities of any kind, all of which are hereby expressly waived by the Borrower; provided that, in the case of an Event of Default of the kinds referred to in clause (f) or (g) with respect to the Borrower, the Commitment shall automatically terminate and the Loans and all such other amounts shall automatically become due and payable, without any further action by any party.

SECTION 10. MISCELLANEOUS.

10.1. Notices.

(a) All notices, demands, requests, consents and other communications provided for in this Agreement shall be given in writing and addressed to the party to be notified as follows:

(i) if to the Borrower: SecureWorks, Inc.
One Concourse Parkway NE Atlanta, Georgia 30328 Attention of: George B. Hanna
E-Mail Address: ghanna@secureworks.com

(ii) if to the Lender:

Dell USA L.P.
c/o Dell Inc.
One Dell Way
Round Rock, Texas 78682 Attention of: Christopher Garcia
E-Mail Address: christopher.a.garcia@dell.com

or, as to either party, at such other address as it shall notify the other party in writing.

(b) All notices, demands, requests, consents and other communications described in clause (a) shall be effective (i) if delivered by hand, including any overnight courier service, upon personal delivery, (ii) if delivered by mail, when deposited in the mail, or (iii) if delivered by electronic mail, when transmitted to an electronic mail address and sender has received a return receipt thereof; provided that notices and communications to the Lender pursuant to Section 2 or Section 9 shall not be effective until received by the Lender.

10.2. No Waiver. No failure on the part of the Lender to exercise and no delay in exercising, and no course of dealing with respect to, any right, power or privilege under this Agreement shall operate as a waiver thereof, nor shall any single or partial exercise of any right, remedy, power or privilege under this Agreement preclude any other or further exercise thereof or the exercise of any other right, remedy, power or privilege. The remedies provided herein are cumulative and not exclusive of any remedies provided by law.

10.3. Expenses, Etc.

(a) Costs and Expenses. The parties shall pay their own expenses with respect this Agreement and the transactions contemplated hereby; provided that the Borrower shall pay to the Lender, no later than thirty (30) days after receipt of a reasonably detailed invoice from the Lender, all reasonable and documented out-of-pocket expenses incurred by the Lender, including the reasonable fees, charges and disbursements of counsel to the Lender, in connection with the enforcement or protection of its rights in connection with this Agreement, including such expenses incurred during any workout, restructuring or negotiations in respect of the Loans.

(b) Indemnification by the Borrower. The Borrower shall indemnify the Lender and each Related Party thereof (each such Person being called an "Indemnitee") against, and hold each Indemnitee harmless from, any and all losses, claims, damages, liabilities and related expenses (including the fees, charges and disbursements of any counsel for any Indemnitee), incurred by any Indemnitee or asserted against any Indemnitee by any third party or by the Borrower arising out of, in connection with, or as a result of (i) the execution or delivery of this Agreement or any agreement or instrument contemplated hereby or thereby, the performance by the parties hereto of their respective obligations hereunder or thereunder or the consummation of the transactions contemplated hereby or thereby, (ii) any Loan or the use or proposed use of the proceeds therefrom, or (iii) any actual or prospective claim, litigation, investigation or proceeding relating to any of the foregoing, whether based on contract, tort or any other theory, whether brought by a third party or by the Borrower and regardless of whether any Indemnitee is a party thereto; provided that such indemnity shall not, as to any Indemnitee, be available to the extent that such losses, claims, damages, liabilities or related expenses are determined by a court of competent jurisdiction by final and non-appealable judgment to have resulted from the gross negligence or willful misconduct of such Indemnitee.

10.4. Amendments, Etc. Except as otherwise expressly provided in this Agreement, any provision of this Agreement may be modified or supplemented only by an instrument in writing signed by the Borrower and the Lender, and any provision of this Agreement may be waived only by the Lender.

10.5. Successors and Assigns.

(a) Successors and Assigns Generally. The provisions of this Agreement shall be binding upon and inure to the benefit of the parties hereto and their respective successors and assigns permitted hereby, except that the Borrower may not assign or otherwise transfer any of its rights or obligations hereunder without the prior written consent of the Lender, and the Lender may not assign or otherwise transfer any of its rights or obligations hereunder except as permitted by this Section 10.5 (and any other attempted assignment or transfer by any party hereto shall be null and void). Nothing in this Agreement, expressed or implied, shall be construed to confer upon any Person (other than the parties hereto, their respective successors and assigns permitted hereby, and, to the extent expressly contemplated hereby, the respective Related Parties of the Lender) any legal or equitable right, remedy or claim under or by reason of this Agreement.

(b) Assignments by Lender. The Lender may at any time assign all or a portion of its rights and obligations under this Agreement (including all or a portion of the Commitment and the Loans) with the prior written consent of the Borrower, which consent shall not be unreasonably withheld or delayed; provided that no such consent shall be required for an assignment to an Affiliate of the Lender, or, if a Default has occurred and is continuing, any other Person. In the event of any such assignment, the Lender and the assignee or assignees may enter such intercreditor arrangements as they may determine to be necessary or advisable for the purpose of determining voting rights and similar issues hereunder. From and after the effective date specified in each Assignment and Assumption, the assignee thereunder shall be a party to this Agreement and, to the extent of the interest assigned by such Assignment and Assumption, have the rights and obligations of the Lender under this Agreement, and the Lender shall, to the extent of the interest assigned by such Assignment and Assumption, be released from its obligations under this Agreement (and, in the case of an Assignment and Assumption covering all of the Lender's rights and obligations under this Agreement, the Lender shall cease to be a party hereto) but shall continue to be entitled to the benefits of Sections 5 and 10.3 with respect to facts and circumstances occurring prior to the effective date of such assignment.

(c) Certain Pledges. The Lender may at any time pledge or assign as collateral all or any portion of its rights under this Agreement to secure obligations of the Lender; provided that no such pledge or assignment shall release the Lender from any of its obligations hereunder or substitute any such pledgee or assignee for the Lender as a party hereto.

10.6. Survival. The obligations of the Borrower under Sections 5 and 10 shall survive the repayment of the Loans and the termination of the Commitment and, in the case of any assignment by the Lender of any interest in the Commitment or Loans hereunder, shall survive, in the case of any event or circumstance that occurred prior to the effective date of such assignment, the making of such assignment, notwithstanding that the Lender may cease to be the "Lender" hereunder. In addition, each representation and warranty made, or deemed to be made by a notice of any Loan, herein or pursuant hereto shall survive the making of such representation and warranty.

10.7. Captions. The section headings appearing herein are included solely for convenience of reference and are not intended to affect the interpretation of any provision of this Agreement.

10.8. Counterparts. This Agreement may be executed in counterparts (and by different parties hereto in different counterparts), each of which shall constitute an original, but all of which when taken together shall constitute a single contract. Delivery of an executed counterpart of a signature page of this Agreement by facsimile or electronic mail shall be effective as delivery of a manually executed counterpart of this Agreement.

10.9. Governing Law; Jurisdiction, Service of Process and Venue.

(a) Governing Law. This Agreement will be governed by and construed in accordance with the laws of the State of Texas, without giving effect to any choice or conflict of law provision or rule (whether of the State of Texas or any other jurisdiction) that would cause the application of the applicable laws of any jurisdiction other than the State of Texas.

(b) Submission to Jurisdiction. The Borrower irrevocably and unconditionally submits, for itself and its property, to the nonexclusive jurisdiction of the courts of the State of Texas sitting in Travis County and of the United States District Court for the Western District of Texas, and any applicable appellate court, in any action or proceeding arising out of or relating to this Agreement, or for recognition or enforcement of any judgment, and each of the parties hereto irrevocably and unconditionally agrees that all claims with respect to any such action or proceeding may be heard and determined in such Texas State court or, to the fullest extent permitted by applicable law, in such Federal court. Each of the parties hereto agrees that a final judgment in any such action or proceeding shall be conclusive and may be enforced in other jurisdictions by suit on the judgment or in any other manner provided by law. Nothing in this Agreement shall affect any right that the Lender may otherwise have to bring any action or proceeding relating to this Agreement against the Borrower or its property in the courts of any jurisdiction.

(c) **Alternative Process.** Nothing herein shall in any way be deemed to limit the ability of the Lender to serve any such process or summonses in any other manner permitted by applicable law.

(d) **Waiver of Venue, Etc.** Each of the parties hereto irrevocably and unconditionally waives, to the fullest extent permitted by applicable law, any objection that it may now or hereafter have to the laying of venue of any action or proceeding arising out of or relating to this Agreement in any court referred to in subsection (b) of this Section. Each of the parties hereto hereby irrevocably waives, to the fullest extent permitted by applicable law, the defense of an inconvenient forum to the maintenance of such action or proceeding in any such court.

10.10. Waiver of Jury Trial. EACH PARTY HERETO HEREBY IRREVOCABLY WAIVES, TO THE FULLEST EXTENT PERMITTED BY APPLICABLE LAW, ANY RIGHT IT MAY HAVE TO A TRIAL BY JURY IN ANY LEGAL PROCEEDING DIRECTLY OR INDIRECTLY ARISING OUT OF OR RELATING TO THIS AGREEMENT OR THE TRANSACTIONS CONTEMPLATED HEREBY (WHETHER BASED ON CONTRACT, TORT OR ANY OTHER THEORY). EACH PARTY HERETO (A) CERTIFIES THAT NO REPRESENTATIVE, AGENT OR ATTORNEY OF ANY OTHER PERSON HAS REPRESENTED, EXPRESSLY OR OTHERWISE, THAT SUCH OTHER PERSON WOULD NOT, IN THE EVENT OF LITIGATION, SEEK TO ENFORCE THE FOREGOING WAIVER AND (B) ACKNOWLEDGES THAT IT AND THE OTHER PARTIES HERETO HAVE BEEN INDUCED TO ENTER INTO THIS AGREEMENT BY, AMONG OTHER THINGS, THE MUTUAL WAIVERS AND CERTIFICATIONS IN THIS SECTION.

10.11. Entire Agreement. This Agreement constitutes the entire contract among the parties relating to the subject matter hereof and thereof and supersedes any and all previous agreements and understandings, oral or written, relating to the subject matter hereof and thereof.

10.12. Severability. If any provision hereof is found by a court to be invalid or unenforceable, to the fullest extent permitted by applicable law the parties agree that such invalidity or unenforceability shall not impair the validity or enforceability of any other provision hereof.

10.13. No Fiduciary Relationship. The Borrower acknowledges that the Lender has no fiduciary relationship with, or fiduciary duty to, the Borrower arising out of or in connection with this Agreement. This Agreement does not create a joint venture among the parties.

[Signatures on Next Page]

IN WITNESS WHEREOF, the parties hereto have caused this Agreement to be duly executed and delivered as of the day and year first above written.

BORROWER

SECUREWORKS, INC.

By: /s/ Paul Parrish

Name: Paul Parrish

Title: Chief Financial Officer

LENDER

DELL USA L.P. INC

By: /s/ Christopher Alan A. Garcia

Name: Christopher Alan A. Garcia
Title: Senior Vice President & Assistant Secretary
Date: 7/21/2023

EXHIBIT A

[FORM OF NOTICE
OF
BORROWING]
NOTICE OF
BORROWING

Dell USA L.P.
c/o
Dell
Inc.
One
Dell
Way
Round
Rock,
Texas
78682
Attention
of: [●]

Ladies and Gentlemen:

SecureWorks Corp.

The undersigned refers to the Sixth Amended and Restated Revolving Credit Agreement, dated as of [●], 2023 (as amended, supplemented or otherwise modified, the "By: Credit Agreement"), by and between the undersigned and you. Capitalized terms used herein shall have the meanings ascribed to them in the Credit Agreement. The undersigned hereby gives you notice, irrevocably, pursuant to Section 2.2 of the Credit Agreement, that the undersigned hereby wishes to make a Borrowing, and in that connection sets forth below the information relating to such Borrowing: /s/ George B. Hanna

Name: George B. Hanna

Title: Chief Legal Officer & Corporate Secretary

(i) Date: The Business Day of the requested Borrowing is
7/21/2023

(ii) The amount of the requested Borrowing is \$.

(iii) The proceeds of the Loan constituting the requested Borrowing are to be remitted to: [specify account information].

The undersigned hereby certifies that the conditions precedent set forth in clauses (a) and

(b) of Section 6.2 of the Credit Agreement have been fulfilled as of the date hereof, and that the representations and warranties set forth in Section 7 thereof are true in all respects on the date hereof and will be true in all respects as of the date of the requested Borrowing with the same force and effect as if made on and as of each such date (unless expressly stated to relate to an earlier date, in which case such representations and warranties shall be true in all respects as of such earlier date).

SECURITY SHALL BE THE IN ALL RESPECTS AS OF SUCH COMMON STATE.

Very
truly
yours,
SECUREWORKS,
INC.

ByName:
Title:

[***] Certain identified information has been excluded from this exhibit because it is both not material and is the type that the registrant treats as private or confidential.

Exhibit 10.25

SECUREWORKS CORP.
2016 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT
EXECUTIVE FORM
COVER SHEET

SecureWorks Corp., a Delaware corporation (the "Company"), hereby grants restricted stock units (the "RSUs") relating to shares of the Company's Class A common stock, par value \$0.01 per share (the "Stock"), to the Grantee named below, subject to (i) the Stockholder Approval Condition (as defined in the attached Restricted Stock Unit Agreement), and (ii) the vesting conditions set forth below. Additional terms and conditions of the RSUs are set forth on this cover sheet and in the attached Restricted Stock Unit Agreement (together, the "Agreement") and in the SecureWorks Corp. 2016 Long-Term Incentive Plan (as amended from time to time, the "Plan").

Grant Date: _____

Name of Grantee: _____

Number of Shares of
Stock Covered by
the RSUs: _____

Vesting Schedule: If you continue in Service (as defined in the Agreement) on each applicable vesting date, the RSUs shall vest in three equal annual installments on each of the first (1st), second (2nd), and third (3rd) anniversaries of the Grant Date.

By your signature below or by your electronic acknowledgement of this Agreement, you agree to all of the terms and conditions described in the Agreement and in the Plan (if this is in paper form, a copy of the Plan is attached and if this is in electronic form, a copy of the Plan is available on this website). You acknowledge that you have carefully reviewed the Plan and agree that the Plan shall control in the event any provision of this

Agreement should appear to be inconsistent with the Plan. You must accept your award no later than 4pm Eastern Time, five (5) business days prior to the first vesting date or your entire award will be cancelled.

Grantee: _____ Date: _____
(Signature)

Company: _____ Date: _____
(Signature)

Name: George Hanna
Chief Legal and Administrative
Title: Officer

Attachment

This is not a stock certificate or a negotiable instrument.

SECUREWORKS CORP.
2016 LONG-TERM INCENTIVE PLAN
RESTRICTED STOCK UNIT AGREEMENT
EXECUTIVE FORM

Restricted Stock Units This Agreement evidences an Award of RSUs in the number set forth on the cover sheet and subject to the terms and conditions set forth in the Agreement and the Plan. The Award of RSUs described in this Agreement is subject to the approval by the stockholders of the Company of an amendment to the Plan to increase the total number of shares of Stock that may be issued under the Plan, as recommended by the Board of Directors, at the annual meeting of stockholders to be held in the Company's fiscal year ending February 2, 2024 January 31, 2025 (the "**Stockholder Approval Condition**") and, in the event of the failure of such amendment to be approved, such Award shall be cancelled effective as of the Grant Date and shall be deemed null and void ab initio and no settlement or delivery of, or conversion into, shares of Stock underlying such Award may occur.

Transferability Your RSUs may not be sold, assigned, transferred, pledged, hypothecated, or otherwise encumbered, whether by operation of law or otherwise, nor may the RSUs be made subject to execution, attachment, or similar process. If you attempt to do any of these things, you will immediately and automatically forfeit your RSUs.

Vesting Your RSUs shall vest in accordance with the vesting schedule set forth on the cover sheet of this Agreement, so long as you continue in Service (as defined in this Agreement) on each applicable vesting date, and subject to the satisfaction of the Stockholder Approval Condition.

The determination of the number of RSUs that may vest on each applicable vesting date shall be subject to the rounding convention approved by the Committee (or its

designee), which convention may rely on rounding down fractional shares.

You may not vest in more than the number of shares of Stock covered by your RSUs, as set forth on the cover sheet of this Agreement.

Notwithstanding your vesting schedule or any other provision of this Agreement to the contrary, the RSUs shall become 100% vested upon your termination of Service due to your death or Disability, subject to the prior satisfaction of the Stockholder Approval Condition or waiver of such condition by the Committee in its sole discretion not inconsistent with the terms of the Plan. Subject to the Change in Control provisions of this Agreement, no additional portion of your RSUs shall vest after your Service has terminated for any other reason.

Notwithstanding the Plan definitions of "Service" and "Service Provider," for purposes of this Agreement, "Service" shall mean service qualifying a Grantee as a Service Provider to the Company or a Subsidiary, but not to an Affiliate that is not a Subsidiary. The Grantee's change in position or duties shall not result in interrupted or terminated Service, so long as such Grantee continues to be a Service Provider to the Company or a Subsidiary. Subject to the preceding sentence, any determination by the Committee whether a termination of Service shall have occurred for purposes of the Plan shall be final, binding, and conclusive. If the Grantee's employment or other Service relationship is with a Subsidiary and the applicable entity ceases to be a Subsidiary, a termination of Service shall be deemed to have occurred when such entity ceases to be a Subsidiary, unless the Grantee transfers his or her employment or other Service relationship to the Company or any other Subsidiary.

Leaves of Absence

For purposes of this Agreement, your Service does not terminate when you go on a *bona fide* leave of absence that was approved by your employer in writing if the terms of the leave provide for continued Service crediting, or when continued Service crediting is required by Applicable Laws. Your Service terminates in any event when the approved leave ends unless you immediately return to active employee work.

Your employer may determine, in its discretion, which leaves count for this purpose and when your Service terminates for all purposes under the Plan in accordance with the provisions of the Plan. Notwithstanding the foregoing, the Company may determine, in its discretion, that a leave counts for this purpose even if your employer does not agree.

Change in Control Notwithstanding the vesting schedule set forth above, and subject to the prior satisfaction of the Stockholder Approval Condition or waiver of such condition by the Committee in its sole discretion not inconsistent with the terms of the Plan, upon the consummation of a Change in Control, if assumed or substituted for, the RSUs shall become 100% vested upon your Involuntary Termination within the twelve (12)-month period following the consummation of the Change in Control.

"Involuntary Termination" means termination of your Service by reason of (i) your involuntary dismissal by the Company, a Subsidiary, or their successors for reasons other than Cause; or (ii) your voluntary resignation for "good reason" as defined in a written employment or other written compensatory agreement between you and the Company or a Subsidiary, or if none, then your voluntary resignation following the occurrence, without your written consent, of one or more of the following: (x) a material reduction in your base salary, target annual or long-term incentive compensation (whether payable in cash or otherwise), or health and welfare benefits, unless such reduction is part of an across-the-board reduction for all employees who are in the same salary grade as you as of the time of such reduction, (y) your demotion of more than one job grade, or (z) relocation of your principal work location to a location more than fifty (50) miles from the work location to which you are currently assigned (excluding: (1) relocation from an in-person, principal work location to working in a remote setting, or (2) relocation from a remote setting to an in-person, principal work location that is within fifty (50) miles of the employee's prior remote work location, except that, if you were initially hired as a remote employee, the requirement to work in a Secureworks office on a weekly basis (or less frequently if the Company does not reimburse travel costs), shall constitute Good Reason). For a voluntary resignation to qualify as for "good reason," you must provide written notice to the Company or its successor of any of the foregoing occurrences within ninety (90) days of the initial occurrence; the Company must fail to remedy such occurrence within the thirty (30)-day cure period following the date of such written notice; and you must resign within sixty (60) days after the Company's cure period has ended.

2

Forfeiture of Unvested RSUs Unless, following the satisfaction of the Stockholder Approval Condition or waiver of such condition by the Committee in its sole discretion not inconsistent with the

terms of the Plan, the termination of your Service triggers accelerated vesting or other treatment of your RSUs pursuant to the terms of this Agreement, the Plan, a written employment or other written compensatory agreement between you and the Company or a Subsidiary, or a written compensatory program or policy of the Company or a Subsidiary otherwise applicable to you, you will immediately and automatically forfeit to the Company all of your unvested RSUs in the event your Service terminates for any reason.

2

Forfeiture of Rights

You understand and agree that if the Company, acting through the Committee, determines that you engaged in Conduct Detrimental to the Company during your Service or during the twelve (12)-month period following the termination of your Service, (i) your unvested RSUs shall immediately and automatically expire; and (ii) if you have vested in any RSUs during the twenty-four (24)-month period prior to your actions, you will owe the Company a cash payment (or forfeiture of shares of Stock) in an amount determined as follows: (a) for any shares of Stock that you have sold prior to receiving notice of the foregoing determination from the Company, the amount will be the proceeds received from any and all sales of those shares of Stock, and (b) for any shares of Stock that you still own, the amount will be the number of shares of Stock owned times the Fair Market Value of the shares of Stock on the date you receive such notice from the Company (provided, that the Company may require you to satisfy your payment obligations hereunder either by forfeiting and returning to the Company the shares or any other shares of Stock or making a cash payment or a combination of these methods as determined by the Company in its sole discretion). You understand and agree that the forfeiture and/or repayment under this Agreement is separate from and does not preclude the Company from seeking relief based on your conduct that constitutes Conduct Detrimental to the Company.

For purposes of this provision, “**Conduct Detrimental to the Company**” means:

- (i) You engage in serious misconduct, whether or not such serious misconduct is discovered by the Company prior to the termination of your Service;
- (ii) You breach your obligations to the Company or an Affiliate under any of your written agreements with the Company or an Affiliate.

agreements with the Company or an Affiliate,
or

- (iii) You engage in Conflicting Activities (as defined below).

3

For purposes of this Agreement, “**Conflicting Activities**” means, without advance, express, written consent of the Company’s Chief Legal and Administrative Officer:

- (i) You are or become a principal, owner, officer, director, shareholder, or other equity owner (other than a holder of less than 5% of the outstanding shares or other equity interests of a publicly traded company) of a Direct Competitor (as defined below);
- (ii) You are or become a partner or joint venturer in any business or other enterprise or undertaking with a Direct Competitor;
- (iii) You work or perform services (including contract, consulting, or advisory services) for a Direct Competitor in any geographic area where the Company or an Affiliate materially conducts business, if your services are similar in any material way to the services you performed for the Company or an Affiliate in the twelve (12) months preceding the termination of your Service;
- (iv) Except for communications made on behalf of the Company or an Affiliate in the scope of your Service, you advise, assist, attempt to influence or otherwise induce or persuade (or assist any other person in advertising, attempting to influence or otherwise induce or persuade) any person employed by the Company or an Affiliate to end such employment with the Company or an Affiliate; or
- (v) You solicit, divert, take away, or attempt to solicit, divert or take away, directly or by assistance of others, any business from the clients or customers of the Company or an Affiliate, including actively sought clients or customers, with whom you have or have had material contact during your Service for purposes of providing products or services that are competitive with those provided by the Company or an Affiliate.

For purposes of this Agreement, the term “**Direct Competitor**” means any entity or other business concern

that offers or plans to offer products or services that are materially competitive with any of the products or services being manufactured, offered, marketed, or actively developed by the Company or an Affiliate as of the date your Service ends. By way of illustration, and not by limitation, the following companies are Direct Competitors: Microsoft, AWS, Qualys, Tenable, Symantec, IBM, Verizon, AT&T, Accenture, FireEye, Splunk, CISCO, NTT, CrowdStrike, iSight, iDefense, Artic Wolf, WithSecure, Corporation, Palo Alto Networks, SentinelOne, Trend Micro, and Rapid7. You understand and agree that the foregoing list of Direct Competitors represents only an illustrative list of the Company's Direct Competitors as of the date of execution of this Agreement, that other entities are Direct Competitors as of the date of this Agreement, and that other entities may become Direct Competitors in the future.

4

You understand and agree that neither this provision nor any other provision of this Agreement prohibits you from engaging in Conflicting Activities but only requires the forfeiture and/or repayment as set forth herein if you engage in Conflicting Activities. If you desire to engage in Conflicting Activities, you agree to seek written consent from the Company's Chief Legal and Administrative Officer prior to engaging in the Conflicting Activities. If you enter into any business, employment, or service relationship during your Service or within the twelve (12) months following the termination of your Service, you agree to provide the Company sufficient information regarding the relationship to enable the Company to determine whether that relationship constitutes Conflicting Activities. You agree to provide such information within five (5) business days after entering into the business, employment, or service relationship.

Delivery Delivery of the shares of Stock represented by your vested RSUs shall be made as soon as practicable after the date on which your RSUs vest and, in any event, by no later than March 15th of the calendar year after your RSUs vest, subject to the prior satisfaction of the Stockholder Approval Condition or waiver of such condition by the Committee in its sole discretion not inconsistent with the terms of the Plan.

Evidence of Issuance The issuance of the shares of Stock with respect to the RSUs shall be evidenced in such a manner as the Company, in its discretion, deems appropriate, including, without limitation, by (i) book-entry registration or (ii) issuance of one or more share certificates.

Withholding You agree as a condition of this Agreement that you will

make acceptable arrangements to pay any withholding or other taxes that may be due relating to the RSUs or the issuance of shares of Stock with respect to the RSUs. In the event that the Company or a Subsidiary determines that any federal, state, local, or foreign tax or withholding payment is required relating to the RSUs or the issuance of shares of Stock with respect to the RSUs, and you have not made acceptable arrangements to make such payment, the Company or a Subsidiary shall have the right to (i) require you to tender a cash payment, (ii) deduct the tax or withholding payment from payments of any kind otherwise due to you, (iii) permit or require you to enter into a "same day sale" commitment with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "**FINRA Dealer**"), whereby you irrevocably elect to sell a portion of the shares of Stock to be delivered in connection with the RSUs to satisfy withholding obligations and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the withholding obligations directly to the Company or a Subsidiary, or (iv) withhold the delivery of vested shares of Stock otherwise deliverable under this Agreement to meet such obligations, provided that, to the extent required to avoid adverse accounting consequences to the Company, the shares of Stock so withheld will have an aggregate Fair Market Value not exceeding the minimum amount of tax required to be withheld by Applicable Laws.

You agree that the Company or a Subsidiary shall be entitled to use whatever method it may deem appropriate to recover such taxes. You further agree that the Company or a Subsidiary may, as it reasonably considers necessary, amend or vary this Agreement to facilitate such recovery of taxes.

5

Trading Restrictions	If you are subject to any Company "blackout" policy or other trading restriction imposed by the Company (a " Restricted Period ") on the date a distribution would otherwise be made pursuant to this Agreement, such distribution shall instead be made as of the earlier of (i) the first date you are not subject to any such policy or restriction and (ii) the later of (A) the last day of the calendar year in which such distribution would otherwise have been made, and (B) a date that is immediately prior to the expiration of two and one-half months following the date such distribution would otherwise have been made hereunder. For purposes of this provision, you acknowledge that you may be subject to a Restricted Period for any reason that the Company determines
Stockholder Rights	

appropriate, including Restricted Periods generally applicable to employees or groups of employees or Restricted Periods applicable to you during an investigation of allegations of misconduct or Conduct Detrimental to the Company by you.

You have no rights as a stockholder with respect to the RSUs unless and until shares of Stock relating to the RSUs have been issued to you and either a certificate evidencing your Stock has been issued or an appropriate entry has been made on the Company's books. No adjustments to your Stock shall be made for dividends, distributions, or other rights on or with respect to the Stock generally if the applicable record date for any such dividend, distribution, or right occurs before your certificate is issued (or an appropriate book entry is made), except as described in the Plan. You may at any time obtain a copy of the prospectus related to your Award pursuant to this Agreement by accessing the prospectus at SecureWorks Corp., One Concourse Parkway NE, Suite 500, Atlanta, Georgia 30328. Additionally, you may receive a paper copy of the prospectus free of charge from the Company by contacting:

Stock Option Administration
SecureWorks Corp.
One Concourse Parkway NE, Suite 500
Atlanta, GA 30328
+1 877 838 7947
Stock_Option_Administrator@SecureWorks.com

No Right to Continued Employment or Other Service This Agreement and the RSUs evidenced by this Agreement do not give you the right to expectation of employment or other Service by, or to continue in the employment or other Service of, the Company or a Subsidiary. Unless otherwise specified in a written employment or other written compensatory agreement between you and the Company or a Subsidiary, the Company or a Subsidiary, as applicable, reserves the right to terminate your employment or other Service relationship with the Company or a Subsidiary at any time and for any reason.

Corporate Activity Your RSUs shall be subject to the terms of any applicable agreement of merger, liquidation, or reorganization in the event the Company is subject to such corporate activity, consistent with Article 16 of the Plan.

6

Clawback By accepting the RSUs, in consideration of your receipt of this Award, you agree that you are subject and bound by the RSUs Company's Executive Incentive-Based

Compensation Recoupment Policy and that any successor recoupment or “clawback” policy adopted by the Company (the “Policy”) to the extent you are a “Covered Executive” under this Policy. Consequently, any Incentive-Based Compensation (as defined in the Policy) you receive is subject to recoupment by the Company under the circumstances set forth in the Policy, a copy of which is available at [***]. The Incentive-Based Compensation is subject to mandatory repayment by you to the Company in the circumstances specified Specified in the Plan, including to the extent you are or in the future become subject to any Company “clawback” or recoupment policy or Applicable Laws that require the repayment by you to the Company of compensation paid by the Company to you in the event that you fail to comply with, or violate, the terms or requirements of such policy or Applicable Laws.

If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of, including but not limited to, misconduct, with any financial reporting requirement under Applicable Laws and you knowingly engaged in the misconduct, were grossly negligent in engaging in the misconduct, knowingly failed to prevent the misconduct, or were grossly negligent in failing to prevent the misconduct, you shall reimburse the Company the amount of any payment in settlement of the RSUs earned or accrued during the twelve (12)-month period following the first public issuance or filing with the Securities and Exchange Commission (whichever first occurred) of the financial document that contained such material noncompliance.

Plan.

Governing Law & Venue You understand and agree that the Company is a Delaware corporation with global operations and that your RSUs may be part of a contemporaneous grant of many similar awards to individuals located in numerous jurisdictions. You agree that this Agreement and the Plan shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware, United States of America, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of any other jurisdiction.

The exclusive venue for any and all disputes arising out of or in connection with this Agreement shall be New Castle County, Delaware, United States of America, and the courts sitting exclusively in New Castle County, Delaware, United States of America shall have exclusive jurisdiction to adjudicate such disputes. Each party hereby expressly consents to the exercise of jurisdiction by such courts and hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to such laying of venue (including the defense of inconvenient forum).

Compliance with Foreign Local foreign exchange laws may affect your RSUs or the vesting of your RSUs. You are responsible for obtaining

Exchange Laws any exchange control approval that may be required in connection with such events. Neither the Company nor any of its Affiliates will be responsible for obtaining such approvals or liable for the failure on your part to obtain or abide by such approvals. This statement does not constitute legal or tax advice upon which you should rely. You should consult with your personal legal and tax advisers to ensure your compliance with local laws. You agree to comply with all Applicable Laws and pay any and all applicable taxes associated with the grant or vesting of the RSUs.

7

The Plan The text of the Plan is incorporated into this Agreement by reference.

All terms used in this Agreement with their initial letters capitalized shall have the meanings given them in the Plan unless otherwise defined herein.

This Agreement and the Plan constitute the entire understanding between you and the Company regarding the RSUs. Any prior agreements, commitments, or negotiations concerning the RSUs are superseded, except that any written employment, consulting, confidentiality, non-competition, non-solicitation, and/or severance agreement between you and the Company or an Affiliate, as applicable, shall supersede this Agreement with respect to its subject matter.

7

Disclaimer of Rights The grant of RSUs under this Agreement will in no way be interpreted to require the Company to transfer any amounts to a third-party trustee or otherwise hold any amounts in trust or escrow for payment to you. You will have no rights under this Agreement or the Plan other than those of a general unsecured creditor of the Company. RSUs represent unfunded and unsecured obligations of the Company, subject to the terms and conditions of the Plan and this Agreement.

Data Privacy As a condition of the grant of the RSUs, you consent to the collection, use and transfer of personal data as described in this paragraph. You understand that the

Company and its Affiliates hold certain personal information about you, including your name, home address and telephone number, date of birth, social security number or equivalent, salary, nationality, job title, ownership interests or directorships held in the Company or its Affiliates, and details of all equity awards or other entitlements to shares of Stock awarded, cancelled, exercised, vested or unvested (“Data”). You further understand that the Company and its Affiliates will transfer Data amongst themselves as necessary for the purposes of implementation, administration and management of your participation in the Plan, and that the Company and any of its Affiliates may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. You understand that these recipients may be located in the Asia Pacific region, the Latin American region, the European Economic Area, Canada or elsewhere, such as the United States of America. You authorize them to receive, possess, use, retain and transfer such Data as may be required for the administration of the Plan or the subsequent holding of shares of Stock on your behalf, in electronic or other form, for the purposes of implementing, administering, and managing your participation in the Plan, including any requisite transfer to a broker or other third party with whom you may elect to deposit any shares of Stock acquired under the Plan. You understand that you may, at any time, view such Data or require any necessary amendments to the Data.

8

Notice Delivery By accepting the RSUs, you agree that notices may be given to you in writing either at your home or mailing address as shown in the records of the Company or an Affiliate or by electronic transmission (including e-mail or reference to a website or other URL) sent to you through the normal process employed by the Company or the Affiliate, as applicable, for communicating electronically with its employees.

Code Section 409A The grant of RSUs under this Agreement is intended to comply with the short-term deferral exemption from Code Section 409A (“Section 409A”) and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted and administered to be in compliance with the exemption. Notwithstanding anything to the contrary in the Plan or this Agreement, none of the Company, its Affiliates, the Board, or the Committee will have any obligation to take any action to prevent the assessment of any excise tax or penalty on you under Section 409A and

any excise tax or penalty on you under Section 409A, and none of the Company, its Affiliates, the Board, or the Committee will have any liability to you for such tax or penalty.

To the extent that the RSUs constitute “deferred compensation” under Section 409A, a termination of Service occurs only upon an event that would be a Separation from Service within the meaning of Section 409A. If, at the time of your Separation from Service, (i) you are a “specified employee” within the meaning of Section 409A, and (ii) the Company makes a good faith determination that an amount payable on account of your Separation from Service constitutes deferred compensation (within the meaning of Section 409A), the payment of which is required to be delayed pursuant to the six (6)-month delay rule set forth in Section 409A to avoid taxes or penalties under Section 409A (the “**Delay Period**”), then the Company will not pay such amount on the otherwise scheduled payment date but will instead pay it in a lump sum on the first business day after the Delay Period (or upon your death, if earlier), without interest. Each installment of RSUs that vest under this Agreement (if there is more than one installment) will be considered one of a series of separate payments for purposes of Section 409A.

By accepting this Agreement, you agree to all of the terms and conditions described above and in the Plan.

9

Exhibit 10.28

**SecureWorks Corp.
Second Amended and Restated
Non-Employee Director Compensation Policy**

The Board of Directors (“**Board**”) of SecureWorks Corp. (the “**Company**”) has adopted this Second Amended and Restated SecureWorks Corp. Non-Employee Director Compensation Policy (the “**Policy**”) to assist the Compensation Committee of the Board (or its successor, the “**Committee**”) in establishing retainers, fees, and equity grants (and payment or award thereof, as applicable) associated with director compensation. Any new director compensation policies enacted from time to time are deemed to be incorporated herein upon their effective date. The Committee and/or the Board shall review and reassess this Policy from time to time to determine whether the Policy should be updated.

Each director who is not an employee of the Company or an Affiliate of the Company shall be entitled to the payments described below while serving as a director on the Board.

Annual Cash Retainer: An annual retainer fee of USD \$50,000 (the “**Annual Cash Retainer**”) shall be payable in a lump sum following each annual meeting of Company’s stockholders at which directors

are elected to serve on the Board (the “**Annual Meeting**”) to each director who becomes or remains a member of the Board following the conclusion of such Annual Meeting. A director appointed to the Board other than pursuant to election at the Annual Meeting shall be entitled to a pro-rated payment of the Annual Cash Retainer for the partial year of service, payable in a lump sum upon his or her commencement of service on the Board. The Annual Cash Retainer shall be paid in cash, unless the director makes a timely election, as set forth below, to receive all or a portion of the Annual Cash Retainer in the form of deferred stock units that settle in shares of the Company’s Class A common stock, par value \$0.01 per share (“**Class A Shares**,” and such units, “**DSUs**”), Class A Shares (“**Stock**”), or a combination thereof (in each case subject to the limitations described below), in which case the director shall receive the form or forms of award elected, in lieu of such cash payment (in whole or in part), subject to the terms and conditions of the applicable deferred stock unit agreement. A director must be actively serving as a director on the date of such payment to receive his or her payment.

Committee Chair Fee: The corresponding annual committee chair fee (“**Annual Chair Fee**”) set forth below shall also be payable in a lump sum following the Annual Meeting to each director who becomes or remains the chair of any of the following committees of the Board following the conclusion of such Annual Meeting for his or her chair services. A director appointed to serve as committee chair during a year and prior to an Annual Meeting shall be entitled to a pro-rated payment of the Annual Chair Fee for the partial year of service, payable in a lump sum upon his or her commencement of service as committee chair. The committee chair must be actively serving as the chair of the applicable committee on the date of such payment to receive his or her payment.

Audit Committee: USD \$30,000

Compensation Committee: USD \$20,000

Nominating &

Governance Committee: USD \$15,000

The Annual Chair Fee shall be paid in cash unless the director makes a timely election to receive all or a portion of the Annual Chair Fee in the form of DSUs, Stock or a combination thereof (in each case subject to the limitations described below), in which case the director shall receive the form or forms of award elected, in lieu of such cash payment

(in whole or in part), subject to the terms and conditions of the applicable deferred stock unit agreement.

Committee Membership Fee: The corresponding annual committee fee (“**Annual Committee Fee**”) set forth below shall also be payable in a lump sum following the Annual Meeting to each director who becomes or remains a member of the following committees of the Board (excluding the committee chair) for his or her committee member services. A director appointed to serve on a committee during a year and prior to an Annual Meeting shall be entitled to a pro-rated payment of the Annual Committee Fee for the partial year of committee service, payable in a lump sum upon his or her commencement of service as a committee member. The member must be actively serving as a member of the applicable committee on the date of such payment to receive his or her payment.

Audit Committee: USD \$15,000

Compensation Committee: USD \$10,000

Nominating and
Governance Committee: USD \$8,000

The Annual Committee Fee shall be paid in cash unless the director makes a timely election to receive all or a portion of the Annual Chair Fee in the form of DSUs, Stock or a combination thereof (in each case subject to the limitations described below), in which case the director shall receive the form or forms of award elected, in lieu of such cash payment (in whole or in part), subject to the terms and conditions of the applicable deferred stock unit agreement.

Initial Equity Grant: Following initial election or appointment to the Board, upon commencing service as a director or as promptly thereafter as reasonably practicable, a director shall be granted restricted stock units (“**RSUs**”) relating to that number of Class A Shares having a value equal to USD \$400,000 as of the grant date), subject to the terms and conditions of the applicable restricted stock unit agreement.

Annual Equity Grant: Following the conclusion of each Annual Meeting, each director who remains a member of the

each director who remains a member of the Board following the conclusion of such Annual Meeting shall be granted RSUs relating to that number of Class A Shares having a value equal to \$200,000 (the "Annual Equity Grant") as of the grant date, unless the director makes a timely election to receive all or a portion of the Annual Equity Grant in the form of DSUs (subject to the limitations described below), in which case the director shall receive DSUs in lieu of such RSUs (in whole or in part), subject to the terms and conditions of the applicable restricted stock unit agreement or deferred stock unit agreement.

Timing of Elections: Elections to receive DSUs (alone or in combination with other applicable forms of payment) must be made prior to the beginning of the calendar year to which they relate. Elections to receive Stock (alone or in combination with other applicable forms of payment) may be made at any time with respect to amounts that have not yet been paid out as to the relevant year and for which the director has not made an effective DSU election. Each new director may make an election to receive DSUs, Stock or a combination thereof within 30 days after becoming a director, but this election will only apply to the portion of the Annual Cash Retainer, Annual Equity Retainer, Committee Chair Fee (if applicable) or Annual Committee Fee (if applicable) earned after the date of the election. Once the calendar year to which a director's DSU elections relate commences, all elections to receive DSUs are irrevocable with respect to that year, and no new DSU elections may be made with respect to that year. A director may submit a new election to receive DSUs for each subsequent calendar year prior to the beginning of that calendar year. Each director's elections will remain in effect for subsequent years as provided in the director's most recently submitted election forms if no new elections are timely submitted.

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Individual Elections: Directors may elect the forms of payment of their compensation on an individual basis. Elections must be made in multiples as follows:

- Allocation of the Annual Cash Retainer among DSUs, Stock and cash (including a combination thereof) must be made in each case in multiples of 25% (up to a maximum of 100%).
- Allocation of the Annual Equity Retainer to DSUs must be made in multiples of 25% (up to a maximum of 100%).
- Allocation of the Annual Chair Fee and Annual Committee Fee among DSUs, Stock and cash (including a combination thereof) must be made in each case in multiples of 25% (up to a maximum of 100%).

Vesting and Settlement: DSUs shall vest in full on the first anniversary of the grant date, subject to the director's continued, active service as a director on such vesting date, and shall settle in Class A Shares on the earlier of: (i) the termination of service as a director for any reason, and (ii) a Change in Control (as defined in the Company's Amended and Restated 2016 Long-Term Incentive Plan, as it may be amended from time to time (the "Plan")) that also constitutes a "change in control event" under Internal Revenue Code Section 409A regulations. RSUs granted with respect to a director's initial election or appointment to the Board shall vest and settle in Class A Shares in equal installments on the first, second, and third anniversaries of the grant date, subject to the director's continued, active service as a director on each such vesting date. RSUs granted with respect to a director's Annual Equity Grant shall vest in full and settle in Class A Shares on the first anniversary of the grant date, subject to the director's continued, active service as a director on such vesting date. The number of shares of Stock, RSUs or DSUs granted will be rounded down to the next integer of Stock in the case of a valuation that produces a fractional share.

All of the foregoing equity-based awards will be granted under the Plan, or any successor plan thereto. Any RSUs will be granted pursuant to the terms of the Company's standard form of restricted stock unit agreement for directors in effect at the time of grant. Any DSUs will be granted pursuant to the terms of the Company's standard form of deferred stock unit agreement for directors in effect at the time of grant.

In addition to the foregoing payments, each member of the Board shall be entitled to reimbursement for travel expenses incurred in attending Board meetings and any committee meetings (travel expense reimbursement is subject to the Company's current expense policy, as amended from time to time).

The Company does not pay any Board retainers or fees or provide any Board equity grants not set forth above. These retainers, fees, or grants

may be modified or adjusted from time to time as determined by the Board on recommendation of the Committee.

Directors of the Board who are employees of the Company or an Affiliate of the Company shall receive no compensation for their Board service.

This Policy supersedes all prior agreements or policies concerning director compensation.

Capitalized terms used in this Policy but not otherwise defined herein shall have the meaning set forth in the Plan, or any successor plan thereto.

Effective: March 20, 2023

SECUREWORKS CORP.

AMENDED AND RESTATED

SEVERANCE PAY PLAN

FOR EXECUTIVE EMPLOYEES

Effective March 18, 2024

3

SECUREWORKS CORP.

AMENDED AND RESTATED

SEVERANCE PAY PLAN

FOR EXECUTIVE EMPLOYEES

Effective Date: March 18, 2024

BACKGROUND AND SCOPE

Dell Inc. (“Dell”) previously adopted the Dell Inc. Severance Pay Plan for Executive Employees, amended and restated effective July 14, 2010 (the “Dell Plan”), to provide severance benefits under the terms and conditions specified in the Dell Plan. Prior to the effective date of the Initial Plan (as defined below), certain employees of the Company were eligible to participate in the Dell Plan. In connection with the Company’s initial public offering (“IPO”), the Company determined it advisable to adopt the SecureWorks Corp. Severance Pay Plan for Executive Employees (the “Initial Plan”) for periods on and after April 18, 2016, the effective date of the Initial Plan. Following the Company’s IPO, the Compensation Committee of the Board conducted a review of the Initial Plan and amended and restated the Initial Plan effective September 1, 2016, which Plan was

again amended and restated, effective August 10, 2019. The Company again amended and restated the Plan, effective as of April 1, 2020, and now further amends and restates the Plan, as provided in this document, effective as of March 18, 2024.

The Company intends the Plan to qualify as an “employee welfare benefit plan” within the meaning of Section 3(1) of ERISA. The Plan shall, at all times, be interpreted and administered in accordance with ERISA and any other pertinent provisions of federal law. Except as specified in the Plan, no employee of the Company or any other person shall have any right to severance benefits under the Plan or otherwise resulting from their performance of services for the Company or any of its related or affiliated entities. These Severance Benefits may be modified or eliminated at any time for any reason.

ARTICLE I PURPOSE

The Plan provides Eligible Executives with severance benefits designed to mitigate the effects of unemployment in the event that their employment is terminated by the Company as a result of a Qualifying Termination.

ARTICLE II DEFINITIONS

Wherever used herein, the following terms have the following meanings unless the context clearly requires a different meaning:

2.1 “**Administrator**” means the Company’s Compensation Committee, as may be appointed from time to time by the Board.

2.2 “**Base Salary**” means compensation equal to:

(i) the annual base salary reported in the Company’s human resources database and as in effect on the last day on which the Eligible Executive was actively

performing services for the Company prior to his or her Separation Date (not including shift differentials, commissions, bonuses, incentive payments, benefits, perks, or overtime compensation); divided by

(ii) 12, for computations of monthly Base Salary, or 52, for computations of weekly Base Salary.

2.3 “**Beneficiary**” means the first surviving person of the following: (i) the Severance Benefit Employee’s surviving spouse, (ii) his or her lineal descendants *per stirpes*, (iii) his or her parents in equal shares, (iv) his or her brothers and sisters in equal shares, or

(v) the executor or administrator of his or her estate.

2.4 **“Board”** means the Board of Directors of SecureWorks Corp.

2.5 **“Cash Severance Benefit”** means the severance pay, if any, payable to a Severance Benefit Employee as described in Section 3.1.

2.6 **“Casual Employee”** means an employee hired to supplement the work force during temporary periods or on an intermittent basis, usually due to unusual or emergency workload.

2.7 **“COBRA”** means the Consolidated Omnibus Budget Reconciliation Act of 1985, as amended from time to time.

2.8 **“Code”** means the Internal Revenue Code of 1986, as amended from time to time.

2.9 **“Company”** means SecureWorks Corp., any successor entity that adopts the Plan, or any subsidiary or affiliate of the Company which is designated by the Administrator as having adopted the Plan.

2.10 **“Comparable Job”** means a job with the Company or any other entity in the SecureWorks Group where (i) the Base Salary to be paid is not materially reduced from the Base Salary previously paid by the Company to such executive; (ii) the grade level offered is not less than the grade level the executive held immediately prior to the date the executive was offered the job; and (iii) the executive's principal place of work is not changed on or before the first date of employment in the new job to a location that is a material distance from the executive's principal place of work immediately prior to the date the executive was offered the job, without the prior consent of the executive. For purposes of the preceding sentence, a distance of less than fifty (50) miles shall be treated as immaterial.

2.11 **“Dell Group”** means Dell Technologies Inc. and each other legal entity (including without limitation, any corporation, partnership, limited liability company, association, trust and any other legal form of organization) of which Dell Technologies Inc. is the beneficial owner of voting interests representing twenty percent (20%) or more in voting power of the outstanding voting interests in such entity, and any other legal entity that directly or indirectly is controlled by, is under common control with or controls Dell Technologies Inc.

2.12 **“Effective Date”** means March 18, 2024, the effective date of this amendment and restatement of the Plan. All Eligible Executive separations under the terms of a Separation Agreement and Release made prior to this Effective Date will be subject to terms of the Plan as in effect prior to this amendment and restatement.

2.13 **“Eligible Executive”** means an individual who is classified as an Executive Employee and:

(i) who is designated by the Administrator, in its sole and absolute discretion, as having experienced a Qualifying Termination;

(ii) who is notified in writing by the Administrator or its duly authorized representative that his or her employment with the Company will be terminated as part of a Qualifying Termination;

(iii) who is employed by the Company to perform services for the Company in a capacity of a regular employee of the Company; and

(iv) whose employment with the Company was in fact terminated solely resulting from such Qualifying Termination.

The term "Eligible Executive" shall not include: (i) an Independent Contractor; (ii) a Casual Employee; or (iii) a Temporary Employee.

2.14 "ERISA" means the Employee Retirement Income Security Act of 1974, as amended from time to time.

2.15 "Executive Employee" means an employee of the Company who is designated as having a status of Vice President (grade level E1/I12), Senior Vice President (grade level E2/I13), President (grade level E2) or CEO (grade level E3).

2.16 "Exempt Separation Pay" means payments that do not exceed the Safe Harbor Amount and may not be paid later than the Safe Harbor Deadline, and that otherwise qualify for the exemption for amounts paid upon certain involuntary terminations under Treasury Regulation Section 1.409A-1(b)(9)(iii).

2.17 "Independent Contractor" means a person the Company engaged to perform services with the intention that those services would be performed in a capacity other than that of a common law employee, regardless of whether or not the actual facts and circumstances under which such person actually renders services to the Company could be construed to establish that the person was or could be considered for any purpose to be a common law employee.

2.18 "Plan" means this SecureWorks Corp. Amended and Restated Severance Pay Plan for Executive Employees, as set forth herein and as may be amended from time to time.

2.19 "Qualifying Termination" means the termination of employment of a Severance Benefit Employee due to Workforce Reduction.

2.20 "Safe Harbor Amount" means two (2) times the lesser of (i) the sum of the Eligible Executive's annualized compensation based on the taxable year immediately preceding the year in which his or her Separation Date occurs or (ii) the maximum amount that may be taken into account under a qualified plan pursuant to Code Section 401(a)(17) for the year in which the Eligible Executive's Separation Date occurs, within the meaning of Treasury Regulation

Separation Date occurs, within the meaning of Treasury Regulation Section 1.409A-1(b)(9)(iii)(A) and the guidance related thereto.

2.21 **“Safe Harbor Deadline”** means the last day of the second calendar year following the calendar year in which the Eligible Executive’s Separation Date occurs, within the meaning of Treasury Regulation Section 1.409A-1(b)(9)(iii)(B) and the guidance related thereto.

2.22 **“SecureWorks Group”** means SecureWorks Corp. and each other legal entity (including without limitation, any corporation, partnership, limited liability company, association, trust and any other legal form of organization) of which SecureWorks Corp. is the

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beneficial owner of voting interests representing fifty percent (50%) or more in voting power of the outstanding voting interests in such entity.

2.23 **“Separation Agreement and Release”** means the agreement that an Eligible Executive must execute prior to receiving any benefits under the Plan. The Administrator will provide a copy of the Separation Agreement and Release to the Eligible Executive when he or she is designated as a Severance Benefit Employee under the Plan.

2.24 **“Separation Date”** means the date designated by the Administrator on which the Eligible Executive experiences a separation from service within the meaning of Treasury Regulation Section 1.409A-1(h) and the guidance related thereto.

2.25 **“Severance Benefit Employee”** means an Eligible Executive who:

(i) is designated by the Administrator, in its sole and absolute discretion, as a Severance Benefit Employee;

(ii) continues to perform all of his or her job responsibilities, in a manner acceptable to the Company, through his or her Separation Date;

(iii) did not, at any time subsequent to the Company’s decision to terminate the employee, receive an offer for continued employment in a Comparable Job;

(iv) did not, at any time subsequent to the Company’s decision to terminate the employee, receive an offer for employment in a Similar Job, which was in any way arranged or facilitated by the Company;

(v) did not, at any time subsequent to the Company’s decision to terminate the employee, accept an offer of, or commence, employment or any other service provider relationship,

including without limitation as an Independent Contractor, consultant, advisor or any similar relationship, with any member of the Dell Group;

(vi) prior to the date of the Company's notification of the termination of employment, did not voluntarily terminate employment or notify the Company of his or her intention or election to terminate employment at some future date by resignation, failure to appear for work, retirement, or otherwise;

(vii) did not make any statements or engage in any actions that directly or indirectly defamed, disparaged, or detracted from the Company's reputation; damage or destroy any of the Company's property; or otherwise injure or damage the Company; and

(viii) maintained the confidentiality of any and all confidential or proprietary information of the Company at all times during his employment with the Company.

2.26 "Severance Benefits" mean the benefits, if any, provided under ARTICLE III to a Severance Benefit Employee.

2.27 "Short-Term Deferral" shall have the meaning set forth in Treasury Regulation Section 1.409A-1(b)(4) and the guidance related thereto.

2.28 "Short-Term Deferral Period" means the period of time (i) beginning on the date that an Eligible Executive's right to Severance Benefits is no longer subject to a substantial risk of forfeiture, and (ii) ending on the later of (A) the 15th day of the third month following the end of the Eligible Executive's taxable year in which the date described in (i) above occurs, or

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(B) the 15th day of the third month following the end of the Company's taxable year in which the date described in (i) above occurs, all within the meaning of Treasury Regulation Section 1.409A-1(b)(4) and the guidance related thereto.

2.29 "Similar Job" means a job with a new employer where (i) the compensation offered by the new employer to the executive is not materially less than the Base Salary previously paid by the Company to the executive; (ii) the general nature of the executive's anticipated duties for the new employer are similar to the general nature of the duties the executive performed for the Company; and (iii) the executive's principal place of work is not changed by the new employer on or before the first day of employment with the new employer to any location that is a material distance from the executive's principal place of work on the date prior to the date the executive was offered the job, without the prior consent of the executive. For purposes of the preceding sentence, a distance of less

than fifty (50) miles shall be treated as immaterial.

2.30 **“Temporary Employee”** means a person that the Company contracted with through a temporary service, agency, employee leasing company, staffing company, or a person individually who supplements the work force as a temporary employee, or is otherwise hired to perform services for the Company other than as an employee.

2.31 **“Workforce Reduction”** means the reduction of the Company’s workforce as part of a designated cost reduction program.

ARTICLE III
SEVERANCE BENEFITS

3.1 **Cash Severance Benefit.** A Severance Benefit Employee shall be entitled to receive severance pay equal to the greater of (i) the amount listed on the applicable **Exhibit A** to this Plan, or (ii) if applicable, the cash severance benefit amount described in a separate written agreement between the Eligible Executive and the Company (the “Cash Severance Benefit”).

3.2 **Form of Payment.** Unless otherwise provided in a Separation Agreement and Release, the Cash Severance Benefit shall be paid in four (4) substantially equal quarterly installments for Severance Benefit Employees with a twelve month severance, and two (2) substantially equal payments for Severance Benefit Employees with a six month severance, with the first such installment payable on or about the last day of the third month following the Severance Benefit Employee’s Separation Date, and each subsequent installment payable on or about the last day of the third month following each such payment; provided, however, that if a Severance Benefit Employee’s Cash Severance Benefit that is otherwise scheduled to be paid outside the Short-Term Deferral Period would not qualify as Exempt Separation Pay, each quarterly installment that is scheduled to be paid outside the Short-Term Deferral Period will be reduced ratably until the amount scheduled to be paid outside the Short-Term Deferral Period no longer exceeds the amount that would qualify as Exempt Separation Pay, and the total amount of such reduction will be paid to the Severance Benefit Employee no later than the end of the Short-Term Deferral Period. Payments under the Plan shall be delivered in the form of a check or, at the Company’s discretion, through any other payment delivery method used to make payroll payments to a Severance Benefit Employee.

3.3 **Additional Severance Benefits.** Unless otherwise provided in a Separation Agreement and Release, a Severance Benefit Employee shall receive such other Severance Benefits as are listed in **Exhibit A**.

3.4 **Benefits Are Not Salary.** Any Severance Benefits paid under the Plan are not considered as salary for any employee benefit plan purposes. The number of weeks of Severance

Benefits provided to a Severance Benefit Employee shall not be considered in calculating his or her entitlement, if any, to vacation, sick leave, bonus, incentive salary, retirement, or other benefits except as is specifically provided in the Company's other employee benefit plans.

3.5 Re-employment. Any Eligible Executive who received a Severance Benefit under the Plan will not have any right to be re-employed by the Company. If an Eligible Executive is re-employed by the Company within twelve (12) months from the date of his or her Separation Date (or within six (6) months from the date of his or her Separation Date for employees with a six (6) month severance), such Severance Benefit Employee shall forfeit any and all rights to further Severance Benefits under the Plan and may, as a condition of reemployment as determined by the Company, be required to repay to the Company a portion of his or her Cash Severance Benefit; provided that, such repayment requirement shall not exceed a pro rata amount of such Severance Benefit Employee's Cash Severance Benefit determined by multiplying (i) the total amount of his or her Cash Severance Benefit that would be payable under the Plan without regard to this paragraph by (ii) a fraction, the numerator of which is the number of whole and partial months remaining in the severance period following such Severance Benefit Employee's Separation Date at the time that he or she was employed by the Company, and the denominator of which is twelve (12) with a denominator of six (6) for Eligible Executives with a six month Cash Severance Benefit.

ARTICLE IV

DEDUCTIONS & FORFEITURES

4.1 Deductions. To the extent permissible under federal or state law, the following items and amounts will be deducted from the amount of Severance Benefits otherwise payable to an Eligible Executive under the Plan:

(i) Any salary or other payments that the Eligible Executive receives (or may be entitled to receive) on termination of employment pursuant to any rights or entitlements that the Eligible Executive possesses or asserts pursuant to a written or oral employment agreement with the Company or any successor thereto, regardless of whether the term of such agreement is expired or unexpired as of the Eligible Executive's Separation Date;

(ii) Any amounts that an Eligible Executive owes to the Company;

(iii) Any severance pay or other wage replacement benefits payable or previously paid to the Eligible Executive or his beneficiary from this Plan or any other plan or program maintained by the Company or any of its affiliates (other than any benefits payable from any pension, profit sharing, or stock bonus plan);

(iv) Any amount of garnished earnings which would have

been withheld from the Eligible Executive's pay, if the Company has been garnishing the Eligible Executive's earnings pursuant to an order of garnishment, child support, or tax lien; and

(v) The Company shall have the authority to withhold or to cause to have withheld applicable taxes from any payments under or in accordance with the Plan to the extent required by law.

4.2 Forfeitures. An Eligible Executive shall forfeit any and all rights to Severance Benefits under the Plan, and shall be obligated to repay any such benefits previously paid under the Plan, if the Administrator, in its sole discretion, determines that the Eligible Executive:

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(i) does not timely submit, and the Administrator does not actually receive, a valid and fully enforceable Separation Agreement and Release from the Eligible Executive;

(ii) fails or has failed to fulfill any requirement of the Plan or otherwise does not satisfy any of the terms and conditions of either the Plan or the Separation Agreement and Release;

(iii) prior to his or her Separation Date or thereafter makes any statements or engages in any actions that directly or indirectly defame, disparage, or detract from the Company's reputation, damage or destroy any of Company's property, otherwise injure or damage the Company, or discloses any confidential or proprietary information regarding the Company; or

(iv) subsequently revokes or otherwise takes action to set aside, avoid, or violate the Separation Agreement and Release or the Plan's terms.

In addition, if a Severance Benefit Employee becomes employed by, or otherwise provides services (whether as an Independent Contractor, consultant, advisor or in any similar relationship) to any member of the Dell Group within the severance period following the date of his or her Separation Date, such Severance Benefit Employee shall forfeit any and all rights to further Severance Benefits under the Plan. Furthermore, such Severance Benefit Employee shall be obligated to repay to the Company an amount equal to the Cash Severance Benefit previously paid to or received by such Severance Benefit Employee; provided that, such repayment requirement shall not exceed a pro rata amount of such Severance Benefit Employee's Cash Severance Benefit determined by multiplying (i) the total amount of his or her Cash Severance Benefit that would be payable under the Plan without regard to this paragraph by (ii) a fraction, the numerator of which is the number of whole and partial months remaining in the severance period following such Severance Benefit Employee's Separation Date at the time that he or she commenced providing services to a member of the Dell Group, and the denominator of which is twelve (12).

Group, and the denominator of which is twelve (12).

By accepting any benefits under the Plan's terms, an Eligible Executive shall be deemed to have agreed to adhere to all terms of the Plan. The Eligible Executive also shall be deemed to agree that the Eligible Executive will repay any benefits that the Administrator determines he or she has received from the Plan in excess of the amount provided under the Plan. Additionally, the Eligible Executive must repay all Severance Benefits that the Eligible Executive is paid or receives if the Eligible Executive asserts that he or she is or may be entitled to receive compensation or other payments on termination of employment pursuant to any rights or entitlements that he or she possesses or asserts pursuant to a written or oral employment agreement with the Company, any affiliate of the Company, or any successor of either the Company or its affiliates, regardless of whether the term of such agreement is expired or unexpired as of his or her Separation Date.

ARTICLE V

REQUIREMENT FOR RECEIPT OF SEVERANCE BENEFITS

In order to receive payment of any Severance Benefits under the Plan, the Eligible Executive must comply with all requirements of this ARTICLE V.

5.1 Execution of Separation Agreement and Release. In order for an Eligible Executive to receive his or her Severance Benefit, the Eligible Executive must first execute the Separation Agreement and Release within the particular time period specified in the Separation Agreement and Release, which shall be no later than forty-five (45) days following the Eligible

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Executive's receipt of the Separation Agreement and Release or such earlier date as required by the Separation Agreement and Release (such deadline, the "**Release Deadline**"). The Separation Agreement and Release may provide for an additional revocation period of at least seven (7) days (the "**Revocation Period**"). The executed Separation Agreement and Release must actually be received by the Administrator, or its duly authorized representative, at the address specified by the Administrator, by the Release Deadline to be considered timely. Notwithstanding the preceding, if the Eligible Executive does not properly execute the Separation Agreement and Release by the applicable Release Deadline, or, in the case of a Separation Agreement and Release that includes a Revocation Period, timely revokes an executed Separation Agreement and Release, the Eligible Executive will receive only those benefits required by applicable law. If the Eligible Executive's Separation Date and the Release Deadline fall in two (2) separate taxable years, any payments required to be made to the Eligible Executive that are treated as nonqualified deferred compensation for purposes of Code Section 409A shall be made in the later taxable year.

5.2 Right to Recovery. The Company shall have the right to recover any payment made to an Eligible Executive in excess of the amount to which the Eligible Executive is entitled to under the terms of the Plan. Such recovery may be from the Eligible Executive, the Beneficiary, or any insurer or other organization or entity thereby enriched. In the event such repayment is not made by the Eligible Executive, such repayment shall be made either by (i) reducing or suspending any future payments hereunder to the Eligible Executive or (ii) requiring an assignment of a portion of the Eligible Executive's earnings, until the amount of such excess payments are fully recovered. The Company shall also have the right to recover any payment made to an Eligible Executive under the Plan if he or she later asserts to be entitled to compensation or other payments on termination of employment pursuant to any rights or entitlements that he or she possesses or asserts pursuant to a written or oral employment agreement with the Company or any successor thereto, regardless of whether the term of such agreement is expired or unexpired as of his or her Separation Date.

5.3 Payment of Severance Benefits. Severance Benefits provided under the Plan shall be paid to the Eligible Executive within the timeframe provided for in Section 3.2, but no earlier than the day following the expiration of any Revocation Period outlined in the Separation Agreement and Release, if applicable, assuming such Separation Agreement and Release has not been revoked. If the Eligible Executive is, in the opinion of the Administrator, not competent to effect a valid release for payment of any benefit due him or her under the Plan and if no request for payment has been received by the Administrator from a duly appointed guardian or other legally appointed representative of the Eligible Executive, the Company may make direct payment to the individual or institution appearing to the Administrator to have assumed custody or the principal support of the Eligible Executive. If the Eligible Executive dies before receipt of his or her Severance Benefits to which he or she is entitled under the Plan, such benefits shall be paid to the Eligible Executive's Beneficiary, if not otherwise required by law.

5.4 Acceptance of Severance Benefit. By accepting any Severance Benefits from the Plan, the Eligible Executive shall be deemed to have agreed to adhere to all terms of the Plan.

ARTICLE VI

CLAIMS AND APPEAL PROCEDURES

6.1 Claims Procedures. Severance Benefits will be automatically paid to an Eligible Executive who qualifies for such benefits under the Plan and who signs and does not revoke the Separation Agreement and Release. An Eligible Executive who believes he or she is entitled to Severance Benefits under this Plan and has not been provided such benefits must file a written claim for such benefits with the Administrator. The Administrator shall render a written decision concerning the claim not later than ninety (90) days after its receipt, unless special circumstances

require an extension of time for processing the claim, in which case a decision will be rendered not later than one hundred twenty (120) days after receipt of the claim. Written notice of the extension will be furnished to the Eligible Executive prior to the expiration of the initial ninety (90)-day period and will indicate (i) the special circumstances requiring an extension of time for processing the claim and (ii) the date the Administrator expects to render its decision. For purposes of this Section 6.1, any payment of Severance Benefits under this Plan shall be treated as the issuance of a written decision by the Administrator to approve the claim for benefits.

If the claim is denied, in whole or in part, such decision shall include (i) the specific reasons for the denial; (ii) a reference to the Plan provision(s) constituting the basis of the denial; (iii) a description of any additional material or information necessary for the Eligible Executive to perfect his or her claim; (iv) an explanation as to why such additional material or information is necessary; and (v) a description of how the claim review procedure is administered. If the notice of denial is not furnished in accordance with the above procedure, the claim shall be deemed denied, and the Eligible Executive is then permitted to appeal the decision.

6.2 Appeal Procedure. If the Eligible Executive's claim is denied, in whole or in part, he or she then has sixty (60) days to appeal the decision. An appeal must be submitted in writing to the Administrator. The Eligible Executive may also submit a written request to review copies of the pertinent Plan documents in connection with his or her appeal. The Administrator will review the appeal and determine if a meeting with the Eligible Executive is necessary to reach a decision. If the Administrator determines a meeting is necessary, the Eligible Executive must submit a written "statement of position" containing all pertinent details of the appeal and the supporting reasons, as well as any questions the Eligible Executive may have regarding the appeal. The statement of position must be received by the Administrator at least fourteen (14) days before the scheduled meeting. If the statement of position is not received in a timely manner, the Administrator may cancel the meeting. No action may be brought for Severance Benefits provided under the Plan or any amendment or modification thereof, or to enforce any right thereunder, until a claim has been submitted and the appeal rights under the Plan have been exhausted.

ARTICLE VII PLAN ADMINISTRATION

7.1 In General. The general administration of the Plan and the duty to carry out its provisions shall be vested in the Administrator, which shall be the named fiduciary of the Plan for purposes of ERISA. The Administrator shall administer the Plan and any Severance Benefits provided under the Plan. The Administrator may, in its discretion, secure the services of other parties, including agents and/or employees, to carry out the day-to-day functions necessary to an efficient operation of the Plan. The Administrator shall have the exclusive, discretionary right to interpret the terms of

the Plan, to determine eligibility for coverage and benefits, and to make such other determinations and to exercise such other powers and responsibilities as shall be provided for in the Plan or shall be necessary or helpful with respect thereto, and its good faith interpretations and decisions shall be final, binding, and conclusive upon all persons.

7.2 Reimbursement and Compensation. The Administrator shall receive no compensation for its services as Administrator, but it shall be entitled to reimbursement for all sums reasonably and necessarily expended by it in the performance of such duties.

7.3 Rulemaking Powers. The Administrator shall have the discretionary power to make reasonable rules and regulations required in the administration of the Plan; make all determinations necessary for the Plan's administration, except those determinations which the Plan requires others to make; and construe and interpret the Plan wherever necessary to carry out its intent and purpose and to facilitate its administration. The Administrator shall have the

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exclusive right to determine, in its discretion, eligibility for coverage and benefits under the Plan and waive any requirements under the Plan's terms, and the Administrator's good faith interpretation of the Plan shall be final, binding, and conclusive on all persons. Any dispute as to eligibility, type, amount, or duration of benefits under the Plan or any amendment or modification thereof shall be resolved by the Administrator under and pursuant to the Plan, in its sole and absolute discretion, and its decision of the dispute shall be final, binding, and conclusive on all parties to the dispute. In the exercise of such discretionary powers, the Administrator shall treat all similarly situated Eligible Executives uniformly and equitably under the Plan. The Administrator will be the named fiduciary for purposes of Section 402(a)(1) of ERISA with respect to all duties and powers assigned to the Administrator hereunder and will be responsible for complying with all reporting and disclosure requirements of Part I of Subtitle B of Title I of ERISA.

7.4 Indemnification. To the extent permitted by law, the Company shall indemnify any persons acting on its behalf in fulfilling its duties as Administrator against any and all claims, losses, damages, expenses, or liabilities arising from its responsibilities in connection with the Plan, unless the same is deemed to be due to intentional misconduct or such indemnification is prohibited by ERISA.

ARTICLE VIII MISCELLANEOUS

8.1 Amendment and Termination. The Company, acting through its chief executive officer or such other person or committee

appointed by its board of directors, reserves the right to amend or terminate the Plan at any time it may deem advisable without the consent of any person or entity. Severance Benefits payable to an Eligible Executive or his or her Beneficiary under the Plan prior to the amendment or termination of the Plan shall continue to be due and payable under the Plan. Any amendment or termination shall be effective when adopted in a written instrument, and all Eligible Executives and their Beneficiaries and other persons shall be bound thereby. If the Plan is amended to improve benefits, the amendment will only apply to Eligible Executives who terminate employment after the effective date of the amendment, unless the amendment specifies that it also applies to employment terminations occurring before the effective date of the amendment. If the Plan is terminated, employment terminations that occur after the effective date of the termination of the Plan will not be covered by the Plan.

8.2 Limitation of Rights. Neither the establishment of the Plan nor any amendment thereof, nor the payment of any benefits, will be construed as giving to any Eligible Executive, or other person, any legal or equitable right against the Company or any person acting on behalf of the Company. Likewise, nothing appearing in or completed pursuant to the Plan shall be held or construed to create a contract of employment with any Eligible Executive, to continue the current employment status, or to modify his or her terms of employment in any way; nor shall any provision hereof restrict the right of the Company to discharge any of its employees or restrict the right of any such employee to terminate his or her employment with the Company.

8.3 Governing Law. The Plan shall be governed and construed in accordance with ERISA and any other applicable federal law and, to the extent not preempted by federal law, the laws of the State of Georgia. Except as otherwise mandated by federal law, exclusive jurisdiction over all disputes and actions arising under, or directly or indirectly relating to, the Plan shall be in Fulton County, Georgia.

8.4 Funding and Source of Severance Benefits Payments. Any Severance Benefits payable under the Plan shall be paid from the general assets of the Company. Nothing in the Plan shall be construed to create a trust or to establish or evidence any Eligible Executive's claim

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of any right to payment of any benefits other than as an unsecured general creditor with respect to any payment to which such Eligible Executive may be entitled.

8.5 Successor Employer. In the event of a merger, consolidation, dissolution, or reorganization of the Company or

transfer of all or substantially all of its assets to any other corporation, partnership, or association, a provision may be made by such successor corporation, partnership, or association, at its election, for the continuation of the Plan created hereunder by such successor entity. Such successor shall, upon its election to continue the Plan, be substituted in place of the Company by an instrument duly authorizing such substitution.

8.6 Severability. If any provision of the Plan is held invalid or unenforceable, its validity or unenforceability shall not affect any other provisions of the Plan, and the Plan shall be construed and enforced as if such provision had not been included herein.

8.7 Captions. The captions contained herein are inserted only as a matter of convenience and for reference and in no way define, limit, enlarge, or describe the scope or intent of the Plan, nor in any way shall affect the Plan or the construction of any provision thereof.

8.8 Gender and Numbers. Terms used in the masculine shall also include the feminine and be neutral where appropriate. Terms in the singular shall include the plural where appropriate and vice versa.

8.9 Non-transferability. No benefit, right, or interest of any Eligible Executive hereunder shall be subject to anticipation, alienation, sale, transfer, assignment, pledge, encumbrance or charge, seizure, attachment or legal, equitable, or other process or be liable for, or subject to, the debts, liabilities, or other obligations of such persons, except as otherwise required by law.

8.10 Limitations. No action may be brought for benefits provided by this Plan or any amendment or modification thereof, or to enforce any right thereunder, until after the claim has been submitted to and determined by the Administrator, and thereafter the only action which may be brought is one to enforce the decision of the Administrator. Any legal action must commence within twelve (12) calendar months immediately following the date of such Administrator's decision made pursuant to Section 6.2 above.

8.11 Non-Duplication of Benefit. No provisions in this Plan shall be deemed to duplicate any compensation or benefits provided under any agreement, plan, or program covering the Eligible Executive (including, without limitation, the Dell Plan) with respect to the same Qualifying Termination, and any duplicative amount payable under any such agreement, plan, or program shall be applied as an offset to reduce the amounts otherwise payable hereunder.

8.12 Information Requested. The Eligible Executive or other persons shall provide the Company, the Administrator, or their authorized representatives with such information and evidence, and shall sign such documents, as may reasonably be requested from time to time for the purpose of administration of the Plan.

8.13 Mistaken Payments. Any amounts paid to an Eligible Executive or other person in excess of the amount to which he or she is entitled hereunder shall be repaid by the Eligible Executive or other person promptly following the sooner of receipt by the Eligible Executive or other person of a notice of such excess payments or

Executive or other person of a notice of such excess payments or when such person has knowledge of the excess payments. In the event such repayment is not made by the Eligible Executive or other person, such repayment shall be made, at the discretion of the Administrator, either by reducing

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or suspending future payments hereunder to the Eligible Executive or other person or by requiring an assignment of a portion of the Eligible Executive or other person's earnings, until the amount of such excess payments are recovered by the Administrator.

8.14 Integration with WARN Act. To the extent that any federal, state, or local law, including, without limitation, any so-called "plant closing" laws, requires the Company to give advanced notice or make payment of any kind to an Eligible Executive because of his or her involuntary termination due to a layoff, reduction in force, plant or facility closing, sale of business, change of control, or any other similar event or reason, the Severance Benefits provided under this Plan may either be reduced or eliminated. The benefits provided under this Plan are intended to satisfy any and all statutory obligations that may arise out of any Eligible Executive's involuntary termination for any of the foregoing reasons, and the Administrator shall construe and implement the terms of this Plan in its sole discretion. Included in the scope of the foregoing, (i) if an Eligible Executive receives notice from the Company pursuant to the Workers Adjustment and Retraining Notification (WARN) Act and remains employed during the WARN notice period, then the Severance Benefits payable to the Eligible Executive may be reduced by the pay and benefits received by such Eligible Executive during the WARN notice period, and (ii) if an Eligible Executive receives notice from the Company pursuant to the Workers Adjustment and Retraining Notification (WARN) Act and does not remain employed during some or all of the WARN notice period, then the Severance Benefits payable to the Eligible Executive shall be reduced by any amount the Company is required to pay to such Eligible Executive as compensation for its failure to provide timely notice under the WARN Act. An Eligible Executive shall not be required to sign a Separation Agreement and Release solely with respect to the portion of any payment under this Plan which must be paid pursuant to the Workers Adjustment and Retraining Notification (WARN) Act or any other comparable law.

8.15 Code Section 409A. Each payment of Severance Benefits, including any outplacement benefits or continued medical benefits, shall be treated as a separate payment for purposes of the Short-Term Deferral rules under Treasury Regulation Section 1.409A-1(b)(4)(i)(F), the exemption for amounts paid upon certain involuntary terminations under plans providing Exempt Separation Pay under Treasury Regulation Section 1.409A-1(b)(9)(iii), the

exemption for medical expense reimbursements under Treasury Regulation Section 1.409A-1(b)(9)(v)(B), and the exemption for in-kind benefits under Treasury Regulation Section 1.409A-1(b)(9)(v)(C). Unless otherwise provided in a Separation Agreement and Release, no amount shall be payable under this Plan unless such amount (i) is paid within the Short-Term Deferral Period or (ii) qualifies as Exempt Separation Pay. If as of an Eligible Executive's Separation Date, the Eligible Executive is a "specified employee" (within the meaning of Code Section 409A(a)(2)(B) or any successor provision thereto), then with regard to any payment that is subject to Code Section 409A as deferred compensation and is due upon or as a result of the Eligible Executive's "separation from service," notwithstanding any contrary provision of the Plan, such payment shall not be made or provided, to the extent making or providing such payment would result in additional taxes or interest under Code Section 409A, until the date which is the earlier of (A) expiration of the six (6)-month period measured from such "separation from service," and (B) the date of the Eligible Executive's death (the "**Delay Period**"). Upon the expiration of the Delay Period, all payments delayed pursuant to the preceding sentence (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to the Eligible Executive in a lump sum, and any remaining payments and benefit due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them in this Agreement. While the Plan is intended to be exempt from Code Section 409A, the Company does not make and has not made any representation, warranty or guarantee of any federal, state or local tax consequences of any Eligible Executive's or Beneficiary's entitlements under the Plan, including, but not limited to, under Code Section 409A.

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8.16 Entire Document. THE BENEFITS DESCRIBED IN THE PLAN ARE INTENDED TO BE THE ENTIRE BENEFITS PAYABLE TO AN ELIGIBLE EXECUTIVE WHOSE EMPLOYMENT IS TERMINATED SOLELY AS A RESULT OF A QUALIFYING TERMINATION, OTHER THAN BENEFITS PROVIDED BY ANOTHER EMPLOYEE BENEFIT PLAN OF THE COMPANY. BY ELECTING TO PARTICIPATE IN THE PLAN AND SIGNING THE SEPARATION AGREEMENT AND RELEASE ON THE FORM PROVIDED TO THE ELIGIBLE EXECUTIVE BY THE COMPANY, THE ELIGIBLE EXECUTIVE WAIVES HIS OR HER RIGHT TO BENEFITS UNDER ANY AND ALL PRIOR SEVERANCE AGREEMENTS, UNDERSTANDINGS, EMPLOYMENT, OR OTHER AGREEMENTS, DESCRIPTIONS, OR ARRANGEMENTS.

[Signature Page Attached]

IN WITNESS WHEREOF, the Company has caused the SecureWorks Corp. Amended and Restated Severance Pay Plan for Executive Employees to be executed in its name and on its behalf by a duly authorized officer.

SECUREWORKS CORP.

By:

Name:

Title:

Exhibit A

DESCRIPTION OF SEVERANCE BENEFITS

(See attached)

//Secureworks/Confidential - Limited External Distribution

Standard Severance Benefits

**(Individuals Described in Any Other Schedule to Exhibit A
Excluded)**

This **Exhibit A** to the SecureWorks Corp. Amended and Restated

Severance Pay Plan for Executive Employees lists the Severance Benefits provided to Severance Benefit Employees under the Plan's terms. Individuals eligible to receive benefits under any other Schedule to **Exhibit A** shall not be eligible to receive benefits under this **Exhibit A**.

1. Cash Severance Benefit - Severance Pay. If an Eligible Executive is a Vice President at the time of the Effective Date of this Plan, or is a Senior Vice President, the President or the CEO, and signs and does not revoke a Separation Agreement and Release, he or she will be eligible to receive Severance Pay in the amount equal to twelve (12) months of Base Salary. All other Eligible Executives, including an individual who becomes a Vice President on or after the Effective Date of this Plan, who sign and do not revoke a Separation Agreement and Release will be eligible to receive Severance Pay in the amount equal to six (6) months of Base Salary. This payment will not include 401(k) or any other benefits-related deductions. However, all applicable taxes will be withheld.

If an Eligible Executive does not sign the Separation Agreement and Release or if the Eligible Executive revokes a signed Separation Agreement and Release, the only benefits payable hereunder shall be such amounts as are required by applicable law.

2. Additional Severance Benefits - COBRA Benefits Payment Coverage. If an Eligible Executive is a Vice President at the time of the Effective Date of this Plan, or is a Senior Vice President, the President or the CEO, and signs and does not revoke a Separation Agreement and he or she enrolls in COBRA coverage, the Company will pay the first twelve (12) months of the Eligible Executive's COBRA premiums. For all other Eligible Executives, including an individual who becomes a Vice President on or after the Effective Date of this Plan, who sign and do not revoke a Separation Agreement and Release and enroll in COBRA coverage, the Company will pay the first six (6) months of the Eligible Executive's COBRA premiums.

If an Eligible Executive does not sign the Separation Agreement and Release or if the Eligible Executive revokes a signed Separation Agreement and Release, the only COBRA benefits payable hereunder shall be those benefits required by applicable law.

3. Additional Severance Benefits - Short-Term Incentive Plan Payments. If an Eligible Executive signs and does not revoke a Separation Agreement and Release and such Eligible Executive is participating in the SecureWorks Corp. Incentive Bonus Plan (or any other predecessor or successor plan of the Company or any of its affiliates under which the Eligible Executive is entitled to receive a short-term incentive payment) on his or her Separation Date, the Eligible Executive will receive an additional Severance Benefit equal to a prorated award payout. This payout amount will be calculated using:

A payout modifier of 75%.

A proration factor based on the number of days in the

fiscal year that the Eligible Executive was employed by the Company, Dell, and their subsidiaries or affiliates through his or her Separation Date.

The Eligible Executive's Base Salary on his or her Separation Date.

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The plan target for the Eligible Executive's grade.

Assumed corporate performance and individual modifiers of 100%.

Amounts payable under this Section 3 will be paid to the Eligible Executive through direct deposit (if available) within thirty (30) business days after the Eligible Executive's Separation Date.

If an Eligible Executive does not sign the Separation Agreement and Release or if the Eligible Executive revokes a signed Separation Agreement and Release, the Eligible Executive will not receive any short-term incentive plan payments.

- 4. Long-Term Incentive Plan Payments.** Eligible Executives will not receive any payouts of unvested long-term incentive grants and such grants will be forfeited upon the Separation Date. Eligible Executives who become a Vice President on or after the Effective Date of this Plan, will continue to vest in any outstanding unvested long-term incentive grants for 90 days after the termination after. Any long-term incentive grants that remain unvested after the 90 day continued vesting period will be forfeited, and such grants will be forfeited upon the Separation Date.

NOTE: The terms and conditions of an Eligible Executive's Long-Term Incentive award agreements remain in full force and effect following the termination of his or her employment. An Eligible Executive's agreements may require the Eligible Executive to return shares of stock, share value, option proceeds, or cash award payments if he or she engages in certain conduct detrimental to the Company after the Eligible Executive's termination of employment.

- 5. Additional Severance Benefits - Outplacement Benefits.** If an Eligible Executive signs and does not revoke a Separation Agreement and Release, such Eligible Executive will receive six (6) months of executive outplacement services, provided the Eligible Executive commences use of such benefits within sixty (60) days following his or her Separation Date.

If an Eligible Executive does not sign the Separation Agreement and

Release or if the Eligible Executive revokes a signed Separation Agreement and Release, the Eligible Executive will not receive any outplacement benefits.

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[***] Certain identified information has been excluded from this exhibit because it is both not material and is the type that the registrant treats as private or confidential.

Exhibit 10.30

SECUREWORKS CORP.
2016 LONG-TERM INCENTIVE PLAN
PERFORMANCE STOCK UNIT AGREEMENT
EXECUTIVE FORM
COVER SHEET

SecureWorks Corp., a Delaware corporation (the "**Company**"), hereby grants performance stock units (the "**PSUs**") relating to shares of the Company's Class A common stock, par value \$0.01 per share (the "**Stock**"), to the Grantee named below, subject to (i) the Stockholder Approval Condition (as defined in the attached Performance Stock Unit Agreement), and (ii) the vesting conditions set forth below. Additional terms and conditions of the PSUs are set forth on this cover sheet and in the attached Performance Stock Unit Agreement (together with all exhibits, the "**Agreement**") and in the SecureWorks Corp. 2016 Long-Term Incentive Plan (as amended from time to time, the "**Plan**").

Grant Date: _____

Name of Grantee: _____

Target Number of Shares of Stock Covered by the PSUs: _____

Performance Period: February 3, 2024 to January 31, 2025

If you continue in Service (as defined in this Agreement) on each applicable vesting date, your Earned PSUs, if any, shall vest in three equal annual installments on each of (i) the Certification Date or, if later, the first (1st) anniversary of the Grant Date, (ii) the second (2nd) anniversary of the Grant Date, and (iii) the third (3rd) anniversary of the Grant Date (each, a "**Vesting Date**"). Notwithstanding the preceding, if the Certification Date follows the first (1st) anniversary of the Grant Date and if you are in Service on the first (1st) anniversary of the Grant Date, you shall be treated as in Service on the Certification Date for purposes of determining your Earned PSUs, if any, and the level of

Vesting Schedule: your vesting in any such Earned PSUs.

By your signature below or by your electronic acknowledgement of this Agreement, you agree to all of the terms and conditions described in the Agreement and in the Plan (if this is in paper form, a copy of the Plan is

attached and if this is in electronic form, a copy of the Plan is available on this website). You acknowledge that you have carefully reviewed the Plan and agree that the Plan shall control in the event any provision of this Agreement should appear to be inconsistent with the Plan. You must accept your award no later than 4pm Eastern Time, five (5) business days prior to the first Vesting Date or your entire award will be cancelled.

Grantee: _____ Date: _____
(Signature)
Company: /s/ George Hanna Date: _____
(Signature)
Name: George Hanna
Chief Legal and Administrative
Title: Officer

Attachment

This is not a stock certificate or a negotiable instrument.

SECUREWORKS CORP.
2016 LONG-TERM INCENTIVE PLAN
PERFORMANCE STOCK UNIT AGREEMENT
EXECUTIVE FORM

**Performance
Stock Units**

This Agreement evidences an Award of PSUs in the target number set forth on the cover sheet and subject to the terms and conditions set forth in the Agreement and the Plan. The Award of PSUs described in this Agreement is subject to the approval by the stockholders of the Company of an amendment to the Plan to increase the total number of shares of Stock that may be issued under the Plan, as recommended by the Board of Directors, at the annual meeting of stockholders to be held in the Company's fiscal year ending February 2, 2024 January 31, 2025 (the "**Stockholder Approval Condition**") and, in the event of the failure of such amendment to be approved, such Award shall be cancelled effective as of the Grant Date and shall be deemed null and void ab initio and no settlement or delivery of, or conversion into, shares of Stock underlying such Award may occur.

The number of PSUs, if any, that may be earned pursuant to the terms of this Agreement (the "**Earned PSUs**") will be calculated based on the attainment, as determined by the Committee, of the performance goals described in Exhibit A to this Agreement (the "**Performance Goals**") over the Performance Period set forth on the cover sheet, which number of Earned PSUs may be equal to all or a portion, including none, of the Maximum Number of PSUs set forth in Exhibit A. If the Performance Goals are not achieved during the Performance Period, you will forfeit all of your PSUs as of the end of the Performance Period, except as otherwise provided in this Agreement.

Promptly following the completion of the Performance Period, and no later than seventy-five (75) days following the end of the Performance Period (the date of such certification, the "**Certification Date**"), the Committee will review and certify in

writing (i) whether, and to what extent, the Performance Goals for the Performance Period have been achieved and (ii) the number of PSUs that will become Earned PSUs. Such certification will be final, conclusive, and binding. Notwithstanding the foregoing or anything in this Agreement to the contrary, the Committee reserves the right to adjust the number of Earned PSUs based on the achievement of the Performance Goals downward, including to zero, in its sole discretion.

You will forfeit to the Company all of the PSUs to the extent the specified Performance Goals have not been achieved, and the number of PSUs that will become Earned PSUs are also subject to downward adjustment irrespective of the satisfaction of Performance Goals, in each case as determined by the Committee, effective as of the Certification Date.

You will forfeit to the Company all of the PSUs if your service (as defined herein) terminates for any reasons prior to the last day of the Performance Period.

Notwithstanding the Plan definitions of "Service" and "Service Provider," for purposes of this Agreement, "Service" shall mean service qualifying a Grantee as a Service Provider to the Company or a Subsidiary, but not to an Affiliate that is not a Subsidiary. The Grantee's change in position or duties shall not result in interrupted or terminated Service, so long as such Grantee continues to be a Service Provider to the Company or a Subsidiary. Subject to the preceding sentence, any determination by the Committee whether a termination of Service shall have occurred for purposes of the Plan shall be final, binding, and conclusive. If the Grantee's employment or other Service relationship is with a Subsidiary and the applicable entity ceases to be a Subsidiary, a termination of Service shall be deemed to have occurred when such entity ceases to be a Subsidiary, unless the Grantee transfers his or her employment or other Service relationship to the Company or any other Subsidiary.

Transferability of PSUs Your PSUs may not be sold, assigned, transferred, pledged, hypothecated, or otherwise encumbered, whether by operation of law or otherwise, nor may the PSUs be made subject to execution, attachment, or similar process. If you attempt to do any of these things, you will immediately and automatically forfeit your PSUs.

Vesting of Earned PSUs Your Earned PSUs, if any, shall vest in accordance with the vesting schedule set forth on the cover sheet of this Agreement, so long as you continue in Service (as defined in this Agreement) on each applicable Vesting Date, and subject to the satisfaction of the Stockholder Approval Condition. You may not vest in more than the number of shares of Stock covered by your Earned PSUs, and the number of Earned PSUs may not exceed 200% of your Target Number of PSUs as set forth on the cover sheet of this Agreement.

The determination of the number of Earned PSUs that may vest on each applicable Vesting Date shall be subject to the rounding convention approved by the Committee (or its designee) which

convention approved by the Committee (or its designee), which convention may rely on rounding down fractional shares.

Notwithstanding your vesting schedule or any other provision of this Agreement to the contrary, the Earned PSUs, if any, shall become 100% vested upon your termination of Service on or following the last day of the Performance Period due to your death or Disability, subject to the prior satisfaction of the Stockholder Approval Condition or waiver of such condition by the Committee in its sole discretion not inconsistent with the terms of the Plan. Subject to the Change in Control provisions of this Agreement, no additional portion of your PSUs (or Earned PSUs) shall vest after your Service has terminated for any other reason.

Leaves of Absence

For purposes of this Agreement, your Service does not terminate when you go on a *bona fide* leave of absence that was approved by your employer in writing if the terms of the leave provide for continued Service crediting, or when continued Service crediting is required by Applicable Laws. Your Service terminates in any event when the approved leave ends unless you immediately return to active employee work.

Your employer may determine, in its discretion, which leaves count for this purpose and when your Service terminates for all purposes under the Plan in accordance with the provisions of the Plan. Notwithstanding the foregoing, the Company may determine, in its discretion, that a leave counts for this purpose even if your employer does not agree.

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Change in Control

Notwithstanding the vesting schedule set forth above, and subject to the prior satisfaction of the Stockholder Approval Condition or waiver of such condition by the Committee in its sole discretion not inconsistent with the terms of the Plan, upon the consummation of a Change in Control prior to the Certification Date, if assumed or substituted for, the PSUs shall become (i) earned based upon the greater of (A) deemed attainment of the Performance Goals at target or (B) actual attainment of the Performance Goals as of the Change in Control and (ii) 100% vested, in each case upon your Involuntary Termination within the twelve (12)-month period following the consummation of the Change in Control.

Notwithstanding the vesting schedule set forth above, and subject to the prior satisfaction of the Stockholder Approval Condition or waiver of such condition by the Committee in its sole discretion not inconsistent with the terms of the Plan, upon the consummation of a Change in Control on or following the Certification Date, if assumed or substituted for, the Earned PSUs shall become 100% vested upon your Involuntary Termination within the twelve (12)-month period following the consummation of the Change in Control.

"Involuntary Termination" means termination of your Service by reason of (i) your involuntary dismissal by the Company, a Subsidiary, or their successors for reasons other than Cause; or (ii) your voluntary resignation for "good reason" as defined in a written employment or other written compensatory agreement

between you and the Company or a Subsidiary, or if none, then your voluntary resignation following the occurrence, without your written consent, of one or more of the following: (x) a material reduction in your base

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salary, target annual or long-term incentive compensation (whether payable in cash or otherwise), or health and welfare benefits, unless such reduction is part of an across-the-board reduction for all employees who are in the same salary grade as you as of the time of such reduction, (y) your demotion of more than one job grade, or (z) relocation of your principal work location to a location more than fifty (50) miles from the work location to which you are currently assigned (excluding: (1) relocation from an in-person, principal work location to working in a remote setting, or (2) relocation from a remote setting to an in-person, principal work location that is within fifty (50) miles of the employee's prior remote work location, except that, if you were initially hired as a remote employee, the requirement to work in a Secureworks office on a weekly basis (or less frequently if the Company does not reimburse travel costs), shall constitute Good Reason). For a voluntary resignation to qualify as for "good reason," you must provide written notice to the Company or its successor of any of the foregoing occurrences within ninety (90) days of the initial occurrence; the Company must fail to remedy such occurrence within the thirty (30)-day cure period following the date of such written notice; and you must resign within sixty (60) days after the Company's cure period has ended.

Forfeiture of Unvested Earned PSUs Unless, following the satisfaction of the Stockholder Approval Condition or waiver of such condition by the Committee in its sole discretion not inconsistent with the terms of the Plan, the termination of your Service triggers accelerated vesting or other treatment of your Earned PSUs pursuant to the terms of this Agreement, the Plan, a written employment or other written compensatory agreement between you and the Company or a Subsidiary, or a written compensatory program or policy of the Company or a Subsidiary otherwise applicable to you, you will immediately and automatically forfeit to the Company all of your unvested Earned PSUs in the event your Service terminates for any reason.

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Forfeiture of Rights You understand and agree that if the Company, acting through the Committee, determines that you engaged in Conduct Detrimental to the Company during your Service or during the twelve (12)-month period following the termination of your Service, (i) your unvested PSUs (including unvested Earned PSUs) shall

immediately and automatically expire; and (ii) if you have vested in any Earned PSUs during the twenty-four (24)-month period prior to your actions, you will owe the Company a cash payment (or forfeiture of shares of Stock) in an amount determined as follows: (a) for any shares of Stock that you have sold prior to receiving notice of the foregoing determination from the Company, the amount will be the proceeds received from any and all sales of those shares of Stock, and (b) for any shares of Stock that you still own, the amount will be the number of shares of Stock owned times the Fair Market Value of the shares of Stock on the date you receive such notice from the Company (provided, that the Company may require you to satisfy your payment obligations hereunder either by forfeiting and returning to the Company the shares or any other shares of Stock or making a cash payment or a combination of these methods as determined by the Company in its sole discretion). You understand and agree that the forfeiture and/or repayment under this Agreement is separate from and does not preclude the Company from seeking relief based on your conduct that constitutes Conduct Detrimental to the Company.

For purposes of this provision, **“Conduct Detrimental to the Company”** means:

- (i) You engage in serious misconduct, whether or not such serious misconduct is discovered by the Company prior to the termination of your Service;
- (ii) You breach your obligations to the Company or an Affiliate under any of your written agreements with the Company or an Affiliate; or
- (iii) You engage in Conflicting Activities (as defined below).

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Forfeiture of Rights

For purposes of this Agreement, **“Conflicting Activities”** means, without advance, express, written consent of the Company's Chief Legal and Administrative Officer:

- (i) You are or become a principal, owner, officer, director, shareholder, or other equity owner (other than a holder of less than 5% of the outstanding shares or other equity interests of a publicly traded company) of a Direct Competitor (as defined below);
- (ii) You are or become a partner or joint venturer in any business or other enterprise or undertaking with a Direct Competitor;

.....

- (iii) You work or perform services (including contract, consulting, or advisory services) for a Direct Competitor in any geographic area where the Company or an Affiliate materially conducts business, if your services are similar in any material way to the services you performed for the Company or an Affiliate in the twelve (12) months preceding the termination of your Service;
- (iv) Except for communications made on behalf of the Company or an Affiliate in the scope of your Service, you advise, assist, attempt to influence or otherwise induce or persuade (or assist any other person in advertising, attempting to influence or otherwise induce or persuade) any person employed by the Company or an Affiliate to end such employment with the Company or an Affiliate; or
- (v) You solicit, divert, take away, or attempt to solicit, divert or take away, directly or by assistance of others, any business from the clients or customers of the Company or an Affiliate, including actively sought clients or customers, with whom you have or have had material contact during your Service for purposes of providing products or services that are competitive with those provided by the Company or an Affiliate.

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For purposes of this Agreement, the term **“Direct Competitor”** **“Direct Competitor”** means any entity or other business concern that offers or plans to offer products or services that are materially competitive with any of the products or services being manufactured, offered, marketed, or actively developed by the Company or an Affiliate as of the date your Service ends. By way of illustration, and not by limitation, the following companies are Direct Competitors: Microsoft, AWS, Qualys, Tenable, Symantec, IBM, Verizon, AT&T, Accenture, FireEye, Splunk, CISCO, NTT, CrowdStrike, iSight, iDefense, Artic Wolf, WithSecure Corporation, Palo Alto Networks, SentinelOne, Trend Micro, and Rapid7. You understand and agree that the foregoing list of Direct Competitors represents only an illustrative list of the Company's Direct Competitors as of the date of execution of this Agreement, that other entities are Direct Competitors as of the date of this Agreement, and that other entities may become Direct Competitors in the future.

You understand and agree that neither this provision nor any other provision of this Agreement prohibits you from engaging in Conflicting Activities but only requires the forfeiture and/or repayment as set forth herein if you engage in Conflicting Activities. If you desire to engage in Conflicting Activities, you agree to seek written consent from the Company's Chief Legal and Administrative Officer prior to engaging in the Conflicting

and Administrative Officer prior to engaging in the Conflicting Activities. If you enter into any business, employment, or service relationship during your Service or within the twelve (12) months following the termination of your Service, you agree to provide the Company sufficient information regarding the relationship to enable the Company to determine whether that relationship constitutes Conflicting Activities. You agree to provide such information within five (5) business days after entering into the business, employment, or service relationship.

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- Delivery** Delivery of the shares of Stock represented by your vested Earned PSUs shall be made as soon as practicable after the date on which your Earned PSUs vest and, in any event, by no later than March 15th of the calendar year after the applicable Vesting Date, subject to the prior satisfaction of the Stockholder Approval Condition or waiver of such condition by the Committee in its sole discretion not inconsistent with the terms of the Plan.
- Evidence of Issuance** The issuance of the shares of Stock with respect to the vested Earned PSUs shall be evidenced in such a manner as the Company, in its discretion, deems appropriate, including, without limitation, by (i) book-entry registration or (ii) issuance of one or more share certificates.
- Withholding** You agree as a condition of this Agreement that you will make acceptable arrangements to pay any withholding or other taxes that may be due relating to the PSUs or the issuance of shares of Stock with respect to the vested Earned PSUs. In the event that the Company or a Subsidiary determines that any federal, state, local, or foreign tax or withholding payment is required relating to the PSUs or the issuance of shares of Stock with respect to the vested Earned PSUs, and you have not made acceptable arrangements to make such payment, the Company or a Subsidiary shall have the right to (i) require you to tender a cash payment, (ii) deduct the tax or withholding payment from payments of any kind otherwise due to you, (iii) permit or require you to enter into a "same day sale" commitment with a broker-dealer that is a member of the Financial Industry Regulatory Authority (a "**FINRA Dealer**"), whereby you irrevocably elect to sell a portion of the shares of Stock to be delivered in connection with the vested Earned PSUs to satisfy withholding obligations and whereby the FINRA Dealer irrevocably commits to forward the proceeds necessary to satisfy the withholding obligations directly to the Company or a Subsidiary, or (iv) withhold the delivery of vested shares of Stock otherwise deliverable under this Agreement to meet such obligations, provided that, to the extent required to avoid adverse accounting consequences to the Company, the shares of Stock so withheld will have an aggregate Fair Market Value not exceeding the minimum amount of tax required to be withheld by Applicable Laws.
- You agree that the Company or a Subsidiary shall be entitled to use whatever method it may deem appropriate to recover such taxes. You further agree that the Company or a Subsidiary may, as it reasonably considers necessary, amend or vary this Agreement to facilitate such recovery of taxes.

Trading Restrictions If you are subject to any Company "blackout" policy or other trading restriction imposed by the Company (a "**Restricted Period**") on the date a distribution would otherwise be made pursuant to this Agreement, such distribution shall instead be made as of the earlier of (i) the first date you are not subject to any such policy or restriction and (ii) the later of (A) the last day of the calendar year in which such distribution would otherwise have been made, and (B) a date that is immediately prior to the expiration of two and one-half months following the date such distribution would otherwise have been made hereunder. For purposes of this provision, you acknowledge that you may be subject to a Restricted Period for any reason that the Company determines appropriate, including Restricted Periods generally applicable to employees or groups of employees or Restricted Periods applicable to you during an investigation of allegations of misconduct or Conduct Detrimental to the Company by you.

Stockholder Rights You have no rights as a stockholder with respect to the PSUs unless and until shares of Stock relating to the vested Earned PSUs have been issued to you and either a certificate evidencing your Stock has been issued or an appropriate entry has been made on the Company's books. No adjustments to your Stock shall be made for dividends, distributions, or other rights on or with respect to the Stock generally if the applicable record date for any such dividend, distribution, or right occurs before your certificate is issued (or an appropriate book entry is made), except as described in the Plan. You may at any time obtain a copy of the prospectus related to your Award pursuant to this Agreement by accessing the prospectus at SecureWorks Corp., One Concourse Parkway NE, Suite 500, Atlanta, Georgia 30328. Additionally, you may receive a paper copy of the prospectus free of charge from the Company by contacting:

Stock Option Administration
SecureWorks Corp.
One Concourse Parkway NE, Suite 500
Atlanta, GA 30328
+1 877 838 7947
Stock_Option_Administrator@SecureWorks.com

No Right to Continued Employment or Other This Agreement and the PSUs evidenced by this Agreement do not give you the right to expectation of employment or other Service by, or to continue in the employment or other Service of, the Company or a Subsidiary. Unless otherwise specified in a

Service	written employment or other written compensatory agreement between you and the Company or a Subsidiary, the Company or a Subsidiary, as applicable, reserves the right to terminate your employment or other Service relationship with the Company or a Subsidiary at any time and for any reason.
Corporate Activity	Your PSUs shall be subject to the terms of any applicable agreement of merger, liquidation, or reorganization in the event the Company is subject to such corporate activity, consistent with Article 16 of the Plan.
Clawback	By accepting the PSUs, in consideration of your receipt of this Award, you agree that you are subject and bound by the Company's Excess Incentive-Based Compensation Recoupment Policy and any successor recoupment or "clawback" policy adopted by the Company (the "Policy") to the extent you are a "Covered Executive" under this Policy. Consequently, the PSUs (including any shares of Stock received upon settlement or vesting of the Award or proceeds of sales of such shares) and any other Incentive-Based Compensation (as defined in the Policy) you receive are subject to recoupment by the Company under the circumstances set forth in the Policy, a copy of which is available at [***]. The PSUs are further subject to mandatory repayment by you to the Company in the circumstances specified in the Plan, including to the extent you are or in the future become subject to any Company "clawback" or recoupment policy or Applicable Laws that require the repayment by you to the Company of compensation paid by the Company to you in the event that you fail to comply with, or violate, the terms or requirements of such policy or Applicable Laws. Plan.

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If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company, as a result of, including but not limited to, misconduct, with any financial reporting requirement under Applicable Laws and you knowingly engaged in the misconduct, were grossly negligent in engaging in the misconduct, knowingly failed to prevent the misconduct, or were grossly negligent in failing to prevent the misconduct, you shall reimburse the Company the amount of any payment in settlement of the vested Earned PSUs during the twelve (12)-month period following the first public issuance or filing with the Securities and Exchange Commission (whichever first occurred) of the financial document that contained such material noncompliance.

Governing Law & Venue You understand and agree that the Company is a Delaware corporation with global operations and that your PSUs may be part of a contemporaneous grant of many similar awards to individuals located in numerous jurisdictions. You agree that this Agreement and the Plan shall be governed by, and construed and interpreted in accordance with, the laws of the State of Delaware, United States of America, other than any conflicts or choice of law rule or principle that might otherwise refer construction or interpretation of this Agreement to the substantive law of any other jurisdiction.

The exclusive venue for any and all disputes arising out of or in connection with this Agreement shall be New Castle County, Delaware, United States of America, and the courts sitting

exclusively in New Castle County, Delaware, United States of America shall have exclusive jurisdiction to adjudicate such disputes. Each party hereby expressly consents to the exercise of jurisdiction by such courts and hereby irrevocably and unconditionally waives, to the fullest extent it may legally and effectively do so, any objection that it may now or hereafter have to such laying of venue (including the defense of inconvenient forum).

Compliance with Foreign Exchange Laws Local foreign exchange laws may affect your PSUs or the vesting of your Earned PSUs. You are responsible for obtaining any exchange control approval that may be required in connection with such events. Neither the Company nor any of its Affiliates will be responsible for obtaining such approvals or liable for the failure on your part to obtain or abide by such approvals. This statement does not constitute legal or tax advice upon which you should rely. You should consult with your personal legal and tax advisers to ensure your compliance with local laws. You agree to comply with all Applicable Laws and pay any and all applicable taxes associated with the grant or vesting of the PSUs.

The Plan The text of the Plan is incorporated into this Agreement by reference.

All terms used in this Agreement with their initial letters capitalized shall have the meanings given them in the Plan unless otherwise defined herein.

This Agreement and the Plan constitute the entire understanding between you and the Company regarding the PSUs. Any prior agreements, commitments, or negotiations concerning the PSUs are superseded, except that any written employment, consulting, confidentiality, non-competition, non-solicitation, and/or severance agreement between you and the Company or an Affiliate, as applicable, shall supersede this Agreement with respect to its subject matter.

Disclaimer of Rights The grant of PSUs under this Agreement will in no way be interpreted to require the Company to transfer any amounts to a third-party trustee or otherwise hold any amounts in trust or escrow for payment to you. You will have no rights under this Agreement or the Plan other than those of a general unsecured creditor of the Company. PSUs represent unfunded and unsecured obligations of the Company, subject to the terms and conditions of the Plan and this Agreement.

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Data Privacy As a condition of the grant of the PSUs, you consent to the collection, use and transfer of personal data as described in this paragraph. You understand that the Company and its Affiliates hold certain personal information about you, including your name, home address and telephone number, date of birth, social security number or equivalent, salary, nationality, job title, ownership interests or directorships held in the Company or its Affiliates, and details of all equity awards or other entitlements to shares of Stock awarded, cancelled, exercised, vested or unvested ("**Data**"). You further understand that the Company and

its Affiliates will transfer Data amongst themselves as necessary for the purposes of implementation, administration and management of your participation in the Plan, and that the Company and any of its Affiliates may each further transfer Data to any third parties assisting the Company in the implementation, administration and management of the Plan. You understand that these recipients may be located in the Asia Pacific region, the Latin American region, the European Economic Area, Canada or elsewhere, such as the United States of America. You authorize them to receive, possess, use, retain and transfer such Data as may be required for the administration of the Plan or the subsequent holding of shares of Stock on your behalf, in electronic or other form, for the purposes of implementing, administering, and managing your participation in the Plan, including any requisite transfer to a broker or other third party with whom you may elect to deposit any shares of Stock acquired under the Plan. You understand that you may, at any time, view such Data or require any necessary amendments to the Data.

Notice Delivery By accepting the PSUs, you agree that notices may be given to you in writing either at your home or mailing address as shown in the records of the Company or an Affiliate or by electronic transmission (including e-mail or reference to a website or other URL) sent to you through the normal process employed by the Company or the Affiliate, as applicable, for communicating electronically with its employees.

Code Section 409A The grant of PSUs under this Agreement is intended to comply with the short-term deferral exemption from Code Section 409A (“**Section 409A**”) and, accordingly, to the maximum extent permitted, this Agreement shall be interpreted and administered to be in compliance with the exemption. Notwithstanding anything to the contrary in the Plan or this Agreement, none of the Company, its Affiliates, the Board, or the Committee will have any obligation to take any action to prevent the assessment of any excise tax or penalty on you under Section 409A, and none of the Company, its Affiliates, the Board, or the Committee will have any liability to you for such tax or penalty.

To the extent that the PSUs constitute “deferred compensation” under Section 409A, a termination of Service occurs only upon an event that would be a Separation from Service within the meaning of Section 409A. If, at the time of your Separation from Service, (i) you are a “specified employee” within the meaning of Section 409A, and (ii) the Company makes a good faith determination that an amount payable on account of your Separation from Service constitutes deferred compensation (within the meaning of Section 409A), the payment of which is required to be delayed pursuant to the six (6)-month delay rule set forth in Section 409A to avoid taxes or penalties under Section 409A (the “**Delay Period**”), then the Company will not pay such amount on the otherwise scheduled payment date but will instead pay it in a lump sum on the first business day after the Delay Period (or upon your death, if earlier), without interest. Each installment of PSUs that vests under this Agreement (if there is more than one installment) will be considered one of a series of separate payments for purposes of Section 409A.

By accepting this Agreement, you agree to all of the terms and conditions described above and in the Plan.

SEPARATION AGREEMENT AND RELEASE

This Separation Agreement and Release ("Agreement") sets forth the mutual agreement of SecureWorks Corp., a Delaware corporation, for itself, its subsidiaries, parents (including Dell Technologies Inc. ("Dell")) and related entities (collectively, "SecureWorks" or the "Company") and Paul Parrish ("Executive") regarding the subject matters addressed below.

1. Separation Date. Executive's employment with SecureWorks will end on May 5, 2023 or such earlier date as provided in this Agreement (the "Separation Date"). Until the Separation Date, Executive will continue to serve as the Chief Financial Officer. If a new Chief Financial Officer is named prior to May 5, 2023, Executive will remain as a Senior Vice President of Finance to support the transition to the new Chief Financial Officer and other duties (not inconsistent with Executive's historical roles and position with the Company) as assigned by the Chief Executive Officer. During this transition period Executive may provide such services at SecureWorks' Atlanta office or remotely, at his option. Executive will receive continued compensation and benefits through to the Separation Date.

- a. If at any time prior to May 5, 2023 Executive is terminated by SecureWorks, other than in a termination described in paragraph 2, the Separation Date will be the effective date of such termination, and Executive will be eligible to receive the severance benefits described in this Agreement.
- b. If Executive voluntarily resigns prior to May 5, 2023, the Separation Date will be the effective date of such resignation, and Executive will not be eligible to receive any, and will forfeit all, severance benefits described in this Agreement.

For the avoidance of doubt, through to the Separation Date, Executive will continue to be compensated consistent with his current compensation level, and will continue to participate in and to be entitled to all other compensation, benefits and perquisites under the plans, programs, agreements and policies applicable to him as a SecureWorks executive employee, consistent with current levels, including, without limitation, any such arrangements providing compensation, benefits, accelerated vesting, severance and/or any other entitlements in the event of a change in control or similar transaction or event.

2. Continued Employment. During the period of continued employment through to the Separation Date, Executive will act in good faith and in a professional manner and abide by the nondisparagement provision set forth in paragraph 13. Nothing in this Agreement confers upon Executive a right to be a continuing employee of SecureWorks, or imposes on SecureWorks an obligation to continue Executive's employment relationship. If Executive violates any of the terms of this Agreement, any of the provisions of Executive's employment or other agreements with SecureWorks, or SecureWorks' Code of Conduct or any other SecureWorks policy generally applicable to employees of Executive's level and position and any such violation is a material violation that would cause harm to the Company, SecureWorks may terminate Executive's employment. If

Executive's employment is terminated before May 5, 2023 by SecureWorks for one of the foregoing reasons, Executive will not be eligible to receive any, and will forfeit all, severance benefits described in this Agreement. Executive's rights, if any, to any benefit under SecureWorks' health and welfare or retirement plans, or to any equity grants, will be governed by the applicable plan, program, policy or equity agreement.

3. Consideration from SecureWorks. If Executive signs this Agreement and does not revoke it during the Revocation Period (defined in paragraph 19), and except as provided in paragraphs 1.b and 2, SecureWorks will provide Executive with the following good and valuable consideration:

a. Severance Pay. If SecureWorks receives an Effective Final Release (defined in paragraph 4.b.) from Executive, SecureWorks will pay Executive severance pay ("Severance Pay") in the amount of twelve (12) months of his current base salary, payable in four (4) substantially equal quarterly installments, with the first such installment payable on the last day of the third month following the Separation Date, and each subsequent installment payable on the last day of the third month following each payment. These payments will not include 401(k) or any other benefits-related deductions. However, all applicable taxes will be withheld.

b. Short-Term Incentive Plan Payments. If SecureWorks receives an Effective Final Release from Executive, SecureWorks agrees to pay Executive the following:

i. The full payment owed to Executive for fiscal year ending February 3, 2023 ("Fiscal 2023"), in accordance with the calculation methodology and timing followed for short-term incentive plan payments to other participants in Fiscal 2023.

ii. Additional severance pay equal to a prorated short-term incentive plan award payment for fiscal year ending February 2, 2024 ("Fiscal 2024"). This payment will be calculated using:

1. A payout modifier of 75%.
2. Executive's base salary on the Separation Date (or his base salary on the date of this Agreement, if higher), which shall be prorated based on the number of days Executive remains employed with SecureWorks during Fiscal 2024.
3. A plan target for Executive's grade of 60%.

4. A corporate performance modifier and an individual performance modifier of 100%.

Amounts payable under this paragraph 3.b. will be paid to Executive in a single lumpsum payment (less applicable withholdings), through direct deposit (if available) within thirty (30) business days after the Separation Date.

- c. Long-Term Incentive Plan Payments.** If SecureWorks receives an Effective Final Release from Executive, and if Executive holds unvested time-based or performancebased restricted stock units under the SecureWorks Corp. 2016 Long-Term Incentive Plan that are due to vest within ninety (90) days after the Separation Date, SecureWorks will pay additional severance pay equal to a prorated portion of the value of such grants calculated as follows: 75% TIMES the number of stock units to vest within ninety (90) days after Executive's Separation Date, with the value of such units determined using the average closing price for a share of SecureWorks Corp. common stock for the week prior to the week that includes the Separation Date. Such amount payable under this paragraph 3.c. will be paid to Executive through direct deposit (if available) within thirty (30) business days after the Separation Date.

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- d. COBRA.** If SecureWorks receives an Effective Final Release from Executive, and if Executive and/or Executive's eligible dependents are enrolled in a SecureWorks health, dental, and/or vision plan and Executive elects COBRA coverage for which Executive and/or Executive's eligible dependents are eligible within the enrollment period, SecureWorks will pay the premiums for up to twelve (12) months of benefits continuation under COBRA, for so long as Executive and/or Executive's dependents remain enrolled in COBRA. All premiums for any benefits continuation under COBRA following that 12-month period shall be Executive's sole responsibility. Any premium payments due prior to Executive's delivery of an Effective Final Release will be made promptly following such delivery.
- e. Withholdings.** Payments to Executive under this paragraph 3 will be reduced for all applicable tax withholding, but such payments will not be adjusted for 401(k) plan or any other benefits-related deductions.
- f. Outplacement.** SecureWorks will provide to Executive six (6) months of executive outplacement services,

provided Executive commences use of such benefits within sixty (60) days following Executive's Separation Date.

g. Effect of No Release or No Effective Final Release.

Executive acknowledges and agrees that, except as expressly set forth in this Agreement, in any SecureWorks' applicable plan, program or policy governing health and welfare and retirement plans and, with respect to equity grants, in any equity award agreement, Executive is not entitled to receive from SecureWorks payment or distribution of any amounts of cash compensation (including, but not limited to, base salary, bonuses or severance pay), benefits, perquisites or property of any type after the Separation Date. If Executive does not sign this Agreement or if Executive revokes this Agreement during the Revocation Period described in paragraph 19, or if Executive does not sign the final release and deliver to SecureWorks an Effective Final Release, the only amount payable shall be such amounts as are required by applicable law, payments in accordance with Executive's rights, if any, to any benefits under SecureWorks' health and welfare or retirement plans and payments in accordance with Executive's rights, if any, to equity grants as set out the applicable equity plan documents and award agreement(s).

h. Section 409A Compliance.

The payments and benefits payable pursuant to this Agreement are intended either to be exempt from Section 409A of the Internal Revenue Code of 1986, as amended, and regulations thereunder ("Section 409A"), as payments that would fall within the "short-term deferral period" within the meaning of Treasury Regulation Section 1.409A-1(b)(4) and/or the separation pay exception in Treasury Regulation Section 1.409A-1(b)(9), to the extent applicable, or to comply with the provisions of Section 409A. This Agreement shall be interpreted to avoid any penalty or sanctions under Section 409A. Accordingly, all provisions herein, or incorporated by reference, shall be construed and interpreted to the maximum extent permitted to be exempt from or compliant with Section 409A and, if necessary, any such provision shall be deemed amended to comply with Section 409A and regulations thereunder. In connection therewith:

i.

It is intended that each installment of the payments and benefits hereunder shall be treated as a separate "payment" for purposes of Section 409A.

ii. References to Executive's termination,

termination of employment, termination of service, or words of similar import shall mean Executive's "separation from service" as such term is used in Section 409A.

- iii. To the extent that payments and benefits under this Agreement are deferred compensation subject to Section 409A and are contingent upon Executive's taking any employment-related action, including without limitation execution (and non-revocation) of another agreement, such as a release agreement, and the period within which such action(s) may be taken by Executive would begin in one calendar year and expire in the following calendar year, then such amounts or benefits shall be paid in such following calendar year.
- iv. If as of the Separation Date, Executive is a "specified employee" (within the meaning of Section 409A(a)(2)(B) or any successor provision thereto), then with regard to any payment or provision of benefit that is subject to Section 409A as deferred compensation and is due upon or as a result of Executive's "separation from service," notwithstanding any contrary provision under this Agreement, such payment or benefit shall not be made or provided, to the extent making or providing such payment or benefit would result in additional taxes or interest under Section 409A, until the date with is the earlier of (A) expiration of the six (6)-month period measured from such "separation from service," and (B) the date of Executive's death (the "Delay Period"). Upon the expiration of the Delay Period, all payments and benefits delayed pursuant to this section (whether they would have otherwise been payable in a single sum or in installments in the absence of such delay) shall be paid or reimbursed to Executive in a lump-sum, and any remaining payments and benefit due under this Agreement shall be paid or provided in accordance with the normal payment dates specified for them in this Agreement.
- v. While this Agreement is intended to be exempt from or compliant with Section 409A, neither SecureWorks nor the Company makes or has made any representation, warranty or guarantee of any federal, state or local tax consequences of Executive's entitlements under this Agreement, including, but not limited to, under Section 409A.

4. Complete Release.

- a. **Release.** Executive hereby fully releases the Company and all of its owners, partners, shareholders, predecessors, successors, assigns, agents, directors, officers, employees, representatives, attorneys, subsidiaries, joint ventures, and affiliates (and agents,

directors, officers, employees, representatives, and attorneys of such subsidiaries and affiliates) (collectively, "Released Parties"), from any and all known or unknown claims

or demands he may have against any of them. Executive expressly waives any and all claims, whether asserted on an individual or class action basis, against the Released Parties including but not limited to all claims arising out of any contract, express or implied, and whether executory or not, any covenant of good faith and fair dealing, express or implied, any tort (whether intentional or negligent, including claims arising out of the negligence or gross negligence by the Released Parties and claims of express or implied defamation by the Released Parties), and any federal, state, or other

governmental statute, regulation, or ordinance, including, without limitation, those relating to qui tam, employment discrimination, termination of employment, payment of wages or provision of benefits, Title VII of the Civil Rights Act of 1964 as amended, the Civil Rights Act of 1991, the Americans with Disabilities Act, the Genetic Information Nondiscrimination Act, the Employee Retirement Income Security Act, the Family and Medical Leave Act, the Fair Labor Standards Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act ("OWBPA"), the Uniformed Services Employment and Reemployment Rights Act ("USERRA"), the Worker Adjustment and Retraining Notification ("WARN") Act, the Consolidated Omnibus Budget Reconciliation Act ("COBRA"), and the Occupational Safety and Health Act. Executive further releases any and all claims that he may have under State law and any other claim under Federal law. Executive represents that he has not assigned to any other person any of such claims and that he has the full right to grant this release. Notwithstanding any other provision herein, SecureWorks and Executive agree that Executive is not waiving any claims that may arise in the future under the Age Discrimination in Employment Act, any claim for benefits under the SecureWorks Inc. 401(k) Plan, the Comprehensive Welfare Benefits Plan, or the SecureWorks Inc. Retiree Medical Plan.

- b. Final Release.** On or about the Separation Date, SecureWorks will provide to Executive a release agreement having substantially the same terms and scope as the release terms described in paragraphs 4.a., 6, 7 and 8, and in substantially the form of agreement attached hereto as Exhibit A. The final release will also have a consideration period of at least 21 days, and a revocation period of at least seven (7) days after such

final release is signed by Executive. If Executive timely signs and does not revoke the final release during its revocation period, the final release will constitute an "Effective Final Release," and SecureWorks will provide Executive with the payments and benefits described in paragraph 3, unless Executive's employment termination is effected under paragraph 1.b. or 2, in which case no amounts shall be payable to Executive under paragraph 3.

Notwithstanding the foregoing, this release does not include and will not preclude: (a) rights to vested benefits under any applicable retirement and/or pension and/or deferred compensation plans; (b) rights under the applicable terms of equity plans and agreements; (c) claims for unemployment compensation (which SecureWorks will not contest); (d) rights to defense, indemnification and contribution, if any, from SecureWorks for actions take by Executive in the course and scope of his employment with SecureWorks and its parents, subsidiaries and/or affiliates; and/or (e) rights arising under or to enforce the terms of this Agreement.

- c. **Directors' and Officers' Insurance.** Notwithstanding the foregoing provisions of this paragraph 4, the releases described in this Agreement do not waive and will not be construed to waive, release or otherwise affect any indemnification, defense or other protections, rights or benefits that Executive may have or be entitled to, at the Separation Date or in the future, with respect to Executive's activities during his employment with SecureWorks, under any policies of insurance, such as a directors' and officers' insurance policy, under any by-law(s) or policy(ies) of SecureWorks or under state law.

5. Participation in Government Matters. Nothing in this Agreement, including the complete release and non-disparagement sections, restricts or prohibits Executive from communicating with, providing testimony before, providing confidential information to, or filing or cooperating in a claim or investigation directly with a self-regulatory authority or a governmental agency or entity (without the need to seek SecureWorks' prior approval), including the U.S. Equal Employment Opportunity Commission, the Department of Justice, the Securities Exchange Commission, the Congress, and any agency Inspector General (collectively, the "Regulators"), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation or receiving an award from any Regulator that provides awards for providing information. However, to the maximum extent permitted by law, Executive is waiving Executive's right to receive any individual monetary relief from the Company resulting from such claims.

6. Release of Unknown Claims. For the purpose of

6. Release of Unknown Claims. For the purpose of implementing a full and complete release, Executive expressly acknowledges that the release that he gives in this Agreement is intended to include in its effect, without limitation, claims that he did not know or suspect to exist in his favor at the time of the effective date of this Agreement, regardless of whether knowledge of such claims, or the facts upon which they might be based, would materially have affected the settlement of this matter, and that the consideration given under the Agreement was also for the release of those claims and contemplates the extinguishment of any such unknown claims. In furtherance of this settlement, Executive waives any right he may have under California Civil Code Section 1542 (and other similar statutes and regulations), which section reads as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

7. Compensation Paid. Executive represents, warrants, and agrees that all forms of compensation and other monies, including paychecks, paid to Executive by SecureWorks to date have been accurately calculated, have represented the proper amounts due to Executive, and have been based on SecureWorks' merit-based compensation system. The consideration set forth in paragraph 3 of this Agreement is consideration for the complete release and the Effective Final Release and is in excess of what Executive is entitled to receive. If Executive or someone on Executive's behalf claims any entitlement to further compensation from SecureWorks, Executive agrees that SecureWorks is entitled to full offset of the amounts set forth in this Agreement.

8. Non-Admission of Liability. SecureWorks and Executive understand and agree that they are entering into this Agreement to, among other things, resolve any claims or differences that may exist between them. By entering into this Agreement, neither SecureWorks nor Executive admits any liability or wrongdoing.

9. Future Employment. Executive agrees that Executive has no right to future employment at the Company. Executive understands that former SecureWorks employees may only be rehired in exceptional circumstances in SecureWorks' sole discretion. Executive further expressly waives and opts out of all future claims, whether asserted on an individual or class action basis, against any Released Party related to a decision not to hire Executive.

10. Company Documents, Information, or Property. Executive agrees that, on or before the Separation Date, Executive will have returned to SecureWorks any and all documents relating to the Company or its business operations (and any and all copies thereof, whether in paper form or electronic

form), computer equipment, badges, credit cards, and any other property of the Company in Executive's possession or control. Executive represents and agrees that Executive will not take, nor has Executive taken, any such documents or property from the control or premises of the Company and that if, at any time after the Separation Date, Executive should come into possession of any such documents or property, Executive will return such documents or property to SecureWorks immediately.

11. Employment and Other Agreements. Executive agrees that, except as otherwise provided in this Agreement, the provisions of agreements that Executive previously entered into with SecureWorks, and that are intended to survive Executive's termination, remain in full force and effect. In connection therewith:

- a. As a material inducement to SecureWorks to enter into this Agreement, Executive reaffirms Executive's intent to comply with Executive's post-employment obligations to SecureWorks under such agreements. By way of example, the post-termination terms and conditions of Executive's long-term incentive and equity award agreements remain in full force and effect, and Executive may be required under such agreement to return shares of stock, share value, option proceeds, or cash award payments if he engages in certain conduct detrimental to the Company, including after the Separation Date.
- b. For purposes of the restrictive covenants that Executive agreed to when executing the Protection of Sensitive Information, Noncompetition and Nonsolicitation Agreement (the "Restrictive Covenant Agreement"), the definition of a "Direct Competitor" in paragraph 4 of that agreement, is revised to mean any entity or other business concern that offers or plans to offer products or services that are materially competitive with any of the products or services being manufactured, offered, marketed, or actively developed by the Company as of the Separation Date. By way of illustration, and not by limitation, the following companies are Direct Competitors: Microsoft, AWS, Qualys, Tenable, Symantec, IBM, Verizon, AT&T, Accenture, FireEye, Splunk, CISCO, NTT, CrowdStrike, iSight, iDefense, Artic Wolf, WithSecure Corporation, Palo Alto Networks, SentinelOne, Trend Micro, and Rapid7. You understand and agree that the foregoing list of Direct Competitors represents only an illustrative list of SecureWorks' Direct Competitors as of the date of execution of this Agreement, that other entities are Direct Competitors as of the date of this Agreement, and that other entities may become Direct Competitors in the future. In addition, under paragraph 5 of the Restrictive Covenant Agreement, Executive will be able to request that the restrictions be modified by SecureWorks to allow him to accept a position with a company that might otherwise be prohibited. For the avoidance of doubt, any severance pay, or benefits described in the Restrictive Covenant Agreement are superseded by this Agreement and will not be paid.

12. Non-disparagement.

- a. **Executive.** Executive agrees that, except as may be

required by law or court order Executive will not, directly or indirectly, make any statement, oral or written, or perform any act or omission which is or could be detrimental in any material respect to the reputation or goodwill of SecureWorks or any other Released Party. Executive understands that Executive's compliance with a subpoena or other legally compulsive process or Executive's participation as a witness in any lawsuit will not be a violation of this provision.

b. Company. In the event SecureWorks is contacted regarding Executive, SecureWorks agrees to follow its policy and only disclose Executive's dates of employment with SecureWorks and the last position held and will not authorize anyone to make or issue any additional statement, oral or written, which is or could be detrimental in any material respect to the reputation of Executive. Executive understands that SecureWorks' compliance with a subpoena or other legally compulsive process or its participation in any lawsuit will not be a violation of this provision.

13. Cooperation. Executive agrees that Executive will give SecureWorks Executive's full cooperation in connection with any claims, lawsuits, or proceedings that relate in any manner to Executive's conduct or duties at SecureWorks or that are based on facts about which Executive obtained personal knowledge while employed at SecureWorks or is alleged to have such knowledge. In return, SecureWorks agrees to reimburse Executive for direct and reasonable out of pocket expenses incurred with respect to rendering such cooperation unless prohibited by applicable law or rule of ethical or professional conduct.

14. Successors. This Agreement shall be binding upon Executive and SecureWorks and their heirs, representatives, executors, administrators, successors, insurers, and assigns, and shall inure to the benefit of each and all of them and to their heirs, representatives, executors, administrators or assigns.

15. Applicable Law and Venue. THIS AGREEMENT SHALL BE INTERPRETED IN ALL RESPECTS BY THE INTERNAL LAWS OF THE STATE OF GEORGIA, AND THE VENUE FOR THE RESOLUTION OF ANY DISPUTES (LOCATION OF ANY LAWSUIT) SHALL BE SOLELY IN THE STATE AND FEDERAL COURTS OF FULTON COUNTY, GEORGIA.

16. Defend Trade Secrets Act. Pursuant to the Defend Trade Secrets Act of 2016 (the "DTSA"), an individual, including Executive: shall not be held criminally or civilly liable under any Federal or State trade secret law for the disclosure of a trade secret that (A) is made (i) in confidence to a Federal, State, or local government official, either directly or indirectly, or to any attorney; and (ii) solely for the purpose of reporting or investigating a

suspected violation of law; or (B) is made in a complaint or other document filed in a lawsuit or other proceeding, if such filing is made under seal. 18 U.S.C. § 1833(b)(1). Accordingly, Executive and SecureWorks have the right to disclose in confidence trade secrets, as defined by the DTSA, to federal, state and local government officials, or to an attorney, for the sole purpose of reporting or investigating a suspected violation of law. Executive and SecureWorks also have the right to disclose trade secrets, as defined by the DTSA, in a document filed in a lawsuit or other proceeding, but only if the filing is made under seal and protected from public disclosure. Nothing in this Agreement is intended to conflict with the DTSA or create liability for disclosure of trade secrets that are expressly allowed under the DTSA.

17. Severability. The fact that one or more paragraphs (or portion thereof) of this Agreement may be deemed invalid or unenforceable by any court shall not invalidate the remaining paragraphs or portions of such paragraphs of this Agreement.

18. Certain Acknowledgments. Executive acknowledges that Executive is signing this Agreement voluntarily with full knowledge of its contents. If Executive decides not to sign this Agreement, SecureWorks will not retaliate against Executive. Executive is not relying on any promise or representation not specifically and explicitly made in this Agreement. This Agreement may not be amended or modified except by a written agreement signed by Executive and an authorized officer of SecureWorks. Executive understands that any changes that the parties agree to make to this Agreement after it has been presented to Executive, whether such changes are material or non-material, will not extend the amount of time Executive has to consider the Agreement.

19. Consideration and Revocation Periods. Executive understands that Executive may take up to 21 days following Executive's receipt of this Agreement to consider this Agreement. Executive understands that Executive may use as much or as little of this period as Executive chooses before signing the Agreement. Executive is advised to consult with an attorney before signing this Agreement. If Executive accepts this Agreement, Executive must sign it and return it to George B. Hanna on or before the expiration of the 21-day period. By signing this Agreement, Executive acknowledges that Executive was afforded a period of at least 21 days from the date SecureWorks' proposal was presented to Executive in which to consider it. In addition, Executive understands that Executive has a period of seven (7) days following the date of signing this Agreement within which to revoke this Agreement (the "Revocation Period"). To revoke this Agreement, Executive understands that Executive must provide written notification of revocation to George B. Hanna within seven (7) days from the date Executive signed it.

If the foregoing accurately sets forth Executive's agreement with SecureWorks, please signify by signing below and returning this Agreement in its entirety to George B. Hanna on or before close of business on the twenty-first day after this Agreement was first presented to you. If SecureWorks has not received a signed copy of this Agreement by that

SecureWorks has not received a signed copy of this Agreement by that time, the offer reflected in this Agreement will automatically terminate and expire without further notice from Secureworks.
[Signature page follows]

For Executive as of the Date of Agreement:

Date: 3/21/2023

Signature: /s/ Paul Parrish

Print Name: Paul Parrish

For SecureWorks as of the Date of Agreement:

Date: 3/21/2023

Signature: /s/ George Hanna

Print Name: George Hanna

Title: SVP & Board Secretary

EXHIBIT A

RELEASE AGREEMENT

This final Release Agreement ("Agreement") sets forth the mutual agreement of SecureWorks Corp., a Delaware corporation, for itself, its subsidiaries, parents (including Dell Technologies Inc. ("Dell")) and related entities (collectively, "SecureWorks") and Paul Parrish ("Executive") regarding the subject matters addressed below.

1. Consideration from SecureWorks. If Executive signs this Agreement and does not revoke it during the Revocation Period (defined in paragraph 12), SecureWorks will provide Executive with the payments and benefits described in paragraph 3 of the Separation Agreement and Release between SecureWorks and Executive ("Separation Agreement").

2. Complete Release. Executive hereby fully releases SecureWorks and all of its owners, partners, shareholders, predecessors, successors, assigns, agents, directors, officers, employees, representatives, attorneys, subsidiaries, joint ventures, and affiliates (and agents, directors, officers, employees, representatives, and attorneys of such subsidiaries and affiliates) (collectively, "Released

Parties”), from any and all known or unknown claims or demands Executive may have against any of them. Executive expressly waives any and all claims, whether asserted on an individual or class action basis, against the Released Parties, including but not limited to all claims arising out of any contract, express or implied, and whether executory or not, any covenant of good faith and fair dealing, express or implied, any tort (whether intentional or negligent, including claims arising out of the negligence or gross negligence by the Released Parties and claims of express or implied defamation by the Released Parties), and any federal, state, or other governmental statute, regulation, or ordinance, including, without limitation, those relating to qui tam, employment discrimination, termination of employment, payment of wages or provision of benefits, Title VII of the Civil Rights Act of 1964, as amended, the Civil Rights Act of 1991, the Americans with Disabilities Act, the Genetic Information Nondiscrimination Act, the Employee Retirement Income Security Act, the Family and Medical Leave Act, the Fair Labor Standards Act, the Age Discrimination in Employment Act, the Older Workers Benefit Protection Act (“OWBPA”), the Uniformed Services Employment and Reemployment Rights Act (“USERRA”), the Worker Adjustment and Retraining Notification (“WARN”) Act, the Consolidated Omnibus Budget Reconciliation Act (“COBRA”), and the Occupational Safety and Health Act. Executive further releases any and all claims that Executive may have under state law and any other claim under federal law. Executive represents that Executive has not assigned to any other person any of such claims and that Executive has the full right to grant this release. Notwithstanding any other provision herein, SecureWorks and Executive agree that Executive is not waiving any claims that may arise in the future under the Age Discrimination in Employment Act or any claim for benefits under the SecureWorks Inc. 401(k) Plan, the Comprehensive Welfare Benefits Plan, or the SecureWorks Inc. Retiree Medical Plan.

Notwithstanding the foregoing, this release does not include and will not preclude: (a) rights to vested benefits under any applicable retirement and/or pension and/or deferred compensation plans; (b) rights under applicable equity plans and agreements; (c) claims for unemployment compensation (which SecureWorks will not contest); (d) rights to defense, indemnification, and contribution, if any, from SecureWorks for actions taken by Executive in the course and scope of Executive’s employment with SecureWorks; and/or (e) rights arising under or to enforce the terms of this Agreement or the Separation Agreement.

3. Participation in Government Matters. Nothing in this Agreement, including the complete release section, restricts or prohibits Executive from communicating with, providing testimony before, providing confidential information to, or filing or cooperating in a claim or investigation directly with a self-regulatory authority or a governmental agency or entity (without the need to seek SecureWorks’ prior approval), including the U.S. Equal Employment Opportunity Commission, the Department of Justice, the Securities and Exchange Commission, the Congress, and any agency Inspector General (collectively, the

“Regulators”), or from making other disclosures that are protected under the whistleblower provisions of state or federal law or regulation or receiving an award from any Regulator that provides awards for providing information. However, to the maximum extent permitted by law, Executive is waiving Executive’s right to receive any individual monetary relief from SecureWorks resulting from such claims.

4. Release of Unknown Claims. For the purpose of implementing a full and complete release, Executive expressly acknowledges that the release that Executive gives in this Agreement is intended to include in its effect, without limitation, claims that Executive did not know or suspect to exist in Executive’s favor at the time of the effective date of this Agreement, regardless of whether knowledge of such claims, or the facts upon which they might be based, would materially have affected the settlement of this matter, and that the consideration set forth in paragraph 1 of this Agreement was also for the release of those claims and contemplates the extinguishment of any such unknown claims. In furtherance of this settlement, Executive waives any right Executive may have under California Civil Code Section 1542 (and other similar statutes and regulations), which section reads as follows:

A general release does not extend to claims that the creditor or releasing party does not know or suspect to exist in his or her favor at the time of executing the release and that, if known by him or her, would have materially affected his or her settlement with the debtor or released party.

5. Compensation Paid. Executive represents, warrants, and agrees that all forms of compensation and other monies, including paychecks, paid to Executive by SecureWorks to date have been accurately calculated, have represented the proper amounts due to Executive, and have been based on SecureWorks’ merit-based compensation system. The consideration set forth in paragraph 1 of this Agreement is consideration for the complete release set forth in paragraph 2 of this Agreement and is in excess of what Executive is entitled to receive. If Executive or someone on Executive’s behalf claims any entitlement to further compensation from SecureWorks, Executive agrees that SecureWorks is entitled to full offset of the amounts described in paragraph 1 of this Agreement.

6. Non-Admission of Liability. SecureWorks and Executive understand and agree that they entered into the Separation Agreement and are entering into this Agreement to, among other things, resolve any claims or differences that may exist between them. By entering into such agreements, neither SecureWorks nor Executive admits any liability or wrongdoing.

7. Employment and Other Agreements. Executive agrees that, except as otherwise provided in this Agreement, the provisions of agreements that Executive previously entered into with SecureWorks, and that are intended to survive Executive’s termination, remain in full force and effect. In connection therewith, as a material inducement to SecureWorks to enter into this Agreement, Executive reaffirms Executive’s intent to comply with Executive’s post-employment obligations to SecureWorks under such agreements. By way of example, the post-termination terms and conditions of

Executive's long-term incentive and equity award agreements remain in full force and effect, and Executive may be required under such agreements to return shares of stock, share value, option proceeds, or cash award payments if Executive engages in certain conduct detrimental to SecureWorks, including after the date on which Executive's employment with SecureWorks terminates.

8. Successors. This Agreement shall be binding upon Executive and SecureWorks and their heirs, representatives, executors, administrators, successors, insurers, and assigns, and shall inure to the benefit of each and all of them and to their heirs, representatives, executors, administrators or assigns.

9. Applicable Law and Venue. THIS AGREEMENT SHALL BE INTERPRETED IN ALL RESPECTS BY THE INTERNAL LAWS OF THE STATE OF GEORGIA, AND THE VENUE FOR THE RESOLUTION OF ANY DISPUTES (LOCATION OF ANY LAWSUIT) SHALL BE SOLELY IN THE STATE AND FEDERAL COURTS OF FULTON COUNTY, GEORGIA.

10. Severability. The fact that one or more paragraphs (or portion thereof) of this Agreement may be deemed invalid or unenforceable by any court shall not invalidate the remaining paragraphs or portions of such paragraphs of this Agreement.

11. Certain Acknowledgments. Executive acknowledges that Executive is signing this Agreement voluntarily with full knowledge of its contents. If Executive decides not to sign this Agreement, SecureWorks will not retaliate against Executive. Executive is not relying on any promise or representation not specifically and explicitly made in this Agreement or the Separation Agreement. This Agreement may not be amended or modified except by a written agreement signed by Executive and an authorized officer of SecureWorks. Executive understands that any changes that the parties agree to make to this Agreement after it has been presented to Executive, whether such changes are material or non-material, will not extend the amount of time Executive has to consider the Agreement.

12. Consideration and Revocation Periods. Executive understands that Executive may take up to twenty-one (21) days following Executive's receipt of this Agreement to consider this Agreement. Executive understands that Executive may use as much or as little of this period as Executive chooses before signing the Agreement. Executive is advised to consult with an attorney before signing this Agreement. If Executive accepts this Agreement, Executive must sign it and return it to George B. Hanna on or before the expiration of the 21-day period. By signing this Agreement, Executive acknowledges that Executive was afforded a period of at least twenty-one (21) days from the date SecureWorks' proposal was presented to Executive in which to consider it. In addition, Executive understands that Executive has a period of seven (7) days following the date of signing this Agreement within which to revoke this Agreement (the "Revocation Period"). To revoke this Agreement, Executive understands that Executive must provide written notification of revocation to George B. Hanna within seven (7) days from the date Executive signed it.

Signature Page Follows

For Executive as of the Date of Agreement:

Date:

Signature:

Print Name: Paul Parrish

For SecureWorks as of the Date of Agreement:

Date:

Signature:

Print Name:

Title:

EXHIBIT 21.1

Name of Subsidiary	Jurisdiction of Incorporation or Organization
SecureWorks, Inc.	Georgia
SecureWorks Australia Pty. Ltd.	Australia
SecureWorks Software Canada ULC	Canada
SecureWorks Europe Limited	United Kingdom
SecureWorks Europe S.R.L.	Romania
SecureWorks India Private Limited	India
SecureWorks Japan K.K.	Japan
SecureWorks SAS	France

EXHIBIT 23.1

CONSENT OF INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM

We hereby consent to the incorporation by reference in the Registration Statements on Form S-8 (No. 333-210866, 333-225925, 333-237531, 333-257299, and 333-257299) 333-273021) of SecureWorks Corp. of our report dated March 23, 2023 March 22, 2024 relating to the financial statements, financial statement schedule, and the effectiveness of internal control over financial reporting, which appears in this Form 10-K.

/s/ PricewaterhouseCoopers LLP
Atlanta, Georgia
March 23, 2023 22, 2024

EXHIBIT 31.1

**CERTIFICATION OF CHIEF EXECUTIVE OFFICER
OF THE COMPANY PURSUANT TO RULE 13a-14(a)
OR RULE 15d-14(a) UNDER THE SECURITIES EXCHANGE
ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002**

I, Wendy K. Thomas, certify that:

1. I have reviewed this Annual Report on Form 10-K of SecureWorks Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process,

summarize and report financial information; and

- (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 23, 2023 22, 2024

/s/ Wendy K. Thomas

Wendy K. Thomas

Chief Executive Officer

EXHIBIT 31.2

CERTIFICATION OF CHIEF FINANCIAL OFFICER
OF THE COMPANY PURSUANT TO RULE 13a-14(a)
OR RULE 15d-14(a) UNDER THE SECURITIES EXCHANGE
ACT OF 1934, AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Paul M. Parrish, Alpana Wegner, certify that:

1. I have reviewed this Annual Report on Form 10-K of SecureWorks Corp.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is

reasonably likely to materially affect, the registrant's internal control over financial reporting; and

5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
- (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

March 23, 2023 22, 2024

/s/ Paul M. Parrish Alpana Wegner
Paul M. Parrish Alpana Wegner
Chief Financial Officer

EXHIBIT 32.1

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER
AND CHIEF FINANCIAL OFFICER OF THE COMPANY
PURSUANT TO RULE 13a-14(b) OR RULE 15d-14(b)
UNDER THE SECURITIES EXCHANGE ACT OF 1934
AND 18 U.S.C. SECTION 1350, AS ADOPTED
PURSUANT TO SECTION 906 OF
THE SARBANES-OXLEY ACT OF 2002

Each of the undersigned hereby certifies, in the undersigned's capacity as an officer of SecureWorks Corp. (the "Company"), for purposes of 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to the best of the undersigned's knowledge:

1. The annual report on Form 10-K of the Company for the fiscal year ended February 3, 2023 February 2, 2024 fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934; and
2. The information contained in such annual report on Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

Date: March 23, 2023 22, 2024

/s/ Wendy K. Thomas
Wendy K. Thomas
Chief Executive Officer

Date: March 23, 2023 22, 2024

/s/ Paul M. Parrish Alpana Wegner
Paul M. Parrish Alpana Wegner
Chief Financial Officer

Exhibit 97.1

Excess Incentive-Based Compensation Recoupment Policy

Effective October 2, 2023

This Excess Incentive-Based Compensation Recoupment Policy (this “**Policy**”) has been adopted by the Board of Directors of SecureWorks Corp., a Delaware corporation (the “**Company**”), on November 14, 2023, and shall be effective as of October 2, 2023 (the “**Effective Date**”) in accordance with Nasdaq listing standards.

1. Definitions. In addition to any other terms defined in this Policy, the following definitions will apply:

- a. “**Accounting Restatement**” means an accounting restatement that the Company is required to prepare due to the Company’s material noncompliance with any financial reporting requirement under the securities laws, including any required restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements, or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period.
- b. “**Covered Executive**” means any individual who is a current or former Executive Officer, and who served as a Covered Executive at any time during the performance period for the relevant Incentive-Based Compensation.
- c. “**Excess Incentive-Based Compensation**” means the amount or value of a Covered Executive’s Incentive-Based Compensation Received that exceeds the amount of Incentive-Based Compensation that otherwise would have been Received had it been determined based on the amounts set forth in the Accounting Restatement, computed without regard to any taxes paid. Where the amount of Excess Incentive-Based Compensation is not subject to mathematical recalculation directly from the Accounting Restatement, as with Financial Reporting Measures such as stock price or total shareholder return, the amount of Excess Incentive-Based Compensation will be based on a reasonable estimate of the effect of the Accounting Restatement on that Financial Reporting Measure. The Company must maintain documentation of the determination of that reasonable estimate and provide such documentation to Nasdaq.
- d. “**Executive Officer**” means the Company’s president, principal executive officer, principal financial officer, principal accounting officer (or, if there is no such accounting officer, the controller), any individual titled as a senior vice president or vice president of the Company, or any other individual who performs similar policy-making functions for the Company. Executive officers of the Company’s parent(s) or subsidiaries are deemed Executive Officers of the Company if they perform such policy making functions for the Company. Executive Officers shall include at a minimum the executive officers whose biographies appear in the Company’s Annual Report on Form 10-K or Proxy Statement for

its Annual Meeting of Stockholders.

- e. **“Exchange Act”** means the U.S. Securities and Exchange Act of 1934, as amended.

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- f. **“Financial Reporting Measures”** means measures determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, measures derived wholly or in part from those measures and stock price and total shareholder return, in each case whether or not presented in the Company’s financial statements or included in a Company filing with the U.S. Securities and Exchange Commission.

- g. **“Incentive-Based Compensation”** means, with respect to a Covered Executive, any compensation granted, awarded, earned, vested or Received based wholly or in part on the attainment of a Financial Reporting Measure. Examples of Incentive-Based Compensation include but are not limited to cash incentives under any performance-based cash bonus plan, and stock options Received due to Company performance, stock appreciation rights Received due to Company performance, performance-based restricted stock and performance-based restricted stock units under the Company’s equity compensation plans. Incentive-Based Compensation includes common shares received upon vesting or settlement of equity incentive awards and proceeds of sales of such shares.

- h. **“Nasdaq”** means the Nasdaq Stock Market.

- i. Incentive-Based Compensation is **“Received”** in the Company’s fiscal period during which the Financial Reporting Measure specified in the Incentive-Based Compensation award is attained, even if the payment or grant of the Incentive-Based Compensation occurs after the end of that period. **“Receive”** and **“Receipt”** have similar meanings.

- j. **“Recoupment”** means cancellation, recovery, recoupment, reimbursement, forfeiture or similar actions relating to compensation granted, awarded, paid, earned, vested or Received. **“Recoup”** and **“Recouped”** have similar meanings.

- k. **“Recoupment Period”** means the three completed fiscal years preceding the date the Company is required to prepare an Accounting Restatement, plus any “transition period” resulting from a change in fiscal year to the extent provided in Rule 5608. The date the Company is required to prepare an Accounting Restatement will be determined by reference to Rule 5608. Recoupment actions under this Policy will be taken on or after

such date and are not dependent on if or when restated financial statements are filed.

I. "Rule 5608" means Nasdaq Rule 5608 and any successor rule.

2. Recoupment of Excess Incentive-Based Compensation due to Accounting Restatement. Following the Effective Date, if the Company is required to prepare an Accounting Restatement, the Company will take action, subject to the terms of Section 9 hereunder and other portions of this Policy, to attempt to reasonably promptly Recoup any Excess Incentive-Based Compensation Received by any Covered Executive during the Recoupment Period, regardless of fault by a Covered Executive for that Accounting Restatement.

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3. Compensation Committee Administration. The Compensation Committee of the Board of Directors (the "Committee") has the power and authority to administer this Policy, including to interpret the provisions of this Policy and to make all determinations deemed necessary or advisable for the administration of this Policy, including what constitutes Incentive-Based Compensation and Excess Incentive-Based Compensation. All Committee actions, interpretations, and determinations taken or made will be final and binding against the Covered Executive. The Committee will seek to interpret this Policy consistently in all material respects with Rule 5608 and Section 10D of the Exchange Act and Rule 10D-1 thereunder.

4. Methods of Recoupment of Excess Incentive-Based Compensation. In the Committee's sole discretion, and subject to applicable law, Recoupment under this Policy may include (without limiting any other legal method of Recoupment):

- a. Cancelling outstanding vested or unvested equity compensation awards;
- b. Forfeiture of common stock obtained from equity compensation awards;
- c. Seeking recovery of any gain realized from the vesting, exercise, settlement, sale, transfer or other disposition of any equity compensation awards;
- d. Offsetting the value of any Excess Incentive-Based Compensation against any other amounts owed by the Company to the Covered Executive, including salaries or bonuses; or
- e. Reducing future compensation payable to a Covered Executive.

The Committee may not seek to reduce any future amount payable or to be provided to the Covered Executive that is considered "non-qualified deferred compensation" under Section 409A of the Internal Revenue Code of 1986, as amended (the "Code") and the regulations and guidance promulgated under that section. Any Excess Incentive-Based Compensation that is considered "non-qualified deferred compensation"

Compensation that is considered non-qualified deferred compensation under Section 409A and to which this Policy is applicable is instead subject to forfeiture.

There will be no duplication of Recoupment under this Policy and any of 15 U.S.C. Section 7243 (Section 304 of the Sarbanes-Oxley Act of 2002) or Section 10D of the Exchange Act and Rule 10D-1 thereunder.

5. Due Process. Before the Committee determines to seek Recoupment pursuant to this Policy, it will provide, where feasible, the Covered Executive with notice and the opportunity to be heard, at a meeting of the Committee (which may be in-person or virtual, as determined by the Committee).

6. No Indemnification. The Company will not indemnify any Covered Executive against the loss of Excess Incentive-Based Compensation.

7. Other Rights. This Policy shall be binding and enforceable against all Covered Executives and their beneficiaries, heirs, executors, administrators or other legal representatives. The exercise by the Committee of any rights pursuant to this Policy will be without prejudice to any other rights the Company may have with respect to any Covered Executive, including the rights that it has at law, in any other Company policy or in any employment, equity or other agreement applicable to the Covered Executive, to cancel or recover any compensation or award, or to exercise any other remedy.

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8. Amendment; Termination. The Committee may at any time in its sole discretion supplement or amend any provision of this Policy in any respect, including to amend this Policy as it deems necessary to reflect amendments to Rule 5608 or to Section 10D of the Exchange Act and Rule 10D-1 thereunder. The Committee may terminate this Policy at any time, subject to compliance with Rule 5608, Section 10D and Rule 10D-1.

9. Impracticability. This Policy will not apply to the extent the Committee determines Recoupment would be impracticable and one or more of the following conditions apply:

- a. After the Company makes a reasonable attempt to Recoup Excess Incentive-Based Compensation, if it is determined that the direct expense to be paid to a third party to assist in enforcing the Policy would exceed the amount to be Recouped. The Company will provide documentation of its Recoupment attempt to Nasdaq.
- b. After receiving an opinion of home country counsel acceptable to Nasdaq, if it is determined that Recoupment would violate a home country law applicable to each of the Executive Officers that was adopted prior to November 28, 2022. The Company will provide a copy of the opinion to Nasdaq.
- c. If recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Sections 401(a)(13) or 411(a) of the Code and regulations

thereunder.

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