REFINITIV

DELTA REPORT

10-K

INFORMATICA INC.

10-K - DECEMBER 31, 2024 COMPARED TO 10-K - DECEMBER 31, 2023

The following comparison report has been automatically generated

TOTAL DELTAS	2938
CHANGES	520
DELETIONS	1066
ADDITIONS	1352

UNITED STATES
SECURITIES AND EXCHANGE COMMISSION
Washington, D.C. 20549

FORM 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For the fiscal year ended December 31, 2023 December 31, 2024
OR

☐ **TRANSITION REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**

For transition period from to
Commission File Number 001-40936

Informatica Inc.
(Exact name of registrant as specified in its charter)

Delaware	**61-1999534**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification Number)

2100 Seaport Boulevard
Redwood City, California 94063
(650) 385-5000
(Address, including zip code, and telephone number, including area code, of registrant's principal executive offices)

Securities registered pursuant to Section 12(b) of the Act:

Title of each class	Trading Symbol	Name of each exchange on which registered
Class A Common Stock, $0.01 par value per share	INFA	The New York Stock Exchange

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 Securities Exchange Act of 1934 (the "Exchange 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 (§232.405 of this chapter) 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, a 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	☒	Accelerated filer	☐
Non-accelerated filer	☐	Smaller reporting company	☐
		Emerging growth company	☐

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 ☒

The aggregate market value of the registrant’s common stock held by non-affiliates of the registrant on June 30, 2023 June 30, 2024 (the last business day of the registrant's fiscal second quarter), based on the closing price of a share of the registrant’s common stock on June 30, 2023 June 30, 2024 as reported by the New York Stock Exchange, was approximately $0.8 $2.1 billion. Shares of the registrant’s common stock held by each executive officer, director and holder of 5% or more of the outstanding common stock have been excluded in that such persons may be deemed to be affiliates. This calculation does not reflect a determination that certain persons are affiliates of the registrant for any other purpose.

As of February 14, 2024 February 12, 2025, there were approximately 251,030,617 258,549,523 shares of the registrant's Class A common stock and 44,049,523 shares of the registrant's Class B-1 common stock outstanding.

DOCUMENTS INCORPORATED BY REFERENCE

Information required in response to Part III of Form 10-K (Items 10, 11, 12, 13 and 14) is hereby incorporated by reference from portions of the registrant’s Definitive Proxy Statement for the Annual Meeting of Stockholders to be held in 2024. 2025. The Definitive Proxy Statement will be filed by the registrant with the Securities and Exchange Commission no later than 120 days after the end of the registrant’s fiscal year ended December 31, 2023 December 31, 2024.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K (this “Report” or “report”) contains forward-looking statements within the meaning of Section 27A of the Securities Act of 1933, as amended ("Securities Act"), and Section 21E of the Securities Exchange Act of 1934, as amended ("Exchange Act"), which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. In some cases, you can identify forward-looking statements because they contain words such as “may,” “will,” “should,” “expects,” “plans,” “anticipates,” “could,” “intends,” “target,” “projects,” “contemplates,” “believes,” “estimates,” “predicts,” “potential” or “continue” or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. Forward-looking statements contained in this Report include, but are not limited to, statements about:

- our ability to attract and retain customers;
- the possible harm caused by adverse economic, industry and market conditions in the United States and globally, including due to inflationary pressures, interest rate volatility, and uncertainty in the financial services industry, shifting foreign exchange rates, tariffs, and geopolitical disruptions, the effect of global health crises, and their impact on our business and operations; disruptions;
- the possible harm caused by a security breach or incident, significant disruption of service, or loss of, or unauthorized access to users’ data;
- our expectations and management of future growth;
- the possible harm caused by customers terminating or failing to renew their subscription or maintenance contracts;
- our future financial performance, including trends in revenue, costs of revenue, gross profit or gross margin, and operating expenses;

- our ability to transition our customers to subscription- and cloud-based offerings;
- the effect of legal and regulatory changes, including those related to data localization and transfer;
- our ability to attract and retain key personnel and highly qualified personnel;
- the impact of our restructurings and related charges on our business, results of operations and financial condition;
- our ability to effectively train and incentivize our sales force;
- our ability to respond to technological changes and evolving industry standards;
- our ability to maintain, protect, and enhance our intellectual property;
- our ability to successfully identify, acquire, and integrate companies and assets;
- our ability to upsell and cross-sell within our existing customer base;
- our ability to prevent serious errors or defects in our products and services;
- the demand for our platform, cloud-based solutions or data management solutions in general;
- our ability to compete successfully in competitive markets;
- our ability to protect our brand;
- our ability to successfully execute our go-to-market strategy;
- our ability to manage our international operations;
- our ability to build and maintain relationships with strategy partners;
- our ability to achieve or maintain profitability;
- our expectations regarding cost savings and expenses;
- our ability to manage our outstanding indebtedness;
- our ability to offer high-quality customer support;
- plans regarding our stock repurchase authorization;

- the impact of interest rate or foreign currency exchange rates upon our financial performance, operations, and cash flows;
- our expectations regarding new product launch dates;
- the distribution of Class A common stock by certain of our stockholders; and
- the increased requirements associated with being a public company, including reporting, governance and internal controls, and related expenses.

We caution you that the foregoing list may not contain all of the forward-looking statements made in this Report.

You should not rely upon forward-looking statements as predictions of future events. We have based the forward-looking statements contained in this Report primarily on our current expectations and projections about future events and trends that we believe may affect our business, financial condition, results of operations and prospects. The outcome of the events described in these forward-looking statements is subject to risks, uncertainties and other factors described in the section titled “Risk Factors” and elsewhere in this Report. Moreover, we operate in a very competitive and rapidly changing environment. New risks and uncertainties emerge from time to time and it is not possible for us to predict all risks and uncertainties that could have an impact on the forward-looking statements contained in this Report. We cannot assure you that the results, events and circumstances reflected in the forward-looking statements will be achieved or occur, and actual results, events or circumstances could differ materially from those described in the forward-looking statements.

The forward-looking statements made in this Report relate only to events as of the date on which the statements are made. We undertake no obligation to update any forward-looking statements made in this Report to reflect events or circumstances after the date of this Report or to reflect new information or the occurrence of unanticipated events, except as required by law. We may not actually achieve the plans, intentions or expectations disclosed in our forward-looking statements and you should not place undue reliance on our forward-looking statements. Our forward-looking statements do not reflect the potential impact of any future acquisitions, mergers, dispositions, joint ventures or investments we may make.

In addition, statements that “we believe” and similar statements reflect our beliefs and opinions on the relevant subject. These statements are based upon information available to us as of the date of this Report, and while we believe such information forms a reasonable basis for such statements, such information may be limited or incomplete, and our statements should not be read to indicate that we have conducted an exhaustive inquiry into, or review of, all potentially available relevant information. These statements are inherently uncertain and investors are cautioned not to unduly rely upon these statements.

PART I

ITEM 1. BUSINESS

Overview

We deliver innovation-led products powered by the industry's only industry leading artificial intelligence ("AI") powered enabled data management products on a cloud native platform in a multi-vendor, multi-cloud, hybrid approach. Data is foundational to how digital enterprises run their businesses and make strategic decisions, including creating new offerings, serving their customers and driving operational efficiency. We have pioneered a new category of software, the Intelligent Data Management Cloud, or IDMC. Our IDMC platform, powered by our AI engine CLAIRE, delivers best-of-breed solutions that enable enterprises to connect virtually all types of enterprise data, govern and protect critical and sensitive data, and deliver data ready for AI and other strategic data-driven initiatives. It also enables our customers to pursue holistic data-driven digital strategies by accelerating workload migrations to the cloud; enabling the advantages of cloud analytics and AI across enterprise-wide business processes like supply chain management, financial planning and operations. We announced In 2024, we introduced CLAIRE GPT, a generative AI-powered capability that will deliver delivers a natural language-based interface to Informatica's IDMC, simplifying and accelerating how enterprises consume, process, manage, and analyze data. CLAIRE GPT is expected to be generally available in 2024. With CLAIRE GPT, our IDMC platform has AI copilot capabilities to automate and scale thousands of data management tasks and processes and provide greater observability across data.

Graph 1.jpg

Historically, enterprise data was generated and stored in highly structured, static and monolithic self-managed systems that were only accessed by a few, highly trained individuals and used primarily for analysis and reporting of historical enterprise metrics. Over the course of the last two decades, enterprises have expanded their IT strategies to embrace a wide range of SaaS applications, cloud infrastructure platforms, and more recently cloud data platforms to transform into data-driven digital enterprises.

As enterprises embrace data to modernize their business, data fragmentation has proliferated across a myriad of systems, including cloud and self-managed data warehouses, data lakes, databases and applications. These different data repositories store data in unique formats, both structured and unstructured, with specific characteristics. This data is often consumed and ingested in real time, making it increasingly challenging to aggregate data in a normalized, consistent, and high-quality format. Despite these challenges, as data has become one of the most valuable assets for enterprises, it has become embedded in highly complex operational use cases and is at the heart of new data-driven digital strategies.

To address these challenges, we have pioneered a new way for businesses to accurately track where their data resides, understand what relationships exist across their different data repositories, and understand who is accessing the data and how it is being used—all at enterprise scale. Our AI-powered data management cloud

platform leverages metadata-aware connections and active metadata in the cloud that continuously scan our customers' data. The metadata-aware connections allow our customers to leverage pre-built connectors configured to the data structure of their cloud applications. This allows our AI engine, CLAIRE, to help customers access better data faster, make contextual recommendations about data relationships, uncover novel insights about their business and automate previously manual tasks. As more customers adopt our AI-powered data management cloud platform, CLAIRE is designed to automatically and continuously analyzes new transactions, configurations, rules, and decisions and uses this increased intelligence to drive further automation and deliver better insights. We believe these features will continue to accelerate the adoption of our platform.

Our AI-powered data management cloud platform also consists of a wide range of interoperable data management products, including data catalog, data integration and engineering, API and application integration, data quality and observability, master data management, customer and business 360 applications, governance, access and privacy, and data marketplace. These products leverage our neutral AI-powered data management cloud platform's shared services and can be consumed from our SaaS-based cloud offerings across all major cloud ecosystems such as Amazon Web Services ("AWS"), Microsoft Azure, Oracle Cloud and Google Cloud. Our products can also be deployed as a self-managed solution in our customers' multi-cloud or hybrid environments. The growth of our AI-powered data management cloud platform has increased the number of cloud transactions processed on our platform, from 0.2 trillion per month in 2015, to 86.0 trillion 110.7 trillion per month as of December 31, 2023 December 31, 2024. Our cloud subscription annual recurring revenue ("ARR") as of December 31, 2023 December 31, 2024 was $616.8 million $827.3 million, compared to $451.2 million $616.8 million as of December 31, 2022 December 31, 2023, representing year-over-year growth of 37% 34%.

Our AI-powered data management cloud platform has been adopted by organizations of all sizes across a wide variety of industries. We believe data management is an area in which companies are continuing to invest for successful AI deployments and better business outcomes, and we are seeing continued success with our enterprise-focused sales motion. As of December 31, 2023 December 31, 2024, we had approximately 5,400 over 5,100 active customers in approximately 100 countries and territories worldwide, including 9 8 of the Fortune 10, 86 over 80 of the Fortune 100 and 893 over 800 of the Global 2000. As our customers generate more data, they typically increase their usage of our AI-powered data management cloud platform by adding new use cases, adopting more products, or adding more users. We are a strategic partner to our customers in their modernization and digital transformation initiatives. Customers spending more than $100,000 in subscription ARR increased by 4% 6% year-over-year to 1,988 2,110 customers and customers spending more than $1 million in subscription ARR increased by 17% 18% year-over-year to 240 284 customers. Total cloud subscription ARR customers increased by 8% year-over-year to 2,468 customers.

We market and sell our solutions through a combination of our global direct sales team and a network of strategic partners. Our strategic partners, including cloud hyperscalers, cloud data platforms, global system integrators, and value-added resellers, help extend our sales presence and accelerate the adoption of our AI-powered data management cloud platform globally. We collaborate with cloud hyperscalers and cloud data platforms to help our shared customers accelerate their migration to the cloud and modernize their data and analytics strategies.

For the years ended December 31, 2023, 2022 and 2021, revenue was $1,595.2 million, $1,505.1 million and $1,444.1 million, respectively, representing year-over-year growth of 6% and 4%, respectively. Total ARR, which consists of Subscription Annual Recurring Revenue ("Subscription ARR") plus maintenance ARR, was $1,626.2 million, $1,517.1 million and $1,360.2 million, at December 31, 2023, 2022 and 2021, respectively, representing year-over-year growth of 7% and 12%, respectively. Subscription ARR was $1,132.7 million, $994.2 million and $802.3 million, as of December 31, 2023, 2022 and 2021, respectively, representing year-over-year growth of 14% and 24%, respectively. For the years ended December 31, 2023, 2022 and 2021, net loss was $125.3 million, $53.7 million and $99.9 million, respectively, and Adjusted EBITDA was $479.4 million, $371.6 million and $377.4 million, respectively. See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Non-GAAP Financial Measure" for a description of Adjusted EBITDA and a reconciliation of Adjusted EBITDA to net income (loss), the most directly comparable financial measure calculated in accordance with generally accepted accounting principles in the United States ("GAAP").

The Intelligent Data Management Cloud

Our data management cloud allows our customers to connect, manage, unify, govern, and secure data across multi-vendor, multi-cloud, hybrid environments. During 2023, the Company acquired Privitar Limited to strengthen and extend IDMC's data governance and privacy offerings, create new use cases and workloads for enterprise customers through data democratization and sharing.

Our data management cloud is deployed across the enterprise data landscape to create a unified system of record of metadata, which is highly rich and contextualized information about enterprise data. Customers can access this unified metadata about their enterprise data through our cloud control plane. AI-powered algorithms help customers reduce their data classification time, uncover data relationships, and enhance data discovery.

Our data management cloud is cloud native, built on a modern microservices-based API-powered architecture. It is both elastic and serverless, and allows customers to integrate, synchronize, and relate all of their data, applications, and processes in any part of a multi-cloud, hybrid or self-managed environments. Our cloud-native approach helps organizations design, build, modernize and operationalize their data and benefit from the agility, scalability, and low cost of the cloud. We offer a series of shared services combined with a wide range of interoperable data management products designed to be extensible to avoid vendor and technology lock-in.

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Informatica Introduction 2024_dark background as of 11_4_24.jpg

Our AI-powered data management cloud leverages over 50,000 metadata-aware connections and 40 petabytes of active metadata in the cloud that scan our customers' data to create rich and highly contextualized metadata to create and manage a unified metadata system of record that can act as a single source of truth about their data.

Our data management cloud offers a low code / no code user interface that leverages the metadata *system of record* to create an abstraction layer of data processes and services that is designed to make it quick and easy for users to design data pipelines, build integrations, deploy data quality checks and quickly bring disparate data sources together to build an enterprise wide data management system. Our low code / no code user experience can enable non-technical users and technical users, including data scientists and data architects, to go directly from ideation to implementation with minimal IT support, accelerating the time-to-market of data-driven initiatives.

Our data management cloud also includes a comprehensive, holistic and integrated *Operational Insights* monitoring service that, when combined with our extensive data connector libraries, allows for comprehensive monitoring of all data management workloads operated on our AI-powered data management cloud platform. Data users and business leaders have an in-depth view of their data pipelines and data management operations across the enterprise, and a single pane view of the health of their data processes. Key features of our *Operational Insights* service include:

- predictive analytics to analyze resource consumption and automated forecasting to help organizations operate, scale and reallocate resources;

- auto-scaling of computing resources to efficiently manage capacity and rapidly meet dynamic consumption needs;
- AI-based recommendations to identify potential user errors and exceptions;
- rule-based notifications and automated alerts to administrators of certain potential issues or actions that require attention; and

- comprehensive multi-cloud, hybrid architecture support with the ability to monitor both cloud-native multi-tenant services and self-managed data management products.

IDMC Architecture

Our AI-powered data management cloud platform is based on a multi-tenant, multi-cloud, microservices-based architecture hosted on AWS, Microsoft Azure, Oracle and Google Cloud. It leverages intelligence resource management, auto-scaling, and partitioning logic to manage our compute and storage footprint, thereby driving resiliency, performance and efficiency. Our AI-powered data management cloud platform runs globally across multiple regions and within each region our microservices are distributed to avoid single points of failure in order to ensure fault tolerance even in the case of full physical data center outage. Our AI-powered data management cloud platform architecture consists of four critical components:

1. High performance connectors for cloud and on-premises data sources and targets: Connecting and accessing data is an essential capability across all data management services. Our AI-powered data management cloud platform's high-performance connectivity enables accessing data for multiple integration patterns including real-time, change data capture, batch, streaming or API. Through our AI-powered data management cloud platform, customers are able to access applications, databases, business intelligence tools, data modeling tools, data lakes, data warehouses, mainframes, messaging systems, file systems, IoT devices and other critical enterprise data repositories.

2. Optimized data processing engines: Our AI-powered data management cloud platform offers multiple data processing options optimized for data volumes, types, latency and data management operations. We support unstructured data, complex hierarchical data and relational data types, deployed within our elastic and serverless compute environment. Our AI-powered data management cloud platform also offers flexibility of deploying these data management operations on third party compute platforms leveraging advanced pushdown optimization to AWS Redshift, Microsoft Azure Synapse, Google Cloud Big Query, Snowflake, Oracle and Databricks. Depending on the size of data, data locality, pattern of integration and ecosystem, our AI-powered data management cloud platform will select the best processing method.

3. Metadata and data intelligence: Leveraging our portfolio of AI and machine learning algorithms applied to various metadata types (e.g., technical, business, operational, usage, social), our AI-powered data management cloud platform provides intelligence and automation across all data management services. By scanning and managing metadata from a wide variety of sources including databases, applications, files, cloud platforms, mainframes, big data stores, BI tools, ETL tools, modeling tools, hand code and scripts, context is captured through a metadata graph database to deliver a metadata system of record and automation recommendations for enterprise data management operations. Our AI-powered data management cloud platform manages a total of 40 petabytes of active metadata to automate tasks and processes, delivering thousands of hours of time and cost savings for our users.

4. Distributed multi-cloud control plane: Our AI-powered data management cloud platform's distributed multi-cloud control plane consists of a series of highly available, modular, scalable microservices deployed on AWS, Microsoft Azure, Google Cloud and Oracle Cloud that implement core capabilities such as design and development experiences, policy definitions, access control, security, and operational management. The control plane orchestrates interactions across the high performance connectors, optimized data processing engines, and metadata intelligence and data management services to deliver a unified experience supporting an agile data management development lifecycle across a wide variety of users and skill sets, including business users, technical users and administrators.

Our Products

Our AI-powered data management cloud platform includes a wide range of interoperable and integrated data management products that leverage the underlying shared platform services to deliver analytics, business 360, data democratization and modernization solutions to our customers at scale.

Data Catalog: Our AI-powered Data Catalog enables organizations to discover, classify and organize data assets to provide a comprehensive inventory of data assets across the enterprise. Data consumers of all experience levels are enabled to use our Cloud Data Governance and Catalog ("CDGC") product to quickly find, access, and understand enterprise data using a simple Google-like search experience. CDGC allows organizations to spend less time finding data thereby accelerating analytics and modernization projects and enables them to implement end-to-end data governance programs. Cutting across departmental data silos, CLAIRE automatically discovers, tags, and classifies data and identifies data relationships and data provenance. CLAIRE-based recommendations are designed to guide users to the most trusted and relevant data, improving business outcomes and driving greater data consumption.

Data Integration and Engineering: Data engineers, Extract-Transform-Load ("ETL") developers, and citizen integrators have the ability to use our products to ingest, transform and integrate data spanning departmental to enterprise scale workloads. These workloads include diverse and distributed data sources in multi-cloud, hybrid environments. The breadth and depth of our Data Integration capabilities accelerate the aggregation and processing of data to ready it for analytics, data science and enterprise reporting initiatives. Leveraging a simple graphical design experience, users can develop workloads across ETL, Extract-Load-Transform ("ELT"), reverse ETL, real-time and streaming data integration patterns. The primary difference between the traditional ETL and the modern ELT workflow is when data transformation and loading take place. In ETL workflows, data extracted from data sources is transformed prior to being loaded into target data platforms. Newer ELT workflows have data being transformed after being loaded into the data platform of choice.

Our products are designed to integrate structured and unstructured data across self-managed and cloud-native applications, databases, business intelligence tools, data modeling tools, data lakes, data warehouses, mainframes, messaging systems, file systems and IoT devices. CLAIRE AI enables greater data integration productivity by automating the design and development of business logic to process data.

API & Application Integration: Citizen developers, application developers and architects can use our API & Application Integration products to create and manage APIs, application integration and process automation to modernize and accelerate their digital transformation programs. Informatica's API and application integration capabilities span multi-cloud, hybrid environments and include application-to-application synchronization, business process orchestration, B2B partner management, composite application development, and API management. These capabilities integrate enterprise business processes, manage communication of data between partners via industry specific protocols, and expose APIs for business agility and application modernization through a low code/no-code development experience. Our API and Application Integration products also leverage CLAIRE AI to optimize application resource utilization, and secure APIs to reduce implementation complexity and increase user productivity.

Data Quality and Observability: Data stewards and business analysts can use our Data Quality ("DQ") products to profile, cleanse, standardize, observe and monitor data using an extensive set of prebuilt data quality rules to deliver accurate, complete, and consistent data. Data Quality products are designed to produce clean and trusted data supporting governance, regulatory compliance, analytics, and other enterprise reporting initiatives. Our CLAIRE AI engine automatically generates data quality rules from plain text functional specifications for business users. CLAIRE leverages data profiling to continuously monitor and identify quality issues and then can automatically deploy fixes to promote high data quality. Our Data Quality products contain over 1,300 pre-built data quality rules for data domains, geographies and industries.

Master Data Management: Our Master Data Management ("MDM") products allow data stewards and business analysts to create an authoritative single-source view of all business-critical data from internal and external sources across multiple data domains, including customers, locations, assets, employees and many other domain types. CLAIRE automates the matching, linking and merging of master data from several disparate, duplicate, and conflicting data sources scaling from millions to billions of data records. This information is de-duplicated, reconciled and enriched, thereby enabling it to become a consistent, reliable source. Once created, this master data can serve as a trusted view of business-critical data that can be managed and shared across the enterprise to promote

accurate reporting, reduce data errors, remove redundancy, and help workers make better-informed business decisions.

Customer and Business 360 Applications: Our Customer 360 and other 360 Application products allow business analysts to create comprehensive 360-degree views of critical business data domains like customer, product, supplier, reference, and finance with simplified business user experiences. Our Customer 360 and other 360 applications help customers drive customer experience and engagement programs, ecommerce transformations, supply chain management, and other digital transformation initiatives. CLAIRE matches data, identifies relationships and infers data insights across structured and unstructured data sources enabling users to easily browse, search and access data.

Governance, Access and Privacy: Data professionals can use our Data Governance and Data Privacy ("DG&P") products to define policies, govern data access and use, help ensure compliance with industry and corporate policies, manage data as an asset and reduce the risk of a data breach. These products enable organizations to deliver and consume trusted and protected data across the enterprise, increasing the value of data while reducing risk associated with compliance. compliance failures and data breaches. Users can define governance and privacy policies through an intuitive interface while CLAIRE automatically links these data access management policies to actual enterprise be consistently enforced across data ecosystems, leveraging IDMC's common metadata foundation to make policies usable across multiple data sources. CLAIRE can automatically classify data to help ensure data governance rules are not only documented but also implemented and tracked consistently across the enterprise. automatically applied to virtually any data source for

cataloging. In 2023, we acquired Privitar Limited which allowed us to bolster accelerate our offerings for data access governance to enable management – allowing organizations to democratize the ethical responsible and safe use of data across enterprises.

Data Marketplace: Our Cloud Data Marketplace ("CDMP") delivers an Amazon-like cloud "shopping" experience for data consumers that enables data and analytics leaders to easily democratize and share data and AI models across the organization to facilitate data-driven decision making. A cloud storefront along with order management and automated, governed data delivery capabilities enable organizations to break down data silos and allow data consumers of all skill levels to find, understand, trust and access relevant data for their business priorities. Cloud Data Marketplace fosters data literacy, supports a data-driven culture, and enables collaboration among data owners and consumers to turn governed, trusted data into data driven insights for the business.

Our AI engine: CLAIRE

CLAIRE is our AI engine that powers intelligence and automation across our AI-powered data management cloud platform and portfolio of products. CLAIRE is designed to manage petabytes of active metadata and deploys a broad spectrum of AI algorithms to automate tasks and data processes to deliver thousands of hours of time and cost savings for our customers. Key features of CLAIRE include:

- a search engine to rapidly discover data assets;
- contextual recommendations to match data to business needs;
- automation of data management operations spanning integration, quality, governance, protection, and matching;
- natural language processing to auto generate business rules for assessing and auto deploying data quality assessments and reporting measurements; and
- intelligent and automated matching and merging of related datasets designed to build a single source of truth at the petabyte scale.

CLAIRE's insights and automation reduces the potential business impact from bad data and the need to manually review individual data points in massive data sets; saving significant amounts of time. As CLAIRE analyzes more data and business rules, its recommendation engine becomes more accurate and the sophistication of its automation increases.

During 2023, 2024, we also announced introduced CLAIRE GPT, our generative AI-powered Data Management tool that is expected to be released in 2024. We expect that tool. The key features of CLAIRE GPT will include includes the ability to:

- learn from feedback from users and continuously adapt to generate more accurate and relevant responses;
- use natural language to find trusted datasets, explore relevance and understand business context; and
- generate pipelines, recipes, rules, connections, glossaries, policies, and datasets from simple text.

In addition, CLAIRE AI copilot was introduced in 2024. CLAIRE AI copilot capabilities allow customers to automate a wide range of data management tasks while reducing complexity, enabling scale and speeding data delivery to data teams. CLAIRE AI copilot provides self-service assistance for analysts and business users on tasks ranging from data integration and data quality to data cataloging and governance. Customers using CLAIRE AI copilot can receive intelligent glossary associations, automated data classification, curation recommendations, automated lineage and guided navigation.

Key Benefits to Our Customers

Our data management cloud enables our customers to:

- **Provide high quality trusted data to enable generative AI.** Our AI-powered data management cloud platform provides holistic, governed, democratized data to enable successful generative AI deployments.
- **Embrace the full benefits of the public cloud.** We help customers accelerate the migration of their self-managed workloads to the cloud. Our data management cloud modernizes our customers' applications

and data management capabilities, allowing them to embrace innovation, create digital-first business models, reduce operating costs, and generate new revenue streams.

- **Deliver rich 360-degree business experiences.** By enabling our customers to aggregate, consolidate and normalize their data to build a single source of truth, we empower them to deliver highly engaging and personalized customer experiences. This allows our customers to embrace a digital-first business strategy, build better connections and relationships with their end users, and modernize their supply chains by intelligently matching supply with demand patterns.
- **Democratize secure, governed data across the organization.** Our data management cloud helps our customers provide their data consumers with governed, secure, and high-quality data for their business analytics or other use cases.
- **Transition from reactive and tactical to proactive and strategic data management.** Our approach to data management allows our customers to shift from deploying reactive tactical solutions for discrete, siloed use cases to developing a broader, more proactive data management strategy across the enterprise. Not only does this

approach allow them to consolidate point solutions, it also enables them to scale their data management to meet the increasing demands of modern data-driven digital enterprises.

- **Faster time to market and lower total cost of ownership.** Our full suite of data management capabilities combined with CLAIRE's AI automation capabilities allows organizations to standardize their enterprise data management needs on a single extensible platform with a unified metadata view.
- **Consumption-driven pricing model.** We offer a consumption-based pricing model to provide customers greater flexibility regarding use and consumption of a broad array of our cloud subscription offerings. The consumption-based pricing model is based on Informatica Processing Units ("IPUs"), which is an innovative way to measure the consumption of our cloud-based services.
- **Scale on a neutral platform.** We increase our customers' access to their data by integrating with and interoperating on their existing systems whether they are on multi-cloud or hybrid environments. We offer a neutral AI-powered data management cloud platform that can scale across all major cloud ecosystems.

Our Growth Strategies

We are pursuing our large market opportunity with growth strategies that include:

- **Enable AI capabilities.** We believe that generative AI requires data velocity, volume, variety and veracity for our customers to have access to correct, unbiased insights. Our CLAIRE GenAI capabilities will help drive new workloads and use cases for customers differentiating our innovations further. We continue to integrate AI-enabled products to support our customers' needs.
- **Expand within existing customers.** We have a strong track-record of expanding within our existing customer base. We believe there are significant cross-sell and upsell opportunities within our existing customer base by adding new products, addressing new workloads, and growing with our customers' overall data footprint. In addition, we assist our customers in migrating their traditional self-managed data management applications to our cloud solutions.
- **Expand our total customer base.** Historically we have focused our direct sales efforts on IT leaders within large enterprises; however, as the universe of data practitioners expands, we have augmented our

outreach to focus on targeting a line of business user with our cloud solutions and industry-based go to market ("GTM") sales teams. We continue to make strategic investments in sales to grow our overall customer base, with a focus on targeting IT leaders and end users of data-driven companies.

- **Transition to a cloud-only strategy.** We are completing have completed the pivot to our cloud-only strategy by prioritizing cloud-only organic growth and continuing investment in innovation for our cloud-based IDMC platform, while reducing our emphasis on self-managed solutions. We believe that a cloud-only model will allow us to simplify the organization from hybrid to cloud, create operational efficiencies and synergies by aligning our sales team in furtherance of this strategy, and improve our speed of execution.

- **Continue to grow and develop our partner ecosystem.** Our strategic partners—including cloud hyperscalers; cloud data platforms; global system integrators; and our value-added resellers and distributors—help extend the reach of our go-to-market strategy and accelerate the adoption of our AI-powered data management cloud platform. For additional information on our technology collaborations, see the section titled "— Our "Our Partners." We plan to continue investing in R&D to maintain product support and compatibility with our strategic partners, and we intend to further build out our partner program to broaden our distribution footprint globally and drive greater awareness and consumption of our products.
- **Continue to expand our international business.** We believe that the addressable market for our AI-powered data management cloud platform in EMEA and Asia-Pacific is substantially larger than our current market penetration. As enterprises around the world increase their public cloud adoption, we see a significant opportunity to expand the use of our cloud subscription offerings outside of North America.
- **Continue to advance IDMC by building new cloud subscription offerings.** We plan to make significant ongoing investments in research and development to release new cloud subscription offerings that will further expand our addressable market. We will also continue to invest in our cloud go-to-market strategy with dedicated product management, pre-sales, customer success, consulting, and professional services to help drive greater usage of our AI-powered data management cloud platform among all data users.

Our Customers

We sell our AI-powered data management cloud platform to approximately 5,400 had over 5,100 customers in approximately 100 countries and territories worldwide as of December 31, 2023 December 31, 2024. Our AI-powered data management cloud platform is used globally by enterprises of all sizes across a broad range of industries, including some of the world's largest enterprises, government agencies, and high-profile brands that trust us with their data management needs. No customer accounted for more than 10% of our revenue in any of the last three years. As of December 31, 2023 December 31, 2024, our customers included 9 8 of the Fortune 10, 86 over 80 of the Fortune 100, and 893 over 800 of the Global 2000. The number of customers that contributed more than $1 million in Subscription ARR was 284, 240 206 and 153 206 as of December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, respectively. For the same periods, the number of customers that contributed more than $100,000 of Subscription ARR was 2,110, 1,988 and 1,916, respectively. Total cloud subscription ARR customers were 2,468, 2,288 and 1,660, 2,110 as of December 31, 2024, 2023 and 2022, respectively.

Our Partners

Our partner strategy is focused on delivering complete end-to-end solutions for our customers, driving general awareness of our AI-powered data management cloud platform, and broadening our distribution and reach to new customers. We actively work with four types of partners:

Cloud Platform Partners. We have strategic partnerships with the leading cloud hyperscalers including AWS, Microsoft Azure, Google Cloud and Oracle Cloud. These partnerships enable our customers to deploy on the platform of their choice and take advantage of the benefits of a multi-cloud, hybrid infrastructure. Customers can also access our products via AWS, Microsoft Azure, Google Cloud and Oracle Cloud marketplaces. We collaborate with our hyperscaler partners to produce new joint, integrated offerings and drive sales by focusing on unique customer problems and use cases. For example: (i) we have joint cloud migration and modernization programs with AWS, Microsoft Azure, Google Cloud and Oracle Cloud providing customers with a faster, cost-effective path to modernize to the cloud; and cloud, (ii) we are a Premier Google Cloud Partner design partner for Microsoft Fabric, and (iii) we are a Strategic Partner launch partner for Google Cloud Analytics Data Platform Migration, a SAP Smart Analytics priority solution plays. Amazon Sagemaker Lakehouse.

Cloud Technology Partners. We also have strategic partnerships with leading cloud technology partners, including Snowflake, Databricks and MongoDB . MongoDB. These partnerships enable optimized data processing, spanning data integration, governance and cataloging to support a seamless user experience. We collaborate with our cloud technology partners to support new innovations in data processing. For example, in 2023, 2024 we announced two new innovations with Snowflake: (i) we released Snowflake to launch our Superpipe service Generative AI Blueprint for Snowflake integrating complex ERP Cortex AI, introduced Iceberg support for Snowflake, and CRM data up to 3.5x faster than previous approaches, released integration between Snowflake Horizon and (ii) we announced the public preview of our Enterprise Cloud Data Integrator Snowflake native application. Access Management IDMC service. With Databricks, we enhanced Databricks-verified Unity catalog support across the

IDMC platform, launched our Generative AI Blueprint for Mosaic AI and released our Cloud Data Integration and Cloud Data Integration Free services. Finally we announced a new strategic partnership Native SQL ELT for Databricks with MongoDB to bring a cloud-native, trusted data-driven applications to customers across financial services, insurance and healthcare verticals. support for native Databricks Gen AI functions.

Global System Integrators. We have deep relationships with leading global system integrators, or GSI, such as Accenture, Capgemini, Cognizant, Deloitte, Infosys, KPMG, LTI Mindtree, TCS and Wipro. We have over 30,000 certified Informatica professionals across these partners on IDMC, and work closely with these integrators in many of our key customer accounts on a daily basis . basis. As well as being highly skilled on IDMC, our GSI partners have built Centers of Excellence inside their Data and AI practices to help scale delivery of our solutions. Many have also built their own industry solutions to address ESG, Cloud Modernization and Customer 360 which are based on IDMC.

Channel Partners. We have a scaled and well-defined alliances program where we partner with value-added resellers and distributors across the world to expand our reach in international markets. Our relationship with these channel partners ranges from fulfillment services to co-sell or independent resell in some markets.

Collectively, our robust partner ecosystem helps us source leads, drive awareness of our AI-powered data management cloud platform, build unique and tailored solutions for customers, and provide state-of-the-art training and implementation support to our customers. We continue to invest in formal alliances with leading consulting, data management, and implementation service providers to help our customers migrate their legacy data management solutions to the cloud.

Sales and Marketing

We sell our solutions primarily through a global direct sales team, which consists of field sales, technical sales, inside sales and partner sales professionals segmented by customer size and region. Our direct sales team is focused both on new customer acquisition and driving expanded use of our products with existing customers, as well as fostering long-term collaborations to drive their multi-year journey to the cloud. The breadth of our AI-powered data management cloud platform offerings allows us to engage at many levels of an organization and across many key buying personas and functional centers including, for example, the chief data officer's organization, the chief information officer's organization, and line of business buyers like such as within the chief marketing officer's organization and chief financial officer's organization. We generally focus our sales efforts on large corporations, and our customers' decisions to purchase subscriptions to our products typically require the approval of their executive decision makers. Our teams work to educate potential customers about the benefits of our products, as well as migrating existing customers with self-managed subscription licenses to cloud offerings. The length of time from our initial contact with a customer to the customer's decision to purchase subscriptions to our products typically ranges from three to twelve months. The substantial majority of our global sales and marketing efforts are carried out by teams located in North America, EMEA and Japan. In Asia-Pacific, we go to market with a combination of direct sales and channel alliances.

Our marketing strategy is global, data-driven and digital-first, designed to generate awareness of our products and a targeted pipeline of qualified opportunities. Our marketing team combines the creation of inbound demand, to drive traffic to our website and usage of our AI-powered data management cloud platform, with direct marketing, business development, and marketing efforts targeted at business and technology leaders. We believe in a data-driven targeting of all our user personas with personalized content, offers and messaging, including joint go-to-market initiatives with our strategic partners.

Customer Support and Success

We support our customers through a global customer support and success team consisting of approximately 900 1,000 employees as of December 31, 2023 December 31, 2024, primarily based out of 10 locations worldwide anchored around our major delivery hubs in Bangalore and Redwood City and Maidenhead . City. The primary objective of this team is to support our customers; helping them to realize optimal business value from our products by providing the right subject matter expertise to accelerate value creation. Our delivery framework is the right blend of people and technology, powered by a technology platform to interact with our customers and offer digital knowledge assets tailored to the customer persona for in-depth guidance on how to drive business outcomes with Informatica solutions. This team also manages customer renewals, and our renewal rates for subscription and maintenance in 2023 2024 were 92% 90% and 95% 92%,

respectively. Our Customer Satisfaction ("CSAT") score for the fourth quarter of 2023 2024 was 4.7/ 4.73/5.0, with approximately 79% 81.5% of our customers who responded to the survey rating us 5/5. The CSAT score is determined

based on an internal survey of customers following the close of any support case, whereby customers rate their experience between 1 and 5 (with 5 being the highest). We achieved a 17% 15.3% response rate for this survey and therefore the results may not be reflective of our broader customer base.

Research and Development

We manage our research and development costs with strategic development centers across the globe– globe located in Redwood City, California; Toronto, Canada; Stuttgart, Germany; Dublin, Ireland; and Bangalore, India. With over 1,700 1,750 full-time employees dedicated to research and development as of December 31, 2023 December 31, 2024, we spend over $300 million $300 million annually in research, development and related activities to advance our AI-powered data management cloud platform roadmap. On the partnership front, we are heavily invested in joint innovation and joint solutions with the major hyperscalers and cloud platforms . platforms. For additional information on our technology collaborations, see the section titled "—Our "Our Partners."

Competition

The markets we serve are highly competitive and rapidly evolving. With the launch of Informatica IDMC, we believe we are the first data management vendor to offer enterprises a single cloud platform serving a comprehensive range of data management requirements. Our competition includes the following:

- Hand-coded custom-built solutions developed by internal IT teams;
- Point solution vendors that compete with one or more of our products;
- Cloud service providers ("CSPs") with limited platform-specific capabilities in data management; and
- Full stack software vendors that compete in the data management solutions market.

We compete on the basis of a number of factors, including:

- ability to offer a comprehensive platform with best of breed products;
- interoperability with multi-cloud, hybrid environments and applications;
- ability to embed advanced AI and machine learning in our AI-powered data management cloud platform;
- performance, reliability and security;

- ease of deployment and ease of use by the full breadth of data practitioners;
- elasticity and ability to quickly scale services;
- strength of cloud ecosystem partnerships;
- responsiveness to evolving customer needs and use cases;
- success of sales & marketing efforts;
- quality of customer support; and
- brand awareness and reputation.

We believe, based on the factors listed above, that we are favorably positioned relative to our competitors. Nonetheless, some of our competitors have advantages over us, such as greater financial resources, larger sales forces, better brand recognition, longer operating histories, and more expansive geographical footprints. For additional information see section titled "Risk Factors—Risks Related to Our Business."

Regulatory Matters

We are subject to a variety of laws in the United States and abroad, including laws regarding privacy, data protection, data security, data retention and consumer protection, accessibility, sending and storing of electronic messages, human resource services, employment and labor laws, workplace safety, intellectual property and the

provision of online payment services, including credit card processing, consumer protection laws, anti-bribery and anti-corruption laws, export controls, international sanctions laws, federal securities laws and tax regulations, which

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are continuously evolving and developing. The manners in which existing laws and regulations are applied to SaaS businesses, and how they will relate to our business in particular, both in the United States and internationally, often are unclear. For example, we sometimes cannot be certain which laws will be deemed applicable to us given the global nature of our business, including with respect to such topics as privacy, data protection and security, pricing, advertising, taxation, content regulation and intellectual property ownership and infringement.

In addition, regulatory authorities around the world are considering a number of legislative and regulatory proposals concerning climate-related matters, privacy, data protection, AI, spam, data storage, data localization, content regulation, cybersecurity, sanctions and export controls, government access to personal information and other matters that may be applicable to our business. More countries are enacting and enforcing laws related to the appropriateness of content and enforcing those and other laws by blocking access to services that are found to be out of compliance. It is also likely that as our business grows and evolves, as an increasing portion of our business shifts to the cloud, and as our solutions are used by additional groups, we will become subject to laws and regulations in additional jurisdictions. For additional information, see the section titled "Risk Factors—Risks Related to Regulation."

Privacy, Data Protection and Security

We place a priority on privacy, data protection and security. We are subject to, and maintain various policies and practices designed to comply with, applicable U.S. and foreign privacy, data protection and security laws, regulations, standards and contractual and other obligations, including with respect to our use, disclosure and other processing of personal information. These obligations, as well as their interpretation, are evolving and we expect them to continue to change over time, which have required, and may require, us to modify our practices and policies and to incur substantial costs and expenses in an effort to comply.

Our information systems and technical infrastructure for cloud services are hosted within SOC 2® attested data centers and utilize a combination of clustering, multiple datacenters and data replication to maintain high availability and resiliency. Our cloud subscription offerings utilize identity and access controls, multi-factor authentication, real-time security monitoring, and both encryption in transit and encryption at rest to protect customer data using keys unique to each tenant. We may need to take additional measures to maintain and improve our information security posture in an effort to avoid security breaches or incidents, including those affecting personal information or other sensitive or proprietary data. For additional information regarding risks relating to privacy, data protection, and security, see the sections titled "Risk Factors—Risks Related to Regulation." and ITEM Item 1C. "Cybersecurity."

Human Capital Management

Our Values: DATA (Do Good, Act as One Team, Think Customer-First and Aspire & Innovate) are our foundation and define the Informatica experience. With the mutual goals of "delighting our employees and our customers", we invest with strong intent to the lifecycle journey beginning with recruiting and onboarding, fostering a culture of inclusiveness, diversity, equity inclusion and belonging with a focus on growing both the business and our employees. Our employees receive competitive compensation and benefit programs, and are recognized in a number of ways, including employee driven appreciation and recognition programs. We frequently survey our employees and work with their feedback, we consistently identify new and better ways to continually strengthen our culture. Our commitment to our employees was especially evident during the pandemic, provide an environment that supports their personal and we have continued hybrid work protocols, with a multitude of programs designed to drive wellness and engagement as well as at home productivity. professional wellbeing. This commitment has been reflected in strong engagement scores.

As of December 31, 2023 December 31, 2024, we had over 5,000 5,200 full-time employees, including approximately 1,700 1,750 in product development, 1,200 1,400 in sales and marketing, 1,500 1,400 in operations and customer support, and 600 650 in general and administrative. As of December 31, 2023 December 31, 2024, over 3,600 3,300 of our employees were located outside the United States, with approximately 2,400 2,450 of our employees located in India. None of our U.S. employees are covered by collective bargaining agreements. However, in certain countries in which we operate, we are subject to, and comply with, local labor law requirements which may automatically make our employees subject to industry-wide collective bargaining

agreements. We may be required to comply with the terms of these collective bargaining agreements. We believe our employee relations are good, and we have not experienced any work stoppages.

Diversity

Inclusion and Inclusion Belonging

We are proud to be a global leader in the promotion and practice of diversity inclusion and inclusion. belonging. In addition to having offices and employees all over the world, we take pride in and celebrate our cultural diversity. Informatica searches the globe for top talent in an effort to recruit and hire diverse individuals with a variety of skills, experiences, and backgrounds. Our objective is to continue to improve our hiring, development, advancement, and retention of diverse talent and to foster an environment of inclusivity, diversity, equity and belonging ("IDEB"). global talent. Our employees are key contributors to supporting our IDEB vision goals with employee resource groups, postings and education, on our IDEB site, organized company-wide celebrations, speakers, and community outreach.

We require our employees and managers to participate in training programs directed at maintaining a harassment-free, diverse, inclusive, and secure workplace. With our diverse employee population, we uphold the rights to work in an environment that promotes equal opportunity and prohibits discriminatory practices against race, color, national origin, ancestry, caste, medical condition, religious creed (including religious dress and grooming practices), marital status, registered domestic partner status, sex, sexual orientation, gender identity and expression, genetic characteristics and information, age, veteran status, or any other protected characteristic. We are committed to cultivating a respectful workplace and preventing harassment in all its forms.

Health and Safety

We recognize that a healthy environment and safe workplaces are critical to our business, strategy, and communities. We address environmental issues in an integrated manner to encompass protection of the environment as well as the health and safety of our workforce. Our policy is in place to protect our employees, families, customers, and our communities. We now use a hybrid working model for employees worldwide.

Compensation and Benefits

We provide robust market-based compensation and benefits to our employees. In addition to competitive base salaries, all qualified employees are eligible for variable pay and to participate in our Employee Stock Purchase Plan ("ESPP"). We grant equity awards to attract, reward and retain employees. Executive-level employees may receive performance stock units which are eligible to vest upon achievement of key financial targets. targets or market conditions.

To support the health and wellness of our workforce, we offer premium health coverage with minimal out-of-pocket contributions for our global employees as well as a number of other welfare programs for added security. Employees also are well supported in their time-off needs.

Training and Development

We believe every employee can make a difference and can shape their career at Informatica, so we empower them in their roles to explore various career paths. We assist employees as they grow in a role in general career advancement with access to both on-line, classroom and virtual training. Employees have access to both a rich array of technical and professional development opportunities.

Communication and Engagement

Frequent and transparent communications are paramount at Informatica to engage and inform our teams. We utilize multiple communication channels to ensure our employees and managers receive timely information regarding the business strategy, product and service releases, financial results and priorities; as well as how to stay connected.

Intellectual Property

Our success depends in part upon our proprietary technology. We rely on a combination of patent, copyright, trademark and trade secret rights, confidentiality procedures, and licensing arrangements to establish and protect our proprietary rights. As of December 31, 2023 December 31, 2024, we had 35 49 patent applications filed and 128 129 patents issued in a variety of jurisdictions. Our issued patents are scheduled to expire at various times through February 2041. May 2043. In addition, we have registered identifiers important to our business including "Informatica" and "CLAIRE" as trademarks in the

United States and other jurisdictions. We are also the registered holder of a variety of domestic and international domain names that include "Informatica" and similar variations. In addition to the protections provided by our intellectual property rights, as part of our confidentiality procedures, we generally enter into non-disclosure agreements with our employees, distributors, and corporate partners and into license agreements with respect to our software, documentation, and other proprietary information. Where appropriate, we have also entered into patent cross-license agreements with third parties, thereby acquiring additional intellectual property rights which preserve our ability to pursue normal business activity and minimize our risks in entering new and adjacent technology markets.

Nonetheless, our intellectual property rights may not be successfully asserted in the future or may be invalidated, circumvented, or challenged. Our industry is characterized by the existence of a large number of patents and frequent claims and related litigation based on allegations of patent infringement or other violations of intellectual property rights. We believe that competitors will try to develop products and services that are similar to ours and that may infringe our intellectual property rights. Our competitors or other third parties may also claim that our AI-powered data management cloud platform infringes their intellectual property rights. From time to time, third parties have in the past and may in the future assert claims of infringement, misappropriation or other violations of intellectual property rights against us or our customers or channel partners, whom our license or other agreements may obligate us to indemnify against these claims. Successful claims of infringement by a third party could prevent us from offering certain services or features, require us to develop alternate, non-infringing technology, which could require significant time and during which we could be unable to continue to offer our affected subscriptions or services, require us to obtain a license, which may not be available on reasonable terms or at all, or force us to pay substantial damages, royalties or other fees. As we face increasing competition and gain an increasingly higher profile, the possibility of intellectual property rights claims against us grows. We are not aware of any current infringement of any third-party patents or other proprietary rights by us, although we cannot guarantee this is the case. In addition, the laws of various foreign countries where our products are distributed do not protect our intellectual property rights to the same extent as U.S. laws. Our inability to protect our proprietary information could harm our business. For a further discussion of our intellectual property rights, see the section titled "Risk Factors—Risks Related to Our Intellectual Property."

Corporate Information

We were incorporated in Delaware in June 2021. Our principal executive offices are located at 2100 Seaport Boulevard, Redwood City, California 94063, and our telephone number is (650) 385-5000.

Informatica, the Informatica logo and our other registered or common law trademarks, service marks or trade names appearing in this Report are the property of Informatica Inc. and its consolidated subsidiaries. This Report contains trademarks and trade names of other businesses that are the property of their respective holders. We have omitted the ® and ™ designations, as applicable, for the trademarks we name in this Report.

Available Information

Our website is located at www.informatica.com, and our investor relations website is located at http://investors.informatica.com. We have used, and intend to continue to use, our Investor Relations website as a means of disclosing material non-public information and for complying with our disclosure obligations under Regulation FD. Copies of our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, and amendments to these reports filed or furnished pursuant to Section 13(a) or 15(d) of the Exchange Act are available, free of charge, on our investor relations website as soon as reasonably practicable after we file such material electronically with or furnish it to the Securities and Exchange Commission, or the SEC. The SEC also maintains a website that contains our SEC filings. The address of the site is www.sec.gov.

ITEM 1A. RISK FACTORS

Investing in our Class A common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information contained in this Report, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and the related notes thereto, before making a decision to invest in our Class A common stock. 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 factors that affect us. If any of the risks occur, our business, financial condition, operating results and prospects could be materially and adversely affected. In that event, the market price of our Class A common stock could decline, and you could lose part or all of your investment.*

Risk Factor Summary

Our business is subject to numerous risks and uncertainties that you should consider. These risks include, but are not limited to, the following:

- If we are unable to attract and retain customers, our future results of operations could be harmed.
- Our business and revenue have been adversely affected and could in the future be adversely affected by macroeconomic factors in the global economy, including those related to inflationary pressures, interest rate volatility, and uncertainty in the financial services industry, shifting foreign exchange rates, tariffs, and geopolitical disruptions, and the effects of global health crises. disruptions.
- A security breach or incident may compromise the integrity of our products, create service outages for our hosted products, or allow unauthorized access to our network or our customers' data, harm our reputation, create additional liability and adversely impact our financial results.
- We have experienced strong subscription revenue growth in recent periods, and our recent growth rates may not be indicative of our future growth.
- If our existing customers terminate or do not renew their subscriptions or maintenance contracts, or renew for shorter durations, it could have an adverse effect on our business and results of operations.
- If we do not successfully manage our strategy and business model transition for our cloud- and subscription-based offerings, including our consumption-based license model, our business may become more difficult to predict and our results of operations may be adversely affected.
- Legal and regulatory changes in jurisdictions in which we do business, including regulations relating to localization and transfer of personal and other regulated types of data, and changes in the manner in which those laws and regulations are interpreted and enforced, could impose additional costs on the operation of our products and services, require changes in their functionality, or reduce customer demand.
- The loss of our key personnel, unexpected sales force personnel turnover or decrease in sales force productivity, or the inability to attract and retain additional skilled personnel could adversely affect our ability to grow our company successfully and may negatively impact our results of operations.
- If we are unable to successfully respond to technological advances and evolving industry standards, we could experience a reduction in our future product sales, which would cause our revenues to decline.
- Our current research and development efforts, including the introduction of new products, the integration of acquired products, and the enhancements of existing products, may not be successful or result in significant revenue, cost savings or other benefits in the near future, if at all.

Risks Related to Our Business and Industry

If we are unable to attract and retain customers, our future results of operations could be harmed.

The success of our business depends on our ability to attract and retain customers. To do so, we must persuade decision makers at enterprises and other organizations that our products offer significant advantages over those of our competitors. Other factors, many of which are out of our control, have impacted or may in the future impact our ability to attract and retain customers, including:

- our failure to generate sufficient awareness and demand for our products;
- our failure to meet sales targets for net new subscription business including our cloud offerings;
- our failure to migrate on-premise products to cloud subscription offerings;

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- potential customers' commitments to existing vendors;
- potential customers' greater familiarity and/or comfort with our competitors' products;
- real or perceived switching costs;
- real or perceived complexity deploying our products;
- our failure to help our customers successfully deploy and use our products;
- our failure to satisfy customer demand for new features, products and services;
- our failure to expand sales via additional new products with existing customers;
- potential customers' failure to appreciate the benefits of our platform relative to their existing data management products;
- our competitors' product offerings and pricing strategies being considered favorable to ours;
- our failure to expand, retain, motivate and align our sales and marketing personnel;
- our failure to develop or expand relationships with existing sales partners or to attract new sales partners;
- the adoption of new, or amendment of existing, laws, rules and regulations that negatively impact the utility of our products;
- the perceived risk, commencement or outcome of litigation against us; and
- deteriorating general economic conditions.

If our efforts to attract and retain customers are not successful, our revenue and rate of revenue growth may decline, we may not be able to achieve, or successfully sustain, profitability, our business may become more difficult to predict, and our future results of operations could be materially harmed.

Our business and revenue have been adversely affected and could in the future be adversely affected by global macroeconomic factors, including those related to inflationary pressures, interest rate volatility, shifting foreign exchange rates, tariffs, and uncertainty in the financial services industry, geopolitical disruptions, and the effects of global health crises. disruptions.

Continuing concerns over economic and business prospects in the United States and throughout the world, including impacts related to inflationary pressures, interest rate volatility, and uncertainty in the financial services industry, shifting foreign exchange rates, tariffs, and geopolitical disruptions have contributed to increased volatility and diminished expectations for the global economy. Uncertainty regarding actual or anticipated actions by the current U.S. administration, and actual or anticipated responsive actions from other world actors, could exacerbate these concerns. As a global company, we are subject to the risks arising from adverse changes in the domestic and global economies. In addition, uncertainty in the macroeconomic environment and associated global economic conditions have resulted in volatility in credit, equity, and foreign currency markets. In prior years, fluctuations in foreign currency exchange rates have negatively affected, and in the future could negatively affect our revenues from time to time. Our revenues are subject to increased foreign currency exchange volatility, resulting in a favorable positive impact of approximately $2.6 million $0.2 million from foreign currency exchange rates for the year ended December 31, 2023 December 31, 2024 compared to the year ended December 31, 2022 December 31, 2023. These Such macroeconomic conditions have in the past and are likely to continue to may in the future adversely affect the buying patterns of our customers and prospective customers, including the length of sales cycles, our overall pipeline and pipeline conversion rates, and our revenue growth expectations. In addition, we have experienced, and could experience in the future, delays in payments or cancellations from our customers experiencing weakness in their business as a result of the macroeconomic environment and associated global economic conditions, which could increase our credit risk exposure or adversely impact our cash flows and harm our financial condition. For example, starting in 2022, and 2023 we experienced increased customer scrutiny and ROI thresholds on investments, resulting in the lengthening of many sales cycles and a decrease in pipeline conversion rates and slower revenue growth. rates. If

macroeconomic or geopolitical conditions continue to deteriorate or if the recovery is delayed, slows or is uneven, our overall results of operations could be adversely affected, we may not be able to grow at the rates we have experienced in the past and we could fail to meet the expectations of investors.

The full extent of the impact of current macroeconomic factors, including those related to inflationary pressures, interest rate volatility, and uncertainty in the financial services sector, foreign exchange rates, tariffs, and geopolitical disruptions, and the effects of global health crises, on our operational and financial performance remains uncertain and will depend on many factors outside of our control. Due to our subscription-based business model, the effects of any such factors may not be fully reflected in our results of operations until future periods. To the extent these factors adversely affect our business, results of operations, and financial condition, this may also have the effect of heightening many of the other risks described in this section.

A security breach or incident may compromise the integrity of our products, create service outages for our hosted products, or allow unauthorized access to our network or our customers' data, harm our reputation, create additional liability and adversely impact our financial results.

We make significant efforts to implement cybersecurity risk management processes that maintain the security and integrity of our product source code and the computer systems that are used to develop and host our products. However, the threats to computer systems, networks and data security are increasingly diverse and sophisticated. In addition to traditional computer "hackers," ransomware attacks, malicious code (such as viruses and worms), employee error, theft or misuse, and denial of service attacks, sophisticated nation-state and nation-state supported actors now engage in intrusions and attacks (including advanced persistent threat intrusions), and fundamental software vulnerabilities add to the risks to our products and computer systems, including our internal network and service providers' systems, and the information they store and process. These risks and threats are heightened by the fact that many of our employees and service providers work remotely. Like all cloud service providers and organizations, our cloud software and enterprise networks could be affected by breaches and incidents caused by cybersecurity attacks. attacks and other sources. The impact of such an incident could disrupt the proper functioning of our products, create a service outage for our cloud services, cause errors in the output of our customers' work, allow unauthorized access to, or use, disclosure, loss, acquisition, modification, unavailability, destruction or other processing of, sensitive, proprietary or confidential information of ours or our customers, and cause other destructive outcomes.

If any actual or perceived cybersecurity attack or security breach or incident affecting us or our products or services were to occur, our services could be delayed or interrupted, our reputation may suffer, customers may stop buying our products and services, we could face claims, lawsuits and other proceedings by governmental and private actors, could face fines and other potential liability, and could find it necessary or appropriate to expend significant capital and other resources to alleviate problems caused by the cybersecurity attack or security breach or incident, and our business, renewal rates, results of operations and financial condition could be negatively affected. We and our service providers may face difficulties or delays in identifying, remediating and otherwise responding to any cybersecurity attack or other security breach or incident.

In addition, as we continue to devote more resources to evaluate our computer systems, networks and products for security vulnerabilities, the cost of addressing these vulnerabilities and otherwise working to prevent security breaches and incidents could reduce our operating margins. If we do not address security vulnerabilities or otherwise provide adequate security features in our products and cloud services, customers may delay or stop purchasing our products and cloud services. Furthermore, we expect the risks related to computer system, network or security incidents to increase as we continue to develop our products and cloud subscription offerings, services, which may store, transmit and process our customers' sensitive, proprietary or confidential data, including personal or identifying information, in cloud-based IT environments. information.

We use open source and other third-party libraries and applications, which may be subject to security vulnerabilities that affect our products, services or operations. These providers historically announce security vulnerabilities in their products and libraries from time to time, which our operations and development teams monitor and evaluate for impact to our products and services. We expect these third-party providers to continue testing and making similar announcements. These announced vulnerabilities have caused our security, operations, development and customer success personnel to invest unplanned time and resources in investigation, patching, documentation, and customer communications.

We also engage third-party vendors and service providers to store and otherwise process some of our and our customers' data, including sensitive and personal information. Our vendors and service providers may also be the targets of cyberattacks, malicious software, phishing schemes, fraud and other means of effectuating security breaches and incidents. Our ability to monitor our vendors and service providers' data security is limited, and, in any

event, third parties may be able to circumvent those security measures, resulting in the unauthorized access to, or misuse, disclosure, loss, acquisition, modification, unavailability, destruction or other processing of, our and our customers' data, including sensitive and personal information. There have been and may continue to be significant supply chain attacks, and we cannot guarantee that our or our third-party providers' systems and networks have not been breached or that they do not contain exploitable defects or bugs that could result in a breach of or disruption to our systems and networks or the systems and networks of third parties that support us and our products and services.

In addition, we have acquired a number of companies, products, services and technologies and may continue to do so in the future. As a result, we may inherit additional IT security issues when we integrate these acquisitions. Throughout our history, our self-managed products have accrued historical potential security vulnerabilities. As we migrate these products and underlying features and components to our cloud platform, many of these vulnerabilities are addressed, but some may persist. These potential vulnerabilities are reviewed according

to our risk-based process that considers the residual risk based on compensating controls and other factors. Within our self-managed products, some existing vulnerabilities may become more impactful over time and some vulnerabilities may be newly discovered along with the normal course of security vulnerability disclosure. These vulnerabilities may require significant unplanned engineering effort and cost to resolve and redistribute to customers who remain on the self-managed version of our software.

Further, we have incorporated artificial intelligence ("AI") technologies into our platform, and may intend to continue to do so in the future. Our use of AI technologies may create additional cybersecurity risks or increase cybersecurity risks, including risks of security breaches and incidents. Further, AI technologies may be used in connection with certain cybersecurity attacks, resulting in heightened risks of security breaches and incidents.

Techniques used to sabotage or obtain unauthorized access to computers systems or networks are constantly evolving and, in some instances, are not identified until launched against a target. Attackers continuously evolve their methods of attack, including by utilizing AI for adversarial purposes. Geopolitical tensions and conflicts may also increase these risks. We and our service providers may be unable to anticipate these techniques, react in a timely manner, or implement adequate preventative measures. Further, we cannot assure that any limitations of liability provisions in our customer and user agreements, contracts with third-party vendors and service providers or other contracts would be enforceable or adequate or would otherwise protect us from any liabilities or damages with respect to any particular claim relating to a security breach or other security-related matter. We also cannot be sure that our existing insurance coverage will continue to be available on acceptable terms, if at all, or will be available in sufficient amounts, if at all, to cover claims related to a security incident or breach, or that the insurer will not deny coverage as to any future claim. The successful assertion of claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co-insurance requirements, could have a material adverse effect on our business, including our financial condition, operating results, and reputation.

We have experienced strong subscription revenue growth in recent periods, and our recent growth rates may not be indicative of our future growth.

We have experienced strong subscription revenue growth in recent periods. We recognized subscription revenues of $1,003.5 million $1,101.7 million, $857.2 million $1,006.8 million and $747.7 million, representing approximately 100%, 99%, and 96% of total software revenue $867.6 million during the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, respectively. The year-over-year growth rates for subscription revenue were 17% 9%, 15% 16%, and 26% 12% during the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, respectively, on the basis of year-over-year additions of $146.3 $94.9 million, $109.5 $139.2 million and $153.8 million $90.6 million in subscription revenue for those same periods. As we increase our total subscription revenue in any given period, it requires higher year-over-year increases in the absolute value of new subscription revenue are required to maintain the same percentage growth rate. As a result, our current subscription revenue growth rates have declined in the past and may continue to decline in future periods, may not be indicative of our future subscription revenue growth rates, may be adversely impacted by foreign exchange rates, and we may not be able to sustain revenue growth consistent with recent history, or at all. We believe our ability to continue to increase our subscription revenue depends on a number of factors, including, but not limited to:

- our ability to attract and retain subscription customers;
- our ability to expand within our existing subscription customer basis;
- our ability to continue to expand customer adoption of our platform;
- our ability to compete effectively against a variety of different vendors who offer data management products;
- continued growth of cloud-based services; and

- our ability to continue to develop new products to expand the offerings in our platform.

If we are unable to achieve any of these requirements, our subscription revenue growth may decline, and our business and results of operations would be adversely affected.

If our existing customers terminate or do not renew their subscription or maintenance contracts, or renew for shorter durations, it could have an adverse effect on our business and results of operations.

We expect to derive a significant portion of our Subscription ARR from our existing subscription customer base. For the year ended December 31, 2023, approximately 90% of our total Subscription ARR was generated from existing subscription customers. As a result, achieving a high renewal rate of our subscriptions is critical to our business. Our customers typically have no contractual obligation to renew their subscriptions after the completion of their then current then-current

subscription term, which is typically one to three years, and certain of our customers have a right to terminate during the subscription term. Our customers' renewal rates may decline or fluctuate, and termination rates may increase or fluctuate, as a result of a number of factors, including their lack of satisfaction with our platform or our customer support, their failure to utilize all of the IPUs purchased in their original agreement, our products' inability to integrate with new and changing technologies, the perception of frequent or severe subscription outages, delays or lags in our product uptime or latency, and a mismatch in the pricing of our products and competing offerings.

Even if our customers renew their subscriptions, they may renew for shorter subscription terms than we anticipate, they may not expand the usage of our products at the rate we are expecting, or they may insist on other renewal terms that are less economically beneficial to us. For example, in recent periods, we have experienced lower average duration of self-managed subscription renewals. We cannot be certain that our customers will renew or expand their subscriptions nor can we be certain that our customers will not terminate their subscriptions in whole or in part. If our customers terminate or do not renew their subscriptions, or renew on less favorable terms, our revenue may grow more slowly than expected or decline, our subscription renewal rate and subscription net retention rate may decline, and we may not accurately predict future revenue from existing customers.

Furthermore, in 2023, we had $496.0 million of maintenance revenue, which was 31% of our total revenue of $1,595.2 million. In 2022, we had $520.0 million of maintenance revenue, which was 35% of our total revenue of $1,505.1 million. Achieving a high renewal rate on our maintenance contracts is critical important to our business. In 2024 and 2023, maintenance revenue represented 28% and 31% of our total revenue respectively. We have experienced, and expect to continue to experience, a decline in maintenance revenue. Our customers have no contractual obligation to renew their maintenance contracts after the completion of their then-current contract term, which is typically one to three years, and certain of our customers have a right to terminate during the term. Our customers' renewal rates may decline or fluctuate, and termination rates may increase or fluctuate, as a result of a number of factors, including the change in our business model to move away from self-managed licenses in favor of cloud subscription offerings, customers' lack of satisfaction dissatisfaction with our products or our customer support, our products' inability to integrate with new and changing technologies, and a mismatch in the or our product pricing of our products and versus competing offerings.

Even if our customers renew their maintenance, they may renew for shorter terms than we anticipate or on other terms that are less economically beneficial to us. Customers may also not renew their maintenance if they want to move their perpetual licenses to a cloud architecture and we are unable to accommodate them with an acceptable migration plan. We cannot be certain that our customers will renew their maintenance nor can we be certain that our customers will not terminate their maintenance in whole or in part. If our customers terminate or do not renew their maintenance, or renew on less favorable terms, our revenue may grow more slowly than expected or decline, our maintenance renewal rate may decline, and we may not accurately predict future revenue from existing customers.

If we do not successfully manage our strategy and business model transition for our cloud- and subscription-based offerings, including our consumption-based license model, our business may become more difficult to predict and our results of operations may be adversely affected.

The continued adoption of cloud services, the increasing customer demand for subscription-based licensing, the accelerating volume and diversity of data creation, and the critical importance of security continue to redefine business computing. We offer our products on a subscription-based license model including our cloud data management products that provide our customers with functionality within a cloud-based IT environment. Our strategy and business model for these subscription-based offerings, which are also offered on a consumption-based pricing model differs from our legacy perpetual license-based model, continue to evolve and are subject to risks and uncertainties. It is difficult to forecast the revenue mix of perpetual, maintenance, self-managed subscription

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and cloud subscription for our new sales and this makes it challenging to predict what portion of our new sales will be recognized as revenue in the current period versus recognized ratably over multiple periods.

We have continued to build on our cloud-focused strategy with the development of IDMC. As a result, we are deriving an increasing portion of our revenues over time from our subscription-based subscription and consumption-based offerings. For example, we are investing in our go-to-market strategies and customer success organization for our cloud subscription offerings and self-managed subscription products. These go-to-market strategies and efforts differ from those we have used for perpetual license self-managed software products, and may be temporarily disruptive and result in reduced sales productivity in addition to increased costs. The market for subscription-based offerings is not as mature as the market for perpetual license products and it may not develop as anticipated. In addition, market acceptance of subscription-based offerings, particularly cloud-based solutions, may be affected by a variety of factors, including concerns regarding the data security, privacy, cost, reliability, performance and perceived value associated with such offerings. Many customers have invested substantial resources on traditional, perpetually licensed, self-managed software solutions, and the related ongoing support services, and they may be unwilling or reluctant to migrate to cloud-based solutions or other subscription-based offerings. We may not be able to compete effectively or generate significant demand for or revenues from our subscription-based offerings. Also, we expect demand for our subscription-based offerings to

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unfavorably impact demand for certain of our other products and services, such as support services on perpetually licensed products. In addition, our subscription offering strategy will require continued investment in product development and operations, including cloud-based IT infrastructure. Additionally, our future success depends in part on the growth of the market for cloud data management solutions and an increase in the desire to ingest, store and process data in the cloud, and the market for cloud data management solutions and applications may not grow as expected and, even if such growth occurs, our business may not grow at similar rates, or at all. We may incur costs at a higher than expected rate as our subscription business continues to expand, adversely affecting our financial performance. In addition, we will incur costs associated with the investments in our subscription business in advance of our ability to recognize the revenue associated with our subscription offerings, which will have an adverse impact on our margins. As we continue to focus increasingly on cloud only cloud-only solutions, we have devoted, and expect that to continue to devote fewer resources will be devoted to our self-managed offerings, which may cause customers who are only interested in self-managed solutions to not renew their subscription for those self-managed solutions. If we are unable to successfully establish our subscription offerings and navigate our business model transition in light of the foregoing risks and uncertainties, our results of operations could be negatively affected.

As part of our strategy to move our business model from perpetual licenses and its associated maintenance to cloud and subscription based licensing, we have undertaken a program to migrate the installed base of our traditional PowerCenter products, which were originally under perpetual licenses and self-managed subscription licenses, to our new cloud-based data integration offerings. In furtherance of this strategy, we have discontinued support for certain self-managed offerings and may take similar actions in the future, which may cause us to lose customers and associated revenue. As part of these migration transactions, we have offered and may continue to offer our customers credits on their maintenance bills and related professional services to assist with the overall migration process. To date we have signed agreements to migrate approximately 4.8% 9.4% of that installed base maintenance and self-managed on-premise revenue to our cloud solution. These migration projects can be time consuming and may require a significant level of professional services and customer data validation work to complete. As a result, the rate at which we are able to continue to migrate our maintenance installed base is difficult to forecast and there is no guarantee that we will be able to maintain or accelerate the pace of such migration projects.

Legal and regulatory changes in jurisdictions in which we do business, including regulations relating to artificial intelligence AI and machine learning or to localization and transfer of personal and other regulated types of data, and changes in the manner in which those laws and regulations are interpreted and enforced, could deter or reduce customer demand.

Changes in laws and regulations relating to artificial intelligence AI and machine learning data ("ML"), privacy, data protection, and security, and changes in how courts and supervisory authorities interpret and enforce those laws and regulations, may have the effect of deterring customers in some jurisdictions from commencing, continuing, or expanding use of our products and services. In particular, laws and regulations relating to the localization of categories of information in the jurisdiction of origin, or to restrictions on transfer of categories of information out of the jurisdiction, may reduce demand for our provision of cloud, professional and support services and/or inhibit our ability to offer those services efficiently and effectively with the features customers desire. This risk is heightened as more customers use cloud services in lieu of self-managed software. Even where we host cloud services in a customer's jurisdiction, regulators concerned about the possibility of surveillance and intelligence gathering by foreign government entities may encourage those customers to seek alternative services of locally owned and controlled providers where available. Laws and regulations related to AI/ML may limit the use cases for which customers leverage our cloud services, particularly in sectors where AI models or systems may be deemed high risk or otherwise heavily monitored or restricted. Regulatory changes may require us to devote significant additional time and attention from our personnel to maintain or expand our customer relationships in specific jurisdictions or industries to address actual or perceived risks. Additionally, increased complexity in compliance may increase our operating costs. If we are unable to retain existing customers and attract new customers as the legal and regulatory landscape continues to change, or if we fail to adapt to these changes, our results of operations

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may suffer. See risks related to privacy, data protection and information security regulation under "Risks Related to Regulation" below.

The loss of our key personnel, an unexpected turnover in sales force personnel or decrease in sales force productivity, or the inability to attract and retain additional skilled personnel could adversely affect our ability to grow our company successfully and may negatively impact our results of operations.

We believe our ability to attract and retain highly skilled personnel and key members of our management team is critical to our long-term success. Historically, there has been a significant level of competition to attract these individuals, and we have in the past, and may in the future, experience changes in our senior management team. For example, our Chief Product Officer resigned in April 2024. As new senior personnel join our company and

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become familiar with our business strategy and systems, or as existing senior personnel assume new roles within the company, their integration or transition could result in disruption to our ongoing operations.

The future success of our business requires us to add, attract, train, and retain skilled personnel. We provide business practices training to our sales teams. Our business is subject to increasing structural and regulatory complexity which makes it more critical for us to attract and retain qualified and technically competent employees, in particular those knowledgeable about AI/ML, in the United States and internationally. If we are unable to effectively attract and train new personnel on a timely basis, or if we experience unexpected levels of turnover, our results of operations may be negatively affected.

We continue to be substantially dependent on our sales force to obtain new customers and to drive additional usage and sales among our existing customers. We believe that there is competition for sales personnel, including enterprise sales representatives and sales engineers, with the skills and technical knowledge that we require. Our ability to achieve revenue targets will depend, in large part, on our success in recruiting, training and retaining sufficient numbers of sales personnel to support our growth. Further, from time to time, we have experienced an increased level of turnover in our direct sales force, particularly in the first quarter of a year. Such increase in the turnover rate affects our ability to generate software revenues. Although we have hired replacements in our sales force and are continuing to hire additional sales personnel to grow our business, we typically experience lower productivity from newly hired sales personnel for a period of approximately nine months. We continue to invest in training for our sales personnel, including updates to cover new, acquired, or enhanced products, as we broaden our product platform. In addition, we periodically make adjustments to our sales organization in response to a variety of internal and external factors, such as changes in our strategy, market opportunities, competitive threats, management changes, product introductions or enhancements, acquisitions, sales performance, increases in sales headcount and cost levels. Such adjustments may be temporarily disruptive and result in reduced productivity. If we are unable to effectively attract, train and retain new sales personnel, particularly sales specialists or domain experts, or if we experience an increase in the level of sales force turnover or decrease in sales force productivity, our ability to generate revenues from both new and existing customers and our growth rate may be negatively affected.

We have relied on our ability to grant equity awards as one mechanism for recruiting and retaining highly skilled talent. If our stock price falls significantly below the exercise price of stock options previously granted to employees, or has fallen from the grant date value for employee RSUs, the retention value of the equity awards we have made to employees is reduced proportionally, which may lead to higher voluntary attrition rates. As a result, we may need to provide additional cash or equity compensation to recruit and retain employees.

We currently do not have any key-man life insurance relating to our key personnel, and the employment of key personnel in the United States is generally at will and not subject to employment contracts.

If we are unable to successfully respond to technological advances and evolving industry standards, we could experience a reduction in our future product sales, which would cause our revenues to decline.

The market for our products is characterized by continuing technological development, the emergence of new technologies, evolving industry standards, changing customer needs, and frequent new product introductions and enhancements. The introduction of products by our competitors or others incorporating new technologies, such as the use of AI or machine learning, AI/ML, the emergence of new industry standards, or changes in customer requirements could render our existing products obsolete, unmarketable, or less competitive. In addition, industry-wide adoption or increased use of hand-coding, open source standards or other uniform open standards across heterogeneous applications could minimize the importance of the integration functionality of our products and materially adversely affect the competitiveness and market acceptance of our products. Furthermore, the standards on which we choose to develop new products or enhancements may not allow us to compete effectively for business opportunities.

Our success depends upon our ability to enhance existing products, to respond to changing customer requirements, and to develop and introduce new products in a timely manner that keep pace with technological and competitive developments, including those that may incorporate artificial intelligence and machine learning ("AI/ML"), ML, and emerging industry standards we may be subject to, new, or heightened legal, ethical, and other challenges. We have in the past experienced delays in releasing new products and product enhancements and may experience similar delays in the future. As a result, in the past, some of our customers deferred purchasing our products until the next upgrade was released. Future delays or problems in the installation or implementation of our new releases may cause customers to forgo purchases of subscriptions to our products and purchase those of our competitors instead. Additionally, even if we are able to develop new products and product enhancements, we cannot ensure that they will achieve market acceptance.

Our current research and development efforts, including the introduction of new products, the integration of acquired products, and the enhancement of existing products, may not be successful or result in significant revenue, cost savings or other benefits in the near future, if at all.

Rapid technological changes, including changes in customer requirements and preferences, are characteristic in the software industry. In particular, in the market for enterprise data management software and services, especially for broader data management initiatives, we have experienced increased competition from new and emerging technologies and increased market confusion from our customers or prospective customers about the benefits of our products compared to other solutions. In order to address the expanding data management needs of our customers and prospective customers, and to respond to rapid technological changes, technological trends and customer concerns, we introduce new products and technology enhancements on a regular basis, including products we acquire. For example, in June 2023, we acquired Privitar Limited, a provider of data privacy and security controls for enterprise data customers. Also in 2023, we customers, and released the PowerCenter Cloud Edition to accelerate and automate much of the migration effort associated with modernizing migrations from on-premises PowerCenter to IDMC. In 2024, we introduced CLAIRE GPT and CLAIRE AI copilot. We intend to continue our investments to develop and introduce new products and product enhancements.

The introduction Introduction of new products, integration of acquired products and enhancement of existing products is a complex and costly process involving inherent risks, such as:

- the failure to accurately anticipate the impact of new and emerging technologies or changes in technological trends;
- the failure to accurately anticipate changes in customer requirements and preferences;
- delays in completion, launch, delivery, or availability;
- delays in customer adoption or market acceptance;
- delays in customer purchases in anticipation of products not yet released;
- product quality issues, including the possibility of defects and the costs of remediating any such defects;
- market confusion based on changes to the product packaging and pricing as a result of a new product release;
- market confusion based on the introduction of new and emerging technologies by us and our competitors or changes in technological trends, particularly the shift to cloud-based solutions;
- interoperability and integration issues between our existing products and newly acquired products or technologies, and the costs of remediating any such issues;
- interoperability and integration issues with third-party technologies and the costs of remediating any such issues;
- customer issues with migrating or upgrading from previous product versions and the costs of remediating any such issues;
- bugs, errors, or other defects or deficiencies in the early stages of introduction;
- loss of existing customers that choose a competitor’s product instead of upgrading or migrating to the new or enhanced product; and
- loss of maintenance revenues from existing customers that do not upgrade or migrate.

Developing our products and related enhancements is expensive. We devote significant resources to the development of new products, the acquisition of products, and the enhancement of existing products, as well as to the integration of these products with each other. We recognized $335.1 million $315.2 million, $318.8 million $335.1 million and $260.7 million $318.8 million of research and development expense during the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, respectively. Our investments in research and development may not result in significant design improvements, marketable products or features, or may result in products that are more expensive than anticipated. Additionally, we may not achieve the cost savings or the anticipated performance improvements we expect, and we may take longer to generate revenue, or generate less revenue, than we anticipate. Our future plans include significant investments in research and development and related product opportunities. We believe that we must continue to dedicate a significant amount of resources to our research and development efforts to maintain our competitive position. However, we may not receive significant revenue from these investments in the near future, if at all, or these investments may not yield the expected benefits, either of which could adversely affect our business and results of operations. For example, while the use of AI/ML are leading to advancements in technology, if they are not widely adopted and accepted or fail to operate as expected, our business and reputation may be harmed. In addition, as we develop

new products, particularly those based on new or emerging technologies, we may need to develop sales and marketing strategies that differ from the strategies we currently utilize, which may result in increased levels of investment and additional costs. For example, we are continuing to evolve our business model to increase subscription revenue and we are investing in our go-to-market strategies for our newer products.

Additionally, we have in the past experienced bugs, errors, or other defects or deficiencies in new products, including cloud subscription offerings and product updates and may have similar experiences in the future. Furthermore, our ability to increase the usage of our products depends, in part, on the development of new use cases for our products and may be outside of our control. We also have invested, and may continue to invest, in the acquisition of complementary businesses, technologies, services, products and other assets that expand the products that we can offer our customers. We may make these investments without being certain that they will result in products or enhancements that will be accepted by existing or prospective customers. Additionally, even if we are able to develop new products and product enhancements, we cannot ensure that they will achieve market acceptance. If we are unable to successfully enhance our existing products to meet evolving customer requirements, increase adoption and usage of our products, develop new products, or if our efforts to increase the usage of our products are more expensive than we expect, then our business, results of operations and financial condition would be adversely affected.

If we do not compete effectively, our revenues may not grow and could decline.

The market for our products is highly competitive, quickly evolving, and subject to rapidly changing technology, which may expand the alternatives available to our current and potential customers for their data management requirements. Our competition consists of:

- hand-coded custom-built solutions developed by internal IT teams;
- point solution vendors that compete with one of our products;
- cloud service providers ("CSPs") with limited platform-specific capabilities in data management; and
- stack vendors that compete across in many of our markets with data management solutions.

From time to time, we compete with business intelligence and analytics vendors that offer, or may develop, products with functionalities that compete with our products.

Certain of our competitors have substantially greater financial, technical, marketing, and other resources, greater name recognition, specialized sales or domain expertise, broader product portfolios and stronger customer relationships than we do and may be able to exert greater influence on customer purchasing decisions. New or emerging technologies, technological trends or changes in customer requirements may result in certain of our strategic partners, including CSPs, becoming potential competitors in the future. Our competitors may be able to respond more quickly than we can to new or emerging technologies, technological trends and changes in customer requirements. Our current and potential competitors may develop and market new technologies that render our existing or future products obsolete, unmarketable, or less competitive. In addition, new products or enhancements of existing products that we introduce may not adequately address or respond to new or emerging technologies, technological trends or changes in customer requirements. Moreover, competition from new and emerging technologies and changes in technological trends, particularly the shift to cloud-based solutions, has increased market confusion about the benefits of our products compared to other solutions.

We expect competition to increase as other established and emerging companies enter the data management and data integration software market, as customer requirements evolve and as new products and technologies are introduced. Our ability to compete depends upon many factors both within and beyond our control, including the following:

- ability to offer a comprehensive platform with best of breed products;
- interoperability with multi-cloud, hybrid environments and applications;
- ability to embed advanced AI and machine learning in our platform;
- performance, reliability and security;
- ease of deployment and ease of use by the full breadth of data practitioners;

- elasticity and ability to quickly scale services;
- strength of cloud ecosystem partnerships;

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- responsiveness to evolving customer needs and use cases;
- success of sales & marketing efforts;
- quality of customer support; and
- brand awareness and reputation.

We may have difficulty competing on the basis of price in circumstances where our competitors develop and market products with similar or superior functionality and pursue an aggressive pricing strategy. For example, some of our competitors may provide guarantees of prices and product implementation, offer data management products at no cost in order to charge a premium for additional functionality, or bundle data management products with other products at no cost to the customer or at deeply discounted prices for promotional purposes or as a long-term pricing strategy. These difficulties may increase as larger companies target the data management markets. A customer may be unwilling to pay a separate cost for our data management products if the customer has a bundled pricing arrangement with a company that offers a wider variety of products than us. As a result, increased competition, alternate pricing models and bundling strategies could seriously impede our ability to sell additional products and services on terms favorable to us.

In addition, consolidation among vendors in the software industry is continuing at a rapid pace. Our current and potential competitors may make additional strategic acquisitions, consolidate their operations, or establish cooperative relationships among themselves or with other solution providers, thereby increasing their ability to provide a broader suite of software products or solutions and more effectively address the needs of our current and prospective customers. Such acquisitions These actions could cause potential customers to defer or not proceed with purchasing our products. Our current and potential competitors may also establish products, or strengthen cooperative relationships with our current or future strategic partners, thereby limiting limit our ability to sell products through these existing channels. If any of this were to occur, our ability to market and sell our software products would be impaired. In addition, competitive pressures could reduce our market share or require us to reduce our prices, either of which could harm our business, results of operations, and financial condition.

Furthermore, during periods of U.S. or global economic uncertainty, our customers' capital spending may be significantly reduced. As a result, there is significantly increased competition for the allocation of IT budget dollars, and other IT implementations may take priority over the use of our products and services.

We may experience fluctuations in our quarterly or annual operating results, especially in the amount of self-managed subscription license and other license revenues we recognize.

Our quarterly and annual operating results, particularly the upfront point-in-time portion of revenue from new sales and contract renewals of our self-managed subscription license, and existing contract renewals, have fluctuated in the past and may do so in the future. Our self-managed products, predominantly sold under a subscription-based license, are difficult to forecast accurately and are vulnerable to short-term shifts in customer demand. We In the past, we have experienced, and may in the future experience, a reduction in contract duration for self-managed subscription license renewals, which reduces the amount of revenue that we recognize upfront on these transactions. We may also experience a reduction in contract duration for net new self-managed subscription licenses, which would reduce the amount of revenue that we recognize upfront on net new and renewal these transactions. Also, we may experience order deferrals by customers in anticipation of future new product introductions or product enhancements, as well as a result of their particular budgeting and purchase cycles. The continued global economic and geopolitical uncertainty may also cause further customer order deferrals or reductions, stricter customer purchasing controls and approval processes, and adversely affect budgeting and purchase cycles. By comparison, our short-term expenses are relatively fixed and based in part on our expectations

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of future revenues. We generally recognize a substantial portion of our self-managed product subscription license revenues in the last month of each quarter and, sometimes in the last few weeks or days of each quarter. As a result, we cannot predict the adverse impact caused by cancellations or delays in prospective orders until the end of each quarter. We have experienced, and expect to continue to experience, a decline in self-managed subscription license revenues.

Moreover, the expansion of our product portfolio through the introduction of new products and enhancements programs, and the transition to cloud and consumption-based pricing, has increased the complexity of our transactions, and this may increase increased the length of our sales cycles, and reduce reduced the predictability of the timing and the amount of future sales.

Due to the difficulty we experience in predicting our quarterly self-managed subscription license revenues, we believe that period-to-period comparisons of our operating results are not necessarily a good indication of our future performance.

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In addition, a number of the other factors discussed in this section may cause fluctuations in our quarterly or annual operating results. As a result, our future operating results or forecasts of future operating results could fail to meet the expectations of investors, which could cause our stock price to decline.

Market adoption of cloud-based data management solutions may not grow as we expect, which may harm our business, financial condition and results of operations.

The market for cloud-based data management solutions is not as mature as the market for on-premises products, and it may not develop as anticipated. In addition, market Market acceptance of cloud-based solutions may be affected by a variety of factors, including concerns regarding the security, privacy, cost, reliability, performance and perceived value associated with such offerings. Many customers have invested substantial resources on traditional, on-premises software solutions and the related ongoing support services, and they may be unwilling or reluctant to migrate to cloud-based solutions. If our cloud-based solutions do not achieve widespread adoption or the market for cloud-based data management solutions generally does not evolve as expected, it could result in reduced customer purchases, reduced renewal rates and decreased revenue, any of which will adversely affect our business, financial condition and results of operations.

If we are unable to accurately forecast sales and trends in our business, we may fail to meet expectations.

We use a “pipeline” system, a common industry practice, to forecast sales and trends in our business. Our sales personnel monitor the status of all potential sales of our products and estimate when a customer will make a purchase decision and the potential dollar amount of the sale. We aggregate these estimates periodically in order to generate a sales pipeline. We assess the pipeline at various points in time to look for trends in our business. While this pipeline analysis may provide us with some guidance in business planning and budgeting, these pipeline estimates are necessarily speculative. Our pipeline estimates may not correlate to revenues in a particular quarter or over a longer period of time, particularly in a weak or uncertain global macroeconomic environment. In addition, our pipeline estimates can prove to be unreliable in a particular quarter or over a longer period of time, in part because both the “conversion rate” of the pipeline into actual sales and the quality and timing of pipeline generation can be very difficult to estimate.

The conversion of the sales pipeline into actual license or subscription sales may also be affected by the tendency of some of our customers to wait until the end of a fiscal period in the hope of obtaining more favorable terms, which can also impede our ability to negotiate, execute and deliver on these contracts in a timely manner. Because we have historically converted a substantial portion of our pipeline into sales in the last month of each quarter and sometimes in the last few weeks of each quarter, we may not be able to adjust our cost structure in a timely manner in response to variations in the pipeline conversion rate. In addition, for newly acquired companies, we have limited ability to predict how their pipelines will convert into sales or revenues following acquisition. Any change in the conversion rate of the pipeline into customer sales or in the pipeline itself could cause us to improperly budget for future expenses that are in line with our expected future revenues, which would adversely affect our operating margins and results of operations.

A reduction in our sales pipeline and pipeline conversion rate could adversely affect the growth of our company.

We continue to experience a reduced conversion rate of our overall pipeline year over year, primarily as a result of general economic slowdowns and general macroeconomic uncertainty due in part to geopolitical disruptions, which caused the amount of customer purchases to be reduced, deferred, or cancelled. Recent and current global macroeconomic uncertainty and trends have had and may continue to have an adverse effect on our pipeline conversion rate in the near future. If we are unable to continue to increase the size of our sales pipeline and

our pipeline conversion rate, our results of operations could fail to meet the expectations of investors, which could cause our stock price to decline.

We have international operations and sales offices in other countries and have experienced and may continue to experience various leadership transitions in our worldwide sales organization.

We recognized $528.3 million $552.1 million, $535.7 million $528.3 million and $496.8 million $535.7 million of sales and marketing expense during the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, respectively. As our products become more complex and we target new customers, for our software and services, we expect to broaden our go-to-market initiatives and, as a result, our sales and marketing expenses may increase. We expect these investments to increase our revenues, sales productivity, and eventually our profitability. However, if we experience unexpected turnover in sales personnel, do not achieve expected increases in our sales pipeline, experience a decline in our sales pipeline conversion ratio, or do not achieve increases in productivity and efficiencies from our new sales personnel, as they gain more experience, then we may not achieve our expected increases in revenue, sales productivity, and profitability.

As a result of our lengthy sales cycles, our expected revenues are susceptible to fluctuations, which could cause us to fail to meet expectations.

Due to the expense, broad functionality, and company-wide deployment of our products, our customers’ decisions to purchase subscriptions to our products typically require the approval of their executive decision makers. Also, macroeconomic uncertainty, inflationary pressures, volatility and uncertainty in the financial services sector, geopolitical disruptions, and other challenging global economic conditions, have and are likely to continue to adversely affect the buying patterns of our customers and prospective customers, including stricter purchasing controls, the size of transactions, and length of our sales cycle. In addition, we frequently must educate our educating potential customers about the full benefits of our products which also can require significant time. These trends toward greater customer executive level involvement or stricter customer purchasing controls and approval processes and increased customer education efforts are likely to increase, particularly as we expand our market focus to broader data management initiatives and experience increased competition from new or emerging technologies. Further, our sales cycle has lengthened, and may continue to lengthen, as we continue to focus our sales efforts on large corporations. In addition, the purchase of subscriptions to our products may be delayed, or our sales cycle may become more complex, due to customer concerns about migrating pre-existing self-managed license products to cloud offerings, or potential conflicts in our sales channels and sales processes if as we increasingly sell our subscription-based cloud offerings to accounts that have pre-existing perpetual self-managed license-based products. As a result of these factors, the length of time from our initial contact with a customer to the customer's decision to purchase subscriptions to our products typically ranges from three to twelve months. We are subject to a number of significant risks as a result of our lengthy sales cycle that could delay, reduce or otherwise adversely affect the purchase of subscriptions to our products, including:

- changes in our customers' budgetary constraints and internal risk acceptance and review procedures;
- the timing of our customers' budget cycles;
- the seasonality of technology purchases, which historically has resulted in stronger sales of our products in the fourth quarter of the year, especially when compared to lighter sales in the first quarter of the year;
- our customers' concerns about analyses of new or retired products, programs and features introduced during the introduction of our products; sales cycle;
- our customers' concerns about managing a combination of perpetual license-based products and subscription-based products;
- our customers' concerns about migrating pre-existing perpetual license-based products to our cloud offerings;
- market confusion over the introduction of new or emerging technologies by us or our competitors or changes in technological trends, particularly the shift to cloud-based solutions; or
- potential downturns in general economic or political conditions or potential tightening of credit markets that could occur during the sales cycle.

If our sales cycles lengthen unexpectedly, they this could adversely affect the timing of our revenues or increase costs which may independently cause fluctuations in our revenues and results of operations. Finally, if we are unsuccessful in closing sales of our products after spending significant funds and management resources, our operating margins and results of operations could be adversely impacted.

The sales prices of our products may decrease, which may reduce our gross profits and adversely affect our financial results.

The sales prices for our subscription offerings and professional services may decline for a variety of reasons, including competitive pricing pressures, discounts, a change in our mix of subscription offerings, self-managed offerings and professional services and their respective margins, anticipation of the introduction of new subscription offerings or professional services, or promotional programs. Competition Additionally, currency fluctuations in certain countries and regions may negatively impact actual prices that channel partners and customers are willing to pay in those countries and regions.Competition continues to increase in the market segments in which we participate, and we expect competition to further increase in the future, thereby leading to increased pricing pressures. Larger competitors with more diverse product and service offerings may reduce the price of products or services that compete with ours or may bundle them with other products and services. We cannot guarantee that we will be successful in developing and introducing new subscription offerings with enhanced functionality on a timely basis, or that any such new subscription offerings, if introduced, will enable us to maintain our prices and gross profits at levels that will allow us to achieve and maintain profitability.

Additionally, currency fluctuations in certain countries and regions may negatively impact actual prices that channel partners and customers are willing to pay in those countries and regions. In prior years, fluctuations in foreign currency exchange rates have negatively affected, and in the future could negatively affect our revenues. Changes in foreign currency exchange rates driven by the general weakening of the U.S. dollar favorably impacted reported revenue by approximately $2.6 million in the year ended December 31, 2023. The impact on revenue from fluctuations in foreign currency is calculated by comparing current period revenue to the translated current period revenue for the year ended December 31, 2023 using the prior year's exchange rates.

We rely on our relationships with our strategic partners. If we do not establish, maintain and strengthen these relationships, our ability to generate revenue and control expenses could be adversely affected.

We believe that our ability to increase the sales of our products depends in part upon establishing, maintaining and strengthening relationships with our current strategic partners and any future strategic partners.

In addition to our direct sales force, we rely on established relationships with a variety of strategic partners, such as hyperscaler cloud partners, cloud data platforms, systems integrators, resellers, and distributors, for marketing, licensing, implementing, and supporting our products in the United States and internationally. We also rely on relationships with strategic technology partners, such as enterprise application providers, database vendors, data quality vendors, and enterprise information integration vendors, for the promotion and implementation of our products. In addition, as we develop new products, particularly those based on new or emerging technologies, we may need to establish relationships with new strategic partners, including those that may differ from the types of strategic partners we currently have. We may not be able to successfully establish such relationships, which may adversely affect the market acceptance of our products. In addition, given our limited history with our newer strategic partners, we cannot be certain these relationships will result in significant increases in sales of our products, particularly our newer products.

Our strategic partners offer products from several different companies, including, in some cases, products that compete with our products. We have limited control, if any, as to whether these strategic partners devote adequate resources to promoting, selling, and implementing our products as compared to our competitors' products. Also, new or emerging technologies, technological trends or changes in customer requirements may result in certain of our strategic partners becoming potential competitors in the future. In addition, from time to time our strategic partners have acquired, and will likely continue to acquire, competitors of ours. Such consolidation makes it critical that we continue to develop, maintain and strengthen our relationships with other strategic partners. We may not be able to strengthen such relationships and successfully generate additional revenue.

Our Informatica Partner Program agreements with our strategic partners typically have a duration of 24 months, and generally may be terminated for any reason by either party with advance notice prior to each renewal date. It should be noted that in some jurisdictions, even with a right to termination for convenience, partners may be entitled to compensation upon termination, depending on local law, their level of investment and the notice period given. There can be no assurance that we will retain these strategic partners or that we will be able to secure additional or replacement strategic partners. The loss of one or more of our significant strategic partners or a decline in the number or size of orders from any of them could harm our ability to close transactions, which would reduce our revenues and results of operations. In addition, many of our new strategic partners require extensive training and may take several months or more to achieve productivity. Our strategic partner sales structure could subject us to lawsuits, potential liability, and reputational harm if, for example, any of our strategic partners misrepresents the functionality of our offerings, violates laws or does not comply with our policies or their own policies. If our strategic partners are unsuccessful in fulfilling the orders for our

offerings, or if we are unable to enter into arrangements with and retain high quality strategic partners, our ability to sell our offerings and results of operations could be harmed.

In addition, we may not be able to maintain strategic partnerships or attract sufficient additional strategic partners who have the ability to market our products effectively, are qualified to provide timely and cost-effective customer support and service, or have the technical expertise and personnel resources necessary to implement our products for our customers. In particular, if our strategic partners do not devote sufficient resources to implement our products, we may incur substantial additional costs associated with hiring and training additional qualified technical personnel to implement solutions for our customers in a timely manner.

Furthermore, our relationships with our strategic partners may not generate enough revenue to offset the significant resources used to develop these relationships. If we are unable to leverage the strength of our strategic partnerships to generate additional revenues, our revenues could decline.

Delivering certain of our products via the cloud increases our expenses and may pose other challenges to our business.

We offer and sell software products delivered as a cloud service and software that is self-managed by our customers using their own infrastructure. Our cloud solutions enable quick setup and subscription pricing. We have less experience selling our cloud service offerings. Although a majority of our subscription revenue is currently generated from customers using our self-managed products, we We believe that over time more customers will move to the cloud offering. As more of our customers transition to the cloud, we may be subject to additional contractual obligations with respect to privacy and data protection, service level agreements, as well as competitive pressures and higher operating costs, any of which may harm our business. We are directing a significant portion of our financial and

operating resources to implement a robust cloud offering for our products, but even if we continue to make these investments, we may be unsuccessful in growing or implementing our cloud offering competitively, and our business, results of operations and financial condition could be harmed. If our cloud offering does not develop as quickly as we expect, or if we are unable to continue to scale our systems to meet the requirements of a large cloud offering, our business may be harmed.

We expect our revenue mix to vary over time, which could harm our gross margin and operating results.

We expect our revenue mix to vary over time due to a number of factors, including the mix of our self-managed subscription products, cloud subscription offerings, and professional services revenue. Due to the differing revenue recognition policies applicable to our self-managed subscriptions subscription licenses, which is recognized at a point in time, and cloud subscriptions, which is recognized ratably over the contractual term, shifts in our business mix from quarter-to-quarter or period-to-period could produce substantial variation in revenue recognized. Further, our gross margins and operating results could be harmed by changes in revenue mix and costs, together with numerous other factors, including entry into new markets or growth in lower-margin markets; entry into markets with different pricing and cost structures; pricing discounts; and increased price competition. Any one of these factors or the cumulative effects of certain of these factors may result in significant fluctuations in our gross margin and operating results. This variability, unpredictability and varying revenue recognition methods could result in our failure to meet internal expectations or those of securities analysts or investors for a particular period. If we fail to meet or exceed such expectations for these or any other reasons, the market price of our Class A common stock could decline significantly.

We have a history of losses and may not be able to achieve or maintain profitability on a consistent basis. If we cannot achieve or maintain profitability, our business, financial condition, and results of operations may suffer.

We In some quarters in the past, we have incurred net losses since we were taken private in a 2015 transaction led by Permira and CPP Investments (each a "Sponsor" and together "our Sponsors") as a result of recording $3.1 billion in acquired technology and intangible assets. The related amortization expense from these assets was $145.9

million $121.9 million, $185.6 million $145.9 million and $241.0 million $185.6 million for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, respectively. In addition, as a result of the 2015 Privatization Transaction and the debt incurred, we recognized interest expense of $151.4 million $146.1 million, $78.0 million $151.4 million and $132.4 million $78.0 million, in the fiscal years 2024, 2023 2022 and 2021, 2022, respectively. As a result, we incurred net income of $9.9 million, and net losses of $125.3 million, and $53.7 million and $99.9 million for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, respectively. As a result, we had an accumulated deficit of $1,308.5 million $1,298.7 million as of December 31, 2023 December 31, 2024. In addition, while we expect that our operating expenses will decrease year over year as percentages of total revenues in fiscal year 2024 due to the restructuring we announced in November of 2023, we anticipate that our operating expenses generally will increase in absolute dollars in the long term as we continue to enhance our offerings, broaden our customer base, expand our sales and marketing activities particularly with regard to our subscription-based offerings, expand our

operations, hire additional employees, and continue to develop our technology. These efforts may prove more expensive than we currently anticipate, and we may not succeed in increasing our revenue sufficiently, or at all, to offset these higher expenses. Revenue growth may slow or revenue may decline for a number of possible reasons, including slowing demand for our products and services or increasing competition. Any failure to increase our revenue as we grow our business could prevent us from achieving profitability or positive cash flow at all or on a consistent basis, which would cause our business, financial condition, and results of operations to suffer. Additionally, increases in interest rates have impacted and will continue to impact profitability as our Credit Facilities (as defined below) have variable interest rates which are no longer being offset by the interest rate swaps that we previously entered into and matured on December 31, 2022.

Our ability to increase sales of our offerings is highly dependent on the quality of our products and customer support, and our failure to offer high quality products and support would have an adverse effect on our business, reputation and results of operations.

After our products are deployed, our customers depend on our maintenance and support services to resolve issues relating to our products, as well as our professional services, consisting of consulting and education services. If we do not succeed in helping our customers quickly resolve post-deployment issues or provide effective ongoing support and education on our products, our ability to sell additional subscriptions to existing customers or expand the value of existing customers' subscriptions would be adversely affected and our reputation with potential customers could be damaged. Many larger enterprise and government entity customers have more complex IT environments and require higher levels of support than smaller customers. If we fail to meet the requirements of these enterprise customers, it may be more difficult to grow sales with them.

Additionally, it can take several months to recruit, hire, and train qualified technical support employees. We may not be able to hire such resources fast enough to keep up with demand, particularly if the sales of our offerings exceed our internal forecasts. To the extent that we are unsuccessful in hiring, training, and retaining adequate support resources, our ability to provide adequate and timely support to our customers, and our customers' satisfaction with our offerings, will be adversely affected. Our failure to provide and maintain high-quality products and support services would have an adverse effect on our business, financial condition, and results of operations.

Products sold as a subscription may increase the difficulty of evaluating the performance of our business during a particular period.

We recognize a portion of our total subscription revenue ratably over the term of the subscription agreements, which are typically one to three years in length. As a result, the subscription revenue we report in each quarter is the result of subscription agreements entered into during previous quarters. Consequently, a decline in subscription agreements in any one quarter may not significantly affect, if at all, our results in that quarter but could result in a reduction of revenue recognized in future quarters. We may not be able to adjust our cost structure in response to changes in revenue. Accordingly, the effect of significant downturns in sales of products sold as a subscription may not be fully reflected in our results of operations until future periods. Also, since revenue from customers is recognized, in part, over the term of their subscription, it is difficult for us to rapidly increase revenue through additional sales in any period. The timing of such revenue recognition may make it more difficult to forecast sales and trends in our business, particularly changes in revenue, and could have a potentially negative impact on our financial performance. By contrast, a significant majority of our costs are expensed as incurred. As a result, an increase in customers could result in our recognition of more costs than revenue in the earlier portion of the subscription contract term.

Furthermore, our customers have no obligation to renew their subscription agreement after the expiration of their then current subscription period, and in fact, some former customers have elected not to renew. As a result, we may not be able to accurately predict future renewal rates, and our customers' renewal rates may decline or fluctuate as a result of a number of factors, including lack of satisfaction with our subscription-based offerings, the prices of our subscription-based offerings and being uncompetitive with the prices offered by competitors, perceived security risks associated with our systems, reductions in customers' spending levels, a competitor's product being perceived as better than our product, and general economic conditions. If our customers do not renew their subscriptions, or if they renew on less favorable terms, our revenue may decline.

Any significant defect, error or performance failure in our software or services could cause us to lose revenue and expose us to product or other liability claims.

The software and services we offer are inherently complex and, despite extensive testing and quality control, have in the past and may in the future contain defects or errors, especially when first introduced, or not perform as contemplated. These defects, errors or performance failures could cause damage to our reputation, security or privacy breaches or incidents, loss of customers or revenue, product returns, order cancellations, service terminations, or lack of market acceptance of our software and services. As the use of our software and services, including software or services recently acquired or developed, expands to more sensitive, secure, or mission critical uses by our customers, we may be subject to increased scrutiny, potential reputational risk, or potential liability should our software or services fail to perform as contemplated in such deployments. We have in the past and may in the future need to issue corrective releases of our software or services to fix these defects, errors or performance failures, which could require us to allocate significant research and development and customer support resources to address these problems.

Our license and subscription agreements with our customers typically contain provisions designed to limit our exposure to potential product liability claims or liability for data loss or security or privacy breaches. However, the limitation of liability provisions contained in our license agreements may not be effective as a result of existing or future national, federal, state, or local laws or ordinances or unfavorable judicial decisions. Those limitation of liability provisions may also not be sufficient to protect against material losses if several different customers experienced security or privacy breaches or incidents related to the use of our software or services in the same year. Although we have not experienced any product liability claims to date, the sale and support of our products entail the risk of such claims, which could be substantial in light of the use of our products in enterprise-wide environments. In addition, our insurance against product liability may not be adequate to cover a potential claim.

If our products are unable to interoperate or maintain connectivity with products and services developed and maintained by third parties that are not within our control, our ability to develop and sell our products

to our customers could be adversely affected, which would result in harm to our business and operating results.

Our products are designed to interoperate with, connect to, and provide access to a wide range of third-party developed and maintained database connectors, including hardware and software technologies, which are used by our customers. The future design and development plans of the third parties that maintain these technologies are not within our control and may not be in line with our future product development plans. We may also rely on such third parties to provide us with access to these technologies so that we can properly test and develop our products to interoperate with these third-party technologies. These third parties may in the future refuse or otherwise be unable to provide us with the necessary access to their technologies. In addition, these third parties may decide to design or develop their technologies in a manner that would not be interoperable with our own. If a third party ceases to enable connectivity to products and platforms or specific features thereof, our products' value may be adversely affected, possibly resulting in customer dissatisfaction, difficulty in supporting current licenses and subscriptions, and loss of sales of future licenses and subscriptions. The continued consolidation in the enterprise software market may heighten these risks. Furthermore, our expanding product line, including our combination of products delivered on a comprehensive, unified and open data management platform makes maintaining interoperability more difficult as various products may have different levels of interoperability and compatibility, which may change from version to version. If any of the situations described above were to occur, we would not be able to continue to develop or market our products as interoperable with such third-party database connectors, which could adversely affect our ability to successfully sell our products to our customers.

Acquisitions present many risks, which could adversely affect our business, operating results and financial condition.

From time to time, we evaluate potential acquisitions in complementary businesses, products, or technologies. For example, in July 2023, we acquired Privitar Limited, a provider of data privacy and security controls for enterprise data customers.

Acquisitions involve a number of risks, including:

- the failure to capture the value of the business we acquired, including the loss of any key personnel, customers and business relationships, including strategic partnerships, or the failure of the transaction to advance our business strategy as anticipated;
- the difficulties in and costs associated with successfully integrating or incorporating the acquired company's products, technologies, services, employees, customers, partners, business operations and administrative systems with ours, particularly when the acquired company operates in international jurisdictions;

- the disruption of our ongoing business and the diversion of management's attention by transition or integration issues;
- any difficulties in consolidating the acquired company's financial results with ours, in particular as a result of different accounting principles or financial reporting standards, and the adverse consequences to us of any delay in obtaining the necessary financial information for such consolidation, any unanticipated change in financial information previously reported to us, or the impact the acquired company's financial performance has on our financial performance as a result of such consolidation;
- the failure to accurately predict how the acquired company's pipeline will convert into sales or revenues following the acquisition, as conversion rates post-acquisition may be quite different from the acquired company's historical conversion rates and can be affected by changes in business practices that we implement;

- any inability to generate revenue from the acquired company's products in an amount sufficient to offset the associated acquisition and maintenance costs, including addressing issues related to the availability of offerings on multiple platforms and from cross-selling and up-selling our products to the acquired company's installed customer base or the acquired company's products to our installed customer base; and
- the failure to adequately identify or assess significant problems, liabilities or other issues, including issues with the acquired company's technology or intellectual property, product quality, security, privacy practices, accounting practices, employees, customers or partners, regulatory compliance, or legal or financial contingencies, particularly when the acquired company operates in international jurisdictions.

We may not be successful in overcoming these risks or any other problems encountered in connection with our acquisitions. To the extent that we are unable to successfully manage these risks, our business, operating results, or financial condition could be adversely affected.

In addition, the consideration paid in connection with an acquisition also affects our financial results. If we should proceed with one or more significant acquisitions in which the consideration includes cash, we could be required to use a substantial portion of our available cash to consummate any such acquisition.

In addition, acquisitions may result in our incurring additional taxes, unforeseen or higher than expected costs, debt, material one-time write-offs, or purchase accounting adjustments including the write-down of deferred revenue and restructuring charges. They may also result in recording goodwill and other intangible assets in our financial statements which may be subject to future impairment charges or ongoing amortization costs, thereby reducing future earnings. In addition, from time to time, we may enter into negotiations for acquisitions or investments that are not ultimately consummated. Such negotiations could result in significant diversion of management time, as well as incurring expenses that may impact operating results.

If our products and services do not achieve and/or maintain broad market acceptance, our revenues and revenue growth rate may be adversely affected.

Historically, a significant portion of our revenues have been derived from sales of our traditional data management products, such as PowerCenter and PowerExchange, and related services. We expect revenue from our traditional data management products and services to continue to comprise a significant portion of our revenues for the foreseeable future. If these products and services do not maintain market acceptance, our revenues may decrease.

In addition to our traditional data management and data quality products, we have expanded our platform to include products and services in the emerging market for broader data management initiatives, such as cloud data integration, cloud application integration, cloud data quality and governance, enterprise data catalog, master data management ("MDM"), customer data platform, enterprise integration platform as a service, and data privacy management, among others. The market for our broader data management products and services remains relatively new and continues to change, and efforts to expand beyond our traditional data management products may not succeed and may not result in significant revenue. For example, we announced that we are increasing our investments to develop new products that continue to expand our offerings beyond our traditional data management products.

Our newer products may not achieve market acceptance if our customers or prospective customers:

- do not fully value the benefits of using our products;
- do not achieve favorable results using our products;

- use their budgets for other products that have priority over our products;
- defer or decrease product purchases due to macroeconomic uncertainty or global economic conditions;
- experience technical difficulties in implementing our products; or
- use alternative methods to solve the problems addressed by our products.

Market acceptance of our products may also be affected if, among other things, competition substantially increases in the data management market or transactional applications suppliers integrate their products to such a degree that the utility of the functionality that our products and services provide is minimized or rendered unnecessary. Market acceptance of our products may also be affected by customer confusion surrounding the introduction of new and emerging technologies by us and our competitors or changes in technological trends, particularly the shift to cloud-based solutions or the increase in the use of AI/ML, and confusion about the benefits of our products compared to other solutions. In addition, in order to enable our sales personnel and our external distribution channels to sell these newer products effectively, we have continued to invest resources and incur additional costs in training programs on new product functionalities, key differentiators, and key business values. If these newer products do not achieve market acceptance, our revenues could be adversely affected and our revenue growth rate and profitability could decline.

If we are not able to maintain and enhance our brand, our business and results of operations may be adversely affected.

We believe that the brand identities that we have developed have contributed significantly to the success of our business. We also believe that maintaining and enhancing our brands is important to expanding our customer base and attracting talented employees. In order to maintain and enhance our brands, we may be required to make

further investments that may not be successful. Maintaining our brands will depend in part on our ability to remain a leader in data integration and management technology, our ability to preserve our independence and neutrality, and our ability to continue to provide high-quality offerings and customer service. In addition, we could be the subject of a negative social media campaign beyond our control that could adversely affect the perception of our brand. If we fail to promote and maintain our brands, or if we incur excessive costs in doing so, our business, financial condition, results of operations and cash flows may be harmed.

Our corporate culture has contributed to our success, and if we cannot maintain this culture as we grow, we could lose the innovation, creativity and entrepreneurial spirit we have worked to foster, which could harm our business.

We believe that our culture has been and will continue to be a key contributor to our success. We expect to continue targeted hiring to support our business strategy. If we do not maintain our strong corporate culture as our workforce changes, , we may be unable to foster the innovation, creativity, and entrepreneurial spirit that we believe we need to support our growth and to maintain our leadership position in the data management market. Our 2023 previous reductions in force may also affect employee morale and relationships, which could have an effect on our corporate culture.

We rely on a number of different distribution channels to sell and market our products. Any conflicts that we may experience within these various distribution channels could result in confusion for our customers and a decrease in revenue and operating margins.

We have a number of relationships with resellers, system integrators, and distributors that assist us in obtaining broad market coverage for our products and services. Although our discount policies, sales commission structure, and reseller licensing programs are intended to support each distribution channel with a minimum level of channel conflicts, we may not be able to minimize these channel conflicts in the future. Any channel conflicts that we may experience could result in confusion for our customers and a decrease in revenue and operating margins.

The seasonality of our business can create variance in our quarterly bookings, subscription revenue and cash flows from operations.

Demand for our software products and services are generally highest in the fourth quarter and lowest in the first quarter of each year. We believe that this seasonality results from a number of factors, including companies using their IT budget at the end of the calendar year resulting in higher sales activity in the quarter ending December 31. The seasonality of our business may cause continued or increased fluctuations in our results of

operations and cash flows, which may prevent us from achieving our quarterly or annual forecasts or meeting or exceeding the expectations of research analysts or investors, which in turn may cause a decline in the trading price of our Class A common stock.

Our future quarterly or annual results may fluctuate significantly, which could adversely affect the market price of our Class A common stock.

Our results of operations, including the levels of our revenue, cost of revenue, gross margin, operating expenses, cash flow and deferred revenue, have fluctuated from quarter-to-quarter and year-to-year in the past and may continue to vary significantly in the future so that period-to-period comparisons of our results of operations may not be meaningful. Accordingly, our financial results in any one quarter or period should not be relied upon as indicative of future performance. Our quarterly or annual financial results may fluctuate as a result of a variety of factors, many of which are outside of our control, may be difficult to predict, and may or may not fully reflect the underlying performance of our business. Because the timing and amount of our revenue is difficult to forecast and because our operating costs and expenses are relatively fixed in the short term, if our revenue does not meet our expectations, we are unlikely to be able to adjust our spending to levels commensurate with our revenue. As a result, the effect of revenue shortfalls on our results of operations may be more accentuated, and these and other fluctuations in quarterly results may negatively affect the market price of our Class A common stock. Among the factors that may cause fluctuations in our quarterly financial results are those listed below:

- our ability to attract and retain new customers;
- the addition or loss of enterprise customers;
- our ability to successfully expand our business domestically and internationally;

- our ability to gain new channel partners and retain existing channel partners;
- fluctuations in the growth rate of the overall market that our solution addresses;
- fluctuations in the mix of our revenue;
- the unpredictability of the unpredictable timing of our receipt of new and renewal orders for self-managed subscriptions-based licenses, the revenue for which we typically recognize the majority of revenue upfront;
- the amount and timing of operating expenses related to the maintenance and expansion of our business and operations, including continued investments in sales and marketing, research and development and general and administrative resources;
- network outages or performance degradation of our cloud service;
- security breaches and incidents;
- general economic, industry and market conditions, including inflationary pressures, volatility and uncertainty in the financial services sector, tariffs, and any geopolitical disruptions or economic responses and counter-responses or otherwise by various global actors, including the military conflicts between Russia and Ukraine and involving Israel and Hamas; conflicts in the Middle East;
- decreases in customer renewal rates;
- increases or decreases in the number of elements of our subscription offerings or pricing changes upon any renewals of customer agreements;
- changes in our pricing policies or those of our competitors;
- the budgeting cycles and purchasing practices of customers;
- decisions by potential customers to purchase alternative solutions from larger, more established vendors, including from their primary software vendors;
- decisions by potential customers to develop in-house solutions as alternatives to our platform;
- insolvency or credit difficulties confronting our customers, which could adversely affect their ability to purchase or pay for our software and services;
- delays in our ability to fulfill our customers' orders;
- seasonal variations in sales of our solution;

- the cost and potential outcomes of future litigation or other disputes;
- future accounting pronouncements or changes in our accounting policies;
- our overall effective tax rate, including impacts caused by any reorganization in our corporate tax structure and any new legislation or regulatory developments;
- fluctuations in stock-based compensation expense;
- fluctuations in foreign currency exchange rates;
- the timing and success of new products and service introductions by us or our competitors or any other change in the competitive dynamics of our industry, including consolidation among competitors, customers or strategic partners;
- the timing of expenses related to the development or acquisition of technologies or businesses and potential future charges for impairment of goodwill from acquired companies; and
- other risk factors described in this Report.

Our investment policy allows an investment portfolio that may be subject to credit and liquidity risks and fluctuations in the market value of our investments and interest rates, which may result in impairment or loss of value of our investments, an inability to sell our investments or a decline in interest income.

Our investment portfolio invests in cash, cash equivalents, money market funds with highly rated financial institutions and highly liquid marketable debt securities that are rated single A or above and held in a separate custody account with a highly rated financial institution. Our investment policy allows us to invest in instruments such as certificates of deposit, commercial paper, corporate notes and bonds, municipal securities, and U.S. government and agency notes and bonds. Although we will follow an established investment policy, which specifies credit quality standards for our investments and limits the amount of credit exposure to any single issue, issuer, or type of investment, and other criteria in order to help mitigate our exposure to interest rate and credit risk, the assets in our investment portfolio may lose value or become impaired, or our interest income may decline. We may be required to record impairment charges for other-than-temporary declines in fair market value in our investments. Future fluctuations in economic and market conditions could adversely affect the market value of our investments, and we could record additional impairment charges and lose some of the principal value of investments in our portfolio. A total loss of an investment or a significant decline in the value of our investment portfolio could adversely affect our operating results and financial condition.

In addition, from time to time we may make strategic investments in private companies. Our strategic investments in private companies are subject to risk of loss of investment capital. Some of these investments may have been made to further our strategic objectives and support our key business initiatives. Our strategic investments in private companies are inherently risky because the markets for the technologies they have under development are typically in the early stages and may never materialize. We could lose the value of our entire investment in these companies.

We may not be able to successfully manage the growth of our business if we are unable to scale our operations and enhance our internal systems, processes, and controls.

We continue to experience growth in our customer base and operations, which may place a strain on our management, administrative, operational and financial infrastructure. We anticipate that additional investments in our infrastructure will be necessary to scale our operations and increase productivity. These additional investments will increase our costs and may adversely affect our operating margins if we are unable to sufficiently increase revenues to cover these additional costs. If we are unable to successfully scale our operations and increase productivity, we may be unable to execute our business strategies. We may need to enter into additional lease commitments or expand existing facilities, which may adversely affect our cash flows and results of operations.

We utilize third-party data center facilities and public cloud providers, including AWS, Microsoft Azure and Google Cloud, to host certain of our services, systems and data. Each of our commercial agreements with AWS, Microsoft Azure and Google Cloud have master agreements with three-year terms through 2024 or pricing addenda extending to dates in 2025 to 2027 and will remain in effect until terminated by us or the respective counterparty. AWS may terminate the master agreement for convenience by providing us at least 180 days' advance notice or for cause upon a material breach of the agreement, subject to a 30-day notice and cure period. period; provided, however, that AWS may not terminate for convenience during the current pricing addendum. Microsoft Azure may terminate the master agreement without cause for convenience upon 60 days' notice or for material breach, subject to a 30-day notice and cure period. period; provided, however, that Microsoft Azure may not terminate for convenience during the current pricing addendum. Google Cloud may terminate the master agreement for material breach

with a 30-day notice and cure period, if we cease operations or become subject to insolvency proceedings and the proceedings are not dismissed within 90 days, or we are in material breach more than twice notwithstanding any cure of such breaches. From time to time, we renegotiate or renew these agreements to meet our business needs, and there can be no assurance that we will be able to do so on commercially reasonable terms, or at all. While we believe that we could adjust or renew our agreements or transition among these cloud infrastructure providers or to alternative providers on commercially reasonable terms if needed, in the event any of these third-party facilities or public cloud providers become unavailable due to outages, interruptions or other unanticipated problems, or because they are no longer available on commercially reasonable terms, we and some of our customers would incur additional development and other increased costs to enable the transition, we may fail to meet our service level obligations in our customer agreements, and our operations may be impaired, which would adversely affect our business.

In addition, we need to continue to enhance our internal systems, processes, and controls to effectively manage our operations and growth. We are continually investing resources to upgrade and improve our internal systems, processes and controls, human resources information systems and our enterprise resource planning systems, in order to meet the growing requirements of our business, but we cannot guarantee we will do so effectively or efficiently.

Upgrades to our internal systems, processes, and controls may require us to implement incremental internal controls or additional reporting measures to evaluate the effectiveness of such upgrade or improvement, or to adopt new processes or procedures in connection with the upgrade or improvement. We may not be able to successfully implement upgrades and improvements to our systems, processes, and controls in an efficient or timely manner, if at all, and we may discover deficiencies in existing systems, processes, and controls, which could adversely affect

our business. business or result in increased costs. We have licensed technology and utilized support utilize services from various third parties to help us implement upgrades and improvements. We may experience difficulties in managing upgrades and improvements to our systems, processes, and controls or in connection with third-party software, which could disrupt existing customer relationships, causing us to lose customers, limit us to smaller deployments of our products, or increase our technical support costs. The support services available for nature of such third-party technology, support, and other services also may be negatively affected by mergers and consolidation in the software industry, and support and other services for such technology may not be available to us in the future. In addition, we use both self-managed and cloud resources, and any security or other flaws in such resources could have a negative impact on our internal systems, processes, or controls.

We may also need to realign resources from time to time to more efficiently address market or product requirements. For example, in January 2023, we announced a plan to reduce our workforce by approximately 450 employees, representing approximately 7% of our current then-current global workforce (the "January Plan"), and in November 2023, we announced a plan to reduce our workforce by approximately 500 employees, representing approximately 10% of our current then-current global workforce, and reduce our global real estate footprint (the “November Plan” "November Plan"). As disclosed in our Current Report on Form 8-K, filed on November 1, 2023, we estimated that we will incur non-recurring charges of approximately $35 million to $45 million in connection with the November Plan, primarily related to cash expenditures for employee transition, notice period and severance payments, employee benefits, real-estate related charges, and other costs. We expect that the majority of these charges will be incurred by the end of the first quarter of 2024 and the implementation of the November Plan to be substantially complete by the end of the third quarter of 2024. To the extent the current or any future realignment requires changes to our products and services, internal systems, processes, and controls or organizational structure, including a slowdown in hiring or a further reduction in force, we could experience disruption in customer relationships, reduction in revenues, increases in costs, increased employee turnover, and decreased employee morale and productivity. Furthermore, as we expand our geographic presence and capabilities, we may also need to implement additional or enhance our existing systems, processes and controls to comply with U.S. and international laws.

Risks Related to Regulation

Our effective tax rate is difficult to project, and changes in such tax rate or adverse results of tax examinations could adversely affect our operating results.

Based on our corporate structure, we may be subject to taxation in several jurisdictions around the world with increasingly complex tax laws, the application of which can be uncertain. We are a United States-based multinational company subject to tax in multiple United States and foreign tax jurisdictions. Our results of operations would be adversely affected to the extent that our geographical mix of income becomes more weighted toward jurisdictions with higher tax rates and would be favorably affected to the extent the relative geographic mix of income shifts to lower tax jurisdictions. Any change in our mix of earnings is dependent upon many factors and is

therefore difficult to predict. The amount of taxes we pay in these jurisdictions could increase substantially as a result of changes in the applicable tax principles, including increased tax rates, new tax laws or revised interpretations of existing tax laws and precedents. . The Organization for Economic Co-operation and Development ("OECD") has introduced a framework to implement a global minimum corporate tax of 15%, referred to as Pillar 2. While some countries have begun implementing framework rules effective in 2024, most countries, including the United States, have not enacted comprehensive legislation to address the new global minimum tax rules. It is possible that as countries enact rules to implement the new framework that our tax uncertainty could increase and ultimately affect our provision for income taxes.In taxes. In addition, the authorities in the jurisdictions in which we operate could review our tax returns or require us to file tax returns in jurisdictions in which we are not currently filing, and could impose additional tax, interest and penalties. These authorities could also claim that various withholding requirements apply to us or our subsidiaries, assert that benefits of tax treaties are not available to us or our subsidiaries, or challenge our methodologies for valuing developed technology or intercompany arrangements, including our transfer pricing. The relevant taxing authorities may determine that the manner in which we operate our business does not achieve the intended tax consequences. If such a disagreement was to occur, and our position was not sustained, we could be required to pay additional taxes, interest and penalties. Any increase in the amount of taxes we pay or that are imposed on us could increase our worldwide effective tax rate and harm our business, financial condition and results of operations.

The process of determining our anticipated tax liabilities involves many calculations and estimates that are inherently complex and make the ultimate tax obligation determination uncertain. As part of the process of preparing our consolidated financial statements, we are required to estimate our income taxes in each of the jurisdictions in which we operate prior to the completion and filing of tax returns for such periods. This process requires estimating both our geographic mix of income and our current tax exposures in each jurisdiction where we operate. These estimates involve complex issues, require extended periods of time to resolve, and require us to make judgments, such as anticipating the outcomes of audits with tax authorities and the positions that we will take on tax returns

prior to actually preparing the returns. We also determine the need to record deferred tax liabilities and the recoverability of deferred tax assets. A valuation allowance is established to the extent recovery of deferred tax assets is not more likely than not based on our estimation of future taxable income and other factors in each jurisdiction.

Furthermore, our overall effective income tax rate and tax expenses may be affected by various factors in our business, including acquisitions, changes in our legal structure, changes in the geographic mix of income and expenses, changes in valuation allowances, and changes in applicable tax laws and accounting pronouncements. Further, the geographic mix of income and expense is impacted by the fluctuation in exchange rates between the U.S. dollar and the functional currencies of our subsidiaries.

We are under examination by various taxing authorities covering the past several years. We may receive additional assessments from domestic and foreign tax authorities that might exceed amounts reserved by us. In the event we are unsuccessful in reducing the amount of such assessment, our business, financial condition, or results of operations could be adversely affected. Specifically, if additional taxes and/or penalties are assessed as a result of these audits, there could be a material effect on our income tax provision, operating expenses, and net income in the period or periods when that determination is made.

Our failure to protect personal information adequately could have a significant adverse effect on our business.

We have implemented and maintain security measures intended to protect personal information, and we require our service providers to implement and maintain security measures intended to protect personal information they maintain or process for us. However, our security measures and those of our service providers remain vulnerable to various threats posed by hackers and criminals and by internal errors. If our or any of our service providers' security measures are overcome and any personal information that we or our service providers collect, store or otherwise process is breached, compromised or otherwise subject to loss, unavailability, unauthorized access, use or other processing, or if any of these is believed or perceived to have occurred, we may be required to comply with costly and burdensome breach notification and other obligations. We may also be subject to regulatory investigations, enforcement actions and other proceedings and private claims, demands and lawsuits. For example, the California Consumer Privacy Act ("CCPA"), as amended by the California Privacy Rights Act ("CPRA"), imposes a private right of action for certain security breaches that could lead to some form of remedy including regulatory scrutiny, fines, private action, settlements and other consequences. In addition, any actual or perceived security incident is likely to generate negative publicity and may

result in additional cost and liability to us, harm our reputation, inhibit adoption of our products by current and future customers, and adversely affect our business, financial condition, and operating results.

We are subject to various laws, regulations, standards and contractual and other obligations related to privacy, data protection and security.

We are subject to various laws, regulations, standards and contractual and other obligations relating to privacy, data protection and security. These obligations are rapidly evolving, may be subject to varying interpretations and enforcement, and are likely to remain uncertain for the foreseeable future.

Internationally, virtually every jurisdiction in which we operate has established its own privacy, data protection and security legal frameworks with which we or our customers must comply. For example, the EU's GDPR and UK's Data Protection Act impose numerous obligations relating to the processing of personal data including, with respect to transfers of personal data to other countries that have not been found to provide adequate protection to such personal data. These regimes provide for significant penalties and other consequences for noncompliance. Similarly, in the United States, various state and federal laws, regulations and standards govern privacy, data protection and security. For example, in California, the CCPA, as modified by the California Privacy Rights Act, CPRA, requires covered companies to, among other things, provide disclosures to California consumers, and afford such consumers privacy rights such as the ability to opt-out of certain sales of personal information and expanded rights to access and require deletion of their personal information, opt out of certain personal information sharing, and receive detailed information about how their personal information is collected, used and shared. Numerous other states have proposed, and in certain cases enacted similar legislation. Further, we may be required to publicly post policies and other documentation regarding our privacy, data protection, or security practices, including with respect to our use, disclosure and other processing of personal information. We also may be subject to, or be alleged to be subject to, various standards and

contractual and other obligations relating to privacy, data protection, or security, such as the Payment Card Industry Data Security Standard.

The effects of privacy, data protection and security laws, regulations, standards and contractual and other obligations are significant and have required, and may require, us to modify our practices and policies and to incur substantial costs and expenses in an effort to comply. Because the interpretation and application of many of these actual and asserted obligations are uncertain, it is possible that they may be interpreted and applied in a manner that is inconsistent with our practices or the features of our products, and we could face fines, lawsuits, regulatory investigations and other proceedings and other claims and penalties, and we could be required to fundamentally change our products or our business practices, any of which could have an adverse effect on our business. Any inability or perceived inability to adequately address privacy, data protection or security concerns, even if unfounded, or any actual or perceived failure to comply with applicable privacy, data protection or security laws, regulations, standards, or contractual or other actual or asserted obligations, could result in additional cost and liability to us, damage our reputation, inhibit sales and adversely affect our business. Furthermore, the costs of compliance with, and other burdens imposed by, such laws, regulations, standards, and contractual and other obligations that are applicable to the businesses of our customers may limit the use and adoption of, and reduce the overall demand for, our products. Privacy, data protection and security concerns, whether valid or invalid, may inhibit market adoption of our products, particularly in certain industries and countries outside of the United States. If we are not able to adjust to changing laws, regulations, standards, contractual and other obligations relating to privacy, data protection and security, our business may be harmed.

As our business expands, we are subject to increasingly complex regulatory and compliance obligations and differing business practices, both foreign and domestic, which may strain our resources and divert management's attention.

During the past few years, our organizational structure has increased in complexity due to compliance with financial reporting obligations, tax regulations and tax accounting requirements, acquisitions, our relationships with channel partners, and other regulatory and compliance requirements, including compliance with the rules and regulations related to anti-corruption and anti-bribery laws such as the U.S. Foreign Corrupt Practices Act ("FCPA") and the UK Bribery Act of 2010 ("UK Bribery Act") or those related to anti-trust or anti-competitive market practices, including Article 101(3) of the Treaty on the Functioning of the European Union or U.S. anti-trust laws. In addition, new or changing rules and regulations, including those relating to corporate governance, securities laws and public disclosure, often create uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These practices may evolve over time upon new guidance from regulatory or governing bodies, resulting in continued uncertainty regarding compliance and higher costs to adopt or modify our practices accordingly. Also, as we expand internationally, we become subject to the various rules and regulations of foreign jurisdictions. If we are unable to effectively comply with the rules and regulations applicable to us, particularly those relating to financial reporting, investors may lose confidence in our ability to manage our compliance obligations. Furthermore, we continue to develop our cloud services, which may store, transmit and process our customers' sensitive, proprietary or confidential data, including personal or identifying information, in cloud-based IT environments. These new cloud services may expose us to higher regulation than our traditional self-managed products and services, particularly with respect to privacy, data protection and security. We are also subject to the effects of actual or anticipated actions by the current U.S. administration regarding the continued validity or enforcement of existing rules and regulations, or the implementation of new rules and regulations, and actual or anticipated responsive actions from other world actors. Our efforts to comply with all of these requirements may result in an increase in expenses and a diversion of management's time and attention from other business activities. If our efforts to comply differ or are perceived to differ from those intended or required by regulatory or governing bodies, such authorities or others may initiate inquiries or other proceedings against us, and we may be subject to fines, other liabilities and damages to our reputation, any of which may have an adverse effect on our business, financial condition and results of operations.

Overall, the combination of increased structural complexity and the ever-increasing regulatory complexity make it more critical for us to attract and retain qualified and technically competent employees in the United States and internationally.We internationally. We provide business practices training and other comprehensive training to our sales teams, which has increased in rigor as our business has become more complex.

We, our employees, agents, representatives, business partners, and third-party intermediaries may have direct or indirect interactions with officials and employees of government agencies or state-owned or affiliated entities and we may be held liable for the corrupt or other illegal activities of these employees, agents, representatives, business partners, or third-party intermediaries, even if we do not explicitly authorize such activities. We maintain a presence or conduct business in the Asia-Pacific, Middle East/Africa, and Latin America

regions, where business practices can differ from those in the U.S. and can create internal control risks. We cannot assure you that all of our employees and agents will not take actions in violation of applicable law, for which we may be ultimately held responsible. Any allegations or violation of the FCPA or other applicable anti-bribery, anti-corruption laws, and anti-money laundering laws could result in, sanctions, settlements, prosecution, enforcement actions, fines, damages, adverse media coverage, investigations, loss of export privileges, severe criminal or civil sanctions, or suspension or debarment from U.S. government contracts, all of which may have an adverse effect on our reputation, business, results of operations, and prospects.

Issues in the development and use of AI, combined with an uncertain regulatory environment, may result in reputational harm, liability, or other adverse consequences to our business and operations.

We use machine learning and AI technologies in our offerings and business, including in solutions complementing our CLAIRE-powered IDMC platform, and we are making investments in expanding our AI capabilities in our products and offerings, including ongoing deployment and improvement of existing machine learning and AI technologies, as well as developing new product features using AI technologies. AI technologies are complex and rapidly evolving, and we face significant competition from other companies as well as evolving legal and regulatory landscapes. Laws and regulations applicable to AI continue to develop and may be inconsistent from jurisdiction to jurisdiction. For example, the European Union's Artificial Intelligence Act, will prohibit in force as of August 1, 2024, provides for certain obligations, restrictions upon, additional requirements, and in some cases prohibitions of, the use of certain AI applications and systems and impose additional requirements on systems. Federal regulation or authoritative oversight of AI in the use of certain applications or systems. U.S. is subject to uncertainty. The use of AI technologies in new or existing products or offerings may result in new or enhanced governmental or regulatory scrutiny, new or modified laws or regulations, claims, demands, and litigation, confidentiality, privacy, data protection, or security risks, ethical concerns, or other complications that could adversely affect our business, financial condition, results of operations and prospects.

Uncertainty around new and emerging AI technologies may require additional investment in the development and maintenance of proprietary datasets and machine learning models, development of new approaches and processes to provide attribution or remuneration to creators of training data, and development of appropriate protections, safeguards, and policies for handling the processing of data with machine learning and AI technologies, which may be costly and could impact our expenses. AI technologies also present emerging ethical and social issues, including with respect to potential or actual bias reflected in, or flawed outputs of, models. AI technologies that we make use of may produce or create outputs that appear correct but are factually inaccurate or otherwise flawed, which may expose us to brand or reputational harm, competitive harm, regulatory scrutiny, and/or legal liability.

We are subject to governmental export and import controls that could impair our ability to compete in international markets or subject us to liability if we violate these controls.

Our software is subject to U.S. export control laws and regulations including the Export Administration Regulations ("EAR"), and trade and economic sanctions maintained by the Office of Foreign Assets Control ("OFAC"). As such, an export license may be required to export or reexport our products to certain countries, end-users end-users and end-uses. Because we incorporate encryption functionality into our products, we also are subject to certain U.S. export control laws that apply to encryption items. If we were to fail to comply with such U.S. export controls laws and regulations, U.S. economic sanctions, or other similar laws, we could be subject to both civil and criminal penalties, including substantial fines, possible incarceration for employees and managers for willful violations, and the possible loss of our export or import privileges. Obtaining the necessary export license for a particular sale or offering may not be possible and may be time-consuming and may result in the delay or loss of sales opportunities. Furthermore, U.S. export control laws and economic sanctions prohibit the export of products to certain U.S. embargoed or sanctioned countries, governments and persons, as well as for prohibited end-uses. Monitoring and ensuring compliance with these complex U.S. export control laws is particularly challenging because our offerings are widely distributed throughout the world and are available for download without registration. Even though we take precautions to ensure that we and our partners comply with all relevant export control laws and regulations, any failure by us or our partners to comply with such laws and regulations could have negative consequences for us, including reputational harm, government investigations and penalties. These risks are heightened in the case of rapidly evolving world events, such as those in Ukraine and Eastern Europe, as the United States, other countries and global coalitions have issued numerous sanctions and revisions to export control regulations against Russia, Belarus and other regions in quick succession and with very short time periods with which to fully comply. Current or future geopolitical unrest, such as the conflict involving Israel and Hamas, conflicts in the Middle East, could result in similar sanctions or regulations that would require us to undertake additional compliance efforts and create additional risks.

In addition, various countries regulate the import of certain encryption technology, including through import permit and license requirements, and have enacted laws that could limit our ability to distribute our products or could limit our end-customers’ ability to implement our products in those countries. Changes in our products or changes in export and import regulations in such countries may create delays in the introduction of our products into international markets, prevent our end-customers with international operations from deploying our products globally or, in some cases, prevent or delay the export or import of our products to certain countries, governments or persons altogether. Any change in export or import laws or regulations, economic sanctions or related legislation, shift in the enforcement or scope of existing export, import or sanctions laws or regulations, or change in the countries, governments, persons, or technologies targeted by such export, import or sanctions laws or regulations, could result in decreased use of our products by, or in our decreased ability to export or sell our products to, existing or potential end-customers with international operations. Any decreased use of our products or limitation on our ability to export to or sell our products in international markets could adversely affect our business, financial condition and operating results.

If we fail to establish or maintain an effective system of internal controls, we may be unable to accurately report our financial results or prevent fraud, and investor confidence and the market price of our Class A common stock may be adversely affected.

As a public company in the United States, we are required to maintain internal controls over financial reporting and to report any material weaknesses in such internal control. In addition, we are required to furnish a report by management on the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes-Oxley Act of 2002 ("Section 404"). We have designed, implemented and tested the internal control over financial reporting required to comply with these obligations. This process is time-consuming, costly, and complicated. In addition, our independent registered public accounting firm are required to attest to the effectiveness of our internal control over financial reporting. If we identify material weaknesses in our internal control over financial reporting, if we are unable to comply with the requirements of Section 404 in a timely manner or assert that our internal control controls over financial reporting are effective, or if our independent registered public accounting firm expresses a negative opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports and the market price of our Class A common stock may be adversely affected, and we could become subject to investigations by the stock exchange on which our securities are listed, the SEC, or other regulatory authorities, which could require additional financial and management resources.

Changes in existing financial accounting standards or practices may adversely affect our results of operations.

We prepare our consolidated financial statements in accordance with GAAP. generally accepted accounting principles in the United States ("GAAP"). Changes in existing accounting rules or practices, new accounting pronouncements, or varying interpretations of current accounting pronouncements could have a significant adverse effect on our results of operations or the manner in which we conduct our business. operations. A change in existing financial accounting standards or practices may even retroactively adversely affect previously reported transactions.

If our estimates or judgments relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock.

The preparation of financial statements in conformity with GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this Report, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue, and expenses that are not readily apparent from other sources. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below our publicly announced guidance or the expectations of securities analysts and investors, resulting in a decline in the market price of our Class A common stock. Significant assumptions and estimates used in preparing our consolidated financial statements include those related to revenue recognition, measurement of stock-based compensation expense, accounting for intangible assets, assessing indicators of potential goodwill impairment, and accounting for income taxes including deferred tax assets and liabilities.

The IRS or other taxing authorities could seek to recharacterize the Restructuring Transactions.

The Company was formed as part of a series of restructuring transactions, which collectively had the net effect of reorganizing the corporate structure of Ithacalux Topco S.C.A. (“Ithacalux”), resulting in Informatica Inc. being the top-tier entity in that corporate structure rather than Ithacalux (“Restructuring Transactions”).

The Restructuring Transactions were intended to simplify our organizational structure in connection with our initial public offering on October 29, 2021 (our "IPO"). There can be no assurance that the IRS or other taxing authorities in the United States, Europe and Asia will not seek to recharacterize or reorder the Restructuring Transactions or to assert a claim for withholding or other taxes in connection with the Restructuring Transactions, which if successful, could result in tax liabilities to us or our subsidiaries and/or impact our operations in the future.

If our solutions fail to help our customers achieve and maintain compliance with regulations and industry standards, our revenues and operating results could be harmed.

We generate a portion of our revenues from solutions that enable organizations to achieve and maintain compliance with regulations and industry standards. For example, many of our customers subscribe to our security and compliance solutions to help them comply with general security standards, such as those developed and maintained by the U.S. National Institute of Standards and Technology ("NIST"), and with industry-specific security standards such as the HIPAA Security Rule, which applies to entities that need to protect electronic protected health information. Standard setting agencies and industry organizations like International Standards Organization may significantly change their security standards with little or no notice, including changes that could make their standards more or less onerous for businesses. Governments may also adopt new laws or regulations, or make changes to existing laws or regulations, that could impact the demand for or value of our solutions.

If we are unable to adapt our solutions to changing regulatory standards in a timely manner, or if our solutions fail to assist with or expedite our customers’ compliance initiatives, our customers may lose confidence in our solutions and could switch to products offered by our competitors. In addition, if regulations and standards related to data security, vulnerability management and other IT security and compliance requirements are relaxed or the penalties for non-compliance are changed in a manner that makes them less onerous, our customers may view government and industry regulatory compliance as less critical to their businesses, and our customers may be less willing to purchase subscriptions to our solutions. In any of these cases, our revenues and operating results could be harmed.

Risks Related to Our International Operations

Our operations outside of our North American region expose us to increased risks that could limit our future growth.

We have significant operations outside of our North American region, including sales and professional services operations, software development centers and customer support centers, and we have historically derived a significant portion of our revenue from outside the United States. We derived approximately 32% 33%, 31% 32% and 33% 31% of our revenue from outside our North American region during the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, respectively. Our international operations are subject to numerous risks, including:

- geopolitical disruption and resulting sanctions and export controls, and general economic and political conditions in these foreign markets;
- fluctuations in exchange rates between the U.S. dollar and foreign currencies;
- slower or impaired collections on accounts receivable;
- increased operating costs due to inflation, particularly in EMEA and India;
- greater difficulty in protecting our ownership rights to intellectual property developed in foreign countries, which may have laws that materially differ from those in the United States;
- higher risk of unexpected changes in regulatory practices, tariffs, and tax laws and treaties;
- greater risk of a failure of our employees to comply with both U.S. and foreign laws, including the EU General Data Protection Regulation antitrust regulations, the U.S. Foreign Corrupt Practices Act, the UK Bribery Act of 2010, and any trade regulations ensuring fair trade practices;
- increased expenses, delays and our limited experience in developing, testing and marketing localized versions of our products;

- increased competition from companies in the industry segments that we target or other vendors of data management software products that are more established in a particular region than us;
- potential conflicts with our established distributors in countries in which we elect to establish a direct sales presence, or the inability to enter into or maintain strategic distributor relationships with companies in certain international markets where we do not have a local presence;
- our limited experience in establishing a sales, marketing and support presence and the appropriate internal systems, processes, and controls;
- difficulties in recruiting, training, managing, and retaining our international staff, particularly our international sales management and sales personnel, which have adversely affected our ability to increase sales productivity, and the costs and expenses associated with such activities;
- differing business practices, which may require us to enter into customer agreements that include non-standard terms related to payment, maintenance rates, warranties, or performance obligations that may affect our ability to recognize revenue ratably; and
- communication delays between our main development and support center in California and our international development and support centers, which may delay the development, testing, release or support of new and existing products, and communication delays between our U.S. headquarters and our shared services center in India.

These factors and other factors could harm our ability to grow international revenues and, consequently, materially impact our business, results of operations, and financial condition. The expansion of our existing international operations and entry into additional international markets will require significant management attention and financial resources. Our failure to manage our international operations and the associated risks effectively could limit the future growth of our business.

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Continued uncertainty in the U.S. and global economies along with uncertain geopolitical conditions, could negatively affect sales of our products and services and could harm our operating results.

As our business has grown, we have become increasingly subject to the risks arising from adverse changes in the domestic and global economies. We have experienced the adverse effect of economic slowdowns and downturns in the past, which resulted in a significant reduction in capital spending by our customers, as well as longer sales cycles and the deferral or delay of purchases of subscriptions to our products.

We continue to invest in our international operations. There are significant risks with overseas investments, and our growth prospects in these regions are uncertain. Increased volatility in the European credit, equity and foreign currency markets, tariffs, or geopolitical disruptions, including the military conflicts between Russia and Ukraine and Israel and Hamas, the conflicts in the Middle East, could cause delays in or cancellations of orders or have other negative impacts on our business operations in Europe and other regions throughout the world. If tensions between the United States, members of NATO and Russia continue to escalate and create global security concerns, that may lead to an increased adverse impact on regional and global economies and increase the likelihood of cyberattacks. Deterioration of economic or geopolitical conditions in the countries in which we do business could also cause slower or impaired collections on accounts receivable.

Although we do not have material business involvement in Ukraine, Russia or Belarus, geopolitical instability in the region and new sanctions and enhanced export controls may impact our ability to sell or export our software products in Ukraine, Russia, Belarus and surrounding countries. A majority of our business in Russia and Belarus is already restricted by sanctions and export control laws. While we do not believe the overall impact to be material to our business results, if the conflict and scope of sanctions expand further or persist for an extended period of time, our business could be harmed.

We may experience fluctuations in foreign currency exchange rates that could adversely impact our results of operations.

Our international sales and operations expose us to fluctuations in foreign currency exchange rates. An unfavorable change in the exchange rate of foreign currencies against the U.S. dollar would result in lower revenues when translated into U.S. dollars, although operating expenses would be lower as well. Our main revenue exposures are in Euro, Yen, and Sterling. On occasion, exchange rates have been particularly volatile and have affected quarterly revenue and profitability. In prior years, fluctuations from foreign currency exchange rates have negatively affected, and in the future could negatively affect our revenues.Changes revenues. Changes in foreign currency exchange rates driven by the general weakening of the U.S. dollar favorably positively impacted reported revenue by approximately $2.6 million $0.2 million in the year ended December 31, 2023 December 31, 2024. The impact on revenue from fluctuations in foreign currency is calculated by comparing current period revenue to the translated current period revenue for the year ended December 31, 2023 December 31, 2024 using the comparable period's exchange rates from the prior year. As fluctuations in foreign currency exchange rates occur or increase, the effect of changes in foreign currency exchange rates could become material to revenue, operating expenses, and net income. In particular, these unfavorable exchange rate changes

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could have a significant impact on the operating expenses of our international operations in India, where we had approximately 2,400 2,450 employees as of December 31, 2023 December 31, 2024.

If we are not successful in sustaining and expanding our international business, we may incur additional losses and our revenue growth could be harmed.

Our future results depend, in part, on our ability to sustain and expand our penetration of the international markets in which we currently operate and to expand into additional international markets. We depend on direct sales and our channel partner relationships to sell our offerings in international markets. Our ability to expand internationally will depend upon our ability to deliver functionality and foreign language translations that reflect the needs of the international clients that we target. Our ability to expand internationally involves various risks, including the need to invest significant resources in such expansion, and the possibility that returns on such investments will not be achieved in the near future or at all in these less familiar competitive environments. We may also choose to conduct our international business through other partnerships. If we are unable to identify partners or negotiate favorable terms, our international growth may be limited. In addition, we have incurred and may continue to incur significant expenses in advance of generating material revenue as we attempt to establish our presence in particular international markets.

Sustaining and expanding our international business will also require significant attention from our management and will require us to add additional management and other resources in these new markets. Our ability to expand our business, attract talented employees and enter into partnerships in an increasing number of international markets requires considerable management attention and resources and is subject to the particular

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challenges of supporting a rapidly growing business in an environment of multiple languages, cultures, customs, legal systems, alternative dispute systems, regulatory systems, commercial infrastructures and technology infrastructure. If we are unable to grow our international operations in a timely and effective manner, we may incur additional losses and our revenue growth could be harmed.

Risks Related to Our Sales to Government Entities

A portion of our revenue is generated by sales to government entities, which are subject to a number of challenges and risks, including government investigations.

Sales to U.S. and foreign federal, state, and local governmental agency end-customers have historically accounted for approximately 10% of our revenue for each of the past three fiscal years, and we may in the future increase sales to government entities. However, government entities have announced reductions in, or experienced increased pressure to reduce, government spending. In particular, such measures have adversely affected European public sector transactions. Furthermore, the continued U.S. debt, income tax and budget issues, including future delays in approving the U.S. budget or reductions in government spending, may adversely impact existing or future U.S. public sector transactions. For example, a shutdown of the U.S. federal government could delay public sector transactions and contracting by government entities. Certain states within the U.S., including California, are experiencing similar budgetary issues, which could impact current or future transactions with those states. Such budgetary constraints or shifts in spending priorities of government entities may adversely affect existing contracts and future sales of our products and services to such entities. We expect these conditions to continue to adversely affect public sector transactions in the near-term. We may also be subject to the effects of actual or anticipated actions by the current U.S. administration, including administrative oversight and control, affecting government spending and the continued validity of existing rules and regulations, or the implementation of new rules and regulations, and actual or anticipated responsive actions from other world actors.

In addition, sales to government entities are subject to a number of risks. Government entities may continue use of on-premises software indefinitely, be slow to transition workloads from on-premises software to SaaS services, or impose challenging regulatory requirements on government use of SaaS services, any of which may inhibit the growth of our public sector business. We have in the past and may in the future discontinue support for some on-premises software, which could result in loss of some government entity business. Selling to government entities can be highly competitive, expensive and time consuming, often requiring significant upfront time and expense without any assurance that we will successfully sell our products to such governmental entity. Government entities may require contract terms that differ from our standard arrangements. arrangements, including the cancellation of existing agreements in the event funds are not appropriated in future years to fund those agreements. Government contracts may require the maintenance of certain security clearances for facilities and employees. Government certification requirements applicable to us and our products are constantly evolving and at times restrict our ability to

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sell to certain government customers until we have met the new or revised requirements, which can entail administrative time and effort possibly resulting in additional costs and delays. In addition, our failure to obtain or maintain certain government certifications, for example FedRamp or similar security certifications from U.S. states or foreign governments, limits our ability to sell any of our products to these government entities, and may expose us to fines or penalties for failure to comply. Government demand and payment for our products may be more volatile as they are affected by public sector budgetary cycles, funding authorizations, and the potential for funding reductions or delays, making the time to close such transactions more difficult to predict. This risk is enhanced as the size of such sales to the government entities increases. As the use of our products, including products recently acquired or developed, expands to more sensitive, secure or mission critical uses by our government customers, we may be subject to increased scrutiny, potential reputational risk, or potential liability should our products fail to perform as contemplated in such deployments or should we not comply with the terms of our government contracts or government contracting and security requirements.

Most of our sales to government entities have been made indirectly through third-party distributors or resellers that sell our products. Government entities may have contractual or other legal rights to terminate contracts with our providers for convenience, for non-appropriation of funds or due to a default, and any such termination may adversely impact our future results of operations. For example, if the provider receives a significant portion of its revenue from sales to such governmental entity, the financial health of the provider could be substantially harmed which could negatively affect our future sales to such provider. Governments routinely audit and investigate government contractors, and we or our third-party distributors and resellers have been in the past and may in the future be subject to such audits and investigations. If an audit or investigation uncovers improper or illegal activities, including any misuse of confidential or classified information by our employees, we or our distributors or resellers may be subject to civil or criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, fines, and suspension or prohibition from doing business with such government entity, or enter into a settlement in lieu of the foregoing, which may not be on favorable terms to us. There can be no assurance that we will retain these distributors or resellers, or that we will be able to secure additional or replacement partners. If we are unable to transact through certain distributors or resellers, our revenues and results of operations could be harmed. In addition, we could suffer serious reputational harm if allegations of impropriety were made against us or our employees or should our products not perform as contemplated in government deployments.

In compliance with recently issued sanctions and enhanced export control regulations, we have stopped sales of software to all sanctioned customers including government end customers in Russia and Belarus. The impact of this stoppage is not material to our overall business and our financial operations.

Our agreement with the U.S. Department of Defense limits our control over one of our subsidiaries. If this agreement is terminated, we may be suspended from selling our products for various projects or to various agencies within the U.S. government.

Our subsidiary, Informatica Federal Operations Corporation, which markets, sells and supports our products to various classified U.S. government agencies, is required by the National Industrial Security Program to maintain facility security clearances and to be insulated from foreign ownership, control or influence. To comply with the National Industrial Security Program requirements, in July 2016, we, our parent entities, Informatica Federal Operations Corporation and the Department of Defense entered into an agreement with respect to the ownership and operations of Informatica Federal Operations Corporation. Under the agreement, we, among other things, agreed to follow an affiliated operations plan describing products and services that may be provided among affiliated entities while mitigating the risks of foreign ownership, control, or influence.

Our relationship with the U.S. Department of Defense is subject to actions by the current U.S. administration which may impact the validity of our agreement or our ability to sell our products and services to the U.S. government and its agencies. The agreement may be terminated and Informatica Federal Operations Corporation's facility security clearance may be revoked in the event of a breach of the proxy agreement, or if it is determined by the Department of Defense that termination is in the national interest. If Informatica Federal Operations Corporation's facility security clearance is revoked, we may lose a portion of our sales to U.S. government classified agencies and our business, financial condition and results of operations would be harmed.

Our government contracts contain unfavorable provisions that are not typical of commercial contracts.

Many of our government contracts contain provisions that give the government rights and remedies not typically found in private commercial contracts, including provisions enabling the government to:

- terminate or cancel our existing contracts for convenience; non-appropriation of funds;
- suspend us from doing business with a foreign government or prevent us from selling our products in certain countries;

- audit and object to our contract-related costs and expenses, including allocated indirect costs; and
- change specific terms and conditions in our contracts, including changes that would reduce the value of our contracts.

In addition, many jurisdictions have laws and regulations that deem government contracts in those jurisdictions to include these types of provisions, even if the contract itself does not contain them. If a government terminates a contract with us for convenience, non-appropriation of funds, we may not recover our incurred or committed costs, any settlement expenses or profit on work completed prior to the termination. If a government terminates a contract for default, we may not recover even those amounts, and instead we may be liable for any costs incurred by a government in procuring undelivered items and services from another source.

If we fail to comply with complex procurement laws and regulations, we may be subject to civil and criminal penalties and administrative sanctions.

We must comply with domestic and foreign laws and regulations relating to the formation, administration and performance of government contracts. These laws and regulations affect how we do business with government agencies in various countries and may impose added costs on our business. For example, in the United States, we are subject to the Federal Acquisition Regulations, which comprehensively regulate the formation, administration and performance of federal government contracts, and to the Truth in Negotiations Act, which requires certification and disclosure of cost and pricing data in connection with contract negotiations. We are subject to similar regulations in foreign countries as well.

If a government review or investigation uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeiture of profits, suspension of payments, fines and suspension or debarment from doing business with government agencies, which could materially and adversely affect our business, financial condition and results of operations. For example, in March 2019, we reached a settlement of a civil False Claims Act investigation brought by the U.S. Attorney's Office for the District of Columbia ("DC USAO") and the Civil Fraud Section of the U.S. Department of Justice (together with the DC USAO, the "DOJ") in August 2015. Under the terms of the settlement, we agreed to pay $21.9 million related to a dispute regarding the accuracy of information in our commercial sales practices submissions and statements regarding the country of origin of certain products between January 1, 2008 and March 31, 2017 in consideration for the release of the company by the DOJ and the U.S. General Services Administration with respect to the claims alleged in the investigation as set forth in the settlement agreement. In addition, a government may reform its

procurement practices or adopt new contracting rules and regulations that could be costly to satisfy or that could impair our ability to obtain new contracts.

Risks Related to Our Intellectual Property

Our use of AI models and open source software could negatively affect our ability to sell our solution and subject us to possible litigation.

A portion of our technologies incorporate third-party AI models and open source software, and we expect to continue to incorporate such AI models and open source software in our solution in the future. Few of the licenses applicable to AI models and open source software have been interpreted by courts, and there is a risk that these licenses could be construed in a manner that could impose unanticipated conditions or restrictions on our ability to commercialize our products. Moreover, we cannot guarantee that we have not incorporated additional AI models and open source software in our software in a manner that is inconsistent with the terms of the applicable license or our current policies and procedures. If we fail to comply with these licenses, we may be subject to certain requirements, including requirements that we offer our solutions that incorporate the AI models and open source software for no cost, that we make available source code for modifications or derivative works we create based upon, incorporating or using the AI models and open source software and that we license such modifications or derivative works under the terms of applicable open source licenses. If an author or other third party that distributes such AI models or open source software were to allege that we had not complied with the conditions of one or more of these licenses, we could be required to incur significant legal expenses defending against such allegations and could be subject to significant damages, enjoined from the sale of our solutions that contained the AI models and open source software and required to comply with onerous conditions or restrictions on these solutions, which could disrupt the distribution and sale of these solutions. In addition, there have been claims challenging the ownership rights in AI models and open source software against companies that incorporate AI models and open source software into their products, and the licensors of such AI models and open source software provide no warranties or indemnities with respect to such claims. In any of these events, we and our customers could be required to seek

licenses from third parties in order to continue offering our products, which may not be available on favorable terms or at all, and to re-engineer our products or discontinue the sale of our products in the event re-engineering cannot be accomplished on a timely basis. We and our customers may also be subject to suits by parties claiming infringement due to the reliance by our solutions on certain AI models and open source software, and such litigation could be costly for us to defend or subject us to an injunction. Any of the foregoing could require us to devote additional research and development resources to re-engineer our solutions, could result in customer dissatisfaction, and may adversely affect our business, results of operations and financial condition.

We may be unable to predict the future course of AI models and open source technology development, which could reduce the market appeal of our offerings, damage our reputation and adversely affect our business, financial condition, results of operations and cash flows.

We do not exercise control over the development of AI models and open source technology incorporated into our offerings. Different groups of AI models and open source software programmers compete with one another to develop new technology. Open AI models and open source technology may include security vulnerabilities, to which our products and services may be exposed without timely or effective means for remediation or mitigation. Typically, the technology developed by one group will become more widely used than that developed by others. In some offerings, the race to innovate eclipses the responsibility to continuously patch security vulnerabilities and functional bugs. If an offering we rely on is unable to keep pace with our functional or non-functional requirements, we may be required to invest resources to keep it updated or to seek alternatives. If we acquire or adopt new technology and incorporate it into our offerings but competing technology becomes more widely used or accepted, the market appeal of our offerings may be reduced, which could harm our reputation, diminish our brands and adversely affect our business, financial condition, results of operations and cash flows.

We face intellectual property infringement claims that could be costly to defend and result in our loss of significant rights.

As is common in the software industry, we have received, and may from time to time in the future receive, notices from third parties claiming infringement by our products of third-party patent and other proprietary rights. For example, in the past four years, Informatica has been the subject of one such patent suit, which was resolved in less than three months for an immaterial amount.

As the number of software products in our target markets increases and the functionality of these products further overlaps, we may become increasingly subject to claims by a third party that our technology infringes such party's proprietary rights. In addition, there is a growing occurrence of patent suits and regulatory investigations being brought by organizations that use patents to generate revenue without manufacturing, promoting, or marketing products or investing in research and development in bringing products to market. These organizations have been active in the enterprise software market and have targeted whole industries as defendants.

Any claims, with or without merit, could be time consuming, result in costly litigation, cause product shipment delays, or require us to enter into royalty or licensing agreements, any of which could adversely affect our business, financial condition, and operating results. Although we do not believe that we are currently infringing any proprietary rights of others, legal action claiming patent infringement could be commenced against us. We may not prevail in such litigation given the complex technical issues and inherent uncertainties in patent litigation. The potential effects on our business that may result from third-party infringement claims include the following:

- we have been and could be in the future obligated to incur significant legal costs and expenses defending the patent infringement suit;
- we may be forced to enter into royalty or licensing agreements, which may not be available on terms favorable to us;
- we may be required to indemnify our customers or obtain replacement products or functionality for our customers;
- we may be forced to significantly increase our development efforts and resources to redesign our products as a result of these claims; and
- we may be forced to discontinue offering some or all of our products.

If we are not able to adequately protect our proprietary rights, third parties could develop and market products that are equivalent to our own, which would harm our sales efforts.

Our success depends upon our proprietary technology. We believe that our product development, product enhancements, name recognition, and the technological and innovative skills of our personnel are essential to establishing and maintaining a technology leadership position. We rely on a combination of patent, copyright, trademark, and trade secret rights, confidentiality procedures, and licensing arrangements designed to establish and protect our proprietary rights.

However, these legal rights and contractual agreements may provide only limited protection. Our pending patent applications may not be allowed or our competitors may successfully challenge the validity or scope of any of our issued patents or any future issued patents. Our patents alone may not provide us with any significant competitive advantage, and third parties may develop technologies that are similar or superior to our technology or design around our patents. Third parties could copy or otherwise obtain and use our products or technology without authorization or develop similar technology independently. We cannot easily monitor any unauthorized use of our products, and, although we are unable to determine the extent to which piracy of our software products exists, software piracy is a prevalent problem in our industry in general. We may be forced to initiate litigation to protect our proprietary rights. Litigating claims related to the enforcement of proprietary rights is very expensive and can be burdensome in terms of management time and resources, which could adversely affect our business and operating results. In addition, the risk of not adequately protecting our proprietary technology and our exposure to competitive pressures may be increased if a competitor should resort to unlawful means in competing against us.

We have entered into certain agreements with many of our customers and partners that require us to place the source code of our products into escrow. Such agreements generally provide that such parties will have a limited, non-exclusive right to continue use of such code if there is a bankruptcy proceeding by or against us, we cease to do business or we fail to meet our support obligations. Although our agreements with these third parties limit the scope of rights to use of the source code, we may be unable to effectively control such third parties' actions.

Furthermore, effective protection of intellectual property rights is unavailable or limited in various foreign countries. The protection of our proprietary rights may be inadequate, and our competitors could independently develop similar technology, duplicate our products, or design around any patents or other intellectual property rights we hold.

Risks Related to Our Indebtedness

Our substantial indebtedness could materially adversely affect our financial condition and prevent us from fulfilling our obligations under our existing indebtedness.

We have a significant amount of indebtedness. As of December 31, 2023 December 31, 2024, our total outstanding indebtedness was approximately $1.82 billion $1.81 billion. Subject to the limits contained in the credit agreement (the "Credit Agreement") that governs our credit facilities (the "Credit Facilities") and our other debt instruments, we may need to incur substantial additional debt from time to time to finance working capital, capital expenditures, investments or acquisitions, or for other general corporate purposes. If we do so, the risks related to our high level of debt could intensify. Specifically, our level of debt could have important consequences to the holders of our common stock, including the following:

- making it more difficult for us to satisfy our obligations with respect to our debt; and if we fail to comply with these requirements, an event of default could result;
- limiting our ability to obtain additional financing to fund future working capital, capital expenditures, acquisitions or other general corporate requirements;
- requiring a substantial portion of our cash flows to be dedicated to debt service payments instead of other purposes, thereby reducing the amount of cash flows available for working capital, capital expenditures, acquisitions and other general corporate purposes;
- increasing our vulnerability to general adverse economic and industry conditions;
- exposing us to the risk of increased interest rates as certain of our borrowings, including borrowings under the Credit Facilities, are at variable rates of interest;
- limiting our flexibility in planning for and reacting to changes in the industry in which we compete;
- placing us at a disadvantage compared to other, less leveraged competitors; and
- increasing our cost of borrowing.

In addition, the credit agreement that governs the Credit Facilities contains restrictive covenants that limit our ability to engage in activities that may be in our long-term best interest. Our failure to comply with those covenants could result in an event of default which, if not cured or waived, could result in the acceleration of all our debt.

We may not be able to generate sufficient cash to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under our indebtedness, which may not be successful.

Our ability to make scheduled payments on or refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory and other factors beyond our control.

We may be unable to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal and interest on our indebtedness. For the year ended December 31, 2023 December 31, 2024, our cash flows dedicated for debt service requirements totaled $166.1 million $163.1 million, which includes principal payments of $18.8 million and interest payments of $147.3 $144.4 million. For the year ended December 31, 2023 December 31, 2024, our net cash provided by operating activities was $266.3 million $409.9 million, which includes interest paid of $147.3 $144.4 million. As such, our cash flows from operating activities, before giving effect to the payment of interest, amounted to $413.6 million $554.2 million. For the year ended December 31, 2023 December 31, 2024, approximately 40% 29% of our net cash provided by operating activities, before giving effect to the payment of interest, was dedicated to debt service, both principal and interest.

If our cash flows and capital resources are insufficient to fund our debt service obligations, we could face substantial liquidity problems and could be forced to reduce or delay investments and capital expenditures or to dispose of material assets or operations, seek additional debt or equity capital or restructure or refinance our indebtedness. We may not be able to effect any such alternative measures, if necessary, on commercially reasonable terms or at all and, even if successful, those alternative actions may not allow us to meet our scheduled debt service obligations. The credit agreement that governs the Credit Facilities restricts our ability to dispose of assets and use the proceeds from those dispositions and may also restrict our ability to raise debt or equity capital to be used to repay other indebtedness when it becomes due. We may not be able to consummate those dispositions or to obtain proceeds in an amount sufficient to meet any debt service obligations then due. Our inability to generate sufficient cash flows to satisfy our debt obligations, or to refinance our indebtedness on

commercially reasonable terms or at all, would materially adversely affect our financial position and results of operations.

In addition, we conduct substantially all of our international operations through our subsidiaries. Accordingly, repayment of our indebtedness is dependent on local restrictions that may impact our ability to obtain cash from cash flow generated by our subsidiaries. While the Credit Agreement (as defined below) limits the ability of our subsidiaries to incur consensual restrictions on their ability to pay dividends or make other intercompany payments to us, these limitations are subject to qualifications and exceptions. In the event that we do not receive distributions from our subsidiaries, we may be unable to make required principal and interest payments on our indebtedness.

If we cannot make scheduled payments on our debt, we will be in default and the lenders under the Credit Facilities could terminate their commitments to loan money, the lenders could foreclose against the assets securing their borrowings and we could be forced into bankruptcy or liquidation. All of these events could result in your losing your investment in our Class A common stock.

Despite our current level of indebtedness, we and our subsidiaries may still be able to incur substantially more debt. This could further exacerbate the risks to our financial condition described above.

We and our subsidiaries may need to incur significant additional indebtedness in the future. Although the Credit Agreement contains restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of qualifications and exceptions, and the additional indebtedness incurred in compliance with these restrictions could be substantial. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness. In addition, as of December 31, 2023 December 31, 2024, our Revolving Credit Facility (the "Revolving Credit Facility") would have provided for unused commitments of $250.0 million (with an exception of letters of credit of $1.6 million $1.4 million utilized under the Revolving Credit Facility), which could be increased, subject to certain conditions. If we incur any additional indebtedness, the holders of that indebtedness will be entitled to any proceeds distributed in connection with any insolvency, liquidation, reorganization, dissolution or other winding up of our company before such proceeds are distributed to you. If new debt is added to our currently anticipated debt levels, the related risks that you now face could intensify.

The terms of the Credit Agreement restricts restrict our current and future operations, particularly our ability to respond to changes in the economy or our industry or to take certain actions.

The Credit Agreement contains a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long-term best interest, including restrictions on our ability to:

- incur additional indebtedness and guarantee indebtedness;
- pay dividends or make other distributions or repurchase or redeem our capital stock;
- prepay, redeem or repurchase certain subordinated debt;
- issue certain preferred stock or similar equity securities;
- make loans and investments;
- sell assets;
- incur liens;
- enter into transactions with affiliates;
- enter into agreements restricting our subsidiaries' ability to pay dividends; and
- consolidate, merge, sell or otherwise dispose of all or substantially all of our assets.

In addition, the Credit Agreement requires us to maintain a first lien net leverage ratio if borrowings outstanding under the Revolving Credit Facility exceed a specified threshold. Our ability to meet this leverage ratio can be affected by events beyond our control, and we may be unable to meet the ratio.

A breach of the covenants or restrictions under the Credit Agreement could result in an event of default under the applicable indebtedness. Such default may allow the creditors to accelerate the related debt and may result in the acceleration of any other debt to which a cross-acceleration or cross-default provision applies. In addition, an event of default under the Credit Agreement would permit the lenders under our Credit Facilities to terminate all commitments to extend further credit under those facilities. Furthermore, if we were unable to repay the amounts due and payable under the Credit Facilities, the lenders thereunder could proceed against the collateral granted to them to secure that indebtedness. In the event our lenders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. As a result of these restrictions, we may be:

- limited in how we conduct our business;
- unable to raise additional debt or equity financing to operate during general economic or business downturns; or
- unable to compete effectively or to take advantage of new business opportunities.

These restrictions may affect our ability to grow in accordance with our strategy. In addition, our financial results, substantial indebtedness and credit ratings could materially adversely affect the availability and terms of our financing.

Our variable rate indebtedness subjects us to interest rate risk, which could cause our debt service obligations to increase significantly.

Borrowings under the Credit Facilities are at variable rates of interest and expose us to interest rate risk. During 2022 and the first three quarters of 2023, the U.S. Federal Reserve (the "Fed") has sharply raised interest rates from historically low levels and levels. Rates remained high until September 2024, when the Fed began to reduce rates resulting in a total decrease of 1% in 2024. The Fed has signaled an intention to continue markets they expect rates to do so until current inflation levels re-align with decline over the Fed's long-term inflation target. To long term, however, to the extent the Fed decided decides to again raise interest rates, there is a risk that rates across the financial system may rise including the Secured Overnight Financing Rate ("SOFR"). As interest rates increase, our debt service obligations on the variable rate indebtedness increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, correspondingly decrease. Each quarter point change in interest rates on the current debt outstanding would result in approximately a $4.6 million change in annual interest expense on our indebtedness under the Credit Facilities. We Although we previously entered into interest rate swap instruments which matured on December 31, 2022, to limit our exposure to changes in variable interest rates. With the maturity rates, those instruments matured as of the interest rate swaps, December 31, 2022 and as such we are fully subject to interest rate risk if SOFR rates increase.

Risks Related to Ownership of Our Class A Common Stock and Our Capitalization Structure

The market price of our Class A common stock may be volatile, and you could lose all or part of your investment.

The market price of our Class A common stock may be volatile and could be subject to fluctuations in response to various factors, some of which are beyond our control. These fluctuations could cause you to lose all or part of your investment in our Class A common stock since you might be unable to sell your shares at or above the price you paid for such shares. Factors that could cause fluctuations in the market price of our Class A common stock include the following:

- price and volume fluctuations in the overall stock market from time to time;
- volatility in the trading prices and trading volumes of technology stocks;
- changes in operating performance and stock market valuations of other technology companies generally, or those in our industry in particular;
- sales of shares of our Class A common stock by us or our stockholders;
- failure of securities analysts to maintain coverage of us, changes in financial estimates by securities analysts who follow our company, or our failure to meet these estimates or the expectations of investors;
- the financial projections we may provide to the public, any changes in those projections, or our failure to meet those projections;
- announcements by us or our competitors of new products, features, or services;
- the public's reaction to our press releases, other public announcements, and filings with the SEC;

- rumors and market speculation involving us or other companies in our industry;
- actual or anticipated changes in our results of operations or fluctuations in our results of operations;
- actual or anticipated developments in our business, our competitors' businesses or the competitive landscape generally;
- litigation involving us, our industry, or both, or investigations by regulators into our operations or those of our competitors;
- developments or disputes concerning our intellectual property or other proprietary rights;
- actual or perceived security breaches or incidents;
- announced or completed acquisitions of businesses, products, services, or technologies by us or our competitors;
- new laws or regulations or new interpretations of existing laws or regulations applicable to our business;
- changes in accounting standards, policies, guidelines, interpretations, or principles;
- any significant change in our management; and
- general economic conditions and slow or negative growth of our markets.

In addition, in the past, following periods of volatility in the overall market and the market price of a particular company's securities, securities class action litigation has often been instituted against these companies. This litigation, if instituted against us, could result in substantial costs and a diversion of our management's attention and resources.

We may need additional capital, and we cannot be certain that additional financing will be available on favorable terms, or at all.

Historically, we have funded our operations and capital expenditures primarily through cash generated from our operations as well as debt refinancings. Although we currently believe that our existing cash and cash equivalents, cash flow from operations and the proceeds from the IPO Revolving Credit Facility will be sufficient to meet our cash needs for at least the next twelve months, we may require additional financing. We evaluate financing opportunities from time to time, and our ability to obtain financing will depend, among other things, on our development efforts, business plans, operating performance, and condition of the capital markets at the time we seek financing. We cannot assure you that additional financing will be available to us on favorable terms when required, or at all. If we raise additional funds through the issuance of equity or equity-linked or debt securities, those securities may have rights, preferences or privileges senior to the rights of our Class A common stock, and our stockholders may experience dilution.

Substantial future sales of our Class A common stock could depress the market price of our Class A common stock.

The market price of our Class A common stock could decline as a result of sales of a large number of shares of our Class A common stock in the market, and the perception that these sales could occur may also depress the market price of our Class A common stock. As of December 31, 2023 December 31, 2024, approximately 79% 63% of our outstanding Class A and Class B-1 common stock is owned by entities affiliated with our Sponsors, including approximately 51.4 million 22.3 million Class A shares owned by Ithaca L.P., a limited partnership affiliated with Permira ("Ithaca").

The Sponsors and their affiliates have, and may in the future from time to time, seek to sell or otherwise dispose of some or all of their shares, including by selling shares in underwritten offerings, block trades or open market transactions, or by distributing shares to their equity holders or otherwise. For example, under our amended and restated registration rights agreement, the Sponsors and their affiliates can require us to register shares owned by them for public sale in the United States. In November 2024, the Sponsors exercised this right in an underwritten offering of 16 million shares of our Class A common stock. In addition, certain Sponsor-affiliated entities, including Ithaca, have the right to distribute some or all of their Class A shares to their limited partners. Furthermore, the Ithaca limited partners have the right to elect to withdraw their shares at certain points in the future, at which point they may sell those shares at their discretion. If any of these entities were to register or distribute their shares, or if the limited partners in those entities choose to exercise their rights to withdraw their shares, such shares would be available for resale in the public market, either immediately or at a later date. For example, in November 2023, June 2024, and November 2024, Ithaca distributed approximately 8.6 million shares of Class A common stock to four various of its limited partners, all of which were available for immediate resale in the public market. Following this distribution, approximately 51.4 million shares of Class A common stock will continue to be held in Ithaca for approximately one year, unless otherwise sold by Ithaca or distributed to Ithaca's limited partners prior to such time. Permira will

continue to retain voting and investment power over the shares held by Ithaca. The shares distributed by Ithaca to its limited partners are available for immediate resale in the public market at the discretion of the applicable limited partner. Permira will continue to retain voting and investment power over the remaining shares held by Ithaca, which shares may be subsequently sold or distributed by Ithaca from time to time.

We also filed a registration statement to register shares reserved for future issuance under our equity compensation plans. As a result, subject to the satisfaction of applicable exercise periods, the shares issued upon exercise of outstanding stock options or upon settlement of outstanding RSU awards are available for immediate resale in the open market.

Sales of our shares as restrictions end or pursuant to registration rights may make it more difficult for us to sell equity securities in the future at a time and at a price that we deem appropriate. These sales also could cause the market price of our Class A common stock to fall and make it more difficult for you to sell shares of our Class A common stock.

The Sponsors have a controlling influence over matters requiring stockholder approval, which could delay or prevent a change of control.

Our Sponsors and their affiliates control approximately 79% 63% of the combined voting power of our capital stock as a result of their beneficial ownership of our Class A common stock and Class B common stock as of December 31, 2023 December 31, 2024. The Sponsors have entered into a stockholders agreement whereby they each agreed, among other things, to vote the shares each beneficially owns and is entitled to vote thereon in favor of the director nominees designated by Permira and CPP Investments, respectively.

Under the stockholders agreement and our Amended and Restated Certificate of Incorporation and amended and restated bylaws, and applicable law, for so long as a Sponsor owns or holds of record, directly or indirectly, in the aggregate at least 15% of the Company's outstanding shares of our Class A and Class B-1 common stock, the following actions will require the affirmative vote of each such Sponsor:

- any changes to the size of our board of directors;
- any termination, appointment or replacement of our Chief Executive Officer;
- any transactions that would result in a change of control;
- any acquisitions, dispositions or the incurrence of indebtedness over $300 million; and

- any changes in the Corporate Opportunity provisions in our Amended and Restated Certificate of Incorporation.

Additionally, for so long as Permira and CPP Investments each beneficially own, in the aggregate, 20% or more of the shares of our Class A common stock and Class B-1 common stock held by them upon completion of the IPO, each will have the right to designate two members of our board of directors. For so long as Permira and CPP Investments each beneficially own, in the aggregate, less than 20% but at least 10% of the shares of our Class A common stock and Class B-1 common stock held by them upon completion of the IPO, each will have the right to designate one member of our board of directors. Further, for so long as the Sponsors have a right to appoint, in the aggregate, four members of our board of directors, the Sponsors will have a right to jointly appoint one additional member of our board of directors. For so long as a Sponsor has the right to designate at least one member of our board of directors, such Sponsor is entitled to appoint at least one nominee to serve on each committee of our board of directors, other than the audit committee, and the chair of each of the committees, other than the audit committee, is a director serving on such committee who is designated by the Sponsors. However, as soon as we are no longer a "controlled company" under the rules of the NYSE, our committee membership will comply with all applicable requirements of those standards and a majority of our board of directors will be "independent directors," as defined under the rules of the NYSE, subject to any phase-in provisions.

Certain of our directors have relationships with the Sponsors, which may cause conflicts of interest with respect to our business.

Three of our ten directors are affiliated with Permira, and two of our directors are employees of CPP Investments. These directors have fiduciary duties to us and, in addition, have duties to the respective Sponsor and their affiliates, respectively. As a result, these directors may face real or apparent conflicts of interest with respect to matters affecting both us and the Sponsors, whose interests may be adverse to ours in some circumstances.

The Sponsors and their affiliates may pursue corporate opportunities independent of us that could present conflicts with our and our stockholders' interests.

The Sponsors and their affiliates are in the business of making or advising on investments in companies and hold (and may from time to time in the future acquire) interests in or provide advice to businesses that directly or indirectly compete with certain portions of our business or are suppliers or customers of ours. The Sponsors and their affiliates may also pursue acquisitions that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us.

Delaware law and provisions in our Amended and Restated Certificate of Incorporation and amended and restated bylaws could make a merger, tender offer, or proxy contest difficult, thereby depressing the market price of our Class A common stock.

Our status as a Delaware corporation and the anti-takeover provisions of the Delaware General Corporation Law may discourage, delay, or prevent a change in control by prohibiting us from engaging in a business combination with an interested stockholder for a period of three years after the person becomes an interested stockholder, even if a change of control would be beneficial to our existing stockholders. In addition, our Amended and Restated Certificate of Incorporation and amended and restated bylaws contain provisions that may make the acquisition of our company more difficult, including the following:

- any transaction that would result in a change in control of our company requires the approval of a majority of our outstanding Class A common stock and Class B-1 common stock voting as a separate class;
- our board of directors is classified into three classes of directors with staggered three-year terms and after the Sponsors cease to beneficially own, in the aggregate, at least 50% of the outstanding shares of our Class A common stock and Class B-1 common Stock, directors will only be able to be removed from office for cause;
- after the Sponsors cease to beneficially own, in the aggregate, at least 50% of the outstanding shares of our Class A common stock and Class B-1 common stock, our stockholders will only be able to take action at a meeting of stockholders and not by written consent;
- vacancies on our board of directors will be able to be filled only by our board of directors and not by stockholders;

- after the Sponsors cease to beneficially own, in the aggregate, at least 50% of the outstanding shares of our Class A common stock and Class B-1 common stock, only our chair of the board of directors or a majority of board of directors will be authorized to call a special meeting of stockholders;
- certain litigation against us can only be brought in Delaware;
- our Amended and Restated Certificate of Incorporation authorizes undesignated preferred stock, the terms of which may be established and shares of which may be issued without the approval of the holders of Class A common stock; and
- advance notice procedures apply for stockholders to nominate candidates for election as directors or to bring matters before an annual meeting of stockholders.

These anti-takeover defenses could discourage, delay, or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for stockholders to elect directors of their choosing and to cause us to take other corporate actions they desire, any of which, under certain circumstances, could limit the opportunity for our stockholders to receive a premium for their shares of our capital stock, and could also affect the price that some investors are willing to pay for our Class A common stock.

Our amended and restated bylaws designate a state or federal court located within the State of Delaware as the exclusive forum for substantially all disputes between us and our stockholders, and also provide that the federal district courts will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, each of which could limit our stockholders' ability to choose the judicial forum for disputes with us or our directors, officers or employees.

Our amended and restated bylaws provide that the Court of Chancery of the State of Delaware is the exclusive forum for the following types of actions or proceedings under Delaware statutory or common law: (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, stockholders, officers or other employees to us or our stockholders, (3) any action

arising pursuant to any provision of the Delaware General Corporation Law, our amended and restated certificate of incorporation or our amended and restated bylaws or (4) any other action asserting a claim that is governed by the internal affairs doctrine shall be the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have jurisdiction, the federal district court for the District of Delaware), in all cases subject to the court having jurisdiction over indispensable parties named as defendants. The provisions would not apply to suits brought to enforce a duty or liability created by the Exchange Act, or any other claim for which the U.S. federal courts have exclusive jurisdiction.

Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act actions. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our amended and restated bylaws also provide that the federal district courts of the United States of America is the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act. However, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are “facially valid” under Delaware law, there is uncertainty as to whether other courts will enforce our federal forum provision. If the federal forum provision is found to be unenforceable, we may incur additional costs associated with resolving such matters.

Any person or entity purchasing or otherwise acquiring any interest in any of our securities shall be deemed to have notice of and consented to this provision. This exclusive-forum provision may limit a stockholder's ability to bring a claim in a judicial forum of such stockholder's choosing for disputes with us or our directors, officers or other employees, which may discourage lawsuits against us and our directors, officers and other employees. If a court were to find the exclusive-forum provision in our amended and restated bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving the dispute in other jurisdictions, which could harm our results of operations.

Our Class A common stock market price and trading volume could decline if securities or industry analysts do not publish research or publish inaccurate or unfavorable research about our business.

The trading market for our Class A common stock depends in part on the research and reports that securities or industry analysts publish about us or our business. The analysts' estimates are based upon their own opinions and are often different from our estimates or expectations. If one or more of the analysts who cover us downgrade

our Class A common stock or publish inaccurate or unfavorable research about our business, the market price of our Class A common stock would likely decline. If few securities analysts commence coverage of us, or if one or more of these analysts cease coverage of us or fail to publish reports on us regularly, demand for our securities could decrease, which might cause the market price and trading volume of our Class A common stock to decline.

We are a controlled company within the meaning of the rules of the NYSE and, as a result, will qualify for and intend to rely on exemptions from certain corporate governance requirements.

Our Sponsors beneficially own a majority of the combined voting power of all classes of our outstanding voting stock. As a result, we are a controlled company within the meaning of the rules of the NYSE. Under the NYSE rules, a company of which more than 50% of the voting power is held by another person or group of persons acting together is a controlled company and may elect not to comply with certain NYSE corporate governance requirements, including the requirements that:

- a majority of the board of directors consist of independent directors;
- the nominating and governance committee be composed entirely of independent directors; and
- the compensation committee be composed entirely of independent directors.

These requirements will not apply to us as long as we remain a controlled company. We have taken advantage of some of these exemptions. Accordingly, you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of the NYSE.

Our Sponsors and their affiliates control us and their interests may conflict with ours or yours in the future.

Our Sponsors and their affiliates control approximately 79% 63% of the combined voting power of our capital stock as a result of their beneficial ownership of our Class A common stock and Class B common stock as of December 31, 2023 December 31, 2024. Even when the Sponsors and their affiliates cease to beneficially own shares of our common stock representing a majority of the combined voting power, for so long as the Sponsors continue to beneficially own a significant percentage of our common stock, the Sponsors will still be able to significantly influence the composition of our board of directors and the approval of actions requiring stockholder approval through their combined voting power. Accordingly, for such period of time, the Sponsors and their affiliates will have significant influence with respect to our management, business plans and policies. In particular, the Sponsors and their affiliates are able to cause or prevent a change of control of our company or a change in the composition of our board of directors and could preclude any unsolicited acquisition of our company. The concentration of voting power could deprive you of an opportunity to receive a premium for your shares of Class A common stock as part of a sale of our company and ultimately might affect the market price of our Class A common stock.

The Sponsors and their affiliates engage in a broad spectrum of activities. In the ordinary course of their business activities, the Sponsors and their affiliates may engage in activities where their interests conflict with our interests or those of our stockholders. Our amended and restated certificate of incorporation will provide that none of the Sponsors, any of their affiliates or any director who is not employed by us (including any non-employee director who serves as one of our officers in both his director and officer capacities) or his or her affiliates will have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. The Sponsors and their affiliates also may pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. In addition, the Sponsors and their affiliates may have an interest in us pursuing acquisitions, divestitures and other transactions that, in their judgment, could enhance their investment, even though such transactions might involve risks to you.

We do not intend to pay dividends for the foreseeable future.

We currently intend to retain any future earnings to finance the operation and expansion of our business. business or for share repurchases. We do not expect the Company or our subsidiaries to declare or pay any dividends in the foreseeable future. As a result, stockholders must rely on sales of their Class A common stock after price appreciation as the only way to realize any future gains on their investment.

General Risk Factors

The requirements of being a public company may strain our resources, divert management's attention and affect our ability to attract and retain qualified board members.

As a public company, we are subject to the reporting and corporate governance requirements of the Exchange Act, the listing requirements of the NYSE and other applicable securities rules and regulations, including the Sarbanes-Oxley Act and the Dodd-Frank Wall Street Reform and Consumer Protection Act. Compliance with these rules and regulations has increased and will continue to increase our legal and financial compliance costs, make some activities more difficult, time-consuming or costly and increase demand on our systems and resources. Among other things, the Exchange Act requires that we file annual, quarterly and current reports with respect to our business and results of operations and maintain effective disclosure controls and procedures and internal control over financial reporting. In order to enhance our disclosure controls and procedures and internal control over financial reporting to meet this standard, significant resources and management oversight may be required. As a result, management's attention may be diverted from other business concerns, which could harm our business, financial condition, results of operations and prospects. Although we have already hired additional personnel to help comply with these requirements, we may need to further expand our legal and finance departments in the future, which will increase our costs and expenses. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time-consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expense and a diversion of management's time and attention from revenue-generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies, regulatory authorities may initiate legal proceedings against us and our business and prospects may be harmed. As a result of disclosure of information in the filings required of a public company and in this Report, our business and financial condition will become more visible, which may result in threatened or actual litigation, including by competitors and other third parties. If such claims are successful, our business, financial condition, results of operations and prospects could be materially harmed, and even if the claims do not result in litigation or are resolved in our favor, these claims, and the time and resources necessary to resolve them, could divert the resources of our management and materially harm our business, financial condition, results of operations and prospects.

In addition, these new rules and regulations will make it more expensive for us to obtain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. These factors could also make it more difficult for us to attract and retain qualified executive officers and members of our board of directors, particularly to serve on our audit committee and compensation committee.

In addition, as a result of our disclosure obligations as a public company, we will have reduced strategic flexibility and will be under pressure to focus on short-term results, which may materially and adversely affect our ability to achieve long-term profitability.

Business interruptions could adversely affect our business.

Our operations are vulnerable to interruption by fire, earthquake, power loss, telecommunications or network failure, and other significant natural disasters or events beyond our control. In addition, acts of terrorism, war and other geopolitical unrest (including the military conflicts between Russia and Ukraine and Israel and Hamas, the conflicts in the Middle East, and any related political or economic responses and counter-responses or otherwise by global actors) could cause disruptions in our business or the business of our partners, customers or the economy as a whole. We have prepared a detailed disaster recovery plan which includes the use of internal and external resources and will continue to expand the scope over time. Disasters or disruptions can negatively affect our operations given necessary interaction among our international facilities.

Our headquarters and a number of our employees are located in the San Francisco Bay Area, a region known for seismic activity. In the event such an earthquake or any other natural disaster or man-made failure occurs, it could disrupt the operations of our affected facilities and recovery of our resources. In addition, we do not carry sufficient business interruption insurance to compensate us for losses that may occur, and any losses or damages incurred by us could have a material adverse effect on our business.

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Our corporate business processes rely on SaaS providers such as Microsoft O365, Salesforce, Oracle and Marketo to provide highly available business services. In addition, our cloud subscription offerings depend on third-party service providers, including AWS, Microsoft Azure and Google Cloud, and certain single-source suppliers, including MITI, for our database connectors. Disruptions to any of our service providers or suppliers, whether due to a cyber incident, other outage, or performance problems has in the past, and may in the future, adversely impact our ability to deliver our cloud-based software solutions and could also have a negative effect on our operations and harm our business.

We may be the subject of litigation which, if adversely determined, could harm our business and operating results.

Our business is subject to regulation by various federal, state, local and foreign governmental agencies, including agencies responsible for monitoring and enforcing employment and labor laws, workplace safety, laws relating to privacy, security and data protection, consumer protection laws, anti-bribery laws, import/export controls, federal securities laws and tax laws and regulations. Noncompliance with applicable regulations or requirements could subject us to investigations, sanctions, enforcement actions, disgorgement of profits, fines, damages and civil and criminal penalties or injunctions. We have been, currently are, and may in the future be, subject to legal claims arising in the normal course of business. Such legal claims have included governmental, intellectual property-related, commercial, and employment claims, and may in the future include those categories of claims, as well as, product liability, class action, whistleblower and other litigation and claims. An unfavorable outcome on any litigation matter could require that we pay substantial damages. In addition, we may decide to settle any litigation, which could cause us to incur significant costs.

The outcome of litigation and other claims or lawsuits is intrinsically uncertain. Management’s view of the litigation might also change in the future. Actual outcomes of litigation and other claims or lawsuits could differ from the assessments made by management in prior periods, which are the basis for our accounting for these litigations and claims under GAAP. A settlement or an unfavorable outcome on any litigation matter could have a material adverse effect on our business, operating results, reputation, financial position or cash flows. In addition, responding to any action will likely result in a significant diversion of management’s attention and resources and an increase in professional fees. Enforcement actions and sanctions could harm our business, financial condition and results of operations.

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ITEM 1B. UNRESOLVED STAFF COMMENTS

None

ITEM 1C. CYBERSECURITY

Cybersecurity Risk Management.

We have established policies and processes for assessing, identifying, and managing material risk from cybersecurity threats, which includes risks that arise from our use of AI, and as described further below, have integrated these processes into our overall risk management systems and processes. Our board of directors performs meaningful oversight of these cybersecurity risk management processes, and our management team is responsible for the day-to-day management of the material risks we face.

Management roles in cybersecurity risk management.

We have several committees and individual management positions responsible for assessing, identifying, and managing the material cybersecurity risks that we face.

Enterprise Risk Management Committee.

Our Enterprise Risk Management Committee performs a central function in the assessment and management of our important business risks overall. Our Enterprise Risk Management Committee is comprised of members of our executive leadership. The committee meets periodically to review risk-related topics, including updates on cybersecurity risks and incidents, cybersecurity policy changes, and certain cybersecurity investment recommendations. The diverse skills and experience relevant to cybersecurity risk management possessed by the senior management and executive positions on this committee contribute to our effective management of such

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risks. The Enterprise Risk Management Committee is informed about and monitors the prevention, detection, mitigation and remediation of cybersecurity incidents through its Cybersecurity Steering Subcommittee and the Global Security Organization.

The Cybersecurity Steering Subcommittee oversees teams of subject matter experts and working groups assigned to focus on specific cybersecurity risk management issues, and receives periodic status updates from those teams. This subcommittee also receives information from several specific risk-focused working groups such as an AI risk review team and a product AI and privacy working group.

The Enterprise Risk Management Committee provides reports to the audit committee of our board of directors on a quarterly basis to support its oversight of our cybersecurity risk management.

Chief Information Security Officer.

Our Chief Information Security Officer ("CISO") leads our Global Security Organization. Our CISO supports our compliance with standards and contractual obligations relevant to cybersecurity and good risk governance. Our CISO has over ten years of experience focused on cybersecurity. Our CISO has degrees in computer science and management information systems, each with an emphasis on information security, and has certificates from the Global Information Assurance Certification program as an Information Security Professional and for Strategic Planning, Policy and Leadership. Our CISO has held senior positions focused on the management and operation of our cybersecurity risk management processes for over five years.

In addition to its oversight, monitoring and other responsibilities, the Global Security Organization conducts an annual risk assessment process concerning our enterprise and product families. This process supports our prioritization, planning and execution of security program improvements. We also maintain a risk management process throughout the year designed to compile and manage risks through a variety of technical and administrative controls.

Third-party cybersecurity risk management.

Our cybersecurity processes are designed to identify and address cybersecurity risks associated with our use of third-party technologies and service providers.

Our processes call for the evaluation of third parties for security and compliance risks before onboarding them for potential use within our own systems and services. For applicable vendors, we require audit reports and regular responses to our detailed security questionnaires particularly for vendors associated with critical assets. In addition, our procurement processes call for specific contractual obligations from relevant vendors regarding their maintenance of appropriate cybersecurity controls and relevant certifications. Our internal Software Development

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Lifecycle is designed to build our products in part relying upon industry-standard practices and third-party tools and services to test our code and bundled third-party libraries for known security misconfigurations and errors.

Our people are a crucial pillar of our cybersecurity.

We operate processes to maintain an internal culture that expressly values cybersecurity. This includes broad-based processes for cybersecurity training, internal communications, reporting concerns, and escalations. Our security awareness and skills training processes guide behaviors across our workforce to be security conscious.

Consultants provide valuable services within our cybersecurity risk management.

Our cybersecurity risk management processes and technical safeguards are supported by consultants and other service providers including for security assessments of our suppliers, independent risk assessments and forensic analyses. We have also retained third-party providers to monitor and assess our cybersecurity posture by a variety of security indicators, cybersecurity threat intelligence signals and other sources and methods.

Incident response processes are an integral part of our cybersecurity posture.

If indications are reported of an actual or threatened incident affecting our information systems or networks, or affecting a third party provider relevant to our security, we commence our incident response processes led supported by the Global Security Organization. This comprehensive incident response process is designed to address possible and confirmed cybersecurity incidents and enable escalations and notifications to appropriate management and members of the audit committee.

After an incident has been contained our processes shift emphasis to the continuity of business operations, and if necessary, restoration of services and the recovery of any affected business systems and data.

Board oversight of cybersecurity risk management.

On a quarterly basis either the audit committee or the full board of directors receive information regarding our cybersecurity risk management from our Global Security Organization and from a representative of our Chief Product Officer's organization. The chair of the audit committee also updates the full board of directors on specific topics that are presented or discussed at the regular meeting of the audit committee.

The audit committee also receives an annual review from the CISO regarding our cybersecurity strategies, including how changes in the threat landscape and changes to our risk posture and business and compliance requirements may affect our risk management strategies.

As a result of the significance of the cybersecurity threats to our business, we expend material efforts on our cybersecurity risk management processes, although we have not identified any specific threat or incident that has materially affected or is reasonably likely to materially affect the Company, including our business strategy, results of operations, or financial condition. For additional information regarding our risks from cybersecurity threats, please refer to Item 1A, "Risk Factors," in this annual report on Form 10-K, including the risk factors entitled: "A security breach or incident may compromise the integrity of our products, create service outages for our hosted products, or allow unauthorized access to our network or our customers' data, harm our reputation, create additional liability and adversely impact our financial results."

ITEM 2. PROPERTIES

We own our corporate headquarters, which is located in two buildings totaling approximately 290,000 square feet in Redwood City, California, which we purchased in 2012. We also own the associated 11.6 approximately 12 acres of land including two parking lots. These buildings are our principal facilities and house executive, sales and marketing, product development, customer support and general and administrative employees.

We also occupy leased facilities in the United States, including offices located in Austin, Texas and New York, which are primarily used for sales and marketing, product development and general and administrative employees. We lease office facilities outside of the United States in Sydney and Melbourne, Australia; Sao Paulo, Brazil; Hong Kong, China; Paris, France; Dublin, Ireland; Milan, Italy; Tokyo, Japan; Amsterdam, the Netherlands; Singapore; Madrid, Spain; Stockholm, Sweden; and Maidenhead, United Kingdom and are used primarily for sales and marketing, customer support, and general and administrative employees.

We also lease facilities in Bangalore, India; Stuttgart, Germany; and Toronto, Canada which are used primarily for our product development, customer support, professional services and general and administrative

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employees. We also lease additional facilities including Maxdorf, Germany; Chennai and Hyderabad, India; Jerusalem, Israel; and Krakow, Poland; where our offices are primarily used for product development.

We also lease executive suites to support our sales and marketing organizations in geographies where a permanent office is not required.

These leased facilities expire at various times through 2035. We are continually evaluating the adequacy of existing facilities and additional facilities in other locations, and believe our existing facilities are suitable to address our current needs. We are also looking at the implications of hybrid offices.

ITEM 3. LEGAL PROCEEDINGS

From time to time we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. We are not presently a party to any legal proceedings that in the opinion of our management, if determined adversely to us, would have a material adverse effect on our business, financial condition, results of operations or cash flows. Future litigation may be necessary to defend ourselves, our partners

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and our customers by determining the scope, enforceability and validity of third-party proprietary rights, or to establish our proprietary rights. The results of any current or future litigation cannot be predicted with certainty, and regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources and other factors. See *Note 19. 20. Commitments and Contingencies* in the Notes to our Consolidated Financial Statements.

ITEM 4. MINE SAFETY DISCLOSURES

None

PART II

ITEM 5. MARKET FOR REGISTRANT'S COMMON EQUITY, RELATED STOCKHOLDER MATTERS AND ISSUER PURCHASES OF EQUITY SECURITIES

Market for Our Common Stock and Related Stockholder Matters

Our Class A common stock has been traded on the New York Stock Exchange under the symbol “INFA” since October 27, 2021. Prior to that time, there was no public market for our Class A common stock. Our Class B-1 common stock and Class B-2 common stock are not traded on any public market.

Holders of Record

At February 14, 2024 February 12, 2025, there were 18 stockholders of record of our Class A common stock, one stockholder of record of our Class B-1 common stock and one stockholder of record of our Class B-2 common stock. The number of record holders of our Class A common stock does not include beneficial holders who hold their shares in “street name,” meaning that the shares are held for their accounts by a broker or other nominee. Accordingly, we believe that the total number of beneficial holders of our Class A common stock is higher than the number of our stockholders of record.

Dividend Policy

We have never declared or paid any cash dividends on our Class A common stock. Additionally, our ability to pay dividends on our Class A common stock and Class B-1 common stock is limited by restrictions on our ability to pay dividends or make distributions under the terms of our Credit Facilities. The holders of Class B-2 common stock are entitled to a nominal annual dividend of CAD$15,000 in the aggregate. We currently intend to retain all of our future earnings, if any, to finance our operations and do not anticipate paying any cash dividends on our Class A common stock in the foreseeable future. Any future determination as to the declaration and payment of dividends will be at the discretion of our board of directors and will depend on then-existing conditions, including our financial condition, operating results, contractual restrictions, capital requirements, business prospects, and other factors our board of directors may deem relevant.

Stock Price Performance Graph

This performance graph shall not be deemed “soliciting material” or to be “filed” with the Securities and Exchange Commission, or the SEC, for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, or the Exchange Act, or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any of our filings under the Securities Act of 1933, as amended, or the Securities Act.

The following graph shows the cumulative total returns to our stockholders between October 27, 2021 (the date that our Class A common stock commenced trading on the New York Stock Exchange) through December 31, 2023 December 31, 2024 in comparison to the S&P 500 Index and the S&P 500 Information Technology Index at their respective closing prices. An investment of $100 is assumed to have been made in our Class A common stock and in each index at the market close on October 27, 2021, and its relative performance is tracked through December 31, 2023 December 31, 2024. The returns shown are based on historical results and are not intended to suggest future performance.

2024 Stock Price Graph.jpg

Unregistered Sales of Equity Securities

None.

Issuer Purchases of Equity Securities

	Total number of shares purchased (1)	Average price paid per share	Total number of shares purchased as part of publicly announced plans or programs	Approximate dollar value of shares that may yet be purchased under the plans or programs
	(in thousands, except per share amounts)			
October 1, 2024 to October 31, 2024	—	$ —	—	$ 400,000
November 1, 2024 to November 30, 2024	1,257	$ 26.28	1,257	$ 366,983
December 1, 2024 to December 31, 2024	2,613	$ 26.85	2,613	$ 296,877
Total	3,870	$ 26.66	3,870	

(1)On October 31, 2023 October 29, 2024, our board the Company's Board of directors Directors (the “Board”) approved a share repurchase authorization which enables us the Company to repurchase up to $200 million $400 million of our its Class A common stock through privately-negotiated purchases with individual holders or in the open market. The share repurchase authorization does not have an expiration date. As of December 31, 2024, the Company has repurchased $103.2 million of its Class A common stock through open market purchases. A committee of the board of directors Board will determine the timing, amount and terms of any repurchase. The repurchase authorization does not have an expiration date.

There were no repurchases made during the three months ended December 31, 2023.

ITEM 6. RESERVED

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ITEM 7. MANAGEMENT’S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes appearing elsewhere in this Report. This discussion contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those discussed below. Factors that could cause or contribute to such differences include, but are not limited to, those identified below and those discussed in the sections titled “Risk Factors” and “Information Regarding Forward-Looking Statements” included elsewhere in this Report.

A discussion regarding our financial condition and results of operations for the fiscal year ended December 31, 2023 compared to the fiscal year ended December 31, 2022 is presented below. A discussion regarding our financial condition and results of operations for the fiscal year ended December 31, 2022 compared to the fiscal year ended December 31, 2021 can be found in “Management's Discussion and Analysis of Financial Condition and Results of Operations” in Part II, Item 7 of our Annual Report on Form 10-K for the fiscal year ended December 31, 2022 filed with the SEC on February 27, 2023.

Overview

We have pioneered a new category of software, the Intelligent Data Management Cloud (“IDMC”). IDMC is our artificial intelligence (“AI”) powered platform that connects, manages, and unifies data across any public cloud or hybrid cloud environment, empowering enterprises to modernize and advance their data strategies.

We generate revenues from the sale of subscriptions to for our software products, and professional services, and maintenance agreements supporting perpetual licenses mainly sold in prior periods. Substantially all of our software revenue consists of fees generated from our subscription-based products. periods, and professional services. We have grown our subscription revenue to $1,003.5 million $1,101.7 million in 2024, from $1,006.8 million and $867.6 million in 2023 from $857.2 million and $747.7 million 2022, respectively.

We previously presented Subscriptions and Perpetual license revenues separately on our statement of operations. Because revenues for perpetual licenses are not material for current or past periods due to our transition to a cloud-only, consumption-driven strategy, we combined these amounts and have retrospectively adjusted past periods for comparative purposes. We continue to renew our maintenance contracts related to the perpetual licenses sold in 2022 prior periods and 2021, respectively. Over these periods, our subscription recognize maintenance revenue which is presented as a percentage part of total software revenue was approximately 100%, 99%, Maintenance and 96% for 2023, 2022, and 2021, respectively. professional services on our consolidated statement of operations.

Our products can be subscribed to as individually distinct product families or together as a tightly an integrated platform to support complex data management needs and mission critical workloads. Our products are subscribed through contracts primarily with a one-, two- or three-year term, with an average contract term of approximately two years for the year ended December 31, 2023 December 31, 2024. Substantially all of our subscription customers pay us annual fees in advance at the start of each contract year. We recognize revenue from our cloud subscription on a ratable basis over the contract term. We generally recognize the majority of the revenue from our self-managed subscription subscription-based licenses at the start of the contract term. The remaining portion of self-managed subscription fees attributable to related support services are generally recognized on a ratable basis over the contract term.

We use a consumption-based pricing model to provide customers greater flexibility regarding use and consumption of a broad array of our cloud subscription offerings. The consumption-based pricing model is based on Master Data Management ("MDM") records or Informatica Processing Units ("IPUs"), which is an innovative way to measure the consumption of our cloud-based services. services, or Master Data Management ("MDM") records. Under the IPU consumption-based model, customers pre-purchase a maximum number of IPUs to be consumed per month, or MDM records to be managed, over the subscription term.

In the first quarter of 2023, we introduced a variation of the IPU consumption-based pricing model called Flex IPUs. Under this new model, customers pre-purchase a number of Flex IPUs to be consumed per year of the subscription term. Additional fees are charged for incremental IPUs consumed above the annual maximum, if the customer's usage requires it.

We previously generated additional software revenue from the sale of perpetual licenses. However, consistent with our business transformation strategy and focus on subscription revenue, our perpetual license revenue as a percentage of our total revenues has decreased year over year and represented approximately 0%, 1%, and 4% of total revenues, for 2023, 2022, and 2021, respectively.

Our maintenance revenues consist of recurring maintenance fees related to perpetual licenses mainly sold in prior periods. Our recurring maintenance fees grant our customers access to software updates and support for our perpetual license products.

We generate professional services revenues through one-time fees associated with implementation, education, and consulting services related to our software products. We recognized $588.4 million, $637.6 million, $538.3 million, $588.4 million, and $667.1 million $637.6 million of maintenance and professional services revenues during fiscal year ended 2024, 2023 2022 and 2021, 2022, respectively.

We market and sell our subscription products primarily through our global direct sales team, which is enhanced by our relationships and collaboration with our partners that include global system integrators such as

Deloitte and Accenture, hyperscale cloud platform providers such as AWS, Microsoft Azure, Google Cloud and Oracle Cloud, and other channel partners such as value added value-added resellers and distributors. Our sales organization consists of marketing, sales development, inside sales, and field sales personnel. It is generally organized by region, customer size and certain industry verticals. Cloud hyperscalers help us amplify our commercial reach when we jointly engage in cloud modernization efforts. In addition, our global system integrator partners provide implementation services for our products for customers as part of their support of broader, overall cloud modernization initiatives.

Historically, we have focused our selling efforts on executives such as chief information officers ("CIO") and chief data officers ("CDO") who are often making decisions to subscribe to our products for their most important business initiatives. CIOs adopt our platform as part of their analytics and AI projects, cloud migration journey, application modernization efforts, and business 360 initiatives. CDOs utilize our products as part of their overall data governance, access, and security strategies in order to democratize data access for everyone across the company. We are expanding our go-to-market efforts to focus more on industry-specific market segments, departmental lines of business and small and medium sized enterprise customers.

We employ a "land and expand" model to increase sales to our existing customer base. Once customers have purchased a subscription IPUs to one of utilize our products—for example, Data Integration—they often identify additional use cases for our software and expand their use of our products accordingly. For example, as a customer seeks to expand the distribution of data-centric reports powered by our data integration solutions to a broader set of internal or external users, enhanced levels of data quality and control may be required, prompting subscription to our Data Quality and Data Governance families of products.

We also market our cloud subscription to our large installed base of perpetual license maintenance and self-managed subscription license customers, enabling them to advance their cloud modernization efforts to migrate existing processes and net new workloads from costly-to-maintain on-premises IT infrastructure to lower-cost elastic cloud architecture. In 2023, we released the PowerCenter Cloud Edition to accelerate and automate much of the migration effort associated with modernizing from on-premises PowerCenter to IDMC.

Purchasing patterns for our products have followed quarterly and seasonal trends that we expect to continue. We typically sell a substantial portion of our cloud services in the last month of each quarter, and demand for our products and professional services are generally highest in the fourth quarter and lowest in the first quarter of each year.

Factors Affecting Our Performance

We believe that the growth of our business and our future success are dependent upon many factors, including those described below. While each of these factors presents significant opportunities for us, these factors also pose important challenges that we must successfully address in order to sustain the growth of our business and improve our results of operations.

Continued Adoption of our Cloud Subscription Offerings. Our success will largely depend on customers' continued uptake of our cloud subscription offerings. Our success will also largely depend on the value businesses place on data management as part of their overall digital transformation initiatives and the timing and willingness of businesses to move their data and workloads to the cloud. As companies from all industries continue to shift to subscription and cloud-based services, we believe demand for our platform and subscription-based products cloud subscription offerings will increase. A large majority of our subscription products were architected to be deployed natively in public, private, or hybrid cloud environments. In addition, we assist our customers with migrations of their Informatica self-managed data integration, data quality and MDM installations to our corresponding cloud solutions. For the period starting in our fourth fiscal quarter of 2020 and ended December 31, 2023 December 31, 2024, we have entered into agreements to migrate a total of approximately $48.0 $84.4 million of maintenance and self-managed ARR. Our future growth will depend in part on our ability to develop new market-leading cloud subscription offerings to expand the offerings in our platform.

New Customer Acquisition. Our future growth depends, in part, on our ability to acquire new customers. Our ability to acquire new customers is demonstrated by the fact that 54% of our subscription customers as of December 31, 2023 December 31, 2024 did not have a prior perpetual license maintenance contract with us. In addition, our ability to attract new customers will depend, in part, on our ability to continue to compete effectively against a variety of different vendors who offer existing data management products, as well as our ability to convert companies into paying customers who are using custom-built solutions. Additionally, we will continue to rely on our sales and marketing team to effectively and efficiently identify and engage with prospective customers, increase brand awareness, and drive adoption of our products. We also have a business development team for our go-to-market go-to-

market strategy that is focused on growing adoption of our products by targeting key business personnel adjacent to technical roles, as well as small- and mid-market organizations, which represents a new addressable customer base for us. We will continue to make strategic investments in sales to grow our total customer base, with a focus on targeting these new buyers. roles.

Expansion Within our Customer Base. Our business depends, in part, on our ability to expand within our large existing customer base by adding new products, addressing cloud modernization initiatives, and growing with our customers' overall data footprint. We have successfully expanded our existing customers' adoption of our platform through upselling and cross-selling, as evidenced by our Subscription NRR (as defined below in Key Business Metrics), which was 106% and 111%, and Cloud Subscription NRR (as defined below in Key Business Metrics), which was 119% 124% and 125% at the Global Parent Level (as defined below in Key Business Metrics) and 117% as of December 31, 2023 and 2022, 119% at the End-user Level for the year ended December 31, 2024 and 2023, respectively. We increased the average Subscription ARR (as defined below in Key Business Metrics) per subscription customer from December 31, 2022 December 31, 2023 to December 31, 2023 December 31, 2024, from $263 $298 thousand to $298 $341 thousand, respectively. We continuously focus on increasing the value our customers derive from our platform and often become a strategic vendor to them in the process. For example, as of December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, we had 284, 240 206 and 153 206 customers individually with over $1 million in Subscription ARR each, respectively.

Retention of Existing Customers. Our business also depends, in part, on our ability to retain our existing customer base. We typically enjoy a high customer renewal rate, which we attribute to the fact that our products are embedded in mission-critical applications, as well as the fact that we have an expansive product portfolio and world-class customer success organization. For example, as of December 31, 2023 December 31, 2024 and 2022, 2023, our subscription renewal rate[1] was 92% 90% and 94% 92%, respectively, and our maintenance renewal rate[2] was 95% 92% and 96% 95%, respectively. We intend to continue investing in our products and customer success organization to maintain these favorable retention rates.

Investment in Partner Go-to-Market Efforts. Our business and results of operations will also be significantly affected by our success in strengthening our relationships with strategic partners, including cloud hyperscalers, hyperscalers; cloud partners, partners; global system integrators ("GSI"); and other channel partners such as regional systems system integrators, value-added resellers and distributors. We believe further developing these key strategic relationships will help us scale and enhance co-selling of our products and services with these partners. Many of our GSI partners have built Centers of Excellence inside their Data and AI practices and have staffed them with Informatica IDMC skilled resources and many have also built solutions which include Informatica in the standard architecture. These developments have helped to expand our footprint with our largest partners and to be recommended more often and in more customer accounts. We plan to continue to strengthen and expand our network of strategic partners to increase sales to both new and existing customers and offer new and existing products on partner marketplaces. We believe that investing in sales enablement and co-selling efforts with our strategic partners will broaden our distribution footprint globally and extend and improve our engagement with a broad set of prospective customers.

Global Macroeconomic Factors. Uncertainty in the macroeconomic environment, including interest rate volatility, shifting foreign exchange rates, and geopolitical pressures, including the war in Ukraine and the conflicts in the Middle East, and associated global economic conditions have resulted in volatility in credit, equity, and foreign currency markets. These macroeconomic conditions have and are likely to continue to adversely affect the buying patterns of our customers and prospective customers, including the length of sales cycles, our overall pipeline and pipeline conversion rates, and our revenue growth expectations. For example, beginning in the second quarter of 2022, and continuing through 2024, we have experienced an impact from the current macroeconomic environment

1 We compute the subscription renewal rate by assessing the annual value of subscription contracts that expire or have an anniversary date within the current quarter (denominator) and compare this to the annual renewed value or amount not cancelled for that set of expiring contracts, including price uplifts, if any, realized on renewed contracts (numerator). We typically allow for a grace period of up to six months past the original contract expiration quarter during which we engage in the renewal process before we report the contract as lost /inactive. This grace-period renewal amount has been an immaterial portion over the last three years. If there is an actual cancellation for a subscription contract, we count that amount as removed from the numerator in that period.

2 We compute the maintenance renewal rate by assessing the annual value of maintenance contracts for perpetual licenses that expire or have an anniversary date within the current quarter (denominator) and compare this to the annual renewed value or amount not cancelled for that set of contracts, including price uplifts, if any, realized on renewed contracts (numerator). We typically allow for a grace period of up to six months past the original contract expiration quarter during which we engage in the renewal process before we report the contract as lost /inactive. This grace-period renewal amount has been an immaterial portion over the last three years. If there is an actual cancellation for a maintenance contract, we count that amount as removed from the numerator in that period. If a customer cancels a maintenance contract and migrates the underlying product to one of our cloud subscription, subscriptions, this loss of maintenance would be counted as a cancellation and reduce our maintenance renewal rate.

broaden our distribution footprint globally and extend and improve our engagement with a broad set of prospective customers.

Global Macroeconomic Factors. Uncertainty in the macroeconomic environment, including elevated inflation concerns, global supply chain concerns, rising interest rates, fluctuation in foreign exchange rates, volatility and uncertainty in the financial services industry, geopolitical pressures, including the war in Ukraine and the conflict involving Israel and Hamas, and associated global economic conditions have resulted in volatility in credit, equity, and foreign currency markets. These macroeconomic conditions have and are likely to continue to adversely affect the buying patterns of our customers and prospective customers, including the length of sales cycles, our overall pipeline and pipeline conversion rates, and our revenue growth expectations. For example, beginning in the second quarter of 2022, and continuing through 2023, we have experienced an impact from the current macroeconomic environment as prospective and existing customers applied elevated levels of scrutiny to purchasing decisions that adversely impacted the ability to close new business. We experienced these headwinds at an increasing magnitude beginning in the third quarter of 2022, and we expect some or all of the global macroeconomic factors will continue to impact our operations.

Refer to the section titled “Risk Factors” for further discussion of the possible impact of the global macroeconomic factors on our business.

Key Business Metrics and Non-GAAP Financial Measure

We review a number of operating and financial metrics, including the following unaudited key business metrics and non-GAAP financial measure to evaluate our business, measure our performance, identify trends affecting our business, formulate business plans, and make strategic decisions.

		Year Ended December 31,						
		2023	2022	2021				
		2024	2023	2022				
		(in thousands, except percentages)						
		(in thousands, except percentages)						
		(in thousands, except percentages)						
Cloud Subscription Annual Recurring Revenue								
Self-managed Subscription Annual Recurring Revenue								
Subscription Annual Recurring Revenue								
Maintenance Annual Recurring Revenue								
Total Annual Recurring Revenue								
Subscription Net Retention Rate (End-user level)								
Subscription Net Retention Rate (End-user level)								
Subscription Net Retention Rate (End-user level)		106 %	111 %	114 %		104 %	106 %	111 %
Cloud Subscription Net Retention Rate (End-user level)	Cloud Subscription Net Retention Rate (End-user level)	119 %	117 %	115 %	Cloud Subscription Net Retention Rate (End-user level)	117 %	119 %	117 %
Cloud Subscription Net Retention Rate (Global Parent level)	Cloud Subscription Net Retention Rate (Global Parent level)	125 %	123 %	121 %	Cloud Subscription Net Retention Rate (Global Parent level)	124 %	125 %	123 %

Key Business Metrics

Annual Recurring Revenue

Annual Recurring Revenue (“ARR”) represents the expected annual billing amounts from all active maintenance and subscription agreements. ARR is calculated based on the contract Monthly Recurring Revenue (“MRR”) multiplied by 12. MRR is calculated based on the accounting adjusted total contract value divided by the number of months of the agreement based on the start and end dates of each contracted line item. The aggregate ARR calculated at the end of each reported period represents the value of all contracts that are active as of the end of the period, including those contracts that have expired but are still under negotiation for renewal. We typically allow for a grace period of up to 6 months past the original contract expiration quarter during which we engage in the renewal process before we report the contract as lost /inactive. This grace-period ARR amount has been less than 2% of the reported ARR in each period presented. If there is an actual cancellation of an ARR contract, we remove that ARR value at that time.

We believe ARR is an important metric for understanding our business since it tracks the annualized cash value collected over a 12-month period for all of our recurring contracts, irrespective of whether it is a maintenance contract on a perpetual license, a ratable cloud contract, or a self-managed term-based subscription license. ARR

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should be viewed independently of total revenue and deferred revenue related to our software and services contracts and is not intended to be combined with or to replace either of those items.

Cloud Subscription Annual Recurring Revenue

Cloud Subscription Annual Recurring Revenue (“Cloud Subscription ARR”) represents the portion of ARR that is attributable to our hosted cloud contracts.

We believe that Cloud Subscription ARR is a helpful metric for understanding our business since it represents the approximate annualized cash value collected over a 12-month period for all of our recurring Cloud contracts. Cloud Subscription ARR is a subset of our overall Subscription ARR, and by providing this breakdown of Cloud Subscription ARR, it provides visibility on the size and growth rate of our Cloud Subscription ARR within our overall

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Subscription ARR (as defined below). Cloud Subscription ARR should be viewed independently of subscription revenue and deferred revenue related to our subscription contracts and is not intended to be combined with or to replace either of those items.

Subscription Annual Recurring Revenue

Subscription Annual Recurring Revenue (“Subscription ARR”) represents the portion of ARR only attributable to our subscription contracts. Subscription ARR includes Cloud Subscription ARR and Self-managed Subscription Annual Recurring Revenue.

We believe that Subscription ARR is a helpful metric for understanding our business since it represents the approximate annualized cash value collected over a 12-month period for all of our recurring subscription contracts. Subscription ARR excludes maintenance contracts on our perpetual licenses. Subscription ARR should be viewed independently of subscription revenue and deferred revenue related to our subscription contracts and is not intended to be combined with or to replace either of those items.

Maintenance Annual Recurring Revenue

Maintenance Annual Recurring Revenue (“Maintenance ARR”) represents the portion of ARR only attributable to our maintenance contracts.

We believe that Maintenance ARR is a helpful metric for understanding our business since it represents the approximate annualized cash value collected over a 12-month period for all our maintenance contracts. Maintenance ARR includes maintenance contracts supporting our perpetual licenses. Maintenance ARR should be viewed independently of maintenance revenue and deferred revenue related to our maintenance contracts and is not intended to be combined with or to replace either of those items. As we continue to shift our focus from perpetual to cloud, we expect Maintenance ARR will decrease in future quarters.

Subscription Annual Recurring Revenue

Subscription Annual Recurring Revenue (“Subscription ARR”) represents the portion of ARR only attributable to our subscription contracts.

We believe that Subscription ARR is a helpful metric for understanding our business since it represents the approximate annualized cash value collected over a 12-month period for all of our recurring subscription contracts. Subscription ARR excludes maintenance contracts on our perpetual licenses to provide information regarding the period-to-period performance and overall size and scale of our subscription business as we continue to focus our efforts on subscription-based licensing. Subscription ARR should be viewed independently of subscription revenue and deferred revenue related to our subscription contracts and is not intended to be combined with or to replace either of those items.

Cloud Subscription Annual Recurring Revenue

Cloud Subscription Annual Recurring Revenue (“Cloud Subscription ARR”) represents the portion of ARR that is attributable to our hosted cloud contracts.

We believe that Cloud Subscription ARR is a helpful metric for understanding our business since it represents the approximate annualized cash value collected over a 12-month period for all of our recurring Cloud contracts. Cloud Subscription ARR is a subset of our overall Subscription ARR, and by providing this breakdown of Cloud Subscription ARR, it provides visibility on the size and growth rate of our Cloud Subscription ARR within our overall Subscription ARR. Cloud Subscription ARR should be viewed independently of subscription revenue and deferred revenue related to our subscription contracts and is not intended to be combined with or to replace either of those items.

Subscription Net Retention Rate

Subscription Net Retention Rate (“Subscription NRR”) compares the contract value for Subscription ARR from the same set of customers at the end of a period compared to the prior year. We treat divisions, segments or subsidiaries inside companies as separate customers when defining the End-user level. To calculate our Subscription NRR for a particular period, we first establish the Subscription ARR value at the end of the prior year period. We subsequently measure the Subscription ARR value at the end of the current period from the same cohort of customers. The net retention rate is then calculated by dividing the aggregate Subscription ARR in the current period by the prior year period. An increase in the Subscription NRR occurs as a result of price increases on existing contracts, higher consumption of existing products, and sales of additional new subscription products to existing customers exceeding losses from subscription contracts due to price decreases, usage decreases and cancellations. Our Cloud Subscription Net Retention Rate continues to outpace total Subscription NRR as self-managed subscription customers are moving to cloud offerings which is net neutral to Subscription NRR but will be additive to Cloud NRR for the same cohort of customers. We believe Subscription NRR is an important metric for understanding our business since it measures the rate at which we are able to sell additional products into our subscription customer base.

Cloud Subscription Net Retention Rate

Cloud Subscription Net Retention Rate ("Cloud Subscription NRR") compares the contract value for Cloud Subscription ARR from the same set of customers at the end of a period compared to the prior year. We treat divisions, segments or subsidiaries inside companies as separate customers when defining the End-user level. We treat divisions, segments, or subsidiaries of a company as one customer when defining the Global Parent level. Global Parent customers are determined using Dun & Bradstreet GDUNS identifiers. To calculate our Cloud Subscription NRR for a particular period, we first establish the Cloud Subscription ARR value at the end of the prior year period. We subsequently measure the Cloud Subscription ARR value at the end of the current period from the same cohort of customers. Cloud Subscription NRR is then calculated by dividing the aggregate Cloud Subscription ARR in the current period by the prior year period. An increase in the Cloud Subscription NRR occurs as a result of price increases on existing contracts, higher consumption of existing products, and sales of additional new subscription products to existing customers exceeding losses from subscription contracts due to price decreases, usage decreases and cancellations. We believe Cloud Subscription NRR is an important metric for understanding our business since it measures the rate at which we are able to sell additional products into our cloud subscription customer base.

Subscription Net Retention Rate

Subscription Net Retention Rate (“Subscription NRR”) compares the contract value for Subscription ARR from the same set of customers at the end of a period compared to the prior year. We treat divisions, segments or subsidiaries inside companies as separate customers when defining the End-user level. To calculate our Subscription NRR for a particular period, we first establish the Subscription ARR value at the end of the prior year period. We subsequently measure the Subscription ARR value at the end of the current period from the same cohort of customers. The net retention rate is then calculated by dividing the aggregate Subscription ARR in the current period by the prior year period. An increase in the Subscription NRR occurs as a result of price increases on existing contracts, higher consumption of existing products, and sales of additional new subscription products to existing customers exceeding losses from subscription contracts due to price decreases, usage decreases and

cancellations. Our Cloud Subscription NRR continues to outpace total Subscription NRR as self-managed subscription customers are moving to cloud offerings which is net neutral to Subscription NRR but will be additive to Cloud Subscription NRR for the same cohort of customers. We believe Subscription NRR is a helpful metric for understanding our business since it measures the rate at which we are able to sell additional products into our subscription customer base.

Non-GAAP Financial Measures

In addition to our results determined in accordance with GAAP in the United States, we believe the following non-GAAP measure is useful in evaluating our operating performance. We use the following non-GAAP financial information to evaluate our ongoing operations and for internal planning and forecasting purposes. We believe that non-GAAP financial information, when taken collectively, may be helpful to investors because it provides consistency and comparability with past financial performance. However, non-GAAP financial information is presented for supplemental informational purposes only, has limitations as an analytical tool and should not be considered in isolation or as a substitute for financial information presented in accordance with GAAP. In addition, other companies, including companies in our industry, may calculate similarly titled non-

GAAP measures differently or may use other measures to evaluate their performance, all of which could reduce the usefulness of our non-GAAP financial measure as tools for comparison. A reconciliation is provided below for our non-GAAP financial measure to the most directly comparable financial measure stated in accordance with GAAP. Investors are encouraged to review the related GAAP financial measures and the reconciliation of this non-GAAP financial measure to its most directly comparable GAAP financial measure, and not to rely on any single financial measure to evaluate our business.

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Adjusted EBITDA

We define adjusted EBITDA as GAAP net loss income (loss) as adjusted for income tax benefit (expense), interest income, interest expense, loss on debt refinancing costs, other income (expense) net, stock-based compensation, compensation-related charges, including employer payroll tax-related items on employee stock transactions, amortization of intangibles, equity compensation related payments, expenses associated with restructuring acquisition costs, efforts, expenses associated with acquisitions, sponsor-related costs and depreciation.

	Year Ended December 31,		
	2023	2022	2021
	(in thousands)		
GAAP net loss	$ (125,283)	$ (53,675)	$ (99,929)
Income tax expense	48,111	19,478	24,039
Interest income	(39,686)	(9,224)	(1,213)
Interest expense	151,396	78,020	132,439
Loss on debt refinancing	—	—	30,882
Other income, net	(975)	(8,996)	(26,312)
Stock-based compensation	218,099	135,862	45,017
Amortization of intangibles	149,280	188,825	245,895
Equity compensation	—	332	(10)
Restructuring	59,755	—	128
Acquisition costs	1,584	—	—
Sponsor-related costs	—	—	1,644
Depreciation	17,083	21,007	24,839
Adjusted EBITDA	$ 479,364	$ 371,629	$ 377,419

Beginning with the quarter ended June 30, 2024, we have included employer payroll tax expense related to equity incentive plans in our adjustments, as the amount is dependent on our stock price and other factors that are beyond our control and does not correlate to the operation of our business. The stock-based compensation related employer tax-related expense for comparative periods were immaterial and are not reflected in the prior period balances. We believe adjusted EBITDA is an important metric for understanding our business to assess our relative profitability adjusted for balance sheet debt levels.

	Year Ended December 31,		
	2024	2023	2022
	(in thousands)		
GAAP net income (loss)	$ 9,931	$ (125,283)	$ (53,675)
Income tax expense (benefit)	43,234	48,111	19,478
Interest income	(56,437)	(39,686)	(9,224)
Interest expense	146,064	151,396	78,020
Debt refinancing costs	1,366	—	—
Other expense (income), net	(17,110)	(975)	(8,996)
Stock-based compensation-related charges	263,088	218,099	135,862
Amortization of intangibles	125,745	149,280	188,825
Equity compensation	—	—	332
Restructuring	12,505	59,755	—
Acquisition-related costs	7,569	1,584	—

Sponsor-related costs		1,503		—		—
Depreciation		13,388		17,083		21,007
Adjusted EBITDA	$	550,846	$	479,364	$	371,629

Components of Results of Operations

Software Subscription Revenues

Subscription Revenues. Subscription revenues consist of revenues from customers from cloud subscription, self-managed subscription licenses, and self-managed subscription support and other. We previously presented Subscriptions and Perpetual license revenues separately on our statement of operations. Because revenue for perpetual licenses are not material for current or past periods due to our transition to a cloud-only, consumption-driven strategy, we combined these amounts and have retrospectively adjusted past periods for comparative purposes. Revenues from our cloud subscription are recognized over time on a ratable basis over the contract term beginning on the date that the service is made available to the customer or on the date the contractual term commences, if later. The Company's cloud subscription include cloud functionalities and, for most products, also a secure agent that is installed in a customer's environment, either on their third-party cloud infrastructure or on a customer's premises. The secure agent performs tasks and enables secure communication behind a customer's firewall with the cloud functionalities. For these products, customers are not able to use either the cloud functionalities or secure agent for their intended purpose on their own without use of the other component. The cloud functionalities and secure agent are accounted for together as a single performance obligation because we have concluded that the cloud functionalities and secure agent are highly interdependent and interrelated based on the significant two-way dependency between the components. The majority of the revenues expected over the term of our self-managed subscription licenses is recognized at a point in time upon transfer of control of the license to the customer. Support and other services sold with self-managed subscription licenses are recognized over time on a ratable basis over the contract term beginning on the date the service is made available to the customer. In general, new subscription contracts are typically one to three years in length, with an average contract duration of approximately two years. However, we have experienced and expect to continue to experience a reduction in

contract duration for self-managed subscription license renewals, which would reduce the amount of revenue that we recognize upfront on renewal transactions. Our subscription software fees are typically billed annually in advance in equal installments across the term of the contracts for both cloud and self-managed subscriptions.

Perpetual License Revenues. Perpetual license revenues are revenues from customers Maintenance and partners for sales of our software under on-premises perpetual licenses. Revenue from our perpetual license products is generally recognized at a point in time upon transfer of control of the license to the customer, which is typically upon making the software available to our customers. We expect revenue from perpetual licenses to be less than 1% of total revenues going forward, as we focus the majority of our product development spending on pure cloud subscription offerings and our go-to-market efforts on subscription-based licensing for software sales.

Service Professional Services Revenues

Maintenance Revenues. Maintenance revenue, which consists of fees for ongoing support and product updates mainly for our previously sold perpetual licenses, is recognized ratably over the term of the contract, typically one year. Maintenance contracts are generally billed annually in advance. We expect our maintenance revenues to gradually decrease over time as we have ceased actively selling new perpetual licenses and our customers are expected to transition over time to our subscription-based licensing model and adopt our cloud subscription offerings.

Professional Services Revenues. Professional services revenues consist of non-recurring fees associated with implementation, education, and consulting services related to our software products. Consulting revenues are primarily related to configuration, installation, and implementation of our products. These services are generally performed on a time-and-materials basis and, accordingly, revenues are recognized as the services are performed. Consulting services, if included as part of the software arrangement, generally do not entail significant modification or customization of the software and hence, such services are not considered essential to the functionality of the software. Education service revenues are generated from classes offered at our headquarters, sales and training offices, customer locations, and on-line. online. Revenues are recognized as the classes are delivered or when the subscription period ends. We believe that our consulting and education services organization facilitates the adoption of our service offerings, helps us to secure larger subscription revenue contracts, and supports our customers' success. We expect professional services revenues to continue to decrease slightly in 2024. as a result of our strategy to shift more of our customers' implementation and support work to our professional services partners.

Cost of Revenues

Cost of Software Subscription Revenues. Our cost of software revenues is a combination of costs of subscription revenues and perpetual licenses. Cost of subscription revenues consists primarily of fees paid to third-party vendors for cloud services related to our subscription services, fees paid to third parties for software used by us to deliver, monitor and secure our subscription products, salaries, stock-based compensation, and other internal personnel-related expenses including stock-based compensation, to operate and secure our hosting infrastructure; and royalties paid to postal authorities for address data and other vendors that provide content for our data-as-a-service offerings. In addition, these expenses include costs which are personnel-related expenses from our IT, Facilities and Procurement functions and expenses related to occupancy and enterprise systems allocated based on headcount ("Shared Costs"). Cost of perpetual license revenues consists primarily of software royalties payable to third parties.

Cost of Maintenance and Professional Services Revenues. Our cost of service revenues is a combination of costs of maintenance, consulting and education services revenues. Our cost of maintenance revenues consists primarily of costs associated with customer service salaries, stock-based compensation and other personnel-related expenses, including stock-based compensation, and royalty fees for maintenance related to third-party software providers. Cost of consulting revenues consists primarily of salaries, stock-based compensation and other personnel-related expenses, including employee costs, stock-based compensation, subcontractor costs and travel, entertainment, Shared Costs, and other expenses. Cost of education services revenues consists primarily of the costs of providing education classes and materials at our headquarters, sales and training offices and customer locations.

Amortization of Acquired Technology. Amortization of acquired technology is the amortization of technologies recorded primarily as a result of the 2015 transaction where the Company was taken private by our Sponsors (the "2015 Privatization Transaction") and, to a lesser extent, from business acquisitions and acquired technology licenses.

Operating Expenses

Research and Development

Our research and development expenses consist primarily of salaries and other personnel-related expenses, including stock-based compensation, outside services, travel expenses, Shared Costs, software expenses associated with the development of new products, enhancement and localization of existing cloud products, and quality assurance and development of documentation for our products. All software Research and development costs for software intended are generally expensed as

incurred in accordance with ASC 730, Research and Development. Software development costs required to be marketed capitalized under ASC 985-20, Costs of Software to customers have been expensed be Sold, Leased or Marketed, and under ASC 350-40, Internal-Use Software, were not material to our consolidated financial statements in the period incurred since the costs incurred subsequent to the establishment of technological feasibility have not been significant. 2024, 2023 and 2022. With our cloud-only, consumption-driven strategy, we intend to further focus our research and development efforts on our cloud subscription offerings. We expect this to lead to cost savings in research and development expense as a percentage of total revenues.

Sales and Marketing

Our sales and marketing expenses consist primarily of salaries and other personnel-related expenses, including commissions and bonuses, as well as stock-based compensation, costs of public relations, seminars, marketing programs, lead generation, travel and entertainment, trade shows, software expenses, outside services and Shared Costs. With our cloud-only, consumption-driven strategy, we intend to further focus our go-to-market efforts on our cloud subscription offerings. We expect this to lead to cost savings in sales and marketing expense as a percentage of total revenues.

General and Administrative

Our general and administrative expenses consist primarily of salaries, stock-based compensation, and other personnel-related expenses including stock-based compensation, for finance, human resources, legal, and general management, as well as professional service expenses associated with recruiting, legal, tax and accounting services, travel expenses and Shared Costs. We expect our general and administrative expenses to continue to increase in absolute dollars for the foreseeable future but may vary as a percentage of total revenues.

Maintenance and Professional Services Revenues

Maintenance Revenues. Maintenance revenue, which consists of fees for ongoing support and product updates mainly for our previously sold perpetual licenses, is recognized ratably over the term of the contract, typically one year. Maintenance contracts are generally billed annually in advance. We expect our maintenance revenues to gradually decrease over time as we have ceased actively selling new perpetual licenses and our customers are expected to transition over time to our subscription-based licensing model and adopt our cloud subscription offerings.

Professional Services Revenues. Professional services revenues consist of non-recurring fees associated with implementation, education, and consulting services related to our software products. Consulting revenues are primarily related to configuration, installation, and implementation of our products. These services are generally performed on a time-and-materials basis and, accordingly, revenues are recognized as the services are performed. Consulting services, if included as part of the software arrangement, generally do not entail significant modification or customization of the software and hence, such services are not considered essential to the functionality of the software. Education service revenues are generated from classes offered at our headquarters, sales and training offices, customer locations, and online. Revenues are recognized as the classes are delivered or when the subscription period ends. We believe that our consulting and education services organization facilitates the adoption of our service offerings, helps us to secure larger subscription revenue contracts, and supports our customers' success. We expect professional services revenues to continue to decrease as a result of our strategy to shift more of our customers' implementation and support work to our professional services partners.

Cost of Revenues

Cost of Subscription Revenues. Cost of subscription revenues consists primarily of fees paid to third-party vendors for cloud services related to our subscription services, fees paid to third parties for software used by us to deliver, monitor and secure our subscription products, salaries, stock-based compensation, and other internal personnel-related expenses to operate and secure our hosting infrastructure; and royalties paid to postal authorities for address data and other vendors that provide content for our data-as-a-service offerings. In addition, these expenses include costs which are personnel-related expenses from our IT, Facilities and Procurement functions and expenses related to occupancy and enterprise systems allocated based on headcount ("Shared Costs").

*Cost of Maintenance and Professional Services Revenues.*Our cost of service revenues is a combination of costs of maintenance, consulting and education services revenues. Our cost of maintenance revenues consists primarily of costs associated with customer service salaries, stock-based compensation and other personnel-related expenses, and royalty fees for maintenance related to third-party software providers. Cost of consulting revenues consists primarily of salaries, stock-based compensation and other personnel-related expenses, subcontractor costs and travel, entertainment, Shared Costs, and other expenses. Cost of education services revenues consists primarily of the costs of providing education classes and materials at our headquarters, sales and training offices and customer locations.

Amortization of Intangible Assets

Acquired Technology.Amortization of intangible assets acquired technology is the amortization of customer relationships, and trade names and trademarks technologies recorded primarily as a result of the 2015 transaction where the Company was taken private by our Sponsors (the "2015 Privatization Transaction Transaction") and, to a lesser extent, from business acquisitions and acquired through business acquisitions. technology licenses.

Restructuring

Restructuring charges include our reorganization activities. On January 10, 2023, we announced a plan to reduce our workforce by approximately 450 employees, representing approximately 7% Operating Expenses

Research and Development

Our research and development expenses consist primarily of the global workforce, and a closure of an office in Israel (the "January Plan"). On November 1, 2023, we announced a plan to reduce our workforce by approximately 500 employees, representing approximately 10% of our current global workforce, and reduce our global real estate footprint (the "November Plan").

Interest Income (Expense) and Other Income, Net

Interest income (expense) salaries and other income, net consists primarily personnel-related expenses, stock-based compensation, outside services, travel expenses, Shared Costs, software expenses associated with the development of interest expense, interest income earned on new products, enhancement and localization of existing cloud products, and quality assurance and development of documentation for our cash, cash equivalents, investments, mark-to-market gains products. Research and losses on interest rate swaps, unrealized foreign exchange gain and loss on monetary assets and liabilities, foreign exchange transaction gains and losses and rental income. development costs are generally expensed as

Income Taxes

We use the liability method of accounting for income taxes incurred in accordance with ASC 740, Income Taxes. Under this method, income tax expense 730, Research and Development. Software development costs required to be capitalized under ASC 985-20, Costs of Software to be Sold, Leased or benefit is recognized for the amount of taxes payable or refundable for the current year. In addition, deferred tax assets Marketed, and liabilities are recognized for the expected future tax consequences of events that have been recognized in the Company's under ASC 350-40, Internal-Use Software, were not material to our consolidated financial statements or tax returns. The measurement of current in 2024, 2023 and deferred tax assets 2022. With our cloud-only, consumption-driven strategy, we intend to further focus our research and liabilities is based development efforts on provisions of currently enacted tax laws. our cloud subscription offerings. We evaluate the realization of deferred tax assets based on all available evidence expect this to lead to cost savings in research and establish a valuation allowance to reduce deferred tax assets when it is more likely than not that they will not be realized.

Results of Operations

The following table sets forth our consolidated statement of operations data for the periods indicated (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Revenues:			
Subscriptions	$ 1,003,484	$ 857,163	$ 747,672
Perpetual license	3,307	10,397	29,269
Software revenue	1,006,791	867,560	776,941
Maintenance and professional services	588,369	637,558	667,114
Total revenues	1,595,160	1,505,118	1,444,055
Cost of revenues:			
Subscriptions	157,229	105,387	81,266
Perpetual license	787	636	4,452
Software costs	158,016	106,023	85,718
Maintenance and professional services	168,513	202,126	172,820
Amortization of acquired technology	11,766	35,354	73,461
Total cost of revenues	338,295	343,503	331,999
Gross profit	1,256,865	1,161,615	1,112,056
Operating expenses:			
Research and development	335,072	318,769	260,660
Sales and marketing	528,253	535,680	496,816
General and administrative	162,708	128,092	122,240
Amortization of intangible assets	137,514	153,471	172,434
Restructuring	59,755	—	—
Total operating expenses	1,223,302	1,136,012	1,052,150
Income from operations	33,563	25,603	59,906
Interest income	39,686	9,224	1,213
Interest expense	(151,396)	(78,020)	(132,439)
Loss on debt refinancing	—	—	(30,882)
Other income, net	975	8,996	26,312
Loss before income taxes	(77,172)	(34,197)	(75,890)
Income tax expense	48,111	19,478	24,039
Net loss	$ (125,283)	$ (53,675)	$ (99,929)

The following table presents certain financial data for the periods indicated development expense as a percentage of total revenues: revenues.

	Year Ended December 31,		
	2023	2022	2021
Revenues:			
Subscriptions	63 %	57 %	52 %
Perpetual license	—	1	2
Software revenue	63	58	54

Maintenance and professional services	37	42	46
Total revenues	100	100	100
Cost of revenues:			
Subscriptions	10	7	6
Perpetual license	—	—	—
Software costs	10	7	6
Maintenance and professional services	10	14	12
Amortization of acquired technology	1	2	5
Total cost of revenues	21	23	23
Gross profit	79	77	77
Operating expenses:			
Research and development	21	21	18
Sales and marketing	33	36	34
General and administrative	10	9	8
Amortization of intangible assets	9	9	12
Restructuring	4	—	—
Total operating expenses	77	75	73
Income from operations	2	2	4
Interest income	2	1	—
Interest expense	(9)	(4)	(9)
Loss on debt refinancing	—	—	(2)
Other income, net	—	1	2
Loss before income taxes	(5)	(2)	(5)
Income tax expense	3	2	2
Net loss	(8)%	(4)%	(7)%

Comparison of Fiscal Years Ended December 31, 2023 Sales and 2022

Revenues

The following table sets forth, for the periods indicated, our revenues (in thousands, except percentages):

	Year Ended December 31,		Percent
	2023	2022	Change
Cloud subscription	$ 499,922	$ 359,380	39 %
Self-managed subscription license	298,048	294,671	1 %
Self-managed subscription support and other	205,514	203,112	1 %
Subscriptions	1,003,484	857,163	17 %
Perpetual license	3,307	10,397	(68)%
Total software revenues	1,006,791	867,560	16 %
Maintenance	495,968	519,996	(5)%
Professional services	92,401	117,562	(21)%
Total maintenance and professional services revenues	588,369	637,558	(8)%
Total revenues	$ 1,595,160	$ 1,505,118	6 %

Total revenues increased by 6% to $1,595.2 million during the year ended December 31, 2023 compared to $1,505.1 million for the year ended December 31, 2022, primarily due to a 39% increase in cloud subscription revenues, which represents 31% of total revenues for the year ended December 31, 2023.

Software Revenues Marketing

Our subscription revenues increased sales and marketing expenses consist primarily of salaries and other personnel-related expenses, including commissions and bonuses, stock-based compensation, costs of public relations, seminars, marketing programs, lead generation, travel and entertainment, trade shows, software expenses, outside services and Shared Costs. With our cloud-only, consumption-driven strategy, we intend to $1,003.5 million (or 63% of total revenues) for the year ended December 31, 2023 from $857.2 million (or 57% of total revenues) for the year ended December 31, 2022. The increase in subscription revenues of $146.3 million (or 17%) for the year ended December 31, 2023 compared to the year ended December 31, 2022 was due to an increase in further focus our go-to-market efforts on our cloud subscription customers and continued expansion within existing customers.

Our cloud subscription revenues increased to $499.9 million (or 31% of total revenues) for the year ended December 31, 2023 from $359.4 million (or 24% of total revenues) for the year ended December 31, 2022. The increase in cloud services revenues of $140.5 million (or 39%) for the year ended December 31, 2023 compared to the year ended December 31, 2022 was due to an increase in our cloud subscription customers and continued expansion within existing customers.

Our self-managed subscription license revenues increased slightly to $298.0 million (or 19% of total revenues) for the year ended December 31, 2023 from $294.7 million (or 20% of total revenues) for the year ended December 31, 2022.

Our self-managed subscription support and other revenues increased to $205.5 million (or 13% of total revenues) for the year ended December 31, 2023 from $203.1 million (or 13% of total revenues) for the year ended December 31, 2022.

offerings. We expect subscription revenues this to account for substantially all of our software revenues going forward due lead to our ceasing of active selling of perpetual licenses. Additionally, we continue to expect a shift cost savings in the mix of our subscription revenues, with the cloud subscription revenues increasing sales and marketing expense as a percentage of total subscription revenues driven by our cloud only, consumption driven strategy. revenues.

General and Administrative

Our perpetual license revenues decreased to $3.3 million (less than 1% general and administrative expenses consist primarily of total revenues) salaries, stock-based compensation, and other personnel-related expenses for the year ended December 31, 2023 from $10.4 million (or 1% of total revenues) for the year ended December 31, 2022. The decrease in perpetual license revenues of $7.1 million (or 68%) for the year ended December 31, 2023 compared to the year ended December 31, 2022 was due to the cessation of active selling of perpetual licenses.

finance, human resources, legal, and general management, as well as professional service expenses associated with recruiting, legal, tax and accounting services, travel expenses and Shared Costs. We expect perpetual license revenues our general and administrative expenses to continue to remain immaterial increase in absolute dollars for the foreseeable future but may vary as compared to a percentage of total software revenues in future periods. revenues.

Maintenance and Professional Services Revenues

Maintenance Revenues. Maintenance revenue, which consists of fees for ongoing support and product updates mainly for our previously sold perpetual licenses, is recognized ratably over the term of the contract, typically one year. Maintenance contracts are generally billed annually in advance. We expect our maintenance revenues to gradually decrease over time as we have ceased actively selling new perpetual licenses and our customers are expected to transition over time to our subscription-based licensing model and adopt our cloud subscription offerings.

Professional Services Revenues. Professional services revenues consist of non-recurring fees associated with implementation, education, and consulting services related to our software products. Consulting revenues are primarily related to configuration, installation, and implementation of our products. These services are generally performed on a time-and-materials basis and, accordingly, revenues are recognized as the services are performed. Consulting services, if included as part of the software arrangement, generally do not entail significant modification or customization of the software and hence, such services are not considered essential to the functionality of the software. Education service revenues are generated from classes offered at our headquarters, sales and training offices, customer locations, and online. Revenues are recognized as the classes are delivered or when the subscription period ends. We believe that our consulting and education services organization facilitates the adoption of our service offerings, helps us to secure larger subscription revenue contracts, and supports our customers' success. We expect professional services revenues to continue to decrease as a result of our strategy to shift more of our customers' implementation and support work to our professional services partners.

Cost of Revenues

Cost of Subscription Revenues. Cost of subscription revenues consists primarily of fees paid to third-party vendors for cloud services related to our subscription services, fees paid to third parties for software used by us to deliver, monitor and secure our subscription products, salaries, stock-based compensation, and other internal personnel-related expenses to operate and secure our hosting infrastructure; and royalties paid to postal authorities for address data and other vendors that provide content for our data-as-a-service offerings. In addition, these expenses include costs which are personnel-related expenses from our IT, Facilities and Procurement functions and expenses related to occupancy and enterprise systems allocated based on headcount (“Shared Costs”).

Cost of Maintenance and Professional Services Revenues. Our cost of service revenues is a combination of costs of maintenance, consulting and education services revenues. Our cost of maintenance revenues consists primarily of costs associated with customer service salaries, stock-based compensation and other personnel-related expenses, and royalty fees for maintenance related to third-party software providers. Cost of consulting revenues consists primarily of salaries, stock-based compensation and other personnel-related expenses, subcontractor costs and travel, entertainment, Shared Costs, and other expenses. Cost of education services revenues consists primarily of the costs of providing education classes and materials at our headquarters, sales and training offices and customer locations.

Amortization of Acquired Technology. Amortization of acquired technology is the amortization of technologies recorded primarily as a result of the 2015 transaction where the Company was taken private by our Sponsors (the “2015 Privatization Transaction”) and, to a lesser extent, from business acquisitions and acquired technology licenses.

Operating Expenses

Research and Development

Our research and development expenses consist primarily of salaries and other personnel-related expenses, stock-based compensation, outside services, travel expenses, Shared Costs, software expenses associated with the development of new products, enhancement and localization of existing cloud products, and quality assurance and development of documentation for our products. Research and development costs are generally expensed as

incurred in accordance with ASC 730, Research and Development. Software development costs required to be capitalized under ASC 985-20, Costs of Software to be Sold, Leased or Marketed, and under ASC 350-40, Internal-Use Software, were not material to our consolidated financial statements in 2024, 2023 and 2022. With our cloud-only, consumption-driven strategy, we intend to further focus our research and development efforts on our cloud subscription offerings. We expect this to lead to cost savings in research and development expense as a percentage of total revenues.

Sales and Marketing

Our sales and marketing expenses consist primarily of salaries and other personnel-related expenses, including commissions and bonuses, stock-based compensation, costs of public relations, seminars, marketing programs, lead generation, travel and entertainment, trade shows, software expenses, outside services and Shared Costs. With our cloud-only, consumption-driven strategy, we intend to further focus our go-to-market efforts on our cloud subscription offerings. We expect this to lead to cost savings in sales and marketing expense as a percentage of total revenues.

General and Administrative

Our general and administrative expenses consist primarily of salaries, stock-based compensation, and other personnel-related expenses for finance, human resources, legal, and general management, as well as professional service expenses associated with recruiting, legal, tax and accounting services, travel expenses and Shared Costs. We expect our general and administrative expenses to continue to increase in absolute dollars for the foreseeable future but may vary as a percentage of total revenues.

Amortization of Intangible Assets

Amortization of intangible assets is the amortization of customer relationships, and trade names and trademarks recorded as a result of the 2015 Privatization Transaction and, to a lesser extent, acquired through business acquisitions.

Restructuring

Restructuring charges include our reorganization activities. On January 10, 2023, we announced a plan to reduce our workforce by approximately 450 employees, representing approximately 7% of the then-current global workforce, and a closure of an office in Israel (the “January Plan”). On November 1, 2023, we announced a plan to reduce our workforce by approximately 500 employees, representing approximately 10% of the then-current global workforce, and reduce our global real estate footprint (the “November Plan”).

Interest Income (Expense) and Other Income (Expense), Net

Interest income (expense) and other income (expense), net consists primarily of interest expense, interest income earned on our cash, cash equivalents, investments, unrealized foreign exchange gain and loss on monetary assets and liabilities, debt refinancing costs, foreign exchange transaction gains and losses and rental income.

Income Taxes

We use the liability method of accounting for income taxes in accordance with ASC 740, Income Taxes. Under this method, income tax expense or benefit is recognized for the amount of taxes payable or refundable for the current year. In addition, deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been recognized in the Company’s consolidated financial statements or tax returns. The measurement of current and deferred tax assets and liabilities is based on provisions of currently enacted tax laws. We evaluate the realization of deferred tax assets based on all available evidence and establish a valuation allowance to reduce deferred tax assets when it is more likely than not that they will not be realized.

Results of Operations

The following table sets forth our consolidated statement of operations data for the periods indicated (in thousands):

	Year Ended December 31,		
	2024	2023	2022
Revenues:			
Subscription revenue	1,101,687	1,006,791	867,560
Maintenance and professional services	538,331	588,369	637,558
Total revenues	1,640,018	1,595,160	1,505,118
Cost of revenues:			
Subscription costs	193,655	158,016	106,023
Maintenance and professional services costs	128,642	168,513	202,126
Amortization of acquired technology	3,896	11,766	35,354
Total cost of revenues	326,193	338,295	343,503
Gross profit	1,313,825	1,256,865	1,161,615
Operating expenses:			
Research and development	315,157	335,072	318,769
Sales and marketing	552,110	528,253	535,680
General and administrative	185,156	162,708	128,092
Amortization of intangible assets	121,849	137,514	153,471
Restructuring	12,505	59,755	—
Total operating expenses	1,186,777	1,223,302	1,136,012
Income from operations	127,048	33,563	25,603
Interest income	56,437	39,686	9,224
Interest expense	(146,064)	(151,396)	(78,020)
Other income, net	15,744	975	8,996
Income (loss) before income taxes	53,165	(77,172)	(34,197)
Income tax expense	43,234	48,111	19,478
Net income (loss)	$ 9,931	$ (125,283)	$ (53,675)

The following table presents certain financial data for the periods indicated as a percentage of total revenues:

	Year Ended December 31,		
	2024	2023	2022
Revenues:			
Subscription revenue	67 %	63 %	58 %
Maintenance and professional services	33	37	42
Total revenues	100	100	100
Cost of revenues:			
Subscription costs	12	10	7
Maintenance and professional services costs	8	10	14
Amortization of acquired technology	—	1	2
Total cost of revenues	20	21	23
Gross profit	80	79	77
Operating expenses:			
Research and development	19	21	21
Sales and marketing	34	33	36

General and administrative	11	10	9
Amortization of intangible assets	7	9	9
Restructuring	1	4	—
Total operating expenses	72	77	75
Income from operations	8	2	2
Interest income	3	2	1
Interest expense	(9)	(9)	(4)
Other income, net	1	—	1
Income (loss) before income taxes	3	(5)	(2)
Income tax expense	2	3	2
Net income (loss)	1 %	(8)%	(4)%

Comparison of Fiscal Years Ended December 31, 2024 and 2023

Revenues

The following table sets forth, for the periods indicated, our revenues (in thousands, except percentages):

	Year Ended December 31,		Percent
	2024	2023	Change
Cloud subscription(i)	$ 675,477	$ 499,922	35 %
Self-managed subscription support and other(i)	188,926	205,514	(8)%
Maintenance(ii)	460,357	495,968	(7)%
Total revenue recognized over time	1,324,760	1,201,404	10 %
Self-managed subscription license recognized at a point in time(i)(iii)	237,284	301,355	(21)%
Total subscription and maintenance revenue	1,562,044	1,502,759	4 %
Professional services(ii)	77,974	92,401	(16)%
Total revenues	$ 1,640,018	$ 1,595,160	3 %

(i) Included in Subscription revenue on the consolidated statements of operations.
(ii) Included in Maintenance and Professional services revenue on the consolidated statements of operations.
(iii) We previously presented Perpetual license revenue separately. Because revenue for perpetual licenses are not material for current or past periods due to our transition to a cloud-only, consumption-driven strategy, we have combined these amounts into Self-managed subscription license recognized at a point in time and retrospectively adjusted past periods for comparative purposes.

Revenue recognized over time refers to ratable recognition over the contractual term. Revenue recognized at a point in time refers to recognition upon the later of when the software license is made available or the

contractual term commences. Professional services are recognized as services are provided. As we continue the shift to our cloud-only, consumption-driven strategy, we are presenting revenue on this basis to demonstrate the timing of revenue recognition related to each component of total revenues.

Total revenues increased by 3% to $1,640.0 million during the year ended December 31, 2024 compared to $1,595.2 million for the year ended December 31, 2023, primarily due to a 35% increase in cloud subscription revenues, partially offset by a 21% decrease in self-managed subscription license revenue recognized at a point in time and a 7% decrease in maintenance revenue.

Total subscription revenues increased by 9% to $1,101.7 million during the year ended December 31, 2024 compared to $1,006.8 million for the year ended December 31, 2023, primarily due to a 35% increase in cloud subscription revenue, partially offset by a 21% decrease in self-managed subscription license recognized at a point in time and a 8% decrease in self-managed subscription support and other revenues.

Total maintenance and professional services revenues decreased by 9% to $538.3 million during the year ended December 31, 2024 compared to $588.4 million for the year ended December 31, 2023, primarily due to a 7% decrease in maintenance revenue and 16% decrease in professional services revenue.

Total revenue recognized over time

Our revenues recognized over time increased to $1,324.8 million (or 81% of total revenues) for the year ended December 31, 2024 from $1,201.4 million (or 75% of total revenues) for the year ended December 31, 2023. The increase in revenues recognized over time of $123.4 million (or 10%) for the year ended December 31, 2024 compared to the year ended December 31, 2023 is driven by the 35% increase in cloud subscription revenue, offset by the 8% decrease in self-managed subscription support and other revenues and the 7% decrease in maintenance revenues.

Our cloud subscription revenues increased to $675.5 million (or 41% of total revenues) for the year ended December 31, 2024 from $499.9 million (or 31% of total revenues) for the year ended December 31, 2023. The increase in cloud subscription revenues of $175.6 million (or 35%) for the year ended December 31, 2024 compared to the year ended December 31, 2023 was due to an increase in our cloud subscription customers and continued expansion within existing customers.

Our self-managed subscription support and other revenues decreased to $188.9 million (or 12% of total revenues) for the year ended December 31, 2024 from $205.5 million (or 13% of total revenues) for the year ended December 31, 2023.The decrease was driven by our continued shift from self-managed subscription licenses to cloud subscriptions as part of our cloud only, consumption driven strategy.

Our maintenance revenues decreased to $460.4 million (or 28% of total revenues) for the year ended December 31, 2024 from $496.0 million (or 31% of total revenues) for the year ended December 31, 2023. The decrease of $35.6 million (or 7%) for the year ended December 31, 2024 compared to the year ended December 31, 2023 was due to non-renewals of legacy maintenance contracts for self-managed licenses including migrations from perpetual licenses to our cloud subscription offerings partially offset by price uplifts upon renewal. We expect maintenance revenues to continue to decrease gradually in dollar value and as a percentage of total revenue due to the cessation of sales of perpetual licenses, continued migrations from perpetual licenses to our cloud subscriptions and customers not renewing due to no longer having a use case.

Total revenues recognized at a point in time

Our self-managed subscription license recognized at a point in time decreased to $237.3 million (or 14% of total revenues) for the year ended December 31, 2024 from $301.4 million (or 19% of total revenues) for the year ended December 31, 2023. The decrease was driven by our continued shift from self-managed subscription licenses to cloud subscription as part of our cloud only, consumption driven strategy, and a reduction in the average contractual term at the time of renewal.

We continue to expect self-managed subscription license revenues to decrease, with the cloud subscription revenues increasing as a percentage of total revenues, driven by our cloud only, consumption driven strategy.

Professional services

Our professional services revenues decreased to $78.0 million (or 5% of total revenues) for the year ended December 31, 2024 compared to $92.4 million (or 6% of total revenues) for the year ended December 31, 2023. The decrease of $14.4 million (or 16%) in professional services revenues for the year ended December 31, 2024 compared to the year ended December 31, 2023 was primarily driven by a decrease in demand for our implementation and other consulting offerings. The decrease in demand for our implementation and other consulting offerings is due to our strategic shift to have third party providers perform an increasing share of our customers' implementation work.

Cost of Revenues

The following table sets forth, for the periods indicated, our cost of revenues (in thousands, except percentages):

	Year Ended December 31,		Percent
	2024	2023	Change
Cost of subscription revenues	$ 193,655	$ 158,016	23 %
Cost of maintenance and professional service revenues	128,642	168,513	(24)%
Amortization of acquired technology	3,896	11,766	(67)%
Total cost of revenues	$ 326,193	$ 338,295	(4)%
Cost of subscription revenues, as a percentage of subscription revenues	18 %	16 %	
Cost of maintenance and professional services revenues, as a percentage of maintenance and professional service revenues	24 %	29 %	

Cost of Subscription Revenues

Cost of subscription revenues increased to $193.7 million (or 18% of subscription revenues) for the year ended December 31, 2024 compared to $158.0 million (or 16% of subscription revenues) for the year ended December 31, 2023. The increase of $35.7 million (or 23%) for the year ended December 31, 2024 compared to the year ended December 31, 2023 was primarily due to a $15.1 million increase in personnel-related expenses driven by $5.7 million higher stock-based compensation, in addition to continuing to scale up our hosted infrastructure support teams, a $13.0 million increase in fees paid to third party vendors for hosting services related to our subscription services, a $6.0 million increase in Shared Costs related to occupancy and enterprise systems allocated based on headcount, and a $5.8 million increase in software and other expenses, partially offset by a $4.2 million decrease in royalty fees.

Cost of Maintenance and Professional Services Revenues

Cost of maintenance and professional services revenues decreased to $128.6 million (or 24% of maintenance and professional services revenues) for the year ended December 31, 2024 compared to $168.5 million (or 29% of maintenance and professional services revenues) for the year ended December 31, 2023. The decreaseof $39.9 million (or 24%) during the year ended December 31, 2024 compared to the year ended December 31, 2023 was primarily due to a $26.5 million decrease in personnel-related expenses, a $6.2 million decrease in outside consulting expense, a $5.6 million decrease in Shared Costs related to occupancy and enterprise systems allocated based on headcount, a $1.6 million decrease in software, equipment and other expenses.

Amortization of Acquired Technology

Amortization of acquired technology decreased to $3.9 million (or 0% of total revenues) for the year ended December 31, 2024 from $11.8 million (or 1% of total revenues) for the year ended December 31, 2023. The decrease of $7.9 million (or 67%) for the year ended December 31, 2024 compared to the year ended December 31, 2023 was primarily due to a decrease in the amortization of acquired technology primarily from the 2015 Privatization Transaction, as components of the technology become fully amortized.

Operating Expenses

Research and Development

The following table sets forth, for the periods indicated, our research and development expenses (in thousands, except percentages):

	Year Ended December 31,		Percent
	2024	2023	Change
Research and development	$ 315,157	$ 335,072	(6)%

Research and development expenses decreased to $315.2 million (or 19% of total revenues) for the year ended December 31, 2024 compared to $335.1 million (or 21% of total revenues) for the year ended December 31, 2023. The decrease of $19.9 million (or 6%) during the year ended December 31, 2024 compared to the year ended December 31, 2023 was primarily due to a $11.9 million net decrease in personnel-related expenses, mainly driven by lower payroll costs due to a reduction in average headcount partially offset by $8.0 million higher stock-based compensation expense, a $5.5 million decrease in shared costs, and a $2.5 million decrease in outside consulting and other expenses.

Sales and Marketing

The following table sets forth, for the periods indicated, our sales and marketing expenses (in thousands, except percentages):

	Year Ended December 31,		Percent
	2024	2023	Change
Sales and marketing	$ 552,110	$ 528,253	5 %

Sales and marketing expenses increased to $552.1 million (or 34% of total revenues) during the year ended December 31, 2024 compared to $528.3 million (or 33% of total revenues) during the year ended December 31, 2023. The increase of $23.8 million (or 5%) for the year ended December 31, 2024 compared to the year ended December 31, 2023 was primarily due to a $19.9 million increase in personnel-related expenses mainly driven by $19.0 million increase in stock-based compensation, a $2.0 million increase in travel expense, a $1.8 million increase in marketing expenses, a $1.7 million increase in software and equipment expense, a $0.6 million increase in outside services, partially offset by a $2.2 million decrease in shared costs.

General and Administrative

The following table sets forth, for the periods indicated, our general and administrative expenses (in thousands, except percentages):

	Year Ended December 31,		Percent
	2024	2023	Change
General and administrative	$ 185,156	$ 162,708	14 %

General and administrative expenses increased to $185.2 million (or 11% of total revenues) during the year ended December 31, 2024 compared to $162.7 million (or 10% of total revenues) during the year ended December 31, 2023. The increase of 22.5 million (or 14%) was primarily due to a $9.1 million net increase in personnel-related expenses mainly driven by a $11.1 million increase in stock-based compensation, a $9.0 million increase in outside services, a $3.3 million increase in bad debt expense, a $1.5 million increase in Shared Costs and other expenses, partially offset by a $0.4 million decrease in other administrative expenses.

Other Operating Expenses

The following table sets forth, for the periods indicated, our amortization of intangible assets and restructuring (in thousands, except percentages):

	Year Ended December 31,		Percent
	2024	2023	Change
Amortization of intangible assets	$ 121,849	$ 137,514	(11)%
Restructuring	12,505	59,755	(79)%

Amortization of intangible assets decreased to $121.8 million (or 7% of total revenues) during the year ended December 31, 2024 compared to $137.5 million (or 9% of total revenues) during the year ended December 31, 2023. The decrease of $15.7 million (or 11%) for the year ended December 31, 2024 compared to the year ended December 31, 2023 was due to a decrease in the amortization of our intangible assets primarily from the 2015 Privatization Transaction, as the components of the intangible assets become fully amortized.

Restructuring costs decreased to $12.5 million (or 1% of total revenues) during the year ended December 31, 2024. The decrease of $47.3 million (or 79%) in restructuring costs for the year ended December 31, 2024 compared to the year ended December 31, 2023 was due to a majority of charges for the January Plan incurred in the first quarter of 2023 and the majority of charges for the November plan were incurred in the fourth quarter of 2023. Refer to Note 13. Restructuring in the Notes to the Consolidated Financial Statements for details.

Interest and Other Income (Expense), Net

The following table sets forth, for the periods indicated, our interest and other expense, net (in thousands, except percentages):

	Year Ended December 31,		Percent
	2024	2023	Change
Interest income	$ 56,437	$ 39,686	42 %
Interest expense	(146,064)	(151,396)	(4)%
Other income, net	15,744	975	1,515 %
Interest and other income (expense), net	$ (73,883)	$ (110,735)	(33)%

The change in interest and other income (expense), net, of $36.8 million (or 33%) for the year ended December 31, 2024 compared to the year ended December 31, 2023 was primarily due to a $16.8 million increase in interest income from higher interest we received on our cash, cash equivalents and investments, a $14.7 million increase in other income primarily due to foreign exchange gains, and a $5.3 million decrease in interest expense primarily due to fluctuations from market interest rate changes associated to our debt.

Income Tax Expense

The following table sets forth, for the periods indicated, our provision for income taxes (in thousands, except percentages):

	Year Ended December 31,		Percent
	2024	2023	Change
Income tax expense	$ 43,234	$ 48,111	(10)%
Effective tax rate	81 %	(62)%	

Our income tax expense was $43.2 million and $48.1 million for the years ended December 31, 2024 and 2023, respectively. The decrease in tax expense recorded in the current period compared to the tax expense recorded in the prior year comparable period was primarily due to a decrease in the change of the Company's valuation allowance, additional tax deductions from equity compensation, and the release of deferred taxes, offset by the geographic mix of incomes taxed at higher rates. The change in the valuation allowance from the year ended December 31, 2023 to the year ended December 31, 2024 is primarily related to the write-off of acquired and temporarily unavailable net operating losses from our acquisition of Privitar Limited in the year ended December 31,

2023, and the increased utilization of deferred tax assets in the year ended December 31, 2024 resulting from increased income from operations.

We expect the significant volatility of our effective tax rate to continue as we near break-even profit before income taxes.

Comparison of Fiscal Years Ended December 31, 2023 and 2022

Revenues

The following table sets forth, for the periods indicated, our revenues (in thousands, except percentages):

	Year Ended December 31, 2023	Year Ended December 31, 2022	Percent Change
Cloud subscription(i)	$ 499,922	$ 359,380	39 %
Self-managed subscription support and other(i)	205,514	203,112	1 %
Maintenance(ii)	495,968	519,996	(5)%
Total revenue recognized over time	1,201,404	1,082,488	11 %
Self-managed subscription license recognized at a point in time(i)(iii)	301,355	305,068	(1)%
Total subscription and maintenance revenue	1,502,759	1,387,556	8 %
Professional services(ii)	92,401	117,562	(21)%
Total revenues	$ 1,595,160	$ 1,505,118	6 %

(i) Included in Subscription revenue on the consolidated statements of operations.
(ii) Included in Maintenance and Professional services revenue on the consolidated statements of operations.
(iii) We previously presented Perpetual license revenue separately. Because revenue for perpetual licenses are not material for current or past periods due to our transition to a cloud-only, consumption-driven strategy, we have combined these amounts into Self-managed subscription license recognized at a point in time and retrospectively adjusted past periods for comparative purposes.

Total revenues increased by 6% to $1,595.2 million during the year ended December 31, 2023 compared to $1,505.1 million for the year ended December 31, 2022, primarily due to a 39% increase in cloud subscription revenues, partially offset by 21% decrease in professional services revenue and a 5% decrease in maintenance revenues.

Total subscription revenues increased by 16% to $1,006.8 million during the year ended December 31, 2023 compared to $867.6 million for the year ended December 31, 2022, primarily due to a 39%increase in cloud subscription revenue, partially offset by a 1%decrease in self-managed subscription license revenue.

Total maintenance and professional services revenues decreased by 8% to $588.4 million during the year ended December 31, 2023 compared to $637.6 million for the year ended December 31, 2022, primarily due to a 21% decrease in professional services and 5% decrease in maintenance revenues.

Total revenue recognized over time

Our revenues recognized over time increased to $1,201.4 million (or 75% of total revenues) for the year ended December 31, 2023 from $1,082.5 million (or 72% of total revenues) for the year ended December 31, 2022. The increase in revenues recognized over time of $118.9 million (or 11%) for the year ended December 31, 2023 compared to the year ended December 31, 2022 was due to a 39%increase in our cloud subscription revenues, offset by a 5% decrease in maintenance revenues.

Our cloud subscription revenues increased to $499.9 million (or 31% of total revenues) for the year ended December 31, 2023 from $359.4 million (or 24% of total revenues) for the year ended December 31, 2022. The increase in cloud subscription revenues of $140.5 million (or 39%) for the year ended December 31, 2023 compared to the year ended December 31, 2022 was due to an increase in our cloud subscription customers and continued expansion within existing customers.

Our self-managed subscription support and other revenues slightly increased to $205.5 million (or 13% of total revenues) for the year ended December 31, 2023 from $203.1 million (or 13% of total revenues) for the year ended December 31, 2022.

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Our maintenance revenues decreased to $496.0 million (or 31% of total revenues) for the year ended December 31, 2023 from $520.0 million (or 35% of total revenues) for the year ended December 31, 2022. The decrease of $24.0 million (or 5%) for the year ended December 31, 2023 compared to the year ended December 31, 2022 was due to non-renewals declining sales of legacy maintenance contracts for on-premise licenses including migrations from perpetual licenses and an unfavorable foreign currency impact to our subscription offerings partially offset by price uplifts upon renewal. We expect maintenance

Total revenues recognized point in time

Our self-managed subscription license recognized at a point in time decreased to continue to decrease gradually in dollar value and as a percentage $301.4 million (or 19% of total revenue due revenues) for the year ended December 31, 2023 from $305.1 million (or 20% of total revenues) for the year ended December 31,2022. The decrease was driven by our continued shift from self-managed subscription licenses to the cessation cloud subscription as part of active sales of perpetual licenses. our cloud only, consumption driven strategy.

Professional services

Our professional services revenues decreased to $92.4 million (or 6% of total revenues) for the year ended December 31, 2023 compared to $117.6 million (or 8% of total revenues) for the year ended December 31, 2022. The decrease of $25.2 million $25.2 million (or 21%) in professional services revenues for the year ended December 31, 2023 compared to the year ended December 31, 2022 was primarily driven by a decrease in demand for our implementation and other consulting offerings. The decrease in demand for our implementation and other consulting offerings is due to our strategy strategic shift to have third party providers perform an increasing share of our customers' implementation work.

Cost of Revenues

The following table sets forth, for the periods indicated, our cost of revenues (in thousands, except percentages):

		Year Ended December 31, 2023		Year Ended December 31,		Percent Change				Year Ended December 31,			Percent Change
Cost of software revenues Cost of software revenues Cost of software revenues		$158,016		$106,023		49 %							
Cost of subscription revenues Cost of subscription revenues Cost of subscription revenues		$158,016		$106,023		49 %							
Cost of maintenance and professional service revenues	Cost of maintenance and professional service revenues	168,513	202,126	202,126	(17)	(17) %	Cost of maintenance and professional service revenues	168,513	202,126	202,126		(17)	(17)%
Amortization of acquired technology	Amortization of acquired technology	11,766	35,354	35,354	(67)	(67) %	Amortization of acquired technology	11,766	35,354	35,354		(67)	(67)%
Total cost of revenues	Total cost of revenues	$338,295	$	$343,503	(2)	(2)%	Total cost of revenues $	338,295	$	$343,503		(2)	(2) %
Cost of software revenues, as a percentage of software revenues													
Cost of subscription revenues, as a percentage of subscription revenues													
Cost of maintenance and professional services revenues, as a percentage of maintenance and professional service revenues													
Cost of maintenance and professional services revenues, as a percentage of maintenance and professional service revenues													
Cost of maintenance and professional services revenues, as a percentage of maintenance and professional service revenues													

Cost of Software Subscription Revenues

Cost of software subscription revenues increased to $158.0 million (or 16% of software subscription revenues) for the year ended December 31, 2023 compared to $106.0 million (or 12% of software subscription revenues) for the year ended December 31, 2022. The increase of $52.0 million (or 49%) for the year ended December 31, 2023 compared to the year ended December 31, 2022 was primarily due to a $35.5 million increase in personnel-related expenses driven by $7.4 million higher stock-based compensation, in addition to continuing to scale up our hosted infrastructure support teams, a $8.1 million increase in fees paid to third party vendors for hosting services related to our subscription services, a $4.3 million increase in Shared Costs related to occupancy and enterprise systems allocated based on headcount, a $2.3 million increase in outside consulting and other expenses, and a $1.8 million increase in royalty fees.

Cost of Maintenance and Professional Services Revenues

Cost of maintenance and professional services revenues decreased to $168.5 million (or 29% of maintenance and professional services revenues) for the year ended December 31, 2023 compared to $202.1 million (or 32% of maintenance and professional services revenues) for the year ended December 31, 2022. The decrease of $33.6 million (or 17%) during the year ended December 31, 2023 compared to the year ended December 31, 2022 was primarily due to an $22.2 million decrease in personnel-related expenses, a $6.0 million

decrease in outside consulting expense, a $3.0 million decrease in Shared Costs related to occupancy and enterprise systems allocated based on headcount, a $1.6 million decrease in software expenses, and a $0.8 million decrease in costs related to hosting and other expenses.

Amortization of Acquired Technology

Amortization of acquired technology decreased to $11.8 million (or 1% of total revenues) for the year ended December 31, 2023 from $35.4 million (or 2% of total revenues) for the year ended December 31, 2022. The decrease of $23.6 million (or 67%) for the year ended December 31, 2023 compared to the year ended December 31, 2022 was primarily due to a decrease in the amortization of acquired technology primarily from the 2015 Privatization Transaction, as components of the technology become fully amortized.

Operating Expenses

Research and Development

The following table sets forth, for the periods indicated, our research and development expenses (in thousands, except percentages):

	Year Ended December 31,		Percent
	2023	2022	Change
Research and development	$ 335,072	$ 318,769	5 %

Research and development expenses increased to $335.1 million (or 21% of total revenues) for the year ended December 31, 2023 compared to $318.8 million (or 21% of total revenues) for the year ended December 31,

2022. December 31, 2022. The increase of $16.3 million (or 5%) during the year ended December 31, 2023 compared to the year ended December 31, 2022 was primarily due to a $18.0 million net increase in personnel-related expenses, mainly driven by $23.0 million higher stock-based compensation expense which was partially offset by savings from a decrease in headcount. The increase was partially offset by a $1.7 million decrease in Shared Costs and other expenses.

Sales and Marketing

The following table sets forth, for the periods indicated, our sales and marketing expenses (in thousands, except percentages):

	Year Ended December 31,		Percent
	2023	2022	Change
Sales and marketing	$ 528,253	$ 535,680	(1)%

Sales and marketing expenses decreased to $528.3 million (or 33% of total revenues) during the year ended December 31, 2023 compared to $535.7 million (or 36% of total revenues) during the year ended December 31, 2022. The decrease of $7.4 million (or 1%) for the year ended December 31, 2023 compared to the year ended December 31, 2022 was primarily due to a $5.8 million net decrease in personnel-related expenses mainly driven by savings from a decrease in headcount which was partially offset by a $22.3 million increase in stock-based compensation, a $5.0 million decrease in marketing expenses, a $1.4 million decrease in Shared Costs, a $0.9 million decrease in equipment and software expense, and a $0.4 million decrease in outside services. These decreases were partially offset by a $6.1 million increase in travel expense.

General and Administrative

The following table sets forth, for the periods indicated, our general and administrative expenses (in thousands, except percentages):

	Year Ended December 31,		Percent
	2023	2022	Change
General and administrative	$ 162,708	$ 128,092	27 %

General and administrative expenses increased to $162.7 million (or 10% of total revenues) during the year ended December 31, 2023 compared to $128.1 million (or 9% of total revenues) during the year ended December 31, 2022. The increase of 34.6 million (or 27%) was primarily due to a $34.0 million increase in personnel-related expenses mainly driven by a $23.9 million increase in stock-based compensation, a $0.7 million increase in outside services, and a $0.6 million increase in Shared Costs and other expenses; partially offset by a $0.4 million decrease in bad debt expense, and a $0.3 million decrease in other administrative expenses.

Other Operating Expenses

The following table sets forth, for the periods indicated, our amortization of intangible assets and restructuring (in thousands, except percentages):

	Year Ended December 31,				Percent
	2023		2022		Change
Amortization of intangible assets	$	137,514	$	153,471	(10)%
Restructuring		59,755		—	100 %

Amortization of intangible assets decreased to $137.5 million (or 9% of total revenues) during the year ended December 31, 2023 compared to $153.5 million (or 10% of total revenues) during the year ended December 31, 2022. The decrease of $16.0 million (or 10%) for the year ended December 31, 2023 compared to the year ended December 31, 2022 was due to a decrease in the amortization of our intangible assets primarily from the 2015 Privatization Transaction, as the components of the intangible assets become fully amortized.

Restructuring costs increased to $59.8 million (or 4% of total revenues) during the year ended December 31, 2023. The increase of $59.8 million (or 100%) in restructuring costs for the year ended December 31,

2023 December 31, 2023 compared to the year ended December 31, 2022 was a result of the January Plan and November Plan. Refer to Note 12. 13. Restructuring in the Notes to the Consolidated Financial Statements for details.

Interest and Other (Expense), Net

The following table sets forth, for the periods indicated, our interest and other expense, net (in thousands, except percentages):

	Year Ended December 31,				Percent
	2023		2022		Change
Interest income	$	39,686	$	9,224	330 %
Interest expense		(151,396)		(78,020)	94 %
Other income, net		975		8,996	(89)%
Interest and other (expense), net	$	(110,735)	$	(59,800)	85 %

The decrease in interest and other income (expense), net, of $50.9 million (or 85%) for the year ended December 31, 2023 compared to the year ended December 31, 2022 was primarily due to a $73.4 million increase in interest expense primarily due to fluctuations from market interest rate changes associated to our debt and a $8.0 million decrease in foreign exchange gains partially offset by a $30.5 million increase in interest income from higher interest we received on our cash, cash equivalents and investments.

Income Tax Expense

The following table sets forth, for the periods indicated, our provision for income taxes (in thousands, except percentages):

	Year Ended December 31,				Percent
	2023		2022		Change
Income tax expense	$	48,111	$	19,478	147 %
Effective tax rate		(62)%		(57)%	

Our income tax expense was $48.1 million and $19.5 million for the years ended December 31, 2023 and 2022, respectively. The increase in tax expense recorded in the current period compared to the tax expense recorded in the prior year comparable period was primarily due to an increase in the valuation allowance and non-deductible stock-based compensation offset by a decrease in foreign income included under the global intangible low-taxed income regime (“GILTI”).
We expect the significant volatility of our effective tax rate to continue as we near break-even profit before income taxes.

Quarterly Results of Operations

The following tables summarize our selected unaudited quarterly consolidated statements of operations data, the percentage of revenues that each line item represents, and the key business metrics for each of the eight quarters in the period ended December 31, 2023 December 31, 2024. The information for each of these quarters has been prepared on the same basis as our audited annual consolidated financial statements and reflects, in the opinion of management, all adjustments of a normal, recurring nature that are necessary for the fair statement of the results of operations for these periods. This data should be read in conjunction with our consolidated financial statements included elsewhere in this Report. Historical results are not necessarily indicative of the results that may be expected for the full fiscal year or any other period.

Consolidated Statements of Operations Data

	Three Months Ended							
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
			(in thousands)					
			(in thousands)					
			(in thousands)					
Revenues:								
Subscriptions								
Subscriptions								
Subscriptions								
Perpetual license								
Software revenue								
Subscription revenue								
Subscription revenue								
Subscription revenue								
Maintenance and professional services								
Total revenues								
Total cost of revenues (1)								
Total revenues (1)								
Total cost of revenues (2)								
Gross profit								
Operating expenses:								
Research and development (1)								
Research and development (1)								
Research and development (1)								
Sales and marketing (1)								
General and administrative (1)								
Research and development (2)								
Research and development (2)								
Research and development (2)								
Sales and marketing (2)								
General and administrative (2)								
Amortization of intangible assets								
Restructuring								
Total operating expenses (1)								
Total operating expenses (2)								
Income (loss) from operations								
Interest income								
Interest expense								
Other (expense) income, net								
Other income (expense), net								

Income (loss) before income taxes
Income tax (benefit) expense
Income tax expense (benefit)
Net income (loss)

(1) Disaggregation of total revenues:

	Three Months Ended							
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
	(in thousands)							
Revenues:								
Cloud subscription(i)	$ 186,808	$ 175,809	$ 161,422	$ 151,438	$ 140,319	$ 128,581	$ 119,244	$ 111,778
Self-managed subscription support and other(i)	44,800	46,627	48,908	48,591	50,910	51,542	51,467	51,595
Maintenance(ii)	110,888	115,309	116,482	117,678	121,475	124,267	124,851	125,375
Total revenue recognized over time	342,496	337,745	326,812	317,707	312,704	304,390	295,562	288,748
Self-managed subscription license recognized at a point in time(i)(iii)	65,841	65,498	53,976	51,969	111,199	81,910	56,891	51,355
Total subscription and maintenance revenue	408,337	403,243	380,788	369,676	423,903	386,300	352,453	340,103
Professional services(ii)	19,968	19,238	19,837	18,931	21,275	22,263	23,535	25,328
Total revenues	$ 428,305	$ 422,481	$ 400,625	$ 388,607	$ 445,178	$ 408,563	$ 375,988	$ 365,431

(i) Included in Subscription revenue on the consolidated statements of operations.
(ii) Included in Maintenance and Professional services revenue on the consolidated statements of operations.
(iii) We previously presented Perpetual license revenue separately. Because revenue for perpetual licenses are not material for current or past periods due to our transition to a cloud-only, consumption-driven strategy, we have combined these amounts into Self-managed subscription license recognized at a point in time and retrospectively adjusted past periods for comparative purposes.

Revenue recognized over time refers to ratable recognition over the contractual term. Revenue recognized at a point in time refers to recognition upon the later of when the software license is made available or the contractual term commences. Professional services are recognized as services are provided.

(2) Includes stock-based compensation as follows:

	Three Months Ended							
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
	(in thousands)							
	(in thousands)							
	(in thousands)							
Cost of revenues								
Research and development								
Sales and marketing								
General and administrative								
Total stock-based compensation								

Percentage of Revenue Data

	Three Months Ended							
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
Revenues:								
Revenues:								
Revenues:								
Subscriptions								
Subscriptions								
Subscriptions	67 %	64 %	61 %	59 %	60 %	58 %	56 %	55 %
Perpetual license								
Software revenue								
Subscription revenue								
Subscription revenue								
Subscription revenue	69 %	68 %	66 %	65 %	68 %	64 %	61 %	59 %
Maintenance and professional services								
Total revenues								
Total cost of revenues								
Gross profit								
Operating expenses:								
Research and development								
Research and development								
Research and development								
Sales and marketing								
General and administrative								
Amortization of intangible assets								
Restructuring								
Total operating expenses								
Income (loss) from operations								
Interest income								
Interest expense								
Other (expense) income, net								
Other income (expense), net								
Income (loss) before income taxes								
Income tax (benefit) expense								
Income tax expense (benefit)								
Net income (loss)								
Net income (loss)	14 %	19 %	(41)%	(32)%	(1)%	(4)%	(8)%	(1)%
Net income (loss)	1 %	(3 %)	1 %	2 %	14 %	19 %	(41)%	(32)%

Seasonal Trends

Purchasing Subscription patterns for our products have followed quarterly and seasonal trends that we expect to continue. We typically sell a substantial portion of our software product licenses subscription and services in the last month of each quarter, and demand for our software products subscription and professional services are generally highest in the fourth quarter and lowest in the first quarter of each year.

Quarterly Changes in Revenue

Subscription revenue generally increased as a percentage of total revenue for the quarters presented primarily due to our transition to cloud subscriptions, subscription, increased consumption of our products by existing customers and the addition of new customers. Perpetual license revenue as a percentage of total revenue has declined due to our shift to a subscription model.

Quarterly Changes in Cost of Revenue

Changes in cost of revenue have generally corresponded with our revenue growth. Increases are primarily due to third party hosting service costs and increased personnel-related expenses resulting from increased headcount, offset by decreases in amortization of acquired technology.

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Quarterly Changes in Operating Expenses

Operating expenses have fluctuated in each of the prior eight quarters presented primarily due to personnel related costs and other related costs to support our growth. We intend to make strategic investments in our sales organization to drive future revenue growth. With our cloud-only, consumption-driven strategy, we intend to further focus our efforts on our cloud subscription offerings. We expect this to lead to cost savings in research and development, and sales and marketing expense as a percentage of total revenues.

Quarterly Changes in Income Tax Provision

The income tax provision has fluctuated in each of the prior eight quarters presented primarily due to seasonality of the pretax income or losses incurred throughout the years, an increase in our valuation allowance and to a lesser extent from foreign income taxed at different rates and non-deductible stock based stock-based compensation.

Key Business Metrics and Non-GAAP Financial Measures

In addition to the measures presented in our quarterly consolidated financial data, we use the following key business metrics and non-GAAP financial measure to help us evaluate our business and operating performance, identify trends affecting our business, formulate business plans, and make strategic decisions:

	Three Months Ended							
	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
	(in millions, except percentages)							
	(in millions, except percentages)							
	(in millions, except percentages)							
Cloud Subscription Annual Recurring Revenue								
Self-managed Subscription Annual Recurring Revenue								
Subscription Annual Recurring Revenue								
Maintenance Annual Recurring Revenue								
Total Annual Recurring Revenue								
Subscription Net Retention Rate (End-user level)								
Subscription Net Retention Rate (End-user level)								

Subscription Net Retention Rate (End-user level)		106 %	106 %	107 %	110 %	111 %	112 %	113 %	113 %		104 %	106 %	106 %	105 %	106 %	1
Cloud Subscription Net Retention Rate (End-user level)	Cloud Subscription Net Retention Rate (End-user level)	119 %	118 %	116 %	118 %	117 %	115 %	116 %	116 %	Cloud Subscription Net Retention Rate (End-user level)	117 %	119 %	119 %	118 %	119 %	
Cloud Subscription Net Retention Rate (Global Parent level)	Cloud Subscription Net Retention Rate (Global Parent level)	125 %	124 %	122 %	124 %	123 %	122 %	123 %	124 %	Cloud Subscription Net Retention Rate (Global Parent level)	124 %	125 %	126 %	125 %	125 %	
Adjusted EBITDA																
Adjusted EBITDA																
Adjusted EBITDA																

Adjusted EBITDA

	Three Months Ended							
	December 31, 2024	September 30, 2024	June 30, 2024	March 31, 2024	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023
	(in thousands)							
GAAP net income (loss)	$ 9,754	$ (13,985)	$ 4,828	$ 9,334	$ 64,261	$ 79,276	$ (152,466)	$ (116,354)
Income tax expense (benefit)	58,388	29,391	(19,081)	(25,464)	(62,950)	(70,573)	122,065	59,569
Interest income	(14,436)	(14,829)	(13,765)	(13,407)	(11,736)	(10,447)	(9,920)	(7,583)
Interest expense	32,289	36,345	38,333	39,097	39,552	39,327	37,466	35,051
Debt refinancing costs	—	—	1,366	—	—	—	—	—
Other expense (income), net	(22,569)	14,011	(2,217)	(6,335)	7,705	(5,519)	(2,531)	(630)
Stock-based compensation-related charges	63,010	67,401	68,576	64,101	56,041	56,508	55,208	50,342
Amortization of intangibles	29,435	30,792	32,745	32,773	37,384	37,494	37,237	37,165
Restructuring	5,697	1,554	899	4,355	31,624	407	471	27,253
Acquisition-related costs	—	364	2,403	4,802	—	1,584	—	—
Sponsor-related costs	730	—	773	—	—	—	—	—
Depreciation	3,572	3,745	3,853	2,218	4,543	4,132	4,208	4,200
Adjusted EBITDA	$ 165,870	$ 154,789	$ 118,713	$ 111,474	$ 166,424	$ 132,189	$ 91,738	$ 89,013

See the section titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations—Key Business Metrics and Non-GAAP Financial Measure” for a description of Annual Recurring Revenue, Maintenance Cloud Subscription Annual Recurring Revenue, Subscription Annual Recurring Revenue, Cloud Subscription Maintenance Annual Recurring Revenue, Cloud Subscription Net Retention Rate, Cloud Subscription Net Retention Rate, and Adjusted EBITDA.

Adjusted EBITDA

We define adjusted EBITDA as GAAP net loss as adjusted for income tax benefit (expense), interest income, interest expense, loss on debt refinancing, other(expense) income , stock-based compensation, amortization of intangibles, equity compensation related payments, restructuring, acquisition costs, and depreciation. Equity compensation-related payments are related to the repurchase of employee stock options.

	Three Months Ended

	December 31, 2023	September 30, 2023	June 30, 2023	March 31, 2023	December 31, 2022	September 30, 2022	June 30, 2022	March 31, 2022
	(in thousands)							
GAAP net income (loss)	$ 64,261	$ 79,276	$ (152,466)	$ (116,354)	$ (4,381)	$ (15,602)	$ (30,506)	$ (3,186)
Income tax (benefit) expense	(62,950)	(70,573)	122,065	59,569	8,721	2,782	6,790	1,185
Interest income	(11,736)	(10,447)	(9,920)	(7,583)	(4,916)	(2,813)	(1,129)	(366)
Interest expense	39,552	39,327	37,466	35,051	26,450	22,185	16,560	12,825
Other expense (income), net	7,705	(5,519)	(2,531)	(630)	3,024	(3,963)	(3,837)	(4,220)
Stock-based compensation	56,041	56,508	55,208	50,342	37,874	34,155	34,558	29,275
Amortization of intangibles	37,384	37,494	37,237	37,165	46,698	46,934	47,395	47,798
Equity compensation	—	—	—	—	185	19	45	83
Restructuring	31,624	407	471	27,253	—	—	—	—
Acquisition costs	—	1,584	—	—	—	—	—	—
Depreciation	4,543	4,132	4,208	4,200	4,721	5,092	5,469	5,725
Adjusted EBITDA	$ 166,424	$ 132,189	$ 91,738	$ 89,013	$ 118,376	$ 88,789	$ 75,345	$ 89,119

Liquidity and Capital Resources

Since our inception, we have financed our operations primarily through cash flows from operations and debt financing. As of December 31, 2023 December 31, 2024, we had $992.3 million $1,232.4 million in available cash, cash equivalents and short-term investments. Our cash and cash equivalents and short-term investments primarily consist of bank account balances, short-term time deposits, highly liquid money market funds and available-for-sale debt securities. We believe that our existing cash and cash equivalents, short term investments, cash flows generated by operations and the Revolving Credit Facility will be sufficient to meet our working capital and capital expenditure requirements for at least the next twelve months. However, we may be required to raise or desire additional funds for selective purposes, such as acquisitions or other investments in complementary businesses, products, or technologies, and may raise such additional funds through equity or debt financing or from other sources.

The Company has a credit agreement with JPMorgan Chase Bank, N.A., as agent, for a syndicate of lenders (the “Credit Agreement”). Under the Credit Agreement, the Company borrowed $1.9 billion of dollar term loans (the “Term Facility”) and obtained $250.0 million of commitments under a Revolving Credit Facility.

On June 11, 2024, the Company refinanced the Credit Agreement with Amendment No. 2 (the “Amendment”), with JPMorgan Chase Bank, N.A., as agent, for a syndicate of lenders. The Amendment reduced the applicable margin from 2.75% to 2.25% and eliminated the previous credit spread adjustment effective June 11, 2024. Other than the foregoing, the material terms of the Credit Agreement remain unchanged.

Effective June 11, 2024, the borrowings under the Term Facility bear interest, at the Company’s option, either at (i) Term SOFR plus the applicable margin of 2.25% or (ii) the base rate plus 1.25%. The base rate is defined as the highest of (a) the Federal Funds Rate plus one half of 1%, (b) the rate of interest in effect for such day as published by the Wall Street Journal as the “prime rate,” and (c) Term SOFR Rate for a one-month interest period plus 1.00%; provided that the base rate shall not be less than 1.00% per annum. Term SOFR is subject to a “floor” of 0% per annum. The Term Facility was issued with 0.125% of original issue discount.

Effective June 11, 2024, the Revolving Credit Facility accrues interest at a per annum rate based on either, at the Company’s election, (i) Term SOFR plus the applicable margin for Term SOFR loans ranging between 2.00% and 2.50% based on the Company’s total net first lien leverage ratio or (ii) the base rate plus an applicable margin ranging between 1.00% and 1.50% based on the Company’s total net first lien leverage ratio.

On June 13, 2023, we entered into Amendment No. 1 (the “Amendment”) to the Credit Agreement. The Amendment replaced the LIBOR interest rate benchmark with the Secured Overnight Financing Rate (“SOFR”) benchmark, with a credit spread adjustment to the SOFR benchmark ranging from 0.11448% to 0.71513% depending on the interest period, effective July 1, 2023. Other than the foregoing, the material terms of the Credit Agreement remain unchanged. See *Note 9. Borrowings* in the Notes to the Consolidated Financial Statements for details.

Effective July 1, 2023, the Revolving Credit Facility accrues interest at a per annum rate based on either, at the Company’s election, (i) Term SOFR plus the applicable margin for Term SOFR loans ranging between 2.50% and 2.00% based on the Company’s total net first lien leverage ratio or (ii) the base rate plus an applicable margin ranging between 1.50% and 1.00% based on the Company’s total net first lien leverage ratio.

Our primary sources of cash are from cash and cash equivalents, short-term investments, the collection of accounts receivable from our customers and the Revolving Credit Facility. Our uses of cash include payroll and payroll-related expenses and business operating expenses such as hosting services costs, marketing programs, travel, professional services, facilities and related costs, servicing our borrowings, and debt principal payments. Other uses of cash include the purchase of property and equipment and to acquire businesses and technologies to expand our product offerings. We believe cash generated from operations will be sufficient to meet working capital needs and to service our borrowings.

Approximately one fourth third of our cash, cash equivalents and short-term investments are held by our foreign subsidiaries.

The following table summarizes our cash flows for the periods indicated (in thousands):

	Year Ended December 31,					
	2023		2022		2021	
Cash provided by operating activities	$	266,347	$	200,057	$	228,683
Cash used in investing activities	$	(55,875)	$	(185,957)	$	(32,413)
Cash provided by (used in) financing activities	$	21,368	$	38,801	$	(86,367)

	Year Ended December 31,					
	2024		2023		2022	
Net cash provided by operating activities	$	409,850	$	266,347	$	200,057
Net cash used in investing activities	$	(70,710)	$	(55,875)	$	(185,957)
Net cash (used in) / provided by financing activities	$	(146,214)	$	21,368	$	38,801

Operating Activities: Cash provided by operating activities for the year ended December 31, 2024 was $409.9 million. Our net income for the year ended December 31, 2024 was $9.9 million, adjusted for non-cash charges, primarily consisting of $257.3 million of stock-based compensation expense, $138.0 million of depreciation and amortization, $14.5 million of non-cash operating lease cost, $17.6 million of deferred income taxes, $1.4 million of debt refinancing costs. Additional cash inflow resulted from changes in operating assets and liabilities. The main drivers of the changes in operating assets and liabilities were a $19.4 million increase in accounts receivable due to higher balance and the timing of collections, a $7.8 million decrease in income tax payable due to the timing of tax payments, and a $31.5 million decrease in accounts payable and accrued liabilities due to timing of payments. This was partially offset by $57.8 million increase in deferred revenue and a $7.3 million decrease in prepaid expenses and assets.

Cash provided by operating activities for the year ended December 31, 2023 was $266.3 million. Our net loss for the year ended December 31, 2023 was $125.3 million, adjusted for non-cash charges, primarily consisting of $218.1 million of stock-based compensation expense, $165.8 million of depreciation and amortization, $16.3 million of non-cash operating lease cost and $1.0 million of deferred income taxes. Additional cash inflow resulted from changes in operating assets and liabilities. The main drivers of the changes in operating assets and liabilities were a $38.3 million increase in accounts receivable due higher balance and the timing of collections, a $35.2 million decrease in income tax payable due to the timing of tax payments, and a $20.8 million decrease in accounts payable and accrued liabilities due to timing of payments. This was partially offset by $82.8 million increase in contract liabilities and a $1.9 million decrease in prepaid expenses and assets. Our “days sales outstanding” in accounts receivable decreased to 102 days as of December 31, 2023 from 104 days as of December 31, 2022.

Cash provided by operating activities for the year ended December 31, 2022 was $200.1 million. Our net loss for the year ended December 31, 2022 was $53.7 million, adjusted for non-cash charges, of $279.2 million $401.2 million, and a net cash outflow of $25.5 million $9.6 million provided by changes in our operating assets and liabilities.

Investing Activities: Net cash used in investing activities for the year ended December 31, 2023 December 31, 2024 was $55.9 $70.7 million primarily due to a $347.5 $527.8 million cash outflow consisting primarily of $328.5 $523.9 million in purchases of investments a $12.5 million in cash paid for business combination and $6.5 $3.9 million for purchases of property and

equipment. These cash outflows were partially offset by $252.1 $455.2 million in maturities of investments and $39.5 $1.9 million in sale of investments. other.

Net cash used in investing activities for the year ended December 31, 2022 December 31, 2023 was $186.0 million $55.9 million due to cash outflow consisting primarily of purchases of investments, cash paid for business combination, and purchases of property and equipment partially offset by cash inflows from maturities and sales of investments.

We acquire property and equipment in our normal course of business. The amount and timing of these purchases and the related cash outflows in future periods depend on a number of factors, including the hiring of employees, the rate of upgrade of computer hardware and software used in our business, as well as our business outlook.

We have used cash to acquire businesses and technologies that enhance and expand our product offerings, and we anticipate that we will continue to do so in the future. Due to the nature of these transactions, it is difficult to predict the amount and timing of such cash requirements to complete such transactions. We may be required to raise additional funds to complete future acquisitions. In addition, we may be obligated to pay certain variable and deferred earn-out payments based upon achievement of certain performance targets.

Financing Activities: Net cash generated used in financing activities for the year ended December 31, 2024 was $146.2 million primarily due to $121.8 million payments for taxes related to net share settlement of restricted stock units, $102.0 million in share repurchases, $20.7 million in debt payments, and $1.3 millionin debt refinancing costs. These cash outflows were partially offset by $72.3 million in proceeds from the issuance of shares and a $25.3 million in proceeds from issuance of common stock under the ESPP, and $2.0 millionof proceeds from issuance of debt.

Net cash provided by financing activities for the year ended December 31, 2023 was $21.4 million primarily due to a $56.8 million in driven by proceeds from the issuance of shares and a $28.2 million in proceeds from issuance of common stock under the ESPP. These cash inflows were partially ESPP offset by $44.9 million payments for taxes related to net share settlement of restricted stock units and $18.7 million in debt payments.

Net cash provided by financing activities for the year ended December 31, 2022 was $38.8 million driven by proceeds from issuance of common stock under the ESPP, proceeds from issuance of shares and net activity from derivatives with an other-than-insignificant financing element, offset by payment of debt and payment of offering costs. debt.

Debt

Credit Facilities

The Company has a credit agreement with JPMorgan Chase Bank, N.A., as agent, for a syndicate of lenders (“Credit Agreement”). lenders. Under the Credit Agreement, the Company incurred $1.9 billion of dollar term loans under the Term Facility (as defined below) and obtained $250.0 million of commitments under the Revolving Credit Facility.

The Term Facility matures on October 29, 2028 and is repayable in quarterly installments of 0.25% of the initial principal amount thereof, with the remaining amount due at maturity. The Revolving Credit Facility matures on October 29, 2026. See Note 9. Borrowings in the Notes to the Consolidated Financial Statements for details.

The Credit Agreement requires that, as of the last day of any fiscal quarter if on such date the aggregate principal amount of all revolving loans, swingline loans and letter of credit obligations (in excess of $15 million) exceed 35% of the revolving loan commitments, the total net first lien leverage ratio cannot exceed 6.25 to 1.00. Accrued interest on the Credit Facilities is payable quarterly in arrears with respect to base rate loans, at the end of each interest rate period (or at each three-month interval in the case of loans with interest periods greater than three-months) with respect to the loans, the date of any repayment or prepayment, and at maturity (whether by acceleration or otherwise).

On June 13, 2023, the Company entered into the Amendment (as defined below). The Amendment replaced the LIBOR interest rate benchmark with the SOFR benchmark, with a credit spread adjustment to the SOFR benchmark ranging from 0.11448% to 0.71513% depending on the interest period, effective July 1, 2023. Other than the foregoing, the material terms of the Credit Agreement remain unchanged.

The Credit Agreement contains certain customary affirmative and negative covenants. As of December 31, 2023 December 31, 2024, we were in compliance with all such covenants.

Contractual and Lease Obligations

The following table summarizes our significant contractual obligations at December 31, 2023 December 31, 2024, which include our future principal and estimated interest payments under our debt facilities and our future minimum lease

payments under operating leases with original terms in excess of one year, and the effect of such obligations on our liquidity and cash flows in the future periods (in thousands):

	Payment Due by Period										
	Total	**Total**	**Less than 1 Year**	**1-3 Years**	**3-5 Years**	**More than 5 Years**	**Total**	**Less than 1 Year**	**1-3 Years**	**3-5 Years**	**More than 5 Years**
Future principal and interest payments under the First Lien Dollar Term Facilities											
Operating lease payments											
Purchase commitments											
Total											

The above commitment table does not include approximately $37.7 million $24.3 million of long-term income tax liabilities recorded in accordance with ASC 740, *Income Taxes*. We are unable to make a reasonably reliable estimate of the timing of these potential future payments in individual years beyond 12 months due to uncertainties in the timing of tax audit outcomes. As a result, this amount is not included in the table above. For further information, see Note 17. 18. Income Taxes of the Notes to our Consolidated Financial Statements.

Contractual Obligations

Purchase orders or contracts for the purchase of certain goods and services are not included in the above table. We cannot determine the aggregate amount of such purchase orders that represent contractual obligations because purchase orders may represent authorizations to purchase rather than binding agreements. For the purposes of the contractual obligation table above, contractual obligations for purchase of goods or services are defined as agreements that are enforceable and legally binding and that specify all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum, or variable price provisions; and the approximate timing of the transaction. Our purchase orders are based on our current needs and are fulfilled by our vendors within short time horizons. We also enter into contracts for outsourced services; however, the obligations under these contracts were not significant and the contracts generally contain clauses allowing for cancellation without significant penalty. Contractual obligations that are contingent upon the achievement of certain milestones are not included in the table above.

We estimate the expected timing of payment of the obligations discussed above based on current information. Timing of payments and actual amounts paid may be different depending on the time of receipt of goods or services or changes to agreed-upon amounts for some obligations.

Operating Leases

We also lease certain office facilities and equipment under operating leases, which expire at various dates through 2035.

The expected timing of payment of the obligations discussed above is estimated based on current information. Timing of payments and actual amounts paid may be different.

Critical Accounting Estimates

Our consolidated financial statements are prepared in accordance with U.S. generally accepted accounting principles, or GAAP which requires us to make estimates, judgments, and assumptions. We believe that the estimates, judgments, and assumptions upon which we rely are reasonable based upon information available to us at the time that these assumptions, judgments, and estimates are made. These estimates, judgments, and assumptions can affect the reported amounts of assets and liabilities as of the date of the financial statements as well as the reported amounts of revenue and expenses during the periods presented. Any material differences between these estimates and actual results will impact our consolidated financial statements. On a regular basis, we evaluate our estimates, judgments, and assumptions and make changes accordingly.

We believe that the following critical accounting estimates reflect the more significant estimates, judgments, and assumptions and have the greatest potential impact on our consolidated financial statements. See the notes to our consolidated financial statements included elsewhere in this Report for additional information.

Revenue Recognition

We account for our revenue in accordance with ASC 606, Revenue from Contracts with Customers. The core principle of ASC 606 is to recognize revenue to depict the transfer of promised goods or services to customers in an amount that reflects the consideration the entity expects to be entitled to in exchange for those goods or services. This principle is achieved by applying the following five-step approach:

- *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 that defines each party’s rights regarding the goods or services to be transferred and identifies the payment terms related to these goods or services, (ii) the contract has commercial substance, and (iii) we determine that collection of substantially all consideration for goods or services that are transferred is probable based on the customer’s intent and ability to pay the promised consideration. We apply judgment in determining the customer’s ability and intention to pay, which is based on a variety of factors, including the customer’s historical payment experience or, in the case of a new customer, published credit and financial information pertaining to the customer.
- *Identification of the performance obligations in the contract.* Performance obligations contained 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, and the customer can benefit from the goods or services either on their 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, and the transfer of the goods or services is separate from other promises in the contract. To the extent a contract includes multiple promised goods or services, we apply our judgment to determine whether the promised goods or services are capable of being distinct and distinct in the context of the contract. If these criteria are not met, the promised goods or services are accounted for as a combined performance obligation. We consider a performance obligation satisfied once we have transferred control of a good or product to a customer, meaning the customer has the ability to use and obtain the benefit of the product.
- *Determination of the transaction price*. The transaction price is determined based on the consideration to which we will be entitled in exchange for transferring goods or services to the customer.
- *Allocation of the transaction price to the performance obligations in the contract.* If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance

obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on a relative standalone selling price (SSP). We generally determine SSP based on the price at which the performance obligation is routinely sold separately, such as support and maintenance on our core offerings. In connection with our perpetual and self-managed subscription licenses and cloud subscription, we are unable to establish an SSP based on observable prices given the same selling price for the same products are highly variable, and a representative SSP is not discernible from past transactions or other observable evidence. As a result, the SSP for perpetual and self-managed subscription licenses and cloud subscription included in a contract with multiple performance obligations is determined by applying a residual approach whereby all other performance obligations within a contract are first allocated a portion of the transaction price based upon their respective SSPs, with any residual amount of transaction price allocated to perpetual and self-managed subscription licenses and cloud subscription revenues.

- *Recognition of revenue when, or as, performance obligations are satisfied.* We satisfy performance obligations either over time or at a point in time, as discussed in further detail below. Revenue is recognized at the time the related performance obligation is satisfied with the transfer of control of a promised good or service to a customer.

We derive our revenues from sales of cloud subscription, self-managed subscription license, self-managed subscription support and other, perpetual license, and maintenance and professional services. We recognize revenue net of applicable sales taxes, financing charges that we have absorbed, and amounts retained by our resellers and distributors, if any.

Software revenue Subscription Revenue

Software revenue consists of subscription and perpetual license revenues. Subscription revenues primarily consist of revenues from cloud subscription, self-managed subscription licenses and related support. Revenues from self-managed subscription licenses are recognized at a point in time upon transfer of control of the software

license to the customer, similar to perpetual licenses. customer. Revenue on the remaining self-managed subscription support offering is generally recognized over time on a ratable basis over the contract term beginning on the date that the service is made available to the customer. Revenues from our cloud subscription are recognized over time on a ratable basis over the contract term beginning on the date that the service is made available to the customer or on the date the contractual term commences, if later. Subscription contracts are generally three years or shorter in length and billed annually in advance.

Certain arrangements for the Company's cloud subscription offerings provide for a maximum number of IPUs that are pre-purchased at the beginning of the arrangement to be consumed over the subscription term, with consumption measured either monthly or annually. For arrangements where consumption is measured annually, additional fees are charged for IPUs consumed above the annual maximum, if the customer's usage requires it. The transaction price for cloud subscription with consumption-based pricing is determined based on the pre-purchased amount and, for arrangements where consumption is measured annually, an estimate of additional fees that the Company is entitled to. The Company constrains its estimate based on factors that could lead to a probable significant reversal of cumulative revenue recognized. Revenues from the Company's cloud subscription with consumption-based pricing are recognized over time on a ratable basis over the applicable period beginning on the date that the service is made available to the customer or on the date the contractual term commences, if later.

Perpetual license revenues are derived from sales of our software under perpetual licenses. Revenue from our perpetual license products is generally recognized at a point in time upon transfer of control of the software license to the customer, which is typically upon making the software available to our customers.

Maintenance and Professional Services revenue Revenue

Maintenance revenue, which consists of fees for ongoing support and product updates are recognized ratably over the term of the contract, typically one year. Maintenance contracts are generally billed annually in advance and are non-cancelable.

Professional services revenues are primarily related to configuration, installation, and implementation of our products. These services are generally performed on a time-and-materials basis. Revenues for fixed fee contracts are generally recognized as services are performed, applying input methods to estimate progress to completion. Consulting services are generally either billed in advance or monthly as services are rendered. Consulting services, if included as part of the software arrangement, generally do not entail significant modification or customization of the software and hence, such services are not considered essential to the functionality of the software.

Stock-based Compensation

We account for stock-based compensation in accordance with the provisions of ASC 718, *Stock Compensation*. We measure and recognize compensation expense for all stock-based awards, including stock options, restricted stock units ("RSUs") granted to employees and directors, performance stock units ("PSUs"), including PSUs subject to certain market condition(s), and stock purchase rights granted under the ESPP to employees, based on the estimated fair value of the awards on the date of grant. We use the Black-Scholes Merton and Monte Carlo models for valuation of our options and market conditions based awards. For purchase rights granted under the ESPP, the fair value is estimated using the Black-Scholes Merton model. Both models require the input of certain assumptions on the grant date, including fair value of the underlying stock and exercise price, expected term, volatility, risk-free interest rate, and dividend yield.The Company determines the fair value of RSUs and PSUs which are subject to service and/or performance condition(s), based on the fair value of each share of underlying common stock using the closing price as reported on the date of grant on the primary stock exchange on which our common stock is traded.

See *Note 14. Stockholders Equity* in the Notes to our Consolidated Financial Statements for a description of our stock-based compensation plan and more information on the assumptions used to calculate the fair value of stock-based options, RSUs, PSUs and stock purchase rights. We recognize forfeitures as they occur, and cash flows related to excess tax benefits are presented as an operating activity in the statement of cash flows.

Income Taxes

We use the liability method of accounting for income taxes in accordance with ASC 740, *Income Taxes.* Under this method, income tax expense or benefit is recognized for the amount of taxes payable or refundable for

the current year. In addition, deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been recognized in our consolidated financial statements or tax returns. The measurement of current and deferred tax assets and liabilities is based on provisions of currently enacted tax laws. The effects of future changes in tax laws or rates are not contemplated.

A two-step approach is applied pursuant to ASC 740 in the recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return. The first step is to determine if the weight of available evidence indicates that it is more likely than not that the tax position will be sustained in an audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. We recognize interest and penalties related to uncertain tax positions in the income tax provision line of our consolidated statements of operations.

We evaluate the realization of deferred tax assets based on all available evidence, considering forecasts of future taxable income, the reversal of existing deferred tax liabilities, the carry back of losses and credits as allowed under current tax law. We establish a valuation allowance to reduce deferred tax assets when it is more likely than not that they will not be realized. In making this determination, we are required to give significant weight to evidence that can be objectively verified.

Recent Accounting Pronouncements

For recent accounting pronouncements, see Note 2. Basis of Presentation and Summary of Significant Accounting Policies in the Notes to Consolidated Financial Statements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We have operations both within the United States and internationally, and we are exposed to market risks in the ordinary course of our business. These risks include primarily interest rate and foreign currency exchange risks.

Interest Rate Sensitivity

Our investment objective is to conserve capital and maintain liquidity to support our operations; therefore, we generally invest in highly liquid securities, consisting primarily of debt securities, bank deposits, money market funds, and time deposits. Such fixed and floating interest-earning instruments carry a degree of interest rate risk. Fixed income securities may have their fair market value adversely impacted due to a rise in interest rates, while floating rate securities may produce less income than predicted if interest rates fall. Due to the short-term nature of our investment portfolio, we do not believe an immediate 10% a hypothetical quarter point increase or decrease in interest rates would have a material effect on the fair market value of our portfolio. Therefore, we do not expect our operating results or cash flows to be materially affected by a sudden change in interest rates.

As of December 31, 2023 December 31, 2024, we had long-term debt outstanding with a carrying value of $1.8 billion. A hypothetical change in interest rate of 0.25% will increase or decrease interest expense by approximately $4.6 million a year. See Note 9. Borrowings, in the Notes to our Consolidated Financial Statements. Borrowings under our debt facilities bear interest at a variable market rate.

On June 13, 2023 June 11, 2024, we entered into the Amendment. refinanced our Credit Agreement with JPMorgan Chase Bank, N.A., as agent, for a syndicate of lenders. The Amendment replaced reduced the LIBOR interest rate benchmark with applicable margin from 2.75% to 2.25% and eliminated the SOFR benchmark, with a previous credit spread adjustment, to the SOFR benchmark ranging from 0.11448% to 0.71513% depending on the interest period, effective July 1, 2023 June 11, 2024. Other than the foregoing, the material terms of the Credit Agreement remain unchanged.

In order to reduce the financial impact of increases in interest rates, we had previously entered into two interest rate swaps for a total notional amount of $1.3 billion, with a fixed swap rate of 1.525%. The interest rate swaps matured in December 2022.

Foreign Currency Exchange Risk

Our consolidated results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates. Historically, our revenue contracts have been denominated in mainly U.S. dollars and also local currency. Our outstanding debt obligations are denominated in U.S. dollars. Our expenses are generally

denominated in the currencies in which our operations are located. To date, we We currently have cash flow hedges for our Indian Rupee expense exposure. exposure that we hedge on a rolling twelve-month basis. These exposures are hedged with non-deliverable forward contracts. In the event

our foreign sales and expenses increase, our operating results may be affected by foreign currency exchange rate fluctuations, which can affect our operating income or loss. The effect of a hypothetical 10% increase in the value of all applicable foreign currencies relative to the U.S. dollar would have had approximately a $14.8 $24.2 million negative impact to operating income for the year ended December 31, 2023 December 31, 2024.

Foreign Exchange Forward Contracts

In order to reduce the impact of earnings volatility associated with foreign currency fluctuations, we enter into foreign currency forward contracts on our largest foreign currency exposure. The forward contracts represent obligations to purchase foreign currencies at a predetermined exchange rate to fund a portion of our expenses that are denominated in foreign currencies. We recognize in earnings amounts related to our cash flow hedges accumulated in other comprehensive income during the same period in which the corresponding underlying hedged transaction affects earnings. We have forecasted the amount of our anticipated foreign currency expenses based on our historical performance and projected financial plan.

As of December 31, 2023 December 31, 2024, our remaining open foreign exchange contracts, carried at fair value, are hedging Indian rupee expenses and typically have a maturity of approximately twelve months or less. These foreign exchange contracts mature monthly as the foreign currency denominated expenses are paid and any gain or loss is offset against operating expense. Once the hedged item is recognized, the cash flow hedge is de-designated and subsequent changes in value are recognized in other Other income (expense), net to offset changes in the value of the resulting non-functional currency monetary assets or liabilities. The notional amounts of these foreign exchange forward contracts in U.S. dollar equivalents were to buy $109.6 million $94.0 million and $100.3 million $109.6 million of Indian rupees as of December 31, 2023 December 31, 2024 and 2022, 2023, respectively.

Cross-Currency Swap Contracts

During the fourth quarter of 2024, the Company entered into cross-currency swap contracts with a total notional amount of 300 million of Euro for $328 million of USD, designated as net investment hedges, that is used to hedge a portion of the Company's net investment in its European operations. The swap agreement provides for the Company to receive monthly interest payments in U.S. dollars at a float rate and to make Euro interest payments at a float rate. The risk management objective of entering into such agreements is to manage foreign currency risk relating to net investments in certain European subsidiaries denominated in euros.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Index to Consolidated Financial Statements

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Informatica Inc.

Opinion on the Financial Statements

We have audited the accompanying consolidated balance sheets of Informatica Inc. (the Company) as of December 31, 2023 December 31, 2024 and 2022, 2023, the related consolidated statements of operations, comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2023 December 31, 2024, and the related notes (collectively referred to as the "consolidated financial statements"). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at December 31, 2023 December 31, 2024 and 2022, 2023, and the results of its operations and its cash flows for each of the three years in the period ended December 31, 2023 December 31, 2024, in conformity with U.S. generally accepted accounting principles.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the Company's internal control over financial reporting as of December 31, 2023 December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013 framework), and our report dated February 22, 2024 February 25, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

These financial statements are the responsibility of the Company's management. Our responsibility is to express an opinion on the Company's financial statements based on our audits. We are a public accounting firm registered with the 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 audit to obtain reasonable assurance about whether the financial statements are free of material misstatement, whether due to error or fraud. Our audits included performing procedures to assess the risks of material misstatement of the 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 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 financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matter

The critical audit matter communicated below is a matter arising from the current period audit of the financial statements that was communicated or required to be communicated to the audit committee and that: (1) relates to accounts or disclosures that are material to the financial statements and (2) involved our especially challenging, subjective or complex judgments. The communication of the critical audit matter 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

Description of the Matter

As described in Note 2 to the consolidated financial statements, the Company derives its revenue from sales of multiple products and services, including cloud services, subscriptions, self-managed subscription licenses, self-managed subscription support, maintenance, and professional services. The Company generally recognizes revenues when it satisfies performance obligations under the terms of its contracts, and control is transferred to its customers in an amount that reflects the consideration the Company expects to receive from its customers in exchange for those products.
products and services.

Auditing the Company's revenue recognition required significant effort to identify and evaluate the terms and conditions in subscription contracts and to test the appropriate accounting.

How We Addressed the Matter in Our Audit

We obtained an understanding, evaluated the design, and tested the operating effectiveness of the Company's controls over the process to identify and evaluate terms and conditions in subscription contracts and to assess the appropriate accounting.

Among other procedures, on a sample basis, we read executed subscription contracts to test management's identification and evaluation of the terms and conditions in subscription contracts and management's determination of the appropriate accounting, including the assessment of the performance obligations in contracts, the allocation of the transaction price to those performance obligations, and the timing of revenue recognition.

/s/ Ernst & Young LLP

We have served as the Company's auditor since 2021.

San Francisco, California
February 22, 2024 25, 2025

Report of Independent Registered Public Accounting Firm

To the Stockholders and the Board of Directors of Informatica Inc.

Opinion on Internal Control Over Financial Reporting

We have audited Informatica Inc.'s internal control over financial reporting as of December 31, 2023 December 31, 2024, based on criteria established in Internal Control—Integrated Framework issued by the Committee of Sponsoring Organizations of the Treadway Commission (2013(2013 framework) (the COSO criteria). In our opinion, Informatica Inc. (the Company) maintained, in all material respects, effective internal control over financial reporting as of December 31, 2023 December 31, 2024, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (PCAOB), the consolidated balance sheets of the Company as of December 31, 2023 December 31, 2024 and 2022, 2023, the related consolidated statements of operations, comprehensive loss, stockholders' equity and cash flows for each of the three years in the period ended December 31, 2023 December 31, 2024, and the related notes and our report dated February 22, 2024 February 25, 2025 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting included in the accompanying Management's Report on Internal Control Over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the 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 audit in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects.

Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, testing and evaluating the design and operating effectiveness of internal control based on the assessed risk, and performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

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 (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) 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 (3) 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.

/s/ Ernst & Young LLP

San Francisco, California
February 22, 2024

25, 2025

INFORMATICA INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except par value data)

	December 31,	
	2023	**2022**
	2024	**2023**
Assets		
Assets		
Assets		
Current assets:		
Current assets:		
Current assets:		
Cash and cash equivalents		
Cash and cash equivalents		
Cash and cash equivalents		
Short-term investments		
Accounts receivable, net of allowances of $4,414 and $4,608, respectively		
Accounts receivable, net of allowances of $6,618 and $4,414, respectively		
Contract assets, net		
Prepaid expenses and other current assets		
Total current assets		
Property and equipment, net		
Operating lease right-of-use-assets		
Goodwill		
Customer relationships intangible asset, net		
Other intangible assets, net		
Deferred tax assets		
Other assets		
Total assets		
Liabilities and Stockholders' Equity		
Current liabilities:		
Current liabilities:		
Current liabilities:		
Accounts payable		
Accounts payable		
Accounts payable		
Accrued liabilities		
Accrued compensation and related expenses		
Current operating lease liabilities		
Current portion of long-term debt		
Income taxes payable		
Contract liabilities		
Deferred revenue		
Total current liabilities		

Long-term operating lease liabilities	
Long-term contract liabilities	
Long-term deferred revenue	
Long-term debt, net	
Deferred tax liabilities	
Long-term income taxes payable	
Other liabilities	
Total liabilities	
Commitments and contingencies (Note 19)	—
Commitments and contingencies (Note 20)	—
Stockholders' equity:	
Class A common stock; $0.01 par value per share; 2,000,000 and 2,000,000 shares authorized as of December 31, 2023 and December 31, 2022, respectively; Total of 250,874 and 239,749 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively	
Class A common stock; $0.01 par value per share; 2,000,000 and 2,000,000 shares authorized as of December 31, 2023 and December 31, 2022, respectively; Total of 250,874 and 239,749 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively	
Class A common stock; $0.01 par value per share; 2,000,000 and 2,000,000 shares authorized as of December 31, 2023 and December 31, 2022, respectively; Total of 250,874 and 239,749 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively	
Class B-1 common stock; $0.01 par value per share; 200,000 and 200,000 shares authorized as of December 31, 2023 and December 31, 2022, respectively; Total of 44,050 and 44,050 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively	
Class B-2 common stock; $0.00001 par value per share, 200,000 and 200,000 shares authorized as of December 31, 2023 and December 31, 2022, respectively; Total of 44,050 and 44,050 shares issued and outstanding as of December 31, 2023 and December 31, 2022, respectively	
Class A common stock; $0.01 par value per share; 2,000,000 and 2,000,000 shares authorized as of December 31, 2024 and December 31, 2023, respectively; Total of 259,485 and 250,874 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	
Class A common stock; $0.01 par value per share; 2,000,000 and 2,000,000 shares authorized as of December 31, 2024 and December 31, 2023, respectively; Total of 259,485 and 250,874 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	
Class A common stock; $0.01 par value per share; 2,000,000 and 2,000,000 shares authorized as of December 31, 2024 and December 31, 2023, respectively; Total of 259,485 and 250,874 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	
Class B-1 common stock; $0.01 par value per share; 200,000 and 200,000 shares authorized as of December 31, 2024 and December 31, 2023, respectively; Total of 44,050 and 44,050 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	
Class B-2 common stock; $0.00001 par value per share, 200,000 and 200,000 shares authorized as of December 31, 2024 and December 31, 2023, respectively; Total of 44,050 and 44,050 shares issued and outstanding as of December 31, 2024 and December 31, 2023, respectively	
Additional paid-in-capital	
Accumulated other comprehensive loss	
Accumulated deficit	
Total stockholders' equity	
Total liabilities and stockholders' equity	

See accompanying notes to consolidated financial statements.

INFORMATICA INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In thousands, except per share data)

	Year Ended December 31,		
	2023	**2022**	**2021**
	2024	**2023**	**2022**
Revenues:			
Revenues:			
Revenues:			
Subscriptions			
Subscriptions			
Subscriptions			
Perpetual license			
Software revenue			
Subscription revenue			
Subscription revenue			
Subscription revenue			
Maintenance and professional services			
Total revenues			
Cost of revenues:			
Subscriptions			
Subscriptions			
Subscriptions			

Perpetual license
Software costs
Maintenance and professional services
Subscription costs
Subscription costs
Subscription costs
Maintenance and professional services costs
Amortization of acquired technology
Total cost of revenues
Gross profit
Operating expenses:
Research and development
Research and development
Research and development
Sales and marketing
General and administrative
Amortization of intangible assets
Restructuring
Total operating expenses
Income from operations
Interest income
Interest expense
Loss on debt refinancing
Other income, net
Loss before income taxes
Income (loss) before income taxes
Income tax expense
Net loss
Net loss per share attributable to Class A and Class B-1 common stockholders:[1]
Net income (loss)
Net income (loss) per share attributable to Class A and Class B-1 common stockholders:
Basic
Basic
Basic
Diluted
Weighted-average shares used in computing net loss per share:[1]
Weighted-average shares used in computing net income (loss) per share:
Basic
Basic
Basic
Diluted

See accompanying notes to consolidated financial statements.

[1] Amounts for periods prior to the completion of our restructuring transactions on September 30, 2021 have been retrospectively adjusted to give effect to the restructuring transactions described in Note 1 *Organization and Description of Business* in the Notes to our Consolidated Financial Statements.

INFORMATICA INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS
(In thousands)

	Year Ended December 31,		
	2023	**2022**	**2021**
Net loss	$ (125,283)	$ (53,675)	$ (99,929)
Other comprehensive (loss) income, net of taxes:			
Change in foreign currency translation adjustments, net of tax (expense) benefit of $(55), $548 and $(165), respectively	22,790	(65,667)	(43,479)
Available-for-sale debt securities:			
Change in unrealized gain (loss), net of tax (expense) benefit of $(37), $56 and $—, respectively	115	(171)	—

Less: reclassification adjustment for loss included in net loss, net of tax benefit of $36, $— and $—, respectively	108	—	—
Available-for-sale debt securities, net change	223	(171)	—
Cash flow hedges:			
Change in unrealized gain, net of tax (expense) of $(483), $(1,113) and $(1,162), respectively	1,479	3,379	3,776
Less: reclassification adjustment for loss (gain) included in net loss, net of tax benefit (expense) of $265, $(774) and $4,457, respectively	809	(2,363)	13,559
Cash flow hedges, net change	2,288	1,016	17,335
Total other comprehensive (loss) income, net of tax effect	25,301	(64,822)	(26,144)
Total comprehensive loss, net of tax effect	$ (99,982)	$ (118,497)	$ (126,073)

	Year Ended December 31,		
	2024	2023	2022
Net income (loss)	$ 9,931	$ (125,283)	$ (53,675)
Other comprehensive income (loss), net of taxes:			
Change in foreign currency translation adjustments, net of tax benefit (expense) of $623, $(55) and $548, respectively	(59,403)	22,790	(65,667)
Available-for-sale debt securities:			
Change in unrealized gain (loss), net of tax (expense) benefit of $(6), $(37) and $56, respectively	18	115	(171)
Less: reclassification adjustment for loss included in net income (loss), net of tax benefit of $0, $36 and $0, respectively	—	108	—
Available-for-sale debt securities, net change	18	223	(171)
Cash flow hedges:			
Change in unrealized (loss) gain, net of tax benefit (expense) of $392, $(483) and $(1,113), respectively	(1,199)	1,479	3,379
Less: reclassification adjustment for (gain) loss included in net income (loss), net of tax (expense) benefit of $(188), $265 and $(774), respectively	(576)	809	(2,363)
Cash flow hedge, net change	(1,775)	2,288	1,016
Change in fair value of cross currency swap contracts, net of tax expense of $—, $—and $—, respectively	16,147	—	—
Total other comprehensive (loss) income, net of tax effect	(45,013)	25,301	(64,822)
Total comprehensive loss, net of tax effect	$ (35,082)	$ (99,982)	$ (118,497)

See accompanying notes to consolidated financial statements.

INFORMATICA INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY
(In thousands)

		Class A Common Stock1	Class B-1 Common Stock1	Class B-2 Common Stock1	Additional Paid-in Capital 1	Accumulated Other Comprehensive Income (Loss)		Total Stockholders' Equity	
		Class A Common Stock	Class B-1 Common Stock	Class B-2 Common Stock	Additional Paid-in Capital	Accumulated Other Comprehensive Income (Loss)	Accumulated Deficit	Accumulated Deficit	Total Stockholders' Equity
	Shares								
Balances, December 31, 2020									
Balances, December 31, 2020									
Balances, December 31, 2020									
Stock-based compensation									

Issuance of common stock upon initial public offering, net of underwriting discounts
Repurchase of shares
Payment for taxes related to net share settlement of equity awards
Issuance of shares under equity plans
Net loss
Other comprehensive loss
Balances, December 31, 2021
Balances, December 31, 2021
Balances, December 31, 2021
Stock-based compensation
Issuance of shares under employee stock purchase plan
Payments for dividends related to Class B-2 shares
Issuance of shares under equity plans
Net loss
Other comprehensive loss
Balances, December 31, 2022
Stock-based compensation
Issuance of shares under employee stock purchase plan
Shares withheld related to net share settlement of equity awards
Payments for dividends related to Class B-2 shares
Issuance of shares under equity plans
Net loss
Other comprehensive income
Balances, December 31, 2023
Stock-based compensation
Issuance of shares under employee stock purchase plan
Shares withheld related to net share settlement of equity awards
Repurchases of common stock
Payments for dividends related to Class B-2 shares
Issuance of shares under equity plans
Net income
Other comprehensive loss
Balances, December 31, 2024

[1] Amounts for periods prior to the completion of our restructuring transactions on September 30, 2021 have been retrospectively adjusted to give effect to the restructuring transactions described in Note 1 *Organization and Description of Business* in the Notes to our Consolidated Financial Statements.

INFORMATICA INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Year Ended December 31,		
	2023	2022	2021
	2024	2023	2022
Operating activities:			
Operating activities:			
Operating activities:			
Net loss			
Net loss			
Net loss			
Adjustments to reconcile net loss to net cash provided by operating activities:			
Net income (loss)			
Net income (loss)			
Net income (loss)			
Adjustments to reconcile net income (loss) to net cash provided by operating activities:			
Depreciation and amortization			
Depreciation and amortization			
Depreciation and amortization			
Non-cash operating lease costs			
Stock-based compensation			
Deferred income taxes			
Amortization of intangible assets and acquired technology			
Amortization of debt issuance costs			
Amortization of investment discount, net of premium			
Loss on debt refinancing			
Unrealized gain on remeasurement of debt			
Debt refinancing costs			
Changes in operating assets and liabilities:			
Accounts receivable			
Accounts receivable			
Accounts receivable			
Prepaid expenses and other assets			
Accounts payable and accrued liabilities			
Income taxes payable			
Contract liabilities			
Deferred revenue			
Net cash provided by operating activities			
Investing activities:			
Purchases of property and equipment			
Purchases of property and equipment			
Purchases of property and equipment			
Purchases of investments			
Maturities of investments			
Sales of investments			
Business acquisitions, net of cash acquired			
Other			
Net cash used in investing activities			
Financing activities:			
Proceeds from issuance of common stock upon initial public offering, net of underwriting discounts and offering costs			
Proceeds from issuance of common stock upon initial public offering, net of underwriting discounts and offering costs			
Proceeds from issuance of common stock upon initial public offering, net of underwriting discounts and offering costs			
Proceeds from issuance of common stock under employee stock purchase plan			
Proceeds from issuance of common stock under employee stock purchase plan			
Proceeds from issuance of common stock under employee stock purchase plan			
Payments of offering costs			
Payments for dividends related to Class B-2 shares			
Payments for share repurchases			
Payments for repurchases of common stock			
Payment of debt			
Payment of debt issuance costs			
Payment of debt refinancing costs			
Proceeds from issuance of debt			
Payments for taxes related to net share settlement of equity awards			
Payment of contingent consideration			
Net activity from derivatives with an other-than-insignificant financing element			
Proceeds from issuance of shares under equity plans			
Net cash provided by / (used in) financing activities			
Effect of foreign exchange rate changes on cash, cash equivalents, and restricted cash			
Net increase in cash, cash equivalents, and restricted cash			
Cash, cash equivalents, and restricted cash at beginning of period			
Cash, cash equivalents, and restricted cash at end of period			
Net cash (used in)/ provided by financing activities			
Effect of foreign exchange rate changes on cash and cash equivalents			
Net increase in cash and cash equivalents			
Cash and cash equivalents at beginning of period			
Cash and cash equivalents at end of period			
Supplemental disclosures:			
Cash paid for interest			
Cash paid for interest			
Cash paid for interest			
Cash paid for income taxes, net of refunds			

Non-cash investing and financing activities:

Purchases of property and equipment recorded in accounts payable and accrued liabilities
Purchases of property and equipment recorded in accounts payable and accrued liabilities
Purchases of property and equipment recorded in accounts payable and accrued liabilities

Deferred offering costs payable or accrued but not paid

See accompanying notes to consolidated financial statements.

INFORMATICA INC.
NOTES TO CONSOLIDATED FINANCIAL STATEMENTS

Note 1. Organization and Description of Business

Informatica Inc. (the "Company" or "Informatica") was incorporated as a Delaware corporation on June 4, 2021. The Company was formed as part of a series of restructuring transactions, which collectively had the net effect of reorganizing the corporate structure of Ithacalux Topco S.C.A. delivers an industry leading artificial intelligence ("Ithacalux" AI"), resulting in Informatica Inc. being the top-tier entity in that corporate structure rather than Ithacalux, a Luxembourg société en commandite par actions. On September 30, 2021, the Company completed these restructuring transactions, resulting in the Company becoming the owner of Ithacalux and its property, assets, debts and obligation. As Informatica Inc. did not have any previous operations, Ithacalux is viewed as the predecessor to Informatica Inc. and its consolidated subsidiaries. Accordingly, these consolidated financial statements include certain historical consolidated financial and other data for Ithacalux for periods prior to the completion of the business combination. Unless the context otherwise requires, references to "Informatica" and the "Company" mean Informatica Inc. and its consolidated subsidiaries for all periods presented.

As a result of the restructuring transactions, the shareholders of Ithacalux contributed their interests in Ithacalux to Informatica in exchange for an aggregate of 288,867,682 shares of Informatica's common stock. 200,768,636 shares of Informatica's common stock was designated Class A common stock, and 44,049,523 shares of the common stock was designated Class B-1 common stock, with an equal number (44,049,523 shares of the common stock) designated Class B-2 common stock. The number of shares of Class A common stock and Class B-1 and Class B-2 common stock issued was determined in accordance with the applicable provisions of the contribution agreement. Amounts for periods presented prior to the completion of the restructuring transactions on September 30, 2021 have been retrospectively adjusted to give effect to the restructuring transactions.

On October 29, 2021, the Company completed its initial public offering (the "IPO"), in which the Company issued and sold 29,000,000 shares of its Class A common stock at $29.00 per share. On November 10, 2021, the Company issued and sold an additional 4,350,000 shares of Class A common stock in connection with a full exercise of the underwriters' option to purchase additional shares granted in the IPO. The Company generated a total of $967.2 million in gross proceeds, inclusive of the underwriter's exercise of their option to purchase additional shares in the offering, and net proceeds of $915.7 million, after underwriting discounts and commissions of $51.5 million. The Company also incurred offering costs of $11.9 million in relation to the IPO.

The Company delivers enabled data management products powered by an artificial intelligence ("AI") management on a cloud native platform that connects, manages, and unifies data across multi-vendor, multi-cloud and hybrid systems at enterprise scale. The platform enables the Company's customers to accurately track and understand their data, allowing them to create 360-degree customer experiences, automate data operations across enterprise-wide business processes, and pursue holistic data-driven digital strategies by guiding workload migrations to harnessing the power of the cloud. The Company's platform includes a suite of interoperable data management products that leverage the shared services and metadata of the underlying platform, including products for Data Catalog, Data Integration & Engineering, API & Application Integration, Data Quality and Observability, Master Data Management, Customer and Business 360 Applications, Governance, Access and Privacy, and Data Marketplace. The Company was incorporated as a Delaware corporation on June 4, 2021. Unless the context otherwise requires, references to "Informatica" and the "Company" mean Informatica Inc. and its consolidated subsidiaries for all periods presented.

Note 2. Basis of Presentation and Summary of Significant Accounting Policies

Basis of Presentation and Consolidation

The accompanying consolidated financial statements include those of the Company and its subsidiaries, after elimination of all intercompany accounts and transactions. The Company has prepared the accompanying consolidated financial statements in accordance with U.S generally accepted accounting principles ("GAAP") and pursuant to the rules and regulations of the United States Securities and Exchange Commission (the "SEC").

The Company previously presented Subscriptions and Perpetual license revenues and cost of revenues separately on its consolidated statement of operations. Because revenue and costs for perpetual licenses are not material for current or past periods due to transition to a cloud-only, consumption-driven strategy, the Company has combined these amounts and have retrospectively adjusted past periods for comparative purposes. The Company continues to renew its maintenance contracts related to the perpetual licenses sold in prior periods and recognize maintenance revenue which is presented as a part of Maintenance and professional services on its consolidated statement of operations.

Segment Reporting

The Company manages, monitors and reports its operating results and financial position as a single operating segment. The Company's chief operating decision-maker ("CODM") is its Chief Executive Officer who makes operating decisions, assesses financial performance and allocates resources based on consolidated financial information. As such, the Company has determined that it operates has one operating segment which is also their reportable segment. The CODM uses consolidated net income to measure segment profit or loss, allocate resources and assess performance. The CODM reviews and utilizes function expenses (cost of revenues, research and development, sales and marketing, and general and administrative) at the consolidated level to manage the Company's operations. Other segment items included in one reportable segment. consolidated net income are interest income, interest expense, other income, net, and income tax expense (benefit), which are reflected in the consolidated statements of operations.

Long-lived assets, comprising property and equipment, net and operating lease right-of-use assets, by geographic area were as follows (in thousands):

	December 31, 2023	December 31, 2022
	December 31, 2024	December 31, 2023
United States		
India		
Ireland		
Other		
Total		

Use of Estimates

The Company's consolidated financial statements are prepared in accordance with GAAP, which require management to make certain estimates, judgments, and assumptions in determination the evaluation of terms and conditions in customer revenue contracts, including the assessment of performance obligations, and standalone selling price used in revenue recognition, the realizability of deferred tax assets, uncertain tax positions, and stock-based compensation. assets. Management believes the estimates, judgments, and assumptions upon which it relies are reasonable based on information available at the time that these estimates, judgments, and assumptions are made. These estimates, judgments, and assumptions can affect the reported amounts of assets and liabilities as of the date of the consolidated financial statements as well as the reported amounts of revenues and expenses during the periods presented. Any material differences between these estimates and actual results will impact the Company's consolidated financial statements. The Company assesses these estimates on a regular basis, however actual results could differ from estimates due to risks and uncertainties.

Revenue Recognition

The Company derives its revenue from sales of 1) cloud subscription, representing access to the Company's software via Company-hosted cloud applications, 2) self-managed subscription license, representing a term license to self-managed software, 3) self-managed subscription support and other 4) on-premises perpetual software licenses, and 5) 4) maintenance and professional services, consisting of maintenance on perpetual software licenses, and professional services. The Company recognizes revenue net of applicable sales taxes, financing charges it has absorbed, and amounts retained by its partners (including resellers and distributors), if any. The Company does not act as an agent in any of its revenue arrangements.

Revenue is recognized and recorded in accordance with ASC 606, *Revenue From Contracts with Customers* ("ASC 606"), which generally requires the Company to recognize revenue when it satisfies performance obligations under the terms of its contracts, and control of its products is transferred to its customers in an amount that reflects the consideration the Company expects to receive from its customers and partners in exchange for those products. This process involves identifying the customer contract, determining the performance obligations in the contract, determining the transaction price, allocating the transaction price to the distinct performance obligations in the contract, and recognizing revenue when the performance obligations have been satisfied.

Performance obligations contained 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, because the customer can benefit from the goods or services either on their 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, and the transfer of the goods or services is separate from other promises in the contract. To the extent a contract includes multiple promised goods or services, the Company applies its judgment to determine whether the promised goods or services are capable of being distinct, and distinct in the context of the contract. The Company's cloud subscription services include cloud functionalities and, for most products, also a secure agent that is installed on a customer's environment, either on their third-party cloud infrastructure or on a customer's premises. The secure agent performs tasks and enables secure communication behind a customer's firewall with the cloud functionalities. For these products, customers are not able to use either the cloud functionalities or secure agent for their intended purpose on their own without use of the other component. The cloud functionalities and secure agent are accounted for together as a single performance obligation because the Company has concluded that the cloud functionalities and secure agent are and secure agent are highly interdependent and interrelated based on the significant two-way dependency between the components. The table below summarizes the Company's performance obligations and associated revenue recognition pattern.

Performance Obligation	Point in time revenue	When Performance Obligation is Typically Satisfied Over time revenue	As services are provided	Description
Subscription: Subscription revenue				
Cloud subscription	Over Time: Ratably over the contractual term; commencing upon the later of when access to the service is made available or the contractual term commences			
Self-managed subscription licensex	Point in Time: Upon the later of when the software license is made available or the contractual term commences			
Self-managed subscription support and other	Over Time: Ratably over the contractual term; commencing upon the later of when access to the service is made available or the contractual term commences			
Perpetual Self-managed subscription license	Point in Time: When X			Upon the later of when the software license is made available or the contractual term commences
MaintenanceSelf-managed subscription support and other	Over Time:	X		Ratably over the contractual term; commencing upon the later of when access to the service is made available or the contractual term commences
Maintenance and professional services				
Maintenance		X		Ratably over the contractual term
Professional Servicesservices	Over Time:		X	As services are provided

Software revenue Subscription Revenue

Software Subscription revenue is comprised of 1) cloud subscription, 2) self-managed subscription license, 3) self-managed subscription support and other, and 4) perpetual license other.

Cloud subscription and related support offerings consist of revenue from customers and partners contracted to use the related services during a subscription period typically ranging from one to three years, are generally billed annually in advance, and are non-cancelable.

Cloud subscription revenues include revenues from cloud services offerings, which deliver applications and infrastructure technologies via cloud-based deployment models for which the Company develops functionality, provides unspecified updates and enhancements, hosts, manages, upgrades, and support, and that customers access by entering into a subscription agreement with the Company for a stated period.

Certain arrangements for the Company’s cloud subscription offerings provide for a maximum number of Informatica Processing Units (“IPUs”) that are pre-purchased at the beginning of the arrangement to be consumed over the subscription term, with consumption measured either monthly or annually. For arrangements where consumption is measured annually, additional fees are charged for IPUs consumed above the annual maximum, if the customer’s usage requires it. The transaction price for cloud subscription with consumption-based pricing is determined based on the pre-purchased amount and, for arrangements where consumption is measured annually, an estimate of additional fees that the Company is entitled to. The Company constrains its estimate based on factors that could lead to a probable significant reversal of cumulative revenue recognized. Revenues from the Company’s cloud subscription with consumption-based pricing are recognized over time on a ratable basis over the applicable period beginning on the date that the service is made available to the customer or on the date the contractual term commences, if later.

Self-managed subscription license revenue primarily consists of revenue from customers and partners contracted to use software during a subscription term with terms typically ranging from one to three years. These arrangements are generally billed annually in advance during such multi-year terms.

Self-managed subscription support and other revenues are generated primarily through the sale of license support contracts sold together with the self-managed subscription license purchased by the customer. Self-managed subscription license support contracts provide customers with rights to unspecified software product upgrades, maintenance releases and patches released during the term of the support period and include internet access to technical content, as well as internet and telephone access to technical support personnel. The Company's self-managed subscription licenses have significant standalone functionalities and capabilities.

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Accordingly, these self-managed subscription licenses are distinct from the support services as the customer can benefit from the software without the services and the services are separately identifiable within the contract.

Perpetual license revenue consists of revenue from customers and partners for sales of perpetual software licenses, are generally billed upfront along with the associated maintenance. The maintenance associated with perpetual licenses is classified within maintenance and professional services.

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Maintenance and Professional Services

Maintenance and professional services are comprised of maintenance, consulting, and education services. Maintenance contracts, which consist of ongoing support and software updates, if and when available, under perpetual software license arrangements, are typically one year in duration. Perpetual software licenses have significant standalone functionalities and capabilities. Accordingly, these perpetual software licenses are distinct from the support services as the customer can benefit from the software without the services and the services are separately identifiable within the contract. Maintenance contracts are generally billed annually in advance.

Consulting services are primarily related to configuration, installation, and implementation of the Company's products, and are generally performed on a time-and-materials basis, with revenue recorded as the services are rendered. Revenue for fixed fee contracts is generally recognized as services are performed, applying input methods to estimate progress to completion. If uncertainty exists about the Company's ability to complete the project, its ability to collect the amounts due, or in the case of fixed-fee consulting arrangements, its ability to estimate the remaining costs to be incurred to complete the project, revenue is deferred until the uncertainty is resolved. Consulting services are generally either billed in advance or monthly as services are rendered. Consulting services, if included as part of the software arrangement, generally do not entail significant modification or customization of the software and hence, such services are not considered essential to the functionality of the software.

Contracts with multiple performance obligations

Some of the Company's contracts with customers contain multiple performance obligations. For these contracts, the Company accounts for individual performance obligations separately if they are distinct. The transaction price is allocated to the separate performance obligations on a relative SSP basis and revenue is recognized when (or as) the Company satisfies each performance obligation by transferring control of the promised goods or services to the customer.

The determination of SSP requires judgment and is established for performance obligations that are routinely sold separately, such as support and maintenance on the Company's core offerings. In connection with its cloud subscription and self-managed subscription licenses, and perpetual licenses, the Company is unable to establish SSP based on observable prices given the products are sold for a broad range of amounts (that is, the price is highly variable), and a representative SSP is not discernible from past transactions or other observable evidence. As a result, the SSP for cloud subscription offerings and self-managed subscription licenses, and perpetual licenses, included in a contract with multiple performance obligations, is determined by applying a residual approach whereby all other performance obligations within a contract are first allocated a portion of the transaction price based upon their respective SSPs, with any residual amount of transaction price allocated to cloud subscription and self-managed subscription licenses, and perpetual licenses.

Returns and Material Rights

The Company's agreements do not permit returns, and historically the Company has not had any significant returns or refunds; therefore, the Company has not established a sales return allowance.

Some contracts offer price discounts on future purchases. The Company evaluates these options to determine whether they provide a material right to the customer, representing a separate performance obligation. In circumstances involving a material right, revenue is allocated to these rights and deferred; subsequently the revenue is recognized when those future goods or services are transferred, or when the option expires. Generally, such discount mechanisms have not resulted in material rights.

Contract balances

The timing of revenue recognition, billings, and cash collections results in contract assets (both billed accounts receivable, where the Company has an unconditional right to contract consideration subject only to the passage of time, and unbilled receivables), and contract liabilities (deferred revenue) deferred revenue on the Company's accompanying consolidated balance sheets.

Accounts receivable

The timing of revenue recognition may differ from the timing of invoicing customers. Accounts receivables as reported on the accompanying consolidated balance sheets, includes the unconditional amounts owed from customers comprising amounts invoiced, net of an allowance for credit loss. A receivable is recognized in the period products are delivered or services are provided, or when the right to payment is unconditional. Payment terms on invoiced amounts are typically between 30 and 60 days, therefore the contracts do not include a significant financing component. Also, they typically do not involve a significant amount of variable consideration as they represent stated prices.

Contract Assets

Contract assets represent reported revenues attributable to performance obligations that have been satisfied, but such amounts remain unbilled due to certain remaining conditions under the contract not yet being met. Contract assets are primarily driven by sales of self-managed subscription licenses typically with one to three year subscription terms, but the related fees are generally invoiced annually. There were immaterial credit losses associated with contracts with customers for the years ended December 31, 2023 December 31, 2024 and 2022. 2023.

Contract Liabilities Deferred Revenue

Contract liabilities consist of deferred Deferred revenue and represent represents cash payments received or due in advance of fulfilling performance obligations. In arrangements whereby the Company has an obligation to transfer goods or services to the customer and fees are invoiced or amounts are received ahead of revenue being recognized under non-cancelable contracts, deferred revenue is recorded. Contract liabilities Deferred revenue will be recognized as revenue in future periods. As of December 31, 2023 December 31, 2024 and December 31, 2022 December 31, 2023, contract liabilities were deferred revenue was $833.3 million and $786.7 million and $699.5 million, respectively.

The current portion of contract liabilities deferred revenue represents the amounts that are expected to be recognized as revenue within one year of the consolidated balance sheet date. Contract liabilities were Deferred revenue was approximately $786.7 million $833.3 million as of December 31, 2023 December 31, 2024, of which the Company expects to recognize $767.2 million $819.4 million over the next 12 months, and the remainder thereafter. The amount of revenues recognized during the years ended December 31, 2023 December 31, 2024 and 2022 2023 that were included in the opening contract liabilities deferred revenue balance was approximately $674.9 million $764.7 million and $606.2 million $674.9 million, respectively.

Remaining Performance Obligations from Customer Contracts

Remaining performance obligations represent contracted revenues that have not yet been recognized (including contract liabilities) deferred revenue) and amounts that will be invoiced and recognized as revenues in future periods. The volumes and amounts of customer contracts that the Company records and total revenues that it recognizes are impacted by a variety of seasonal factors. In each year, the amounts and volumes of contracting activity and associated revenues are typically highest in its fourth fiscal quarter and lowest in the first fiscal quarter. These seasonal impacts influence how the Company's remaining performance obligations change over time, and, combined with foreign exchange rate fluctuations and other factors, influence the amount of remaining performance obligations that the Company reports at a point in time. As of December 31, 2023 December 31, 2024, the Company's remaining performance obligations were $1.6 billion $1.8 billion, which does not include customer deposit liabilities. The Company expects to recognize approximately 66% 64% of its remaining performance obligations at December 31, 2023 December 31, 2024, as revenues over the next twelve months and the remainder over the next two to three years.

Costs to obtain a contract

Costs to obtain a contract primarily include sales commissions earned as well as payroll taxes and other costs associated with and directly attributable to the contract obtained. These costs are considered incremental and recoverable costs of obtaining a contract, and therefore, are capitalized when certain customer contracts are signed. These costs are recorded as deferred commission expense in Prepaid expenses and other current assets and Other assets in the consolidated balance sheets.

Sales commissions paid for renewals of customer contracts are not commensurate with the commissions paid for the acquisition of the initial contract given the substantive difference in commission rates between initial contract and renewal contracts.

Accordingly, costs to obtain a contract paid upon the initial acquisition of the contract are amortized over the estimated period of benefit of five years, which may exceed the term of the initial contract. The Company determines the estimated period of benefit based on the duration of relationships with its customers, which includes the expected renewals of customer contracts, customer retention data, its technology development lifecycle, and other factors. The Company amortizes these commissions consistent with the pattern of satisfaction of the performance obligation to which the asset relates. Costs to obtain a contract paid upon multi-year renewal are amortized over the renewal contract term. The Company amortizes both new and renewal commissions on a straight-line basis. Amortization expense is included in Sales and Marketing expenses in the consolidated statements of operations.

The Company applies a practical expedient to expense costs as incurred for costs to obtain a contract with a customer when the estimated period of benefit would have been one year or less.

Goodwill

The Company tests goodwill for impairment annually during the fourth quarter of each year and whenever events or changes in circumstances indicate that the carrying value of the asset may not be recoverable in accordance with ASC 350, *Intangibles—Goodwill and Other*. The Company has one operating segment and reporting unit, and therefore goodwill is tested for impairment at the entity level.

Goodwill impairment is recognized when the quantitative assessment results in the carrying value of the reporting unit exceeding its estimated fair value, in which case an impairment charge is recorded to goodwill to the extent the carrying value exceeds the estimated fair value, limited to the amount of goodwill. The Company did not recognize any impairment of goodwill during the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021. 2022.

Impairment of Definite-lived Intangible Assets and other Long-lived Assets

The Company evaluates long-lived assets, which includes intangible assets and tangible assets, for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. Recoverability of these assets is measured by comparison of the carrying amount of an asset to the future undiscounted cash flows attributable to that asset. The Company measures any amount of impairment based on the difference between the carrying value and the estimated fair value of the impaired asset. There were no material impairments of long-lived assets during the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021. 2022.

Stock-based Compensation

The Company accounts for stock-based compensation in accordance with the provisions of ASC 718, *Stock Compensation*. The Company measures and recognizes compensation expense for all stock-based awards, including stock options, restricted stock units ("RSUs") granted to employees and directors, performance stock units ("PSUs"), including PSUs subject to certain market condition(s), and stock purchase rights granted under the Company's 2021 Employee Stock Purchase Plan ("ESPP") to employees, based on the estimated fair value of the awards on the date of grant.

The fair value of RSUs or PSUs which are subject to a service condition or service and performance condition based on vesting is determined by the closing price of the Company's common stock on the date of grant.

The Company uses the Black-Scholes Merton model to value stock options with service and/or performance condition(s), and purchase rights granted under the ESPP. Stock Options and PSUs with service and market conditions are valued using the Monte Carlo model. Both models require the input of certain assumptions on the grant date, including fair value of the underlying stock and exercise price, expected term, volatility over an expected term, risk-free interest rate for an expected term, and dividend yield.

Compensation expense is recognized for service-based options and RSUs on a straight-line basis over the vesting period. Compensation expense for options and PSUs containing performance conditions is based on the

estimated number of the performance-based stock options/units expected to vest, and recognized using the graded vesting attribution method. Compensation expense for options and PSUs containing market conditions is based on the estimated number of the stock options and PSUs expected to vest on attainment of the market condition(s), and recognized using the graded vesting attribution method. The probability of satisfying a market condition is considered in the estimation of the grant-date fair value for options and PSUs and the compensation cost is not reversed if the market condition(s) is (are) not achieved, provided the requisite service has been provided. Compensation expense is recognized for shares issued pursuant to the ESPP on a straight-line basis over the offering period. The Company recognizes forfeitures as they occur, and cash flows related to excess tax benefits are presented as an operating activity in the accompanying consolidated statements of cash flows.

Prior to the IPO, the fair value of the common stock underlying the options had historically been determined by the Company's Compensation Committee of the board of directors (the "Compensation Committee") given the absence of a public trading market. The Compensation Committee determined the fair value of the common stock by considering a number of objective and subjective factors, including: (i) third-party valuations of common stock; (ii) the lack of marketability of the common stock; (iii) the Company's actual operating and financial results; (iv) the Company's current business conditions and projections; and (v) the likelihood of various potential liquidity events, such as an initial public offering or sale of the Company, given prevailing market conditions. After the IPO, the fair value of the common stock was determined based on the Company's closing stock price as quoted on the New York Stock Exchange on the grant date.

Net Loss Income (Loss) Per Share Attributable to Class A and Class B-1 Common Stockholders

The Company utilizes the treasury method when calculating basic and diluted net loss income (loss) per share. The rights of the holders of Class A common stock and Class B-1 common stock are identical in all respects, except that Class B-1 common stock will not vote on the election or removal of directors. The holders of Class B-2 common stock have no participating rights (voting or otherwise), except for the right to vote on the election or removal of directors and will be entitled to a nominal annual dividend of CAD $15,000 in the aggregate. As Class B-2 common stock have no participating economic rights, the Company is not required to use the two-class method.

Basic net loss income (loss) per share is computed using the weighted average number of shares outstanding for the period, excluding unvested service and performance-based stock options and awards. Diluted net loss income (loss) per share is computed using the weighted average shares outstanding for the period plus dilutive potential shares, including unvested stock options and awards using the treasury stock method.

Cash, Cash Equivalents and Investments

The Company considers highly liquid investment securities with maturities of 90 days or less at the date of purchase to be cash equivalents. Investments not considered cash equivalents with maturities of greater than 90 days but less than one year from the consolidated balance sheet date are classified as short-term investments. Investments with maturities greater than one year from the consolidated balance sheet date are classified as long-term investments. The Company's cash equivalents and investments include time deposits, money market funds, and debt securities.

The Company's debt securities consist primarily of commercial paper, corporate debt securities, U.S. government securities, U.S. government agency securities, and non-U.S. government securities. The Company's debt securities are classified as available-for-sale and are reported at fair value, with unrealized gains and losses, net of tax, reported as a separate component of accumulated other comprehensive income (loss) in stockholders' equity. Realized gains or losses and permanent declines in value, if any, on available-for-sale debt securities are

reported in other income (expense), net as incurred. The Company recognizes realized gains and losses upon sales of the investment and reclassifies unrealized gains and losses out of accumulated other comprehensive income (loss) into earnings using the specific identification method. Purchase premiums and discounts are amortized or accreted using the effective interest method over the life of the related security and such amortization and accretion are included in interest income in the consolidated statements of operations.

For available-for-sale debt securities in an unrealized loss position, the Company determines whether a credit loss exists. In this assessment, among other factors, the Company considers the extent to which the fair value is less than the amortized cost, any changes to the rating of the security by a rating agency, and adverse conditions specifically related to the security. If factors indicate a credit loss exists, an allowance for credit loss is recorded to other income (expense), net, limited by the amount that the fair value is less than the amortized cost basis. The amount of fair value change relating to all other factors will be recognized in other comprehensive income (loss).

Fair Value of Financial Instruments

The fair value of the Company's cash, cash equivalents, short-term investments, accounts receivable, and accounts payable approximate their respective carrying amounts due to their short-term maturity.

Concentrations of Credit Risk and Credit Evaluations

Financial instruments that are potentially subject to concentrations of credit risk consist primarily of cash and cash equivalents, investments, derivatives and trade receivables. The Company's cash and cash equivalents are generally held with large, diverse financial institutions worldwide to reduce the amount of exposure to any single financial institution. The majority of cash equivalents consists of money market funds that primarily invest in U.S. government securities. The Company's investments consist of time deposits and available for sale debt securities. Management believes that the financial institutions that hold the Company's time deposits and the issuers of debt securities are financially sound and, accordingly, are subject to minimal credit risk.

The Company's derivative contracts are transacted with various financial institutions with high credit ratings. The Company evaluates its counterparties associated with the Company's foreign exchange forward contracts currency instruments at least quarterly. Since all of these counterparties are large credit-worthy commercial banking institutions, the Company does not consider counterparty non-performance to be a material risk. The Company may enter into master netting arrangements to mitigate credit risk in derivative transactions by permitting net settlement of transactions with the same counterparty.

The Company performs ongoing credit evaluations of its customers and generally does not require collateral. The Company makes judgments as to its ability to collect outstanding receivables and provide allowances for the portion of receivables when collection becomes doubtful. Further, the Company maintains an allowance for expected credit losses. It estimates expected credit trends for the allowance for credit losses for receivables and contract assets based upon its assessment of various factors, including historical experience, the age of the receivable balances, credit rating of its customers, current economic conditions, and other factors that may affect its ability to collect from customers. Expected credit losses are recorded as general and administrative expense.

No customer accounted for more than 10% of revenue in the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021. 2022. As of December 31, 2023 December 31, 2024 and December 31, 2022 December 31, 2023, no customer accounted for more than 10% of the accounts receivable balance.

Allowance for Credit Losses

The Company estimates the overall collectability of accounts receivable and other contract assets and provides an allowance for credit losses for those considered uncollectible. The Company makes estimates of expected credit losses by specifically analyzing its accounts receivable and other contract assets based on historical experience, customer concentrations, customer credit-worthiness, the age of the receivable, current economic trends, and changes in its customer payment terms. Accounts receivable deemed uncollectible are charged against the allowance for credit losses when identified. The Company records the expected credit losses in general and administrative expense. On December 31, 2023 December 31, 2024 and 2022, 2023, the Company's allowance for credit losses were $4.4 million $6.6 million and $4.6 million $4.4 million, respectively.

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The table below details the activity of the allowance, for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022 (in thousands):

	Beginning Balance	Beginning Balance	Increase/(decrease) in Provision for Expected Credit Loss	Write-offs, Net of Recoveries	Revaluation (i)	Ending Balance	Beginning Balance	Increase/(decrease) in Provision for Expected Credit Loss	Write-offs, Net of Recoveries	Revaluation (i)	Ending Balance
December 31, 2021											

December 31, 2022
December 31, 2023
December 31, 2024

(i) The amounts represent revaluations on balances denominated in foreign currencies.

Income Taxes

The Company uses the liability method of accounting for income taxes in accordance with ASC 740, *Income Taxes*. Under this method, income tax expense or benefit is recognized for the amount of taxes payable or refundable for the current year. In addition, deferred tax assets and liabilities are recognized for the expected future tax consequences of events that have been recognized in the Company's consolidated financial statements or tax returns. The measurement of current and deferred tax assets and liabilities is based on provisions of currently enacted tax laws. The effects of future changes in tax laws or rates are not contemplated.

A two-step approach is applied pursuant to ASC 740 in the recognition and measurement of uncertain tax positions taken or expected to be taken in a tax return. The first step is to determine if the weight of available evidence indicates that it is more likely than not that the tax position will be sustained in an audit, including resolution of any related appeals or litigation processes. The second step is to measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. The Company recognizes interest and penalties related to uncertain tax positions in its income tax provision line of its consolidated statements of operations.

The Company evaluates the realization of deferred tax assets based on all available evidence, including projected results of operations and the scheduled reversal of temporary differences. The Company establishes a valuation allowance to reduce deferred tax assets when it is more likely than not that they will not be realized.

Property and Equipment

Property and equipment are stated at cost, net of accumulated depreciation. Depreciation is calculated using the straight-line method over the estimated useful lives of the assets. Building, building improvements and site improvements are amortized over the estimated useful life of 25 years, 10-15 years and 15 years, respectively. Leasehold improvements are amortized over the shorter of the lease term or the estimated useful life of the asset, which range from one to ten years. Computers, equipment, and software, and furniture and fixtures are stated at cost and depreciated or amortized using the straight-line method over the estimated useful lives of the assets, generally one to five years.

Debt Issuance Costs

Debt issuance costs are initially deferred and amortized to interest expense using the effective interest method over the expected term of the related debt. Unamortized debt issuance costs related to the dollar term loan facilities are considered long-term and presented as a direct reduction to Long-term debt, net in the consolidated balance sheets. Unamortized debt issuance costs related to the revolving facility Revolving Credit Facility are also considered long-term and are included in other assets in the consolidated balance sheets.

Advertising Expenses

Advertising costs are expensed as incurred. Advertising expenses for the years ended December 31, 2023 December 31, 2024, 2023 and 2022 were $8.4 million, $9.9 million and 2021 were $9.9 million, $13.7 million and $16.7 million, respectively.

Foreign Currency Translation

The Company translates the assets and liabilities of its non-U.S. dollar functional currency subsidiaries into U.S. dollars using exchange rates in effect at the end of each period. Revenue and expenses for these subsidiaries are translated using rates that approximate those in effect during the period. Gains and losses from these translations are recognized in cumulative translation adjustments included in accumulated other comprehensive income (loss), a component of consolidated stockholders' equity.

Gains or losses related to the remeasurement of certain foreign currency denominated assets and liabilities into their functional currency are recorded in net income (loss), unless such assets or liabilities are designated by management to be of a long-term investment nature, in which case such gains or losses are recorded in consolidated accumulated other comprehensive income (loss), a component of consolidated stockholders' equity.

Restructuring

Restructuring charges primarily consist of severance, facilities, transition and other related costs. Severance costs generally include severance payments, notice-period payments, outplacement services, health insurance coverage, and relocation costs. Facilities costs generally include rent, variable lease operating expenses, impairment of right of use assets and lease termination costs. Transition and other related costs primarily consist of legal costs and consulting charges associated with business process improvements and strategy.

One-time employee severance costs are recognized at the time of communication to employees, unless future service is required, in which case the costs are recognized ratably over the future service period. Other transactions related costs are recognized as incurred. Restructuring charges are recognized as an operating expense within the consolidated statements of operations and related liabilities are recorded within accrued compensation and related expenses, accounts payable and in accrued liabilities on the consolidated balance sheets. The Company periodically evaluates and, if necessary, adjusts its estimates based on currently available information.

Leases

The Company amortizes its right-of-use assets, as operating lease expense on a straight-line basis over the lease term and classifies both the lease amortization and imputed interest as rent expense. Additionally, taxes, insurance and maintenance are excluded from minimum lease payments and are included in the determination of lease cost when it is probable that the expense has been incurred and the amount can be reasonably estimated.

The Company determines if an arrangement is or contains a lease at contract inception. In certain of its lease arrangements, primarily those related to data center arrangements**,** judgment is required in determining if a contract contains a lease. For these arrangements, there is judgment in evaluating if the arrangement involves an identified asset that is physically distinct or whether the Company has the right to substantially all of the capacity of an identified asset that is not physically distinct. In arrangements that involve an identified asset, there is also judgment in evaluating if the Company has the right to direct the use of that asset. The Company did not have any material finance leases for any periods presented.

Operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. The Company generally uses its incremental borrowing rate based on the information available at the lease commencement date in determining the present value of future payments, because the implicit rate of the lease is generally not known. Right-of-use assets related to its operating lease liabilities are measured at lease inception based on the initial measurement of the lease liability, plus any prepaid lease payments and less any lease incentives. The lease terms that are used in determining its operating lease

liabilities at lease inception include options to extend or terminate the leases when it is reasonably certain that the Company will exercise such options.

The Company does not separate non-lease components from lease components for all leases. The Company does not recognize right-of-use assets and lease liabilities for short-term leases, which generally have a lease term of 12 months or less and do not include an option to purchase the underlying asset that the Company is reasonably certain to exercise. The Company recognizes the lease payments for short-term leases on a straight-line basis over the lease term.

In addition, the Company subleases certain of its unoccupied facilities to third parties. Any impairment to the associated right-of-use assets, leasehold improvements, or other assets as a result of a sublease is recognized in the period when a decision to sublease is made and is recorded in the consolidated statements of operations. The Company recognizes sublease income on a straight-line basis over the sublease term.

Derivative Financial Instruments

The Company enters into foreign exchange forward contracts in an attempt to reduce the impact of foreign currency exchange rate fluctuations on forecasted cash flows and expenses and designates these contracts as cash flow hedges at inception. The Company is currently using foreign exchange forward contracts to hedge the anticipated foreign currency expenses of its subsidiary in India denominated in Indian rupee. The Company recognizes in earnings amounts related to its designated cash flow hedges accumulated in other comprehensive income during the same period in which the corresponding underlying hedged transaction affects earnings.

Balance sheet hedges consist of cash flow hedge contracts that have been de-designated and non-designated balance sheet hedges. These foreign exchange contracts are carried at fair value and do not otherwise

qualify for hedge accounting treatment and, therefore, are not designated as hedging instruments. Changes in the value of the foreign exchange contracts are recognized in other income (expense), net and offset the foreign currency gain or loss on the underlying net monetary assets or liabilities. The Company recognizes derivative assets and derivative liabilities at gross fair values in its consolidated balance sheets. The Company evaluates prospectively, as well as retrospectively, the effectiveness of its hedge programs using statistical analysis.

The Company also entered into net investment hedges which consist of cross-currency swap contracts to hedge a portion of the Company's net investment in its European operations. Gains and losses on net investment hedges are recorded in other comprehensive income (loss) and will remain there until either the sale or substantially complete liquidation of the hedged operations. The components excluded from the assessment of effectiveness is recognized in interest expense, net on the consolidated statement of operations.

Recently Adopted Accounting Pronouncements

In November 2023, the Financial Accounting Standards Board (“FASB”) issued Accounting Standards Update (“ASU”) 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires public entities to disclose information about their reportable segments’ significant expenses and other segment items on an interim and annual basis. Public entities with a single reportable segment are required to apply the disclosure requirements in ASU 2023-07, as well as all existing segment disclosures and reconciliation requirements in ASC 280 on an interim and annual basis. The Company adopted this standard on January 1, 2024, using a retrospective method. See "Segment Reporting" section above for more discussion.

Recent Accounting Pronouncements Not Yet Adopted

In November October 2023, the Financial Accounting Standards Board (“FASB”) FASB issued Accounting Standards ASU 2023-06, Disclosure Improvements - Codification Amendments in Responses to the SEC's Disclosure Update (“ASU”) 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures, which requires public entities to disclose information about their reportable segments’ significant expenses and other segment items Simplification Initiative. The amendments clarify or improve disclosure and presentation requirements on an interim various disclosure areas, including the statement of cash flows, earnings per share, debt, and annual basis. Public entities with a single reportable segment are required to apply equity. The amendments will align the disclosure requirements in the FASB ASC with the SEC's regulations. The amendments in this ASU 2023-07, as well as all existing segment will be effective on the date the related disclosures are removed from Regulation S-X or Regulation S-K by the SEC, and reconciliation requirements in ASC 280 on an interim and annual basis. ASU 2023-07 will not be effective if the SEC has not removed the applicable disclosure requirement by June 30, 2027. Early adoption is effective for fiscal years beginning after December 15, 2023, and for interim periods within fiscal years beginning after December 15, 2024, with early adoption permitted. prohibited. The Company is currently evaluating the impact of adopting ASU 2023-07. this update on its consolidated financial statement disclosures.

In December 2023, the FASB issued ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures, which requires public entities, on an annual basis, to provide disclosure of specific categories in the rate reconciliation, as well as disclosure of income taxes paid disaggregated by jurisdiction. ASU 2023-09 is effective for fiscal years beginning after December 15, 2024, with early adoption permitted. The Company is currently evaluating the impact of adopting ASU 2023-09.

In November 2024, the FASB issued ASU 2024-03, “Income Statement - Reporting Comprehensive Income - Expense Disaggregation Disclosures: Disaggregation of Income Statement Expenses,” which requires disclosure of disaggregated information about specific categories underlying certain income statement expense line items in the footnotes to the financial statements for both annual and interim periods. This ASU is effective for fiscal years beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. Early adoption is permitted. We are currently evaluating the impact of the adoption of this standard.

Note 3. Cash, Cash Equivalents, and Investments

The following table summarizes the Company's cash, cash equivalents, and short-term investments as of December 31, 2023 December 31, 2024 and December 31, 2022 December 31, 2023 (in thousands).

		December 31,		
		2023	2022	
		2024	2023	
Cash				
Cash equivalents:	Cash equivalents:			Cash equivalents:
Time deposits				
Money market funds				
Commercial paper				
Total cash equivalents				
Total cash and cash equivalents				
Short-term investments:	Short-term investments:			Short-term investments:
Time deposits				
Commercial paper				
Corporate debt securities				
U.S. government and U.S. government agency securities				
Non-U.S. government and agency securities				
Total short-term investments				
Long-term investments(i):				
U.S. government agency securities				
U.S. government agency securities				
U.S. government agency securities				
Total long-term investments				
Total cash, cash equivalents and investments				
Total cash, cash equivalents and investments				
Total cash, cash equivalents and investments				

(i) Included in other assets on the consolidated balance sheets.

See *Note 5. Fair Value Measurements* of the Notes to Consolidated Financial Statements of this Report for further information regarding the fair value of the Company's financial instruments.

Note 4. Available-For-Sale Debt Securities

The following table summarizes the Company's available-for-sale debt securities as of December 31, 2023 December 31, 2024 (in thousands).

	December 31, 2023					December 31, 2024			
	Amortized Cost	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. government securities									
U.S. government securities									
U.S. government securities									
U.S. government agency securities									
Corporate debt securities									
Commercial paper									
Total									

The following table summarizes the Company’s available-for-sale debt securities as of December 31, 2022 December 31, 2023 (in thousands).

		December 31, 2022				December 31, 2023			
	Amortized Cost	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value	Amortized Cost	Unrealized Gains	Unrealized Losses	Fair Value
U.S. government securities									
U.S. government securities									
U.S. government securities									
U.S. government agency securities									
U.S. government agency securities									
U.S. government agency securities									
Non-U.S. government securities									
Corporate debt securities									
Commercial paper									
Total									

There were approximately $0.1 million no realized losses related to available-for-sale debt securities for the year ended December 31, 2023 December 31, 2024. As of December 31, 2023 December 31, 2024, the fair value of the Company's available-for-sale debt securities with contractual maturity of one year or less from the consolidated balance sheet date was $106.3 million $97.8 million.

As of December 31, 2023 December 31, 2024, the gross unrealized losses that have been in a continuous unrealized loss position for less than 12 months were less than $0.1 million, immaterial, which were related to $40.2 $25.1 million of available-for-sale debt securities. There were no gross unrealized losses that have been in a continuous unrealized loss position for more than 12 months.

The Company did not recognize any credit losses related to the Company’s debt securities during the year ended December 31, 2023 December 31, 2024. Unrealized losses related to available-for-sale debt securities are due to interest rate fluctuations as opposed to credit quality. The Company does not intend to sell these investments. In addition, it is more likely than not that the Company will not be required to sell them before recovery of the amortized cost basis, which may be at maturity.

Note 5. Fair Value Measurements

The Company uses a three-level fair value hierarchy that prioritizes the inputs to valuation techniques used to measure fair value based on whether the inputs to those valuation techniques are observable or unobservable. The three levels of fair value hierarchy are set forth below. The Company’s assessment of the hierarchy level of the assets or liabilities measured at fair value is determined based on the lowest level input that is significant to the fair value measurement in its entirety.

Level 1 Quoted prices in active markets for identical assets or liabilities.

Level 2 Inputs other than Level 1 that are observable, either directly or indirectly, such as quoted prices in active markets for similar assets or liabilities, quoted prices for identical or similar assets or liabilities in markets that are not active, or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities.

Level 3 Unobservable inputs that are supported by little or no market activity and that are significant to the fair values of the assets or liabilities. The Company does not have any assets or liabilities classified as Level 3.

Fair Value Measurement of Financial Assets and Liabilities on a Recurring Basis

The following table presents information about the Company’s financial assets and financial liabilities that are measured at fair value on a recurring basis as of December 31, 2023 December 31, 2024 and indicates the fair value hierarchy of the valuation (in thousands):

	Total	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)		Significant Unobservable Inputs (Level 3)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:										
Time deposits(i)										

Time deposits(i)		
Time deposits(i)		
Money market funds(ii)		
Commercial paper(iii)		
Commercial paper(i)		
Corporate debt securities(iii)		
U.S. government and U.S. government agency securities(iii)		
U.S. government and U.S. government agency securities(iii)(iv)		
Total cash equivalents and investments		
Foreign currency derivatives(iv)		
Cross currency swap contracts(iv)		
Total assets		
Liabilities:	Liabilities:	Liabilities:
Foreign currency derivatives(v)		
Total liabilities		

(i) Included in cash equivalents and short-term investments on the consolidated balance sheets.

(ii) Included in cash equivalents on the consolidated balance sheets.

(iii) Included in short-term investments on the consolidated balance sheets.

(iv) Included in prepaid expenses and other current assets and other assets on the consolidated balance sheets.

(v) Included in accrued liabilities and other liabilities on the consolidated balance sheets.

As of December 31, 2023 December 31, 2024, 87% and 13% of the Company's total financial assets subject to fair value measurement are classified as Level 1 and Level 2, respectively.

The following table presents information about the Company's financial assets and financial liabilities that are measured at fair value on a recurring basis as of December 31, 2022 December 31, 2023 and indicates the fair value hierarchy of the valuation (in thousands):

	Total	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)	Total	Quoted Prices in Active Markets for Identical Assets (Level 1)	Significant Other Observable Inputs (Level 2)	Significant Unobservable Inputs (Level 3)
Assets:									
Time deposits(i)									
Time deposits(i)									
Time deposits(i)									
Money market funds(ii)									
Commercial paper(i)									
Commercial paper(iii)									
Corporate debt securities(iii)									
U.S. government and U.S. government agency securities(iii)									
Non-U.S. government securities(iii)									
Total cash equivalents and investments									

Foreign currency derivatives(iv)			
Total assets			
Liabilities:	Liabilities:		Liabilities:
Foreign currency derivatives(v)			
Total liabilities			

(i) Included in cash equivalents and short-term investments on the consolidated balance sheets.

(ii) Included in cash equivalents on the consolidated balance sheets.

(iii) Included in short-term investments on the consolidated balance sheets.

(iv) Included in prepaid expenses and other current assets on the consolidated balance sheets.

(v) Included in accrued liabilities on the consolidated balance sheets.

As of December 31, 2022 December 31, 2023, 82% 87% and 18% 13% of the Company's total financial assets subject to fair value measurement are classified as Level 1 and Level 2, respectively.

Money Market Funds, Time Deposits, and Available-For-Sale Debt Securities

The Company uses a market approach for determining the fair value of all its *Level 1* and *Level 2* money market funds, time deposits, and available-for-sale debt securities.

To value its money market funds, the Company values the funds at $1 stable net asset value, which is the market pricing convention for identical assets that the Company has the ability to access.

The Company's available-for-sale debt securities consist of commercial paper, corporate debt securities, U.S. government, U.S. government agency securities and non-U.S. government securities. The Company measures the fair values of these assets with the help of pricing services that either provides quoted market prices in active markets for identical or similar securities or use observable inputs for their pricing without applying significant adjustments.

Foreign Currency, Cross-currency and Hedging Instruments

Level 2 inputs for the derivative valuations are limited to quoted prices for similar assets or liabilities in active markets (specifically foreign currency rates and futures contracts). The Company records its derivative assets and liabilities on a gross basis in the consolidated balance sheet and uses mid-market pricing as a practical expedient for fair value measurements.

Key inputs for foreign currency derivatives instruments are the spot rates, forward rates and interest rates, and credit derivative market rates. The spot rate for each foreign currency is the same spot rate used for all balance sheet translations at the measurement date and is sourced from the Federal Reserve Bulletin. The following values are interpolated from commonly quoted intervals: forward points and the SOFR used to discount and determine the fair value of assets and liabilities. The Company discounts derivative liabilities to reflect the Company's own potential non-performance risk to lenders and has used the spread over SOFR on its most recent corporate borrowing rate.

The counterparties associated with the Company's foreign currency forward contracts and cross-currency swap contracts are large credit-worthy financial institutions. The foreign currency derivatives transacted with these entities are relatively short in duration, and the cross-currency derivatives are spread between four counterparties; therefore, the Company does not consider counterparty concentration and non-performance to be material risks at this time. Both the Company and the counterparties are expected to perform under the contractual terms of the instruments.

There were no transfers between *Level 1, Level 2* and *Level 3* categories during the years ended December 31, 2023 December 31, 2024 and 2022. 2023.

Note 6. Property and Equipment

The following table summarizes the cost of property and equipment and related accumulated depreciation at December 31, 2023 December 31, 2024 and 2022 2023 (in thousands, except years):

	Estimated Useful Lives	Estimated Useful Lives	December 31,		Estimated Useful Lives	December 31,
			2023	2022		
			2024	2023		
Land						
Land						
Land						
Buildings						
Site improvements						
Building improvements						
Total land and buildings						
Computer, equipment, and software						
Furniture and fixtures						
Leasehold improvements						
Total property and equipment						
Less: Accumulated depreciation and amortization						
Total property and equipment, net						

Depreciation and amortization expense were $17.5 million $13.5 million, $21.2 million $17.5 million, and $24.9 million $21.2 million for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, respectively.

Note 7. Goodwill and Intangible Assets

Goodwill

The following table presents the changes in the carrying amount of the goodwill as of December 31, 2023 December 31, 2024 and 2022 2023 (in thousands):

	December 31,	
	2023	2022
	2024	2023
Beginning balance		
Beginning balance		
Beginning balance		
Goodwill from acquisition		
Foreign currency translation adjustment		
Measurement period adjustment		
Ending balance		

Goodwill represents the excess of consideration paid over the estimated fair value of net tangible and identifiable intangible assets acquired in business combinations. During the year ended December 31, 2023, the Company recorded an addition to goodwill of $6.8 million from the acquisition of Privitar Limited, a data management access and privacy software provider that supports critical, high-growth use cases around cloud analytics, governance, data mesh, and data marketplace.

Intangible Assets

The carrying amounts of the intangible assets other than goodwill as of December 31, 2023 December 31, 2024 and 2022 2023 are as follows (in thousands, except years):

			December 31, 2023		December 31, 2022				December 31, 2024		December 31, 2023			
	Weighted Average Useful Life (Years)	Weighted Average Useful Life (Years) Cost	Cost	Accumulated Amortization	Net	Cost	Weighted Average Useful Life (Years) Accumulated Amortization	Net	Cost	Accumulated Amortization	Net	Cost	Accumulated Amortization	Net
Customer relationships														
Other intangible assets:														
Acquired developed and core technology														
Other intangible assets:														
Customer relationships														
Customer relationships														
Customer relationships														
Acquired developed and core technology														
Acquired developed and core technology														
Trade names and trademark														
Total other intangible assets														
Total intangible assets, net														

The Company amortizes its intangible assets over their remaining estimated useful life using cash flow projections, revenue projections, or the straight-line method. Total amortization expense related to intangible assets was $149.3 million $125.7 million, $188.8 million $149.3 million and $245.9 million $188.8 million for the years ended December 31, 2023 December 31, 2024, 2023 and 2022, and 2021, respectively.

The allocation of the amortization of intangible assets for the periods indicated below is as follows (in thousands):

	Year ended December 31,		
	2023	2022	2021
	2024	2023	2022
Cost of revenues			
Cost of revenues			
Cost of revenues			
Operating expenses			
Total amortization of intangible assets			

Certain intangible assets are recorded in foreign currencies; and therefore, the gross carrying amount and accumulated amortization are subject to foreign currency translation adjustments.

As of December 31, 2023 December 31, 2024, the amortization expense related to identifiable intangible assets in future periods is expected to be as follows (in thousands):

Years ending December 31,	Years ending December 31,	Customer Relationships Intangible Asset	Other Intangible Assets	Total Intangible Assets	Years ending December 31,	Customer Relationships Intangible Asset	Other Intangible Assets	Total Intangible Assets
2024								
2025								
2026								
2027								
2028								
2029								
Thereafter								
Total expected amortization expense								

Note 8. Accrued Liabilities

Accrued liabilities as of December 31, 2023 and 2022 consisted of the following (in thousands):

	Year ended December 31,	
	2023	2022
Accrued taxes	$ 25,902	$ 22,741
Derivative liabilities	44	3,343
Other	35,248	32,760
Accrued Liabilities	$ 61,194	$ 58,844

Note 8. Accrued Liabilities

Accrued liabilities as of December 31, 2024 and 2023 consisted of the following (in thousands):

	Year ended December 31,	
	2024	2023
Accrued taxes	$ 20,792	$ 25,902
Derivative liabilities	2,042	44
Other	34,862	35,248
Accrued Liabilities	$ 57,696	$ 61,194

Note 9. Borrowings

Long-term debt consists of the following (in thousands):

	Year ended December 31,	
	2023	2022
	2024	2023
Dollar term loan		
Dollar term loan		
Dollar term loan		
Less: Discount on term loan		
Less: Debt issuance costs		
Total debt, net of discount and debt issuance costs		
Less: Current portion of long-term debt		
Long-term debt		
Long-term debt, net of current portion		

As of December 31, 2023 and 2022 December 31, 2024, the aggregate fair value of the Company's Company had an outstanding dollar term loan (the "Term Facility") for a carrying amount of $1,809.2 million and a fair value, based on Level 2 inputs related to fair market value, were $1,848.3 million of $1,834.8 million. As of December 31, 2023, the Company had an outstanding dollar term loan for a carrying amount of $1,824.7 million and $1,830.2 million, respectively. a fair value, based on Level 2 inputs related to fair market value, of 1,848.3 million.

Credit Facilities

The Company has a credit agreement with JPMorgan Chase Bank, N.A., as agent, for a syndicate of lenders (the “Credit Agreement”). Under the Credit Agreement, the Company borrowed $1.9 billion $1.9 billion of dollar term loans (the “Term Facility”) and obtained $250.0 million $250.0 million of commitments under a revolving credit facility (the “Revolving Facility” and, together with the Term Facility, the “Credit Facilities”). Revolving Credit Facility.

The Term Facility matures on October 29, 2028 and is repayable in quarterly installments of 0.25% of the initial principal amount thereof, with the remaining amount due at maturity. The Revolving Credit Facility matures on October 29, 2026.

The Company may prepay all or part of the Credit Facilities at any time. Subject to certain exceptions and limitations, the Company is required to prepay the Term Facility with the net proceeds of certain occurrences, such as the incurrences of indebtedness not permitted to be incurred under the Credit Agreement, credit sale and leaseback transactions and asset sales. The agreement also requires mandatory prepayments of the Term Facility with excess cash flow as specified in the terms of the Credit Agreement.

On June 13, 2023 June 11, 2024, the Company entered into refinanced the Credit Agreement with Amendment No. 1 2 (the "Amendment") to the Credit Agreement. , with JPMorgan Chase Bank, N.A., as agent, for a syndicate of lenders. The Amendment replaced reduced the LIBOR interest rate benchmark with applicable margin from 2.75% to 2.25% and eliminated the Secured Overnight Financing Rate ("SOFR") benchmark previous credit spread adjustment effective July 1, 2023 June 11, 2024. The Amendment is predominantly accounted for as a modification. The loss on any extinguished debt within the syndicate was immaterial. The Company incurred transaction fees of approximately $1.4 million during the second

quarter of 2024, which were recorded as a component of Other income, net on the Consolidated Statements of Operations. Other than the foregoing, the material terms of the Credit Agreement remain unchanged. The Company elected to apply an optional expedient pursuant to ASC 848, Reference Rate Reform, according to which the Company accounted for the Amendment as a continuation of the existing contract.

Effective July 1, 2023 June 11, 2024, the borrowings under the Term Facility bear interest, at the Company's option, either at (i) Term SOFR[1] with a credit adjustment plus the applicable margin of 0.11448% to 0.71513% depending on the interest period selected ("Adjusted Term SOFR") plus 2.75% 2.25% or (ii) the base rate plus 1.75% 1.25%. The base rate is defined as the highest of (a) the Federal Funds Rate plus one half of 1%, (b) the rate of interest in effect for such day as published by the Wall Street Journal as the "prime rate," and (c) Adjusted Term SOFR Rate for a one-month interest period plus 1.00%; provided that the base rate shall not be less than 1.00% per annum. Term SOFR is subject to a "floor" of 0% per annum. The Term Facility was issued with 0.125% of original issue discount.

Effective July 1, 2023 June 11, 2024, the Revolving Credit Facility accrues interest at a per annum rate based on either, at the Company's election, (i) Term SOFR plus the applicable margin for Term SOFR loans ranging between 2.50% 2.00% and 2.00% 2.50% based on the Company's total net first lien leverage ratio or (ii) the base rate plus an applicable margin ranging between 1.50% 1.00% and 1.00% 1.50% based on the Company's total net first lien leverage ratio.

[1] Term SOFR is SOFR based on the interest period selected

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No amounts were outstanding under the Revolving Credit Facility as of December 31, 2023 December 31, 2024 and December 31, 2022 December 31, 2023. There were $1.6 million $1.4 million and $1.7 million $1.6 million of utilized letters of credit under the Revolving Credit Facility at December 31, 2023 December 31, 2024 and December 31, 2022 December 31, 2023, respectively.

The Company guarantees the obligations under the Credit Agreement. All obligations under the Credit Agreement are secured by a perfected lien or security interest in substantially all of the Company's and the guarantors' tangible and intangible assets. The Credit Agreement also provides for a borrowing facility of $15.0 million, which is available on a same day basis and a letter of credit facility of $30.0 million. The Credit Agreement also includes an uncommitted incremental facility subject to compliance with certain leverage tests and borrowing limits.

Accrued interest is payable (i) quarterly in arrears with respect to base rate loans, (ii) at the end of each interest rate period (or at each three-month interval in the case of loans with interest periods greater than 3 months) with respect to Term SOFR loans, (iii) the date of any repayment or prepayment, and (iv) at maturity (whether by acceleration or otherwise). The Company is also obligated to pay other customary closing fees, arrangement fees, administrative fees, commitment fees, and letter of credit fees. Under the Credit Agreement, a commitment fee is payable on the daily unutilized amount under the Revolving Credit Facility at a per annum rate ranging from 0.35% to 0.25% depending on the Company's total net first lien leverage ratio.

The Credit Agreement requires that, as of the last day of any fiscal quarter if on such date the aggregate principal amount of all (a) revolving loans, (b) swingline loans, and (c) letter of credit obligations (in excess of $15 million) exceed 35% of the revolving loan commitments, the total net first lien leverage ratio cannot exceed 6.25 to 1.00. The occurrence of an event of default could result in the acceleration of the obligations under the Credit Agreement. Under certain circumstances, a default interest rate equal to 2.00% above the then-applicable interest rate will apply during the existence of an event of default under the Credit Agreement. The Company was in compliance with all covenants under the Credit Agreement as of December 31, 2023 December 31, 2024.

The Credit Agreement, among other things, limits the ability of the Company and its restricted subsidiaries to incur or guarantee additional indebtedness; pay dividends or make distributions or redeem or repurchase capital stock; prepay, redeem or repurchase certain subordinated debt; make certain loans or investments; create liens; merge or consolidate with another company or transfer or sell assets; enter into restrictions affecting the ability of certain restricted subsidiaries to make distributions, loans or advances to the Company or its restricted subsidiaries; and engage in transactions with affiliates. These covenants are subject to a number of important limitations and exceptions, which are described in the Credit Agreement.

[1] Term SOFR is SOFR based on the interest period selected

Future minimum principal payments

Future minimum principal payments on the Term Facility as of December 31, 2023 December 31, 2024 are as follows (in thousands):

2024
2025
2026
2027
2028
Total

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Note 10. Disaggregation of Revenue and Capitalized Costs to Obtain a Contract

The following table presents the disaggregation of revenue by revenue type, consistent with how the Company evaluates its financial performance, for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022 (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Revenues:			
Cloud subscription	$ 499,922	$ 359,380	$ 260,527
Self-managed subscription license	298,048	294,671	314,671
Self-managed subscription support and other	205,514	203,112	172,474
Subscription revenues	1,003,484	857,163	747,672
Perpetual license	3,307	10,397	29,269
Software revenue	1,006,791	867,560	776,941
Maintenance	495,968	519,996	558,470
Professional services	92,401	117,562	108,644

Maintenance and professional services revenue	588,369	637,558	667,114
Total revenues	$ 1,595,160	$ 1,505,118	$ 1,444,055

	Year Ended December 31,		
	2024	2023	2022
Revenues:			
Cloud subscription(i)	$ 675,477	$ 499,922	$ 359,380
Self-managed subscription support and other(i)	188,926	205,514	203,112
Maintenance(ii)	460,357	495,968	519,996
Total revenue recognized over time	1,324,760	1,201,404	1,082,488
Self-managed subscription license recognized at a point in time(i)(iii)	237,284	301,355	305,068
Total subscription and maintenance revenue	1,562,044	1,502,759	1,387,556
Professional services(ii)	77,974	92,401	117,562
Total revenues	$ 1,640,018	$ 1,595,160	$ 1,505,118

(i) Included in Subscription revenue on the consolidated statements of operations.
(ii) Included in Maintenance and Professional services revenue on the consolidated statements of operations.
(iii) The Company previously presented Perpetual license revenue separately. Because revenue for perpetual licenses are not material for current or past periods due to our transition to a cloud-only, consumption-driven strategy, the Company has combined these amounts into Self-managed subscription license recognized at a point in time and retrospectively adjusted past periods for comparative purposes.

Revenue recognized over time refers to ratable recognition over the contractual term. Revenue recognized at a point in time refers to recognition upon the later of when the software license is made available or the contractual term commences. Professional services are recognized as services are provided.

Revenue by geographic location for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022 (in thousands):

	Year Ended December 31,		
	2023	2022	2021
	2024	2023	2022
North America			
North America			
North America			
EMEA			
Asia Pacific			
Latin America			
Total revenues			

In 2024, 2023 2022 and 2021, 2022, the Company's revenue from customers in the United States was $1,014.8 million $1,023.8 million, $979.1 million $1,014.8 million and $907.8 million $979.1 million, respectively. Revenue from customers in all foreign countries during those periods was $580.4 million $616.2 million, $526.0 million $580.4 million and $536.3 million $526.0 million, respectively. No foreign country represented 10% or more of the Company's total revenue for the three years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, respectively.

Note 11. Capitalized Costs to obtain Obtain a contract Contract

Costs to obtain contracts consist primarily of sales commissions and related payroll taxes (together “deferred commissions”). The changes in the capitalized costs to obtain a contract for the years ended December 31, 2023 December 31, 2024 and 2022 2023 (in thousands):

Ending balance as of December 31, 2021	$	177,460
Additions		103,298
Commissions amortized		(60,235)
Revaluation		(2,719)
Ending balance as of December 31, 2022	$	217,804
Additions net		93,135
Commissions amortized		(74,634)
Revaluation		1,686
Ending balance as of December 31, 2023	$	237,991
Additions, net		99,233
Commissions amortized		(84,021)
Revaluation		(3,996)
Ending balance as of December 31, 2024	$	249,207

Of the $238.0 million As of December 31, 2024, $85.2 million of deferred commissions balance as was included in prepaid expenses and other current assets and $164.0 million of December 31, 2023, deferred commissions balance was included in other assets in the Company expects to recognize approximately 33% as commission expense over the next 12 months, and the remainder thereafter. consolidated balance sheet.

Note 11. 12. Leases

The Company leases certain office facilities under various operating leases, which expire at various dates through 2035 and require the Company to pay operating costs, including property taxes, insurance, and maintenance. The Company’s leases have remaining lease terms of up to 11 10 years, some of which include options to extend the lease for up to 8 5 years. Additionally, some lease contracts include termination options. The Company’s lease agreements do not contain any residual value guarantees, material variable payment provisions or material restrictive covenants.

Total operating lease expense was $20.2 $19.2 million, $19.9 million $20.2 million, and $21.3 million $19.9 million, excluding short term lease costs, variable lease costs, and sublease income each of which were immaterial for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, respectively, and is recorded under operating expenses.

Total cash paid for amounts included in the measurement of operating lease liabilities was $20.1 $19.2 million and $21.6 million $20.1 million, for the years ended December 31, 2023 December 31, 2024 and 2022, 2023, respectively. Operating lease liabilities arising from obtaining additional operating right-of-use assets were $5.4 $7.8 million and $13.9 million $5.4 million, at December 31, 2023 December 31, 2024 and 2022, 2023, respectively.

The weighted-average remaining lease term and weighted-average discount rate for operating lease liabilities as of December 31, 2023 December 31, 2024 were 6.27 6.16 years and 5.01% 5.40%, respectively.

Maturities of operating lease liabilities as of December 31, 2023 December 31, 2024 are presented in the table below (in thousands):

Year ending December 31,
2024
2024
2024
2025
2025
2025
2026

2027	
2028	
2029	
Thereafter	
Total operating lease payments	
Less: imputed interest	
Present value of operating lease liabilities	

The Company leases certain portion portions of its owned facilities to a third party. The Company earned lease income of $4.5 million $2.8 million, $4.5 million and $4.5 million for the years ending December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, respectively and is included in Other income, net on the consolidated statements of operations. The terms of this non-cancelable lease arrangement require fixed periodic payments until Q1 2024. 2025.

Note 12. 13. Restructuring

On January 10, 2023, the Company announced a plan to reduce its workforce by approximately 450 employees, representing approximately 7% of the Company's then-current global workforce, and a closure of an office in Israel (the "January Plan"). The January Plan was intended to better align the Company's global workforce and cost base with its cloud-only, consumption-driven ("CoCd") strategy and current business needs. As of For the year-ended December 31, 2023, the Company recorded $28.2 million of restructuring expenses in relation to the January Plan, including $1.1 million related to the right-of-use assets impairment charge for the office closure. These costs were substantially paid as of December 31, 2023.

On November 1, 2023, the Company announced a plan to reduce its workforce by approximately 500 employees, representing approximately 10% of the Company's current then-current global workforce, and reduce its global real estate footprint (the "November Plan"). The November Plan was intended to further streamline the Company's cost structure as a direct result of the CoCd strategy announced in January of this year. In relation to 2023. For the November Plan, year-ended December 31, 2023, the Company recorded $31.6 million of restructuring expenses in relation to the November Plan, including $0.4 million related to the right-of-use assets impairment charge for the reduction in office space. As of December 31, 2023, the Company had a restructuring accrual of $15.6 million.

For the year-ended December 31, 2024, the Company recorded $12.5 million of restructuring expenses, including $1.0 million related to the right-of-use assets impairment charge for the reduction in office space. Of this amount, $15.2 million the total charges incurred in 2024 and 2023, $35.7 million was paid as of December 31, 2023, and the December 31, 2024. The Company expects to pay the remainder in 2024.

The following table sets forth a summary remaining amount of personnel $8.4 million by Q1 2025 except for $3.1 million related restructuring activities since January 1, 2023 through December 31, 2023 (in thousands): to the restructured facility, which is expected to be paid over the remaining lease term of five years.

Balance as of January 1, 2023	$	—
Total charges		54,713
Cash payments		(41,205)
Balance as of December 31, 2023	$	13,508 (i)

(i) The balance at December 31, 2023 is recorded in accrued compensation and related expense and in accrued liabilities in the consolidated balance sheets.

Note 13. 14. Derivative Financial Instruments

The Company's earnings and cash flows are subject to market risks as a result of foreign currency exchange rate and interest rate fluctuations. The Company uses derivative financial instruments to manage its exposure to foreign currency exchange rate and interest rate fluctuations which is inherent to its ongoing business operations. The Company and its subsidiaries do not enter into derivative contracts for speculative purposes.

Foreign Exchange Forward Contracts

The Company enters into foreign exchange forward contracts in an attempt to reduce the impact of foreign currency exchange rate fluctuations and designates these contracts as cash flow hedges at inception. The objective is to reduce the volatility of forecasted cash flows and expenses caused by movements in foreign currency exchange rates, in particular the Indian rupee. The Company is currently using foreign exchange forward contracts to hedge the anticipated foreign currency expenses of its subsidiary in India.

The Company recognizes in earnings amounts related to its designated cash flow hedges accumulated in other comprehensive income during the same period in which the corresponding underlying hedged transaction affects earnings. As of December 31, 2023 December 31, 2024, a net unrealized gain loss of approximately $0.2 1.6 million accumulated in other comprehensive income (loss) is expected to be reclassified into earnings within the next approximate twelve months.

The Company has forecasted the amount of its anticipated foreign currency expenses based on its historical performance and projected financial plan. As of December 31, 2023 December 31, 2024 and 2022, 2023, the remaining open foreign exchange contracts, carried at fair value, are hedging Indian rupee expenses and have a maturity of approximately twelve months or less. These foreign exchange contracts mature monthly as the foreign currency denominated expenses are paid and any gain or loss is offset against operating expense. Once the hedged item is recognized, the cash flow hedge is de-designated and subsequent changes in value are recognized in other income (expense), net, to offset changes in the value of the resulting non-functional currency monetary assets or liabilities.

The notional amounts of these foreign exchange forward contracts in U.S. dollar equivalents were to buy $109.6 94.0 million and $100.3 109.6 million of Indian rupees as of December 31, 2023 December 31, 2024 and 2022, 2023, respectively.

Interest Rate Swaps

During the year ended December 31, 2022, the Company had two interest rate *Cross-Currency Swap Contracts*

Cross-currency swap agreements contracts designated as net investment hedges are used to offset the variability of cash flows associated with the floating rate interest payments related to the Term Facilities. See *Note 9. Borrowings* for further discussion hedge a portion of the credit facilities. These swaps Company's net investment in its European operations. Gains and losses on net investment hedges are recorded in other comprehensive income (loss) and will remain there until either the sale or substantially complete liquidation of the hedged operations. The components excluded from the assessment of effectiveness is recognized in interest expense, net on the consolidated statement of operations. The Company performed quantitative testing at inception and results proved that the hedge relationship was highly effective. The Company, on quarterly basis, performs qualitative testing validating that hedge relationship remains highly effective, unless quantitative testing is required.

The notional amounts of these cross-currency swap contracts in U.S. dollar equivalents were designated as cash flow hedges to sell 300 million of floating rate interest payments. Both interest rate swaps matured Euro for $328 million of USD as of December 31, 2022 December 31, 2024. There were no cross-currency swaps outstanding as of December 31, 2023.

Balance Sheet Hedges

Balance Sheet hedges consist of cash flow hedge contracts that have been de-designated and non-designated balance sheet hedges. These foreign exchange contracts are carried at fair value and either did not or no longer qualify for hedge accounting treatment and are not designated as hedging instruments. Changes in the value of the foreign exchange contracts are recognized in other income (expense), net and offset the foreign currency gain or loss on the underlying net monetary assets or liabilities. The notional amounts of foreign currency purchase contracts open in U.S. dollar equivalents were to buy $12.2 million$11.8 million and $10.4 million $12.2 million of Indian rupees at December 31, 2023 December 31, 2024 and 2022, 2023, respectively. There were no open foreign currency contracts to sell at December 31, 2023 December 31, 2024 and 2022. 2023.

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The following table reflects the fair value amounts for designated and non-designated hedging instruments at December 31, 2023 December 31, 2024 and 2022 2023 (in thousands):

		December 31, 2023		December 31, 2022					
		December 31, 2024		December 31, 2023					
	Fair Value Derivative Assets(i)	Fair Value Derivative Assets(i)	Fair Value Derivative Liabilities(ii)	Fair Value Derivative Assets(i)	Fair Value Derivative Liabilities(ii)	Fair Value Derivative Assets(i)	Fair Value Derivative Liabilities(ii)	Fair Value Derivative Assets(i)	Fair Value Derivative Liabilities(ii)
Designated hedging instruments									
Designated hedging instruments									
Designated hedging instruments									
Foreign currency forward contracts									
Foreign currency forward contracts									

Foreign currency forward contracts
Cross currency swap contracts
Non-designated hedging instruments
Foreign currency forward contracts
Foreign currency forward contracts
Foreign currency forward contracts
Total fair value of hedging instruments

(i) Included in prepaid expenses and other current assets and other assets on the consolidated balance sheets.

(ii) Included in accrued liabilities and other liabilities on the consolidated balance sheets.

The Company presents its derivative assets and derivative liabilities at gross fair values in the consolidated balance sheets. However, under the master netting agreements with the respective counterparties of the foreign exchange contracts, subject to applicable requirements, the Company is allowed to net settle transactions of the same currency with a single net amount payable by one party to the other. The derivatives held by the Company are not subject to any credit contingent features negotiated with its counterparties. The Company is not required to pledge nor is entitled to receive cash collateral related to the above contracts. As of December 31, 2023 December 31, 2024 and 2022, 2023, there were no derivative assets or liabilities that were net settled under the master netting agreements.

The Company evaluates prospectively as well as retrospectively the effectiveness of its hedge programs using statistical analysis.

The before-tax effects of derivative instruments designated as cash flow and net investment hedges on the accumulated other comprehensive income and consolidated statements of operations for the periods indicated below are as follows (in thousands):

	Year Ended December 31,		
	2024	2023	2022
(Loss) gain related to foreign exchange forward contracts	$ (1,591)	$ 1,962	$ (5,513)
Gain (loss) related to interest rate swaps	—	—	10,005
Amount of gain recognized in other comprehensive income (loss)	$ (1,591)	$ 1,962	$ 4,492
Gain (loss) included in cost of service revenue	$ 175	$ (208)	$ (316)
Gain (loss) included in operating expenses (primarily research and development)	589	(866)	(1,105)
Amount of gain (loss) related to foreign exchange forward contracts reclassified from accumulated other comprehensive income (loss) into income	$ 764	$ (1,074)	$ (1,421)
Amount of gain related to interest rate swaps reclassified from accumulated other comprehensive loss into income as interest expense	$ —	$ —	$ 4,558

	Year Ended December 31,		
	2023	2022	2021
Amount of gain recognized in other comprehensive income (loss)(i)	$ 1,962	$ 4,492	$ 4,938
Amount of (loss) gain related to foreign exchange forward contracts reclassified from accumulated other comprehensive income (loss) into income(ii)	$ (1,074)	$ (1,421)	$ 3,307
Amount of gain (loss) related to interest rate swaps reclassified from accumulated other comprehensive loss into income as interest expense	$ —	$ 4,558	$ (21,323)

(i) The before-tax gain (loss) of $1,962, $(5,513) and $2,482 related to foreign exchange forward contracts were Gains recognized in other comprehensive income (loss) during the years ended December 31, 2023, 2022 and 2021, respectively. The before-tax gain (loss) of $—, $10,005 and $2,456 related to interest rate swaps were recognized expense, net, in other comprehensive income (loss) during the years ended December 31, 2023, 2022 and 2021 respectively.

(ii) The before-tax gain (loss) of $(208), $(316) and $629 were included in cost of service revenues on the consolidated statements of operations for the years portion of the net investment hedges excluded from the assessment of hedge effectiveness were $1.1 million for year ended December 31, 2023, 2022 and 2021, respectively. The before tax gain (loss) of $(866), $(1,105) and $2,678 were included in operating expenses, primarily research and development expense on the consolidated statements of operations for the years ended December 31, 2023, 2022 and 2021, respectively.December 31, 2024.

The before-tax gain (loss) recognized in other income (expense), net for non-designated foreign currency forward contracts and interest rate swaps for the periods indicated below are as follows (in thousands):

	Year Ended December 31,		
	2023	2022	2021
	2024	2023	2022
(Loss) gain recognized in other income (expense), net(i)			
(Loss) gain recognized in other income (expense), net(i)			
(Loss) gain recognized in other income (expense), net(i)			

(i) (Loss) gain recognized in other income (expense), net includes the debt component of restructured interest rate swap treated as a hybrid instrument. Both of the restructured and non-designated interest rate swaps matured in December 2022.

See *Note 5. Fair Value Measurements, Note 16. 17. Accumulated Other Comprehensive (Loss) Income,* and *Note 19. 20. Commitments and Contingencies* in the Notes to Consolidated Financial Statements of this Report for a further discussion.

Note 14. 15. Stockholders Equity

Common and Preferred Stock

The Amended and Restated Certificate of Incorporation filed in October 2021 authorized the issuance of a total of 2,000,000,000 shares of Class A common stock, $0.01 par value per share, 200,000,000 shares of Class B-1 common stock, $0.01 par value per share, 200,000,000 shares of Class B-2 common stock, $0.00001 par value per share, and 200,000,000 shares of preferred stock, $0.01 par value per share. There was no preferred stock issued and outstanding as of December 31, 2023 and December 31, 2022.

The rights of the holders of Class A common stock and Class B-1 common stock are identical in all respects, except that Class B-1 common stock will not vote on the election or removal of directors. The holders of Class B-2 common stock have no participating rights (voting or otherwise), except for the right to vote on the election or removal of directors and will be entitled to a nominal annual dividend of CAD$15,000 in the aggregate.

Equity Incentive Plans

The Company's equity incentive plans are administered by the Compensation Committee. The Company adopted the 2015 Equity Incentive Plan (the "2015 Plan") and most recently amended and restated the 2015 Plan in October 2021.

Under the 2015 Plan, the Company issued equity awards in the form of options to acquire shares of the Company. The options are not intended to qualify as incentive stock options within the meaning of Section 422 of the Internal Revenue Code. The term of the options granted under this plan is ten years with a vesting requirement of continued employment through the applicable vesting date, and in certain cases attainment of performance criteria ("performance-based options"). In connection with the adoption of the 2021 Plan (as defined below), the 2015 Plan was terminated with respect to future awards. The 2015 Plan continues to govern awards that were granted prior to the effectiveness of the 2021 Plan.

In October 2021, the Company's Compensation Committee adopted, and its stockholders approved, the 2021 Equity Incentive Plan (the "2021 Plan"), which became effective in connection with the IPO. As of December 31, 2023 December 31, 2024, a total of approximately 61.0 75.7 million shares of the Company's Class A common stock has been reserved for issuance under the 2021 Plan. In addition, the shares reserved for issuance under the 2021 Plan includes any shares subject to awards granted under the 2015 Plan that, after the date the 2015 Plan was terminated, are cancelled, expire or otherwise terminate without having been exercised in full, are tendered to or withheld by the Company for payment of an exercise price or for tax withholding obligations, or are forfeited to or repurchased by the Company due to failure to vest (provided that the maximum number of shares that may be added to the 2021 Plan pursuant to this provision is 26,288,211 shares).

Option Awards

Prior to the IPO, the Company had issued options subject to service based vesting ("Service-based Options") under the 2015 Plan. In addition, the Company issued different types of performance-based options under the 2015 plan, for which vesting is subject to the achievement of one or more performance events, such as achievement of certain levels of Multiple on Invested Capital ("MOIC"), exit events, including a change in control or partial sale, or initial public offering, and market liquidity vesting criteria in connection with achieving a certain per share price in any one or more exit events (the "MOIC/Performance Options"). At the achievement of one or more exit events, the Company will recognize compensation expense in proportion to the requisite service period already completed. Upon the effectiveness of the IPO, an underlying performance-based vesting condition of the MOIC/Performance Options was deemed satisfied, and therefore, the Company recognized cumulative stock-based compensation expense of $15.7 million as of the date of IPO. The remaining expense will be recognized over the remaining estimated derived service period unless the market liquidity vesting criteria are achieved earlier.

The following table summarizes the option award activity for the years ended December 31, 2023 December 31, 2024 and 2022 2023 (in thousands, except share price, fair value and term):

	Number of Options			Weighted-Average Exercise Price		Weighted-Average Grant Date Fair Value	Weighted-Average Remaining Contractual Term (in years)		Aggregate Intrinsic Value (in thousands)
	Total	Service-based	Performance-based						
Outstanding at December 31, 2021	25,884	17,768	8,116	$	16.53		7.36	$	529,265
Exercised	(1,665)	(1,329)	(336)	$	12.19			$	12,718
Forfeited or expired	(1,399)	(935)	(464)	$	17.01				
Outstanding at December 31, 2022	22,820	15,504	7,316	$	16.83		6.34	$	51,157
Exercised	(4,178)	(3,138)	(1,040)	$	13.59			$	38,013
Forfeited or expired	(1,638)	(1,088)	(550)	$	20.51				
Outstanding at December 31, 2023	17,004	11,278	5,726	$	17.27		5.59	$	189,134

	Number of Options			Weighted-Average Exercise Price		Weighted-Average Remaining Contractual Term (in years)		Aggregate Intrinsic Value (in thousands)
	Total	Service-based	Performance-based					
Outstanding at December 31, 2022	22,820	15,504	7,316	$	16.83	6.34	$	51,157
Exercised	(4,178)	(3,138)	(1,040)	$	13.59		$	38,013
Forfeited or expired	(1,638)	(1,088)	(550)	$	20.51			
Outstanding at December 31, 2023	17,004	11,278	5,726	$	17.27	5.59	$	189,134
Exercised	(4,479)	(3,482)	(997)	$	16.16		$	61,345
Forfeited or expired	(324)	(37)	(287)	$	17.80			
Outstanding at December 31, 2024	12,201	7,759	4,442	$	17.66	4.78	$	100,945

The fair value of options vested during the years ended December 31, 2023 December 31, 2024 and 2022 2023 was $22.9 million $20.7 million and $32.3 million $22.9 million, respectively. As of December 31, 2023 December 31, 2024, the number of options vested and exercisable was 13.1 million 10.7 million with a weighted average exercise price of $17.0 $17.56 and aggregate intrinsic value of $149.0 million $89.8 million. The weighted average remaining contractual terms for options vested and exercisable as of December 31, 2023 December 31, 2024 and 2022 2023 were 5.45 4.74 years and 5.94 5.45 years, respectively. Aggregate intrinsic value represents the difference between the exercise price of the options and the estimated fair value of the Company's common stock. As of December 31, 2024, there were a total of approximately 1.5 million unvested options with a weighted-average grant date fair value of $10.61 per share. As of December 31, 2023, there were a total of approximately 3.9 million unvested options with a weighted-average grant date fair value of $10.05 per share. As of December 31, 2022, there were a total of approximately 8.2 million unvested options with a weighted-average grant date fair value of $8.47 per share.

As of December 31, 2023 December 31, 2024, total unrecognized stock-based compensation expense related to unvested options was $7.7 million $1.2 million and is expected to be recognized over the remaining weighted-average vesting period of 3.04 0.74 years.

Restricted Stock Units ("RSUs") and Performance Stock Units ("PSUs")

The Company issues RSUs to employees and directors under the 2021 Plan. RSUs vest upon the satisfaction of a service-based vesting condition only. The service-based condition for the majority of the employee awards is generally satisfied pro-rata over two to four years.

The Company also issues PSUs to employees under the 2021 Plan. PSUs that are granted are subject to vesting based on certain performance metrics or on attainment of specified stock prices, measured over the performance period. The PSU awards granted to employees under the 2021 Plan typically vest over 3 years and are subject to forfeiture in whole if employment terminates, or in whole or in part, if specified vesting conditions are not satisfied in each case prior to vesting. PSUs are not considered issued or outstanding common stock until they vest.

The following table summarizes RSU and PSU activity and related information during the year ended December 31, 2023 December 31, 2024 under the 2021 Plan (in thousands, except share price):

	Number of Shares		Weighted-Average Grant Date Fair Value
Unvested and outstanding as of December 31, 2021	7,570	$	33.02

Granted	12,795	18.89
Vested	(1,998)	31.43
Forfeited	(1,021)	30.02
Unvested and outstanding as of December 31, 2022	17,346	$ 22.95
Granted	13,710	19.03
Vested	(7,251)	21.79
Forfeited	(2,742)	22.70
Unvested and outstanding as of December 31, 2023	21,063	$ 20.81

	Number of Shares	Weighted-Average Grant Date Fair Value
Unvested and outstanding as of December 31, 2022	17,346	$ 22.95
Granted	13,710	19.03
Vested	(7,251)	21.79
Forfeited	(2,742)	22.70
Unvested and outstanding as of December 31, 2023	21,063	$ 20.81
Granted	5,448	31.00
Vested	(10,731)	21.95
Forfeited	(1,723)	22.18
Unvested and outstanding as of December 31, 2024	14,057	$ 23.73

As of December 31, 2023 December 31, 2024, the total unrecognized stock-based compensation expense related to the RSUs and PSUs outstanding was $374.7 $253.5 million and is expected to be recognized over the remaining weighted-average vesting period of 1.96 1.33 years.

Beginning in May 2023, the Company began funding withholding taxes in certain jurisdictions due upon the vesting of employee RSUs by net share settlement, rather than its previous approach of selling shares of the Company's Class A common stock. The amount of withholding taxes related to net share settlement of RSUs is reflected as (i) a reduction to additional paid-in-capital, and (ii) cash outflows under financing activities when the payments are made. The shares withheld by the Company as a result of the net share settlement of RSUs are not considered issued and outstanding, and do not impact the calculation of basic net income (loss) per share attributable to common stockholders.

Employee Stock Purchase Plan ("ESPP")

In October 2021, the Company's Compensation Committee approved the ESPP, which became effective in connection with the IPO. The ESPP authorizes the issuance of shares of Class A common stock pursuant to purchase rights granted to employees. As of December 31, 2023 December 31, 2024, a total of 11.1 14.0 million shares of the Company's Class A common stock has been reserved for issuance under the ESPP.

Under the ESPP, eligible employees are able to acquire shares of Class A common stock by accumulating funds through payroll deductions. Offering periods are generally twelve months long and begin on March 1 and September 1 of each year. The purchase price for shares of the Company's Class A common stock purchased under the ESPP is 85% of the lesser of the fair market value of the Company's Class A common stock on (i) the first trading day of the applicable offering period and (ii) the last trading day of each purchase period in the applicable offering period. The ESPP also includes a reset provision for the purchase price if the stock price on the purchase date is less than the stock price on the first date of the offering period.

As of December 31, 2023 December 31, 2024, the total unrecognized stock-based compensation expense related to the ESPP was $2.3 $6.4 million and is expected to be recognized over the remaining offering periods.

Summary of Assumptions for ESPP

Expected term - Expected term represents the term from the first day of the offering period to the purchase dates within each offering period.

Expected volatility - As we do not have sufficient trading history of our common stock, we estimate The Company estimates the volatility of our common stock on the first day of the offering period based on the Company's weighted-average historical stock price volatility of comparable publicly-traded companies over a period equal to the expected term.

Risk-free interest rate - Risk-free rate is estimated based upon the implied yield on the U.S. Treasury zero-coupon issued with maturities that are consistent with the expected term.

Expected dividend yiel yieldd - Based on the Company's continued assumption that there will not be any dividend payouts, the expected dividend yield is zero.

Fair value of underlying common stock - The fair value of the Company's common stock is determined by the closing price of its common stock on the primary stock exchange on which the common stock is traded on the first day of the offering period.

The following table summarizes the weighted-average assumptions used in estimating the fair value of the ESPP for the offering periods during the years ended December 31, 2023 December 31, 2024 and 2022 2023 using the Black-Scholes pricing model:

	Year ended December 31,			
	2023	2022		
			2024	2023
ESPP:				
Expected term (in years)	0.5 - 1.0	0.5 - 1.0	0.5 - 1.0	0.5 - 1.0
Expected volatility	36.2% - 48.5%	34.8% - 45.2%	32.5% - 43.5%	36.2% - 48.5%
Risk-free interest rate	5.1% - 5.5%	0.6% - 3.5%	4.4% - 5.3%	5.1% - 5.5%
Expected dividend rate	—%	—%	—%	—%
Fair value of common stock	$17.06 - $21.14	$20.05 - $21.55	$24.41 - $32.46	$17.06 - $21.14

Share Repurchase

On October 29, 2024, the Company's Board of Directors (the "Board") approved a new share repurchase authorization which enables the Company to repurchase up to $400 million of its Class A common stock through privately-negotiated purchases with individual holders or in the open market. A committee of the Board will determine the timing, amount and terms of any repurchase. The Company periodically enters into pre-set trading plans adopted in accordance with Rule 55-1 to effect repurchases under our share repurchase plan. The Board authorized that all shares repurchased pursuant to the share repurchase authorization be retired and returned to the number of authorized and unissued shares of its Class A common stock.

Share Repurchases

During the year ended December 31, 2024, we repurchased 3.9 million shares at a weighted average price of $26.64 per share for a total amount of $103.2 million. There were stock repurchases of $1.3 million that were pending settlement as of December 31, 2024, and there were stock repurchases of 269 thousand shares pending retirement as of December 31, 2024. There were no repurchases during the years ended December 31, 2023 and 2022. During for the year ended December 31, 2021, the Company repurchased 0.4 million shares for $9.3 million December 31, 2023. All repurchases were completed under the terms of the 2015 Plan prior to the IPO.

Stock Compensation

The stock-based compensation for the periods indicated below are as follows (in thousands):

	Year Ended December 31,		
	2023	2022	2021
	2024	2023	2022

Cost of revenues
Cost of revenues
Cost of revenues
Research and development
Sales and marketing
General and administrative
Total stock-based compensation

Note 15. 16. Employee 401(K) 401(k) Plan

The Company's employee savings and retirement plan (the "Plan") is qualified under Section 401 of the Internal Revenue Code. The Plan is available to all regular employees on the Company's U.S. payroll and provides employees with tax deferred salary deductions and alternative investment options. Employees may contribute up to 50% of their salary, up to the statutory prescribed annual limit. The Company matches 50% of the contribution made by an employee, up to a maximum of $6,000 per calendar year. For Contributions made by employees hired prior to January 1, 2017, contributions made and by the Company vest 100% upon contribution. For employees hired after January 1, 2017, contributions made by the Company vest on a graded vesting schedule over four years. immediately. The Company contributed $9.3 million $8.6 million, $10.5 million $9.3 million, and $9.6 million $10.5 million for the years ended December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, respectively. In addition, the Plan provides for discretionary contributions at the discretion of the board of directors. No discretionary contributions have been made by the Company to date.

Note 16. 17. Accumulated Other Comprehensive (Loss) Income

The following table summarizes the changes in accumulated balances for each component of other comprehensive (loss) income, for the year ended December 31, 2023, net of taxes (in thousands):

	Cumulative Translation Adjustments	Net Unrealized (Loss) Gain on Available-for-sale Debt Securities	Net Unrealized Gain (Loss) on Derivatives: Foreign Currency	Net Unrealized Gain (Loss) on Derivatives: Total Cash Flow Hedges	Total
Beginning balance as of December 31, 2022	$ (45,435)	$ (171)	$ (2,065)	$ (2,065)	$ (47,671)
Other comprehensive (loss) income:					
Other comprehensive (loss) income before reclassifications, net of tax (expense) of $(55), $(37) and $(483)	22,790	115	1,479	1,479	24,384
Net loss reclassified from accumulated other comprehensive (loss) income, net of tax benefit of $—, $36 and $265	—	108	809 (i)	809	917
Total other comprehensive (loss) income, net of tax effect(ii)	22,790	223	2,288	2,288	25,301
Ending balance as of December 31, 2023	$ (22,645)	$ 52	$ 223	$ 223	$ (22,370)

	Cumulative Translation Adjustments	Net Unrealized (Loss) Gain on Available-for-sale Debt Securities	Net Unrealized Gain (Loss) on Derivatives: Foreign Currency	Net Unrealized Gain (Loss) on Derivatives: Interest Rate Swaps	Net Unrealized Gain (Loss) on Derivatives: Total Cash Flow Hedges	Net Unrealized Gain (Loss) on Derivatives: Cross Currency Swaps	Total
Balance as of December 31, 2021	$ 20,232	$ —	$ 1,018	$ (4,099)	$ (3,081)	$ —	$ 17,151
Other comprehensive income (loss) before reclassifications, net of tax benefit (expense) of $548, $56, $1,359, $(2,472) and $—	(65,667)	(171)	(4,154)	7,533	3,379	—	(62,459)
Net (gain) loss reclassified from accumulated other comprehensive income (loss), net of tax benefit (expense) of $—, $—, $350, $(1,124) and $—	—	—	1,071	(3,434)	(2,363)	—	(2,363)
Total other comprehensive (loss) income, net of tax effect(i)	(65,667)	(171)	(3,083)	4,099	1,016	—	(64,822)
Balance as of December 31, 2022	(45,435)	(171)	(2,065)	—	(2,065)	—	(47,671)
Other comprehensive income (loss) before reclassifications, net of tax (expense) of $(55), $(37), $(483), $— and $—	22,790	115	1,479	—	1,479	—	24,384
Net (gain) loss reclassified from accumulated other comprehensive income (loss), net of tax benefit of $—, $36, $265, $— and $—	—	108	809	—	809	—	917

Total other comprehensive (loss) income, net of tax effect (i)	22,790	223	2,288	—	2,288	—	25,301
Balance as of December 31, 2023	(22,645)	52	223	—	223	—	(22,370)
Other comprehensive (loss) income before reclassifications, net of tax benefit (expense) of $623, $(6), $392, $— and $—	(59,403)	18	(1,199)	—	(1,199)	16,147	(44,437)
Net (gain) reclassified from accumulated other comprehensive (loss) income, net of tax expense of $—, $—, $(188), $— and $—	—	—	(576)	—	(576)	—	(576)
Total other comprehensive (loss) income, net of tax effect (i)	(59,403)	18	(1,775)	—	(1,775)	16,147	(45,013)
Balance as of December 31, 2024	$ (82,048)	$ 70	$ (1,552)	$ —	$ (1,552)	$ 16,147	$ (67,383)

(i) The before-tax loss of $(208) and $(866) were included in cost of service revenues and operating expenses, primarily research and development expense, respectively, on the consolidated statements of operations.

(ii) The tax benefit (expense) related to the net gain (loss) reclassified from accumulated other comprehensive (loss) income was included in income tax provision on the consolidated statements of operations.

The following table summarizes the changes in accumulated balances for each component of other comprehensive income (loss) See *Note 14. Derivative Financial Instruments* for the year ended December 31, 2022, net amount and location of taxes (in thousands):

			Net Unrealized Gain (Loss) on Derivatives			
	Cumulative Translation Adjustments	Net Unrealized (Loss) on Available-for-sale Debt Securities	Foreign Currency	Interest Rate Swaps	Total Cash Flow Hedges	Total
Beginning balance as of December 31, 2021	$ 20,232	$ —	$ 1,018	$ (4,099)	$ (3,081)	$ 17,151
Other comprehensive income (loss):						
Other comprehensive income (loss) before reclassifications, net of tax benefit (expense) of $548, $56, $1,359 and $(2,472)	(65,667)	(171)	(4,154)	7,533	3,379	(62,459)
Net (gain) loss reclassified from accumulated other comprehensive income (loss), net of tax benefit (expense) of $—, $—, $350 and $(1,124)	—	—	1,071 (i)	(3,434) (ii)	(2,363)	(2,363)
Total other comprehensive income (loss), net of tax effect (iii)	(65,667)	(171)	(3,083)	4,099	1,016	(64,822)
Ending balance as of December 31, 2022	$ (45,435)	$ (171)	$ (2,065)	$ —	$ (2,065)	$ (47,671)

(i) The before-tax loss of $(316) and $(1,105) were included in cost of service revenues and operating expenses, primarily research and development expense, respectively, on the consolidated statements of operations.

(ii) The before-tax gain of $4,558 was included in interest expense on the consolidated statements of operations.

(iii) The tax benefit (expense) reclassifications related to the net gain (loss) reclassified from accumulated other comprehensive income was included in income tax provision on the consolidated statements of operations.

The following table summarizes the changes in accumulated balances for each component of other comprehensive income (loss) for the year ended December 31, 2021, net of taxes (in thousands):

	Net Unrealized Gain (Loss) on Derivatives

	Cumulative Translation Adjustments	Foreign Currency	Interest Rate Swaps	Total Cash Flow Hedges	Total
Beginning balance as of December 31, 2020	$ 63,711	$ 1,643	$ (22,059)	$ (20,416)	$ 43,295
Other comprehensive income (loss):					
Other comprehensive income (loss) before reclassifications, net of tax (expense) of $(165), $(618) and $(544)	(43,479)	1,864	1,912	3,776	(39,703)
Net (gain) loss reclassified from accumulated other comprehensive income (loss), net of tax (expense) benefit of $—, $(818) and $5,275	—	(2,489) (i)	16,048 (ii)	13,559	13,559
Total other comprehensive income (loss), net of tax effect(iii)	(43,479)	(625)	17,960	17,335	(26,144)
Ending balance as of December 31, 2021	$ 20,232	$ 1,018	$ (4,099)	$ (3,081)	$ 17,151

(i) derivative instruments. *The before-tax gain of $629 and $2,678 were included in cost of service revenues and operating expenses, primarily research and development expense, respectively, on the consolidated statements of operations.*

(ii) See The before-tax loss of $(21,323) was included in interest expense on the consolidated statements of operations.

(iii) The tax benefit (expense) related to the net gain (loss) reclassified from accumulated other comprehensive income was included in income tax provision on the consolidated statements of operations.

See *Note 5. Fair Value Measurements* *and*, *Note 13. 14. Derivative Financial Instruments* and *Note 19. Commitments and Contingencies* of the Notes to Consolidated Financial Statements of this Report for a further discussion.

Note 17. 18. Income Taxes

The provision for income taxes consists of the following for the periods indicated (in thousands):

	Year Ended December 31,		
	2023	2022	2021
	2024	2023	2022
Current tax provision:			
U.S. federal			
U.S. federal			
U.S. federal			
U.S. state			
Non-U.S.			
Total current tax provision			
Deferred tax expense (benefit):			
U.S. federal			
U.S. federal			
U.S. federal			
U.S. state			
Non-U.S.			
Total deferred tax expense (benefit)			
Total provision for income taxes			

The components of income (loss) before income taxes attributable to the U.S. and non-U.S. operations are as follows (in thousands):

	Year Ended December 31,		
	2023	2022	2021
	2024	2023	2022
U.S.			
Non-U.S.			

Loss before income taxes	
Income (loss) before income taxes	

The reconciliation between the expected provision for income taxes at the U.S.statutory U.S. statutory tax rate of 21% and the total provision for income taxes is as follows:

	Year Ended December 31,		
	2023	2022	2021
Income tax benefit computed at statutory tax rate	$ (16,206)	$ (7,177)	$ (15,912)
State taxes, net of federal benefit	(2,124)	327	750
Foreign earnings taxed at different rates	(2,554)	4,115	2,950
Stock-based compensation	17,788	9,504	1,729
Return to provision true-up	(12,768)	1,794	114
Research and development tax credits	(8,076)	(3,574)	(3,067)
Deferred distribution taxes	3,276	906	2,209
Foreign Inclusions	(2,075)	15,691	3,144
Withholding taxes	4,272	4,354	5,729
IRS audit settlement	—	—	(4,990)
Valuation allowance	65,749	(6,214)	30,768
Other	829	(248)	615
Total income tax provision	$ 48,111	$ 19,478	$ 24,039

	Year Ended December 31,		
	2024	2023	2022
Income tax benefit computed at statutory tax rate	$ 11,165	$ (16,206)	$ (7,180)
State taxes, net of federal benefit	(1,181)	(2,124)	327
Foreign earnings taxed at different rates	(7,473)	(2,554)	4,115
Stock-based compensation	6,064	17,788	9,504
Return to provision true-up	5,037	(12,768)	1,794
Uncertain tax positions	(10,923)	2,520	5,127
Research and development tax credits	(9,611)	(8,076)	(3,574)
Deferred distribution taxes	(13,037)	3,276	906
Foreign inclusions	1,632	(4,594)	10,027
Withholding taxes	5,959	4,272	4,354
Valuation allowance	57,344	65,749	(5,689)
Others	(1,742)	828	(233)
Total income tax provision	$ 43,234	$ 48,111	$ 19,478

The Company's effective tax rate was (62)% 81% for the year ended December 31, 2023 December 31, 2024. The effective tax rate differed from the U.S. statutory rate of 21%, primarily due to changes increase in the valuation allowance and non-deductible equity based compensation, offset by a change to a lesser extent, from the Company's repatriation position of foreign income inclusion under global intangible low-taxed income ("GILTI") earnings, the expiration of uncertain tax positions, and non-deductible stock-based compensation. foreign operations taxed at lower rates. In the current year, the Company

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has revised certain disclosures in its effective tax rate reconciliation to enhance clarity and has conformed prior year disclosures to ensure comparability with the current year.

The Company’s effective tax rate was (57) (62)% for the year ended December 31, 2022 December 31, 2023. The effective tax rate differed from the U.S. statutory rate of 21%, primarily due to foreign income inclusion under global intangible low-taxed income ("GILTI"), non-deductible stock-based compensation, and change in valuation allowance.

The Company’s effective tax rate was (32) (57)% for the year ended December 31, 2021 December 31, 2022. The effective tax rate differed from the U.S. statutory rate of 21%, primarily due to establishment of a valuation allowance on its disallowed interest expense deferred tax asset and withholding taxes, partially offset by a benefit from the IRS audit settlement in 2021.

Significant components of the Company’s deferred tax assets and liabilities are as follows (in thousands):

				As of December 31,
		2023	2022	
		2024	2023	
Deferred tax assets:				
Net operating loss carry forwards				
Net operating loss carry forwards				
Net operating loss carry forwards				
Tax credit carry forwards				
Reserves and accrued costs not currently deductible				
Deferred revenue				
Unrealized gains or losses				
Disallowed interest expense				
Stock-based compensation				
Lease liability				
R&D capitalization				
Depreciable assets				
Other				
Others				
Gross deferred tax assets				
Valuation allowance				
Net deferred tax assets				
Deferred tax liabilities:	Deferred tax liabilities:			Deferred tax liabilities:
Deferred distribution tax				
Intangible assets				
Deferred commissions				
Right of use assets				
Unrealized gains or losses				
Others				
Total deferred tax liabilities				
Net deferred tax liabilities				
Net deferred tax assets (liabilities)				

ASC 740, Income Taxes, provides for the recognition of deferred tax assets if realization of such assets is more likely than not. In assessing the need for a valuation allowance on its deferred tax assets as of December 31, 2023 December 31, 2024, the Company considered all available evidence both positive and negative, including potential for prudent and feasible tax planning strategies.

As a result of this analysis for the year ended December 31, 2023 December 31, 2024, management has recorded a valuation allowance against the U.S. and Ireland's net deferred tax assets, and operating loss carryforwards carry forwards in certain non-U.S. jurisdictions.

A reconciliation of the beginning and ending amount of valuation allowances is as follows (in thousands):

Valuation allowance on deferred tax assets:	Valuation allowance on deferred tax assets:	Balance at Beginning of Period	(Charged) Credited to Expenses / Other	Balance at Ending of Period	Valuation allowance on deferred tax assets:	Balance at Beginning of Period	(Charged) Credited to Expenses / Other	Balance at Ending of Period
Year ended December 31, 2021								
Year ended December 31, 2022								
Year ended December 31, 2023								
Year ended December 31, 2024								

As of December 31, 2023 December 31, 2024, the Company had gross U.S. federal and state net operating loss carry forwards of approximately $12.1 million $9.0 million and $3.2 million $4.6 million, of which will begin to expire in 2025 and in 2033 if unused, respectively, and U.S. federal foreign tax credit carry forwards of $1.9 million. $5.0 million that will begin to expire in 2034 if unused. In addition, the Company has California research and development tax credit carry forwards of approximately $56.3 million $62.4 million that do not expire. The utilization of the Company's U.S. net operating losses is subject to various limitations under Section 382. The Company does not anticipate any expiration of the U.S. net operating loss carry forwards prior to their utilization.

As of December 31, 2023 December 31, 2024, the Company's non-U.S. subsidiaries had gross combined net operating loss carry forwards of $218.0 million that $201.9 million, of which the majority can be carried forward indefinitely.

The As of December 31, 2024, the Company provides for changed its ASC 740-30 assertion to permanently reinvest all undistributed earnings in non-U.S. entities unless the Company can repatriate its foreign earnings in a tax-free manner. Therefore, the Company does not provide deferred taxes on any distribution taxes under the undistributed earnings exception of certain ASC 740-30. As of December 31, 2024, the cumulative temporary difference in the Company's investment in its non-U.S. subsidiaries which would be subject to withholding taxes if distributed. Additional U.S. or foreign income tax liabilities may arise upon reversal of certain other outside basis differences in our foreign subsidiaries, although is $254.6 million and the calculation of such additional the cumulative deferred distribution taxes is not practicable. Deferred distribution taxes accrued were $13.7 million $0.0 million and $10.4 million $13.7 million for the years ended December 31, 2023 December 31, 2024 and 2022, 2023, respectively.

A reconciliation of the beginning and ending amount of unrecognized tax benefits is as follows (in thousands):

	December 31,		
	2023	2022	2021
	2024	2023	2022
Beginning balance			
Additions for tax positions of prior years			
Reductions for tax positions of prior years			
Additions based on tax positions related to the current year			
Reductions due to lapse of statute of limitations			
Reductions due to settlements			
Ending balance			

The unrecognized tax benefits, if recognized, would impact the income tax provision by $30.7 million $20.7 million, $25.5 million $30.7 million and $23.2 million $25.5 million as of December 31, 2023 December 31, 2024, 2022 2023 and 2021, 2022, respectively. The Company has elected to include interest and penalties as a component of income tax expense. expenses. Accrued interest and penalties as of December 31, 2023 December 31, 2024, 2022 2023 and 2021 2022 were approximately $6.9 million $5.2 million, $5.2 million $6.9 million and $3.7 million $5.2 million, respectively. As of December 31, 2023 December 31, 2024, the gross unrecognized tax benefit was approximately $56.1 million $45.3 million. It is reasonably possible that an additional reduction of up to $10.0 million of unrecognized tax benefits of up to $8 million may occur within the next 12 months due to statute of limitation lapse a portion and settlements, the majority of which would impact our effective tax rate. The actual amount could vary significantly depending on the ultimate timing and nature of any settlements.

The Company files U.S. federal income tax returns as well as income tax returns in various states and foreign jurisdictions. As of December 31, 2023 December 31, 2024, tax years 2019 2020 - 2023 2024 remain subject to examination in the major tax jurisdictions where the Company operates. In addition, the Company has been informed by U.S. federal and certain state and foreign taxing authorities that it was selected for examination. U.S. federal, state and foreign jurisdictions have three to six open tax years at any point in time. The field work for certain state and foreign audits has commenced and are at various stages of completion as of December 31, 2023 December 31, 2024.

Although the outcome of any tax examination is uncertain, the Company believes that it has adequately provided in its financial statements for any additional taxes that it may be required to pay as a result of these examinations. The Company regularly assesses the likelihood of outcomes resulting from these examinations to determine the adequacy of its provision for income taxes and believes its current unrecognized tax benefit to be reasonable. If tax payments ultimately prove to be unnecessary, the recognition of previously unrecognized tax benefit would result in tax benefits in the period that the Company had determined unrecognized tax benefits were no longer necessary. However, if an ultimate tax assessment exceeds its estimate of tax liabilities, an additional tax provision might be required.

Note 18. 19. Net Loss Income (Loss) Per Share

The following table sets forth the computation of basic and diluted net loss income (loss) per share (in thousands):

	Year Ended December 31,		
	2023	2022	2021
Net loss	$ (125,283)	$ (53,675)	$ (99,929)
Weighted average shares in computing net loss per share(i)			
Basic and Diluted	288,581	281,129	250,418
Net loss per share attributable to Class A and B-1 common stockholders			
Basic and Diluted	$ (0.43)	$ (0.19)	$ (0.40)

	Year Ended December 31,		
	2024	2023	2022
Net income (loss)	$ 9,931	$ (125,283)	$ (53,675)
Weighted average shares in computing net income (loss) per share(i)			
Basic	301,778	288,581	281,129
Effect of dilutive securities	11,713	—	—
Diluted	313,491	288,581	281,129
Net income (loss) per share attributable to Class A and B-1 common stockholders			
Basic	$ 0.03	$ (0.43)	$ (0.19)
Diluted	$ 0.03	$ (0.43)	$ (0.19)

The following potentially dilutive securities were excluded from the computation of diluted net loss income (loss) per share calculations for the periods presented because the impact of including them would have been anti-dilutive (in thousands):

	Year Ended December 31,		
	2023	2022	2021
	2024	2023	2022
Stock options outstanding(i)			
RSUs			
PSUs			
ESPP			

(i) Amounts for periods prior to the completion of our restructuring transactions on September 30, 2021 have been retrospectively adjusted to give effect to the restructuring transactions described in Note 1 *Organization and Description of Business* in the Notes to our Consolidated Financial Statements.

Note 19. 20. Commitments and Contingencies

Long-Term Purchase Obligations

As of December 31, 2023 December 31, 2024, the Company had long-term purchase obligations of approximately $148.2 million $196.8 million, primarily related to multi-year contracts with third party vendors for cloud services related to its subscription services

and software as a service commitments. The expected payments under these commitments total approximately $83.3 million $98.1 million and $64.9 million $98.7 million over the next 1 year and 1-3 years, respectively.

Warranties

The Company generally provides product warranties. These are not separate performance obligations and are outside the scope of ASC 606. To date, the Company's product warranty expense and obligations have not been material.

The Company's customer agreements generally include certain provisions for indemnifying the customer against losses, expenses, liabilities, and damages that may be awarded against the customer in the event the Company's product is found to infringe upon a patent, copyright, trademark, or other proprietary right of a third party. The agreements generally limit the scope of and remedies for such indemnification obligations in a variety of industry-standard respects, including but not limited to certain time and scope limitations and a right to replace an infringing product with a non-infringing product.

The Company believes its internal development processes and other policies and practices limit its exposure related to these indemnification provisions. In addition, the Company requires its employees to sign a proprietary information and inventions agreement, which assigns the rights to its employees' development work to the Company. To date, the Company has not had to reimburse any of its customers for any losses related to these indemnification provisions, and no material claims against the Company are outstanding as of December 31, 2023 December 31, 2024 and 2022. 2023. The Company cannot determine the maximum amount of potential future payments, if any, related to such indemnification provisions due to the limited and infrequent history of prior indemnification claims.

As permitted under Delaware law, the Company has agreements whereby the Company indemnifies its officers and directors for certain events or occurrences while the officer or director is, or was serving, at the Company's request, in such capacity. The maximum potential amount of future payments the Company could be required to make under these indemnification agreements is unlimited; however, the Company has director and officer insurance coverage that reduces the Company's exposure and enables the Company to recover a portion of any future amounts paid. The Company believes the estimated fair value of these indemnification agreements in excess of applicable insurance coverage is minimal.

The Company accrues for loss contingencies when available information indicates that it is probable that an asset has been impaired or a liability has been incurred and the amount of the loss can be reasonably estimated.

Litigation

The Company is a party to various legal proceedings and claims arising from the normal course of its business activities, including proceedings and claims related to employment and intellectual property related matters.

The Company reviews the status of each matter and records a provision for a liability when it is considered both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. These provisions are reviewed quarterly and adjusted as additional information becomes available. If both of the criteria are not met, the Company assesses whether there is at least a reasonable possibility that a loss, or additional losses, may be incurred. If there is a reasonable possibility that a material loss may be incurred, the Company discloses the estimate of the possible loss, range of loss, or a statement that such an estimate cannot be made.

Litigation is subject to inherent uncertainties. Were an unfavorable outcome to occur, there exists the possibility of a material adverse impact on the Company's financial position and results of operation for the period in which the unfavorable outcome occurred, and potentially in future periods.

Note 21. Subsequent Events

Share Repurchase Authorization

On February 10, 2025, the Board approved a new share repurchase authorization which enables the Company to repurchase up to an additional $400 million of its Class A common stock through privately-negotiated purchases with individual holders or in the open market, bringing the aggregate authorized repurchase amount to $800 million.

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, with the participation of our Chief Executive Officer and Chief Financial Officer, has evaluated the effectiveness of our disclosure controls and procedures as of the end of the period covered by this Report. The term “disclosure controls and procedures,” as defined in Rules 13a-15(e) and 15d-15(e) under the Securities Exchange Act of 1934, as amended (the Exchange Act), means controls and other procedures of a company that are designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC’s rules and forms. Disclosure controls and procedures include, without limitation, controls and procedures designed to ensure that information required to be disclosed by a company in the reports that it files or submits under the Exchange Act is accumulated and communicated to the company’s management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. In designing and evaluating our disclosure controls and procedures, our management recognizes that disclosure controls and procedures, no matter how well conceived and operated, can provide only reasonable assurance that the objectives of the disclosure controls and procedures are met. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer concluded that, as of the end of the period covered by this Report, our disclosure controls and procedures were effective at the a reasonable assurance level.

Management’s Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15(d)-15(f) under the Exchange Act). Internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements for external purposes in accordance with generally accepted accounting principles. Our management conducted an assessment of the effectiveness of the Company’s internal control over financial reporting as of December 31, 2023 December 31, 2024 based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission. Based on the assessment, our management has concluded that our internal control over financial reporting was effective as of December 31, 2023 December 31, 2024. The effectiveness of our internal control over financial reporting as of December 31, 2023 December 31, 2024 has been audited by Ernst & Young LLP,, an independent registered public accounting firm, as stated in their report, which is included in Item 8 of this Annual Report on Form 10-K.

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 Rules 13a-15(d) and 15d-15(d)of the Exchange Act that occurred during the period covered by this Report that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of ControlS

Our management, including our Chief Executive Officer and Chief Financial Officer, believes that our disclosure controls and procedures and internal control over financial reporting are designed to provide reasonable assurance of achieving their objectives and are effective at the reasonable assurance level. However, 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 conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within the company have been detected. The design of any system of controls also is based in part upon 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 the degree of compliance with the policies or procedures may deteriorate. Because of the inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

ITEM 9B. OTHER INFORMATION

Securities

Insider Adoption or Termination of Trading Plans Arrangements

During the fiscal quarter ended December 31, 2024, none of our directors or officers informed us of the adoption, modification or termination of a “Rule 10b5-1 trading arrangement” or “non-Rule 10b5-1 trading arrangement,” as those terms are defined in Regulation S-K, Item 408, except as follows:

On December 4, 2024, Bruce Chizen, the Chair of the Board of Directors and Executive Officers

On December 7, 2023, John Schweitzer, of the Company’s Executive Vice President and Chief Revenue Officer, Company, adopted a written plan for the purchase or sale of securities of the Company trading arrangement intended to satisfy the affirmative defense conditions of SEC Rule 10b5-1(c) (the “Schweitzer trading arrangement”). The duration with respect to the sale of the Schweitzer Company’s common stock. This trading arrangement plan is until December 31, 2024 or earlier if all transactions under the Rule 10b5-1 trading arrangement are completed to expire on March 6, 2026, and provides for the potential purchase or sale of an aggregate of approximately 809,744 up to 247,590 shares of common stock pursuant to the Company’s common stock. terms of the plan.

On December 7, 2023 December 11, 2024, Mark Pellowski, Gerald Held, a member of the Company’s Chief Accounting Officer, adopted a written plan for the purchase or sale Board of securities Directors of the Company, adopted a trading arrangement intended to satisfy the affirmative defense conditions of SEC Rule 10b5-1(c) (the “Pellowski trading arrangement”). The duration with respect to the sale of the Pellowski Company’s common stock. This trading arrangement plan is until January 31, 2025 or earlier if all transactions under the Rule 10b5-1 trading arrangement are completed to expire on March 12, 2026, and provides for the potential purchase or sale of an aggregate up to 17,553 shares of approximately 129,713 shares common stock pursuant to the terms of the plan.

On December 9, 2024, John Schweitzer, Executive Vice President, Chief Revenue Officer of the Company, adopted a trading arrangement intended to satisfy the affirmative defense conditions of SEC Rule 10b5-1(c) with respect to the sale of the Company’s common stock. This trading plan is to expire on March 10, 2026, and provides for the sale of up to 685,696 shares of common stock pursuant to the terms of the plan.

No other officers or directors, as defined in Rule 16a-1(f) On December 12, 2024, Amit Walia, Chief Executive Officer and member of the Board of Directors of the Company, adopted or terminated a “Rule 10b5-1 trading arrangement” or a “non-Rule 10b5-1 trading arrangement” as defined in Regulation S-K Item 408, during intended to satisfy the fourth fiscal quarter affirmative defense conditions of 2023. SEC Rule 10b5-1(c) with respect to the sale of the Company’s common stock. This trading plan is to expire on March 14, 2026, and provides for the sale of up to 859,500 shares of common stock pursuant to the terms of the plan.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS.

Not applicable.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

The information required by this item is incorporated herein by reference to the Definitive Proxy Statement for the 2024 2025 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after the fiscal year ended December 31, 2023 December 31, 2024.

ITEM 11. EXECUTIVE COMPENSATION

The information required by this item is incorporated herein by reference to the Definitive Proxy Statement for the 2024 2025 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after the fiscal year ended December 31, 2023 December 31, 2024.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNER AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information required by this item is incorporated herein by reference to the Definitive Proxy Statement for the 2024 2025 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after the fiscal year ended December 31, 2023 December 31, 2024.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS, , AND DIRECTOR INDEPENDENCE

The information required by this item is incorporated herein by reference to the Definitive Proxy Statement for the 2024 2025 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after the fiscal year ended December 31, 2023 December 31, 2024.

ITEM 14. PRINCIPAL ACCOUNTANT FEES AND SERVICES

The information required by this item is incorporated herein by reference to the Definitive Proxy Statement for the 2024 2025 Annual Meeting of Stockholders, which will be filed with the SEC no later than 120 days after the fiscal year ended December 31, 2023 December 31, 2024.

PART IV

ITEM 15. EXHIBIT AND FINANCIAL STATEMENT SCHEDULES

(a)(1) Financial Statements - The financial statements filed as part of this Annual Report on Form 10-K are listed on the Index to Consolidated Financial Statements in Item 8.

(a)(2) Financial Statement Schedules - All financial statement schedules have been omitted since the required information is not applicable or has been included in the consolidated financial statements and accompanying notes included in this Form 10-K.

(b)

Exhibit Exhibit Exhibit Number	Number	Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date	Number	Description	Incorporated by Reference Form	File No.	Exhibit	Filing Date
3.1	3.1	Amended and Restated Certificate of Incorporation of the registrant.	10-Q	001-40936	3.1	12/9/2021	3.1	Amended and Restated Certificate of Incorporation of the registrant.	10-Q	001-40936	3.1	12/9/2021
3.2	3.2	Amended and Restated Bylaws of the registrant.	S-1	333-259963	3.4	10/18/2021	3.2	Amended and Restated Bylaws of the registrant.	S-1	333-259963	3.4	10/18/2021
3.3		Certificate of Amendment to the Amended and Restated Certificate of Incorporation	8-K	001-40936	3.1	6/14/2024						
4.1	4.1	Form of Class A common stock certificate of the registrant.	S-1	333-259963	4.1	10/1/2021	4.1	Form of Class A common stock certificate of the registrant.	S-1	333-259963	4.1	10/1/2021
4.2	4.2	Description of Capital Stock.	10-K	001-40936	4.2	3/24/2022	4.2	Description of Capital Stock.	10-K	001-40936	4.2	3/24/2022
10.1	10.1	Form of Indemnification Agreement between the registrant and each of its directors and executive officers.	S-1/A	333-259963	10.1	10/18/2021	10.1	Form of Indemnification Agreement between the registrant and each of its directors and executive officers.	S-1/A	333-259963	10.1	10/18/2021
10.2+	10.2+	Informatica Inc. 2021 Equity Incentive Plan and related form agreements	S-1/A	333-259963	10.2	10/18/2021	10.2+	Informatica Inc. 2021 Equity Incentive Plan and related form agreements	S-1/A	333-259963	10.2	10/18/2021
10.3+	10.3+	Informatica Inc. 2021 Employee Stock Purchase Plan and related form agreements.	S-1	333-259963	10.3	10/18/2021	10.3+	Informatica Inc. 2021 Employee Stock Purchase Plan and related form agreements.	S-1	333-259963	10.3	10/18/2021
10.4+	10.4+	Third Amended and Restated Informatica Inc. Equity Incentive Plan and related form agreements.	S-1	333-259963	10.4	10/18/2021	10.4+	Third Amended and Restated Informatica Inc. Equity Incentive Plan and related form agreements.	S-1	333-259963	10.4	10/18/2021
10.5+	10.5+	Form of Change in Control and Severance Agreement	S-1	333-259963	10.5	10/18/2021	10.5+	Form of Change in Control and Severance Agreement	S-1	333-259963	10.5	10/18/2021
10.6+	10.6+	Form of Outside Director Compensation Policy	S-1/A	333-259963	10.6	10/18/2021	10.6+	Form of Outside Director Compensation Policy	S-1/A	333-259963	10.6	10/18/2021

10.7+	10.7+	Form of Umbrella Bonus Plan	S-1	333-259963	10.7	10/18/2021	10.7+	Form of Umbrella Bonus Plan	S-1	333-259963	10.7	10/18/2021
10.8+	10.8+	Confirmatory Employment Letter between the registrant and Amit Walia.	S-1/A	333-259963	10.8	10/18/2021	10.8+	Confirmatory Employment Letter between the registrant and Amit Walia.	S-1/A	333-259963	10.8	10/18/2021
10.9+	10.9+	Confirmatory Employment Letter between the registrant and Eric Brown.	S-1/A	333-259963	10.9	10/18/2021	10.9+	Confirmatory Employment Letter between the registrant and Eric Brown.	S-1/A	333-259963	10.9	10/18/2021
10.10+	10.10+	Confirmatory Employment Letter between the registrant and Jitesh Ghai.	S-1/A	333-259963	10.10	10/18/2021	10.10+	Confirmatory Employment Letter between the registrant and Jitesh Ghai.	S-1/A	333-259963	10.10	10/18/2021
10.11+	10.11+	Confirmatory Employment Letter between the registrant and Ansa Sekharan.	S-1/A	333-259963	10.11	10/18/2021	10.11+	Confirmatory Employment Letter between the registrant and Ansa Sekharan.	S-1/A	333-259963	10.11	10/18/2021
10.12+	10.12+	Confirmatory Employment Letter between the registrant and John Schweitzer	10-K	001-40936	10.12	3/24/2022	10.12+	Confirmatory Employment Letter between the registrant and John Schweitzer	10-K	001-40936	10.12	3/24/2022
10.13+	10.13+	Employment Letter between the registrant and Michael McLaughlin	10-K	001-40936	10.13	2/27/2023	10.13+	Employment Letter between the registrant and Michael McLaughlin	10-K	001-40936	10.13	2/27/2023
10.14	10.14	Stockholders Agreement.	10-Q	001-40936	10.12	12/9/2021	10.14	Stockholders Agreement.	10-Q	001-40936	10.12	12/9/2021
10.15	10.15	Registration Rights Agreement.	10-Q	001-40936	10.13	12/9/2021	10.15	Registration Rights Agreement.	10-Q	001-40936	10.13	12/9/2021
10.16	10.16	Credit and Guaranty Agreement by and among Informatica Inc., as Holdings, Informatica LLC, as the Borrower, and the Borrowers and Guarantors identified therein, and JPMorgan Chase, N.A., as the Administrative Agent, dated October 29, 2021.	8-K	001-40936	10.1	11/4/2021	10.16	Credit and Guaranty Agreement by and among Informatica Inc., as Holdings, Informatica LLC, as the Borrower, and the Borrowers and Guarantors identified therein, and JPMorgan Chase, N.A., as the Administrative Agent, dated October 29, 2021.	8-K	001-40936	10.1	11/4/2021
10.17+		Transition and Consulting Agreement between the registrant and Eric Brown	10-K	001-40936	10.17+	2/27/2023						

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10.17+		Transition and Consulting Agreement between the registrant and Eric Brown	10-K	001-40936	10.17+	2/27/2023						
10.20	10.20	Amendment No. 1 to the Credit and Guaranty Agreement, effective as of June 13, 2023	8-K	001-40936	10.1	6/16/2023	10.20	Amendment No. 1 to the Credit and Guaranty Agreement, effective as of June 13, 2023	8-K	001-40936	10.1	6/16/2023
10.21		Amendment No.2 to the Credit and Guaranty Agreement, effective as of June 11, 2024	8-K	001-40936	10.1	6/14/2024						
19.1												
21.1												
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31.1					
31.2					
31.2					
31.2					
32.1†					
32.1†					
32.1†					
97.1					
97.1					
97.1	Executive Officer Compensation Recovery ("Clawback") Policy	10-K	001-40936	97.1	2/22/2024
101.INS					
101.INS					
101.INS					
101.SCH					
101.SCH					
101.SCH					
101.CAL					
101.CAL					
101.CAL					
101.DEF					
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+ Indicates management contract or compensatory plan.

† The certifications attached as Exhibit 32.1 that accompany this Report are deemed furnished and not filed with the Securities and Exchange Commission and are not to be incorporated by reference into any filing of Informatica Inc. under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, whether made before or after the date of this Report, irrespective of any general incorporation language contained in such filing.

ITEM 16. FORM 10-K SUMMARY

None.

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SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the registrant has duly caused this Report to be signed on its behalf by the undersigned, thereunto duly authorized.

Date: February 22, 2024 25, 2025	**INFORMATICA INC.**
	By: /s/ Amit Walia
	Amit Walia
	Chief Executive Officer and Director
	(Principal Executive Officer)

POWER OF ATTORNEY

Each person whose signature appears below constitutes and appoints Amit Walia and Michael McLaughlin, and each one of them, as his or her true and lawful attorneys-in-fact and agents, with full power of substitution and resubstitution, for him or her and in their name, place, and stead, in any and all capacities, to sign any and all amendments to this Report, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorneys-in-fact and agents, and each of them, full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully to all intents and purposes as he or she might or could do in person, hereby ratifying and confirming all that said attorneys-in-fact and agents or any of them, or his or her substitute or substitutes, may lawfully do or cause to be done by virtue hereof.

Pursuant to the requirements of the Securities Exchange Act of 1934, this Report has been signed by the following persons on behalf of the registrant and in the capacities and on the dates indicated.

Signature	Title	Date
/s/ Amit Walia	Chief Executive Officer and Director	February 22, 2024 25, 2025
Amit Walia	(Principal Executive Officer)	
/s/ Michael McLaughlin	Executive Vice President and Chief Financial Officer	February 22, 2024 25, 2025
Michael McLaughlin	(Principal Financial Officer)	
/s/ Mark Pellowski	Chief Accounting Officer	February 22, 2024 25, 2025
Mark Pellowski	(Principal Accounting Officer)	
/s/ Bruce Chizen	Chair of the Board of Directors	February 22, 2024 25, 2025
Bruce Chizen		
/s/ Janice Chaffin	Director	February 22, 2024 25, 2025
Janice Chaffin		
/s/ Gerald HeldMitesh Dhruv	Director	February 22, 2024 25, 2025
Mitesh Dhruv		
/s/ Jerry Held	Gerald Director	February 25, 2025
Jerry Held		
/s/ Ryan Lanpher	Director	February 22, 2024 25, 2025
Ryan Lanpher		
/s/ Austin Locke	Director	February 22, 2024 25, 2025
Austin Locke		
/s/ Elizabeth Rafael	Director	February 22, 2024
Elizabeth Rafael		
/s/ Brian Ruder	Director	February 22, 2024
Brian Ruder		
/s/ Cesare Ruggiero	Director	February 22, 2024 25, 2025
Cesare Ruggiero		
/s/ Alex Vander Linde	Director	February 25, 2025
Alex Vander Linde		
/s/ Jill Ward	Director	February 22, 2024 25, 2025
Jill Ward		

INFORMATICA INC.

INSIDER TRADING POLICY

(Adopted on August 20, 2021; Effective October 26, 2021; Amended effective July 1, 2024)

A. POLICY OVERVIEW

Informatica Inc. (together with any subsidiaries, collectively the “**Company**”) has adopted this Insider Trading Policy (the “**Policy**”) to help you comply with the federal and state securities laws and regulations that govern trading in securities and to help the Company minimize its own legal and reputational risk. It is also the Company’s policy to comply with all applicable securities laws when issuing or repurchasing its securities.

It is your responsibility to understand and follow this Policy. Insider trading is illegal and a violation of this Policy. In addition to your own liability for insider trading, the Company, as well as individual directors, officers and other supervisory personnel, could face liability. Even the appearance of insider trading can lead to government investigations or lawsuits that are time-consuming, expensive and can lead to criminal and civil liability, including damages and fines, imprisonment and bars on serving as an officer or director of a public company, not to mention irreparable damage to both your and the Company’s reputation.

For purposes of this Policy, the Company’s General Counsel/Chief Legal Officer serves as the Compliance Officer. The Compliance Officer may designate others, from time to time, to assist with the execution of his or her duties under this Policy.

B. POLICY STATEMENT

1. No Trading on Material Nonpublic Information. It is illegal for anyone to trade in securities on the basis of material nonpublic information. If you are in possession of material nonpublic information about the Company, you are prohibited from:

   a. transacting in securities of the Company;

   b. disclosing it to other directors, officers, employees, consultants, contractors or advisors whose roles do not require them to have the information;

   c. disclosing it to anyone outside of the Company, including family, friends, business associates, investors or consulting firms, without prior written authorization from the Compliance Officer; or

   d. using it to express an opinion or make a recommendation about trading in the Company’s securities.

In addition, material nonpublic information about another company that you learn through your service with the Company is subject to these same restrictions relating to disclosure and trading and you cannot trade in securities on the basis of that information. Any such action will be deemed a violation of this Policy.

2. No Disclosure of Confidential Information. You may not at any time disclose material nonpublic information about the Company or about another company that you obtained in connection with your service with the Company to friends, family members or any other person or entity that the Company has not authorized to know such information. In addition,

you must handle the confidential information of others in accordance with any related non-disclosure agreements and other obligations that the Company has with them and limit your use of the confidential information to the purpose for which it was disclosed.

If you receive an inquiry for information from someone outside of the Company, such as a stock analyst, or a request for sensitive information outside the ordinary course of business from someone outside of the Company, such as a business partner, vendor, supplier or salesperson, then you should refer the inquiry to the Compliance Officer. Responding to a request yourself may violate this Policy and, in some circumstances, the law.

3. Definition of Material Nonpublic Information. “**Material information**” means information that a reasonable investor would be substantially likely to consider important in deciding whether to buy, hold or sell securities of the Company or view as significantly altering the total mix of information available in the marketplace about the Company as an issuer of the securities. In general, any information that could reasonably be expected to affect the market price of a security is likely to be material. Either positive or negative information may be material.

It is not possible to define all categories of “material” information. However, some examples of information that could be regarded as material include, but are not limited to:

   a. financial results, key metrics, financial condition, earnings pre-announcements, guidance, projections or forecasts, particularly if inconsistent with the Company’s guidance or the expectations of the investment community;

   b. restatements of financial results, or material impairments, write-offs or restructurings;

c. changes in independent auditors, or notification that the Company may no longer rely on an audit report;

d. business plans or budgets;

e. creation of significant financial obligations, or any significant default under or acceleration of any financial obligation;

f. impending bankruptcy or financial liquidity problems;

g. significant developments involving business relationships, including execution, modification or termination of significant agreements or orders with customers, suppliers, distributors, manufacturers or other business partners;

h. significant information relating to the operation of product or service, such as new products or services, major modifications or performance issues, defects or recalls, significant pricing changes or other announcements of a significant nature;

i. significant developments in research and development or relating to intellectual property;

j. significant legal or regulatory developments, whether positive or negative, actual or threatened, including litigation or resolving litigation;

k. major events involving the Company's securities, including calls of securities for redemption, adoption of stock repurchase programs, option repricings, stock splits, changes in dividend policies, public or private securities offerings, modification to the rights of security holders or notice of delisting;

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l. significant corporate events, such as a pending or proposed merger, joint venture or tender offer, a significant investment, the acquisition or disposition of a significant business or asset or a change in control of the Company;

m. major personnel changes, such as changes in senior management or employee layoffs;

n. data breaches or other cybersecurity events;

o. updates regarding any prior material disclosure that has materially changed; and

p. the existence of a special blackout period.

"**Material nonpublic information**" means material information that is not generally known or made available to the public. Even if information is widely known throughout the Company, it may still be nonpublic. Generally, in order for information to be considered public, it must be made generally available through media outlets or SEC filings.

After the release of information, a reasonable period of time must elapse in order to provide the public an opportunity to absorb and evaluate the information provided. As a general rule, at least two full trading days must pass after the dissemination of information before such information is considered public.

As a rule of thumb, if you think something might be material nonpublic information, you should treat it as probably so. You can always reach out to the Compliance Officerif you have questions.

C. PERSONS COVERED BY THIS POLICY

This Policy applies to you if you are a director, officer, employee, consultant, contractor or advisor of the Company, both inside and outside of the United States. To the extent applicable to you, this Policy also covers your immediate family members, persons with whom you share a household, persons who are your economic dependents and any entity whose transactions in securities you influence, direct or control. You are responsible for making sure that these other individuals and entities comply with this Policy.

This Policy continues to apply even if you leave the Company or are otherwise no longer affiliated with or providing services to the Company, for as long as you remain in possession of material nonpublic information. In addition, if you are subject to a trading blackout under this Policy at the time you leave the Company, you must abide by the applicable trading restrictions until at least the end of the relevant blackout period.

D. TRADING COVERED BY THIS POLICY

Except as discussed in Section H (*Exceptions to Trading Restrictions*), this Policy applies to all transactions involving the Company's securities or other companies' securities for which you possess material nonpublic information obtained in connection with your service with the Company. This Policy therefore applies to:

1. any purchase, sale, loan or other transfer or disposition of any equity securities (including common stock, options, restricted stock units, warrants and preferred stock) and debt securities (including debentures, bonds and notes) of the Company and such other companies,

whether direct or indirect (including transactions made on your behalf by money managers), and any offer to engage in the foregoing transactions;

2. any disposition in the form of a gift of any securities of the Company;

3. any other arrangement that generates gains or losses from or based on changes in the prices of such securities including derivative securities (for example, exchange traded put or call options, swaps, caps and collars), hedging and pledging transactions, short sales and certain arrangements regarding participation in benefit plans, and any offer to engage in the foregoing transactions.

There are no exceptions from insider trading laws or this Policy based on the size of the transaction or the type of consideration received.

E. TRADING RESTRICTIONS

Subject to the exceptions set forth below, this Policy restricts trading during certain periods and by certain people as follows:

1. Quarterly Blackout Periods. Except as discussed in Section H (*Exceptions to Trading Restrictions*), all directors, officers and employees of the Company must refrain from conducting transactions involving the Company's securities during quarterly blackout periods. To the extent applicable to you, quarterly blackout periods also cover your immediate family members, persons with whom you share a household, persons who are your economic dependents, and any entity whose transactions in securities you influence, direct or control. Even if you are not specifically identified as being subject to quarterly blackout periods, you should exercise caution when engaging in transactions during quarterly blackout periods because of the heightened risk of insider trading exposure.

Quarterly blackout periods will start at the end of the 15th day of the third month of each fiscal quarter and will end at the start of the third full trading day following the Company's earnings release.

The prohibition against trading during the blackout period also means that brokers cannot fulfill open orders on your behalf or on behalf of your immediate family members, persons with whom you share a household, persons who are your economic dependents, or any entity whose transactions in securities you influence, direct or control, during the blackout period, including "limit orders" to buy or sell stock at a specific price or better and "stop orders" to buy or sell stock once the price of the stock reaches a specified price. If you are subject to blackout periods or pre-clearance requirements, you should so inform any broker with whom such an open order is placed at the time it is placed.

2. Special Blackout Periods. The Company always retains the right to impose additional or longer trading blackout periods at any time on any or all of its directors, officers, employees, consultants, advisors and contractors. The Compliance Officerwill notify you if you are subject to a special blackout period by providing to you a written notice. If you are notified that you are subject to a special blackout period, you may not engage in any transaction involving the Company's securities until the special blackout period has ended other than the transactions that are covered by the exceptions below. You also may not disclose to anyone else that the Company has imposed a special blackout period. To the extent applicable to you, special blackout periods also cover your immediate family members, persons with whom you share a household, persons who are your economic dependents, and any entity whose transactions in securities you influence, direct or control.

3. Regulation BTR Blackouts. Directors and officers may also be subject to trading blackouts pursuant to Regulation Blackout Trading Restriction, or Regulation BTR, under U.S. federal securities laws. In general, Regulation BTR prohibits any director or officer from engaging in

certain transactions involving Company securities during periods when 401(k) plan participants are prevented from purchasing, selling or otherwise acquiring or transferring an interest in certain securities held in individual account plans. Any profits realized from a transaction that violates Regulation BTR are recoverable by the Company, regardless of the intentions of the director or officer effecting the transaction. In addition, individuals who engage in such transactions are subject to sanction by the SEC as well as potential criminal liability. The Company will notify directors and officers if they are subject to a blackout trading restriction under Regulation BTR. Failure to comply with an applicable trading blackout in accordance with Regulation BTR is a violation of law and this Policy.

F. PROHIBITED TRANSACTIONS

You may not engage in any of the following types of transactions other than as noted below, regardless of whether you have material nonpublic information or not.

1. Short Sales. You may not engage in short sales (meaning the sale of a security that must be borrowed to make delivery) or "sell short against the box" (meaning the sale of a security with a delayed delivery) if such sales involve the Company's securities.

2. Derivative Securities and Hedging Transactions. You may not, directly or indirectly, (a) trade in publicly-traded options, such as puts and calls, and other derivative securities with respect to the Company's securities (other than stock options, restricted stock units and other compensatory awards issued to you by the Company) or (b) purchase financial instruments (including prepaid variable forward contracts, equity swaps, collars and exchange funds), or otherwise engage in transactions, that hedge or offset, or are designed to hedge or offset, any decrease in the market value of Company equity securities either (i) granted to you by the Company as part of your compensation or (ii) held, directly or indirectly, by you.

3. Pledging Transactions. You may not pledge the Company's securities as collateral for any loan or as part of any other pledging transaction.

4. Margin Accounts. You may not hold the Company's common stock in margin accounts.

G. PRE-CLEARANCE OF TRADES

The Company's directors and officers and any other persons who have received written notice from the Compliance Officer as being subject to pre-clearance requirements ("Covered Person(s)") must obtain pre-clearance prior to trading the Company's securities. If you are a Covered Person, you should submit a pre-clearance request using the form made available to you by the Compliance Officer at least three trading days prior to your desired trade date. The person requesting pre-clearance will be asked to certify that they are not in possession of material nonpublic information about the Company, as well as certain other certifications. The Compliance Officer is under no obligation to approve a transaction submitted for pre-clearance and may determine not to permit the transaction.

If the Compliance Officer is the requester, then the Company's Chief Executive Officer, Chief Financial Officer, or their delegate, must pre-clear or deny any trade. All trades must be executed within five trading days of any pre-clearance.

Even after preclearance, a person may not trade the Company's securities if they become subject to a blackout period or aware of material nonpublic information prior to the trade being executed.

From time to time, the Company may identify other persons who should be subject to the pre-clearance requirements set forth above, and the Compliance Officer may update and revise the list of Covered Persons accordingly.

H. EXCEPTIONS TO TRADING RESTRICTIONS

There are no unconditional “safe harbors” for trades made at particular times, and all persons subject to this Policy should exercise good judgment at all times. Even when a quarterly blackout period is not in effect, you may be prohibited from engaging in transactions involving the Company’s securities because you possess material nonpublic information, are subject to a special blackout period or are otherwise restricted under this Policy.

The following are certain limited exceptions to the quarterly and special blackout period restrictions and pre-clearance requirements imposed by the Company under this Policy:

1. stock option exercises where the purchase price of such stock options is paid in cash and there is no other associated market activity;

2. receipt and vesting of stock options, restricted stock units, restricted stock or other equity compensation awards from the Company;

3. purchases pursuant to the employee stock purchase plan; however, this exception does not apply to subsequent sales of the shares;

4. net share withholding with respect to equity awards where shares are withheld by the Company in order to satisfy tax withholding requirements, (x) as required by either the Company’s board of directors (or a committee thereof) or the award agreement governing such equity award or (y) as you elect, if permitted by the Company, so long as the election is irrevocable and made in writing at a time when a trading blackout is not in place and you are not in possession of material nonpublic information;

5. sell to cover transactions where shares are sold on your behalf upon vesting of equity awards and sold in order to satisfy tax withholding requirements, (x) as required by either the Company’s board of directors (or a committee thereof) or the award agreement governing such equity award or (y) as you elect, if permitted by the Company, so long as the election is irrevocable and made in writing at a time when a trading blackout is not in place and you are not in possession of material nonpublic information; however, this exception does not apply to any other market sale for the purposes of paying required withholding;

6. transactions made pursuant to a valid 10b5-1 trading plan approved by the Company (see Section I (*10b5-1 Trading Plans*) below);

7. purchases of the Company’s stock in the 401(k) plan resulting from periodic contributions to the plan based on your payroll contribution election; *provided, however,* that the blackout period restrictions and pre-clearance requirements do apply to elections you make under the 401(k) plan to (a) increase or decrease the amount of your contributions under the 401(k) plan if such increase or decrease will increase or decrease the amount of your contributions that will be allocated to a Company stock fund, (b) increase or decrease the percentage of your contributions that will be allocated to a Company stock fund, (c) move balances into or out of a Company stock fund, (d) borrow money against your 401(k) plan account if the loan will result in liquidation of some or all of your Company stock fund balance, and (e) prepay a plan loan if the pre-payment will result in the allocation of loan proceeds to a Company stock fund;

8. transfers by will or the laws of descent or distribution and, provided that prior written notice is provided to the Compliance Officer, distributions or transfers (such as certain tax planning

or estate planning transfers) that effect only a change in the form of beneficial interest without changing your pecuniary interest in the Company’s securities; and

9. changes in the number of the Company’s securities you hold due to a stock split or a stock dividend that applies equally to all securities of a class, or similar transactions.

If there is a Regulation BTR blackout (and no quarterly or special blackout period), then the limited exceptions set forth in Regulation BTR will apply. Please be aware that even if a transaction is subject to an exception to this Policy, you will need to separately assess whether the transaction complies with applicable law. Any other Policy exceptions must be approved by the Compliance Officer, in consultation with the Company’s board of directors or an independent committee of the board of directors.

I. 10B5-1 TRADING PLANS

The Company permits its directors, officers and certain other designated employees to adopt written 10b5-1 trading plans in order to mitigate the risk of trading on material nonpublic information. These plans allow for individuals to enter into a prearranged trading plan as long as the plan is not established or modified during a blackout period or when the individual is otherwise in possession of material nonpublic information. To be approved by the Company and qualify for the exception to this Policy, any 10b5-1 trading plan adopted by a director, officer or employee must be submitted to the Compliance Officer for approval and comply with the requirements set forth in the Requirements for Trading Plans attached as Exhibit A. If the Compliance Officer is the requester, then the Company's Chief Executive Officer, Chief Financial Officer, or their delegate, must approve the written 10b5-1 trading plan.

J. SECTION 16 COMPLIANCE

All of the Company's officers and directors and certain other individuals are required to comply with Section 16 of the Securities and Exchange Act of 1934 and related rules and regulations which set forth reporting obligations, limitations on "short swing" transactions, which are certain matching purchases and sales of the Company's securities within a six-month period, and limitations on short sales.

To ensure transactions subject to Section 16 requirements are reported on time, each person subject to these requirements must provide the Company with detailed information (for example, trade date, number of shares, exact price, *etc.*) about his or her transactions involving the Company's securities.

The Company is available to assist in filing Section 16 reports, but the obligation to comply with Section 16 is personal. If you have any questions, you should check with the Compliance Officer.

K. VIOLATIONS OF THIS POLICY

Company directors, officers, employees, consultants, advisors and contractors who violate this Policy will be subject to disciplinary action by the Company, including ineligibility for future Company equity or incentive programs or termination of employment or an ongoing relationship with the Company. The Company has full discretion to determine whether this Policy has been violated based on the information available.

There are also serious legal consequences for individuals who violate insider trading laws, including large criminal and civil fines, significant imprisonment terms and disgorgement of any profits gained or losses avoided. You may also be liable for improper securities trading by any person

(commonly referred to as a "tippee") to whom you have disclosed material nonpublic information that you have learned through your position at the Company or made recommendations or expressed opinions about securities trading on the basis of such information.

Please consult with your personal legal and financial advisors as needed. Note that the Company's legal counsel, both internal and external, represent the Company and not you personally. There may be instances where you suffer financial harm or other hardship or are otherwise required to forego a planned transaction because of the restrictions imposed by this Policy or under securities laws. If you were aware of the material nonpublic information at the time of the trade, it is not a defense that you did not "use" the information for the trade. Personal financial emergency or other personal circumstances are not mitigating factors under securities laws and will not excuse your failure to comply with this Policy. In addition, a blackout or trading-restricted period will not extend the term of any options for Company stock. As a consequence, you may be prevented from exercising your options by this Policy or as a result of a blackout or other restriction on your trading, and as a result your options may expire by their term. It is your responsibility to manage your economic interests and to consider potential trading restrictions when determining whether to exercise your options. In such instances, the Company cannot extend the term of your options and has no obligation or liability to replace the economic value or lost benefit to you.

L. PROTECTED ACTIVITY NOT PROHIBITED

Nothing in this Policy, or any related guidelines or other documents or information provided in connection with this Policy, shall in any way limit or prohibit you from engaging in any of the protected activities set forth in the Company's Whistleblower Policy, as amended from time to time.

M. REPORTING

If you believe someone is violating this Policy or otherwise using material nonpublic information that they learned through their position at the Company to trade securities, you should report it to the Compliance Officer, or if the Compliance Officer is implicated in your report, then you should report it in accordance with the Company's Whistleblower Policy.

N. AMENDMENTS

The Company reserves the right to amend this Policy at any time, for any reason, subject to applicable laws, rules and regulations, and with or without notice, although it will attempt to provide notice in advance of any change. Unless otherwise permitted by this Policy, any amendments must be approved by the Board of Directors of the Company.

EXHIBIT A

REQUIREMENTS FOR TRADING PLANS

For transactions under a trading plan to be exempt from (A) the prohibitions in the Company's Insider Trading Policy (the "**Policy**") of Informatica Inc. (together with any subsidiaries, collectively the "**Company**") with respect to transactions made while aware of material nonpublic information and (B) the pre-clearance procedures and blackout periods established under the Policy, the trading plan must comply with the affirmative defense set forth in Exchange Act Rule 10b5-1 and must meet the following requirements:

1. The trading plan must be in writing and signed by the person adopting the trading plan.

2. The trading plan must be adopted at a time when:

   a. the person adopting the trading plan is not aware of any material nonpublic information; and

   b. there is no quarterly, special or other trading blackout in effect with respect to the person adopting the plan.

3. The trading plan must be entered in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1, and the person adopting the trading plan must act in good faith with respect to the trading plan.

4. The trading plan must include representations that, on the date of adoption of the trading plan, the person adopting the trading plan:

   - is not aware of material nonpublic information about the securities or the Company; and
   - is adopting the trading plan in good faith and not as part of a plan or scheme to evade the prohibitions of Rule 10b5-1.

5. The person adopting the trading plan may not have entered into or altered a corresponding or hedging transaction or position with respect to the securities subject to the trading plan and must agree not to enter into any such transaction while the trading plan is in effect.

6. The first trade under the trading plan may not occur until the expiration of a cooling-off period consisting of the later of (a) 90 calendar days after the adoption of the trading plan and (b) two business days after the filing by the Company of its financial results in a Form 10-Q or Form 10-K for the completed fiscal quarter in which the trading plan was adopted (but, in any event, this required cooling-off period is subject to a maximum of 120 days after adoption of the trading plan).

7. The trading plan must have a minimum term of one year (starting from the date of adoption of the trading plan).

8. All transactions during the term of the trading plan (except for the "Exceptions to Trading Restrictions" identified in the Policy and *bona fide* gifts) must be conducted through the trading plan. In addition, the person adopting the trading plan may not have an outstanding (and may not subsequently enter into any additional) trading plan except as permitted by Rule 10b5-1.

9. Any modification or change to the amount, price or timing of transactions under the trading plan is deemed the termination of the trading plan, and the adoption of a new trading plan

("**Modification**"). Therefore, a Modification is subject to the same conditions as a new trading plan, as set forth in Sections 1 through 8 herein.

10. A person may adopt a trading plan designed to cover a single trade only once in any consecutive 12-month period except as permitted by Rule 10b5-1.

11. If the person that adopted the trading plan terminates the plan prior to its stated duration, he or she may not trade in the Company's securities until after the expiration of 30 calendar days following termination, and then only in accordance with the Policy.

12. The Company must be promptly notified of any Modification or termination of the trading plan, including any suspension of trading under the trading plan.

13. The Company must have authority to require the suspension or cancellation of the trading plan at any time.

14. If the trading plan grants discretion to a stockbroker or other person with respect to the execution of trades under the trading plan:

a. trades made under the trading plan must be executed by someone other than the stockbroker or other person that executes trades in other securities for the person adopting the trading plan;

b. the person adopting the trading plan may not confer with the person administering the trading plan regarding the Company or its securities; and

c. the person administering the trading plan must provide prompt notice to the Company of the execution of a transaction pursuant to the plan.

15. All transactions under the trading plan must be in accordance with applicable law.

16. The trading plan (including any Modification) must meet such other requirements as the Compliance Officer may determine.

Exhibit 21.1

Subsidiaries of Informatica Inc.*

Subsidiary Name	Jurisdiction of Incorporation
Informatica Ireland EMEA Unlimited Company	Ireland
Informatica LLC	Delaware
Informatica Business Solutions Pvt. Ltd.	India
Informatica Software Ltd.	Canada

* Pursuant to Item 601(b)(21)(ii) of Regulation S-K, the names of other subsidiaries of Informatica Inc Inc. are omitted because, considered in the aggregate,they would not constitute a significant subsidiary as of the end of the year covered by the report.

Exhibit 23.1

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the following Registration Statements:

1. Registration Statement (Form S-8 S-3 No. 333-270050) pertaining to the 2021 Equity Incentive Plan and 2021 Employee Stock Purchase Plan 333-283069) of Informatica Inc.,
2. Registration Statement (Form S-8 No. Nos. 333-277272, 333-270050, 333-263829) pertaining to the 2021 Equity Incentive Plan and 2021 Employee Stock Purchase Plan of Informatica Inc., and
3. Registration Statement (Form S-8 No. 333-260535) pertaining to the 2015 Equity Incentive Plan, 2021 Equity Incentive Plan and 2021 Employee Stock Purchase Plan of Informatica Inc.;

of our reports dated February 22, 2024 February 25, 2025, with respect to the consolidated financial statements of Informatica Inc. and the effectiveness of internal control over financial reporting of Informatica Inc. included in this Annual Report (Form 10-K) of Informatica Inc. for the year ended December 31, 2023 December 31, 2024.

/s/ Ernst & Young LLP

San Francisco, California
February 22, 2024 25, 2025

Exhibit 31.1

CERTIFICATION OF PRINCIPAL EXECUTIVE OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Amit Walia, certify that:

1. I have reviewed this Annual Report on Form 10-K of Informatica Inc.;
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 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 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.

Date: February 22, 2024 February 25, 2025

By:	/s/ Amit Walia
Name:	Amit Walia
Title:	*Chief Executive Officer and Director*
	(Principal Executive Officer)

Exhibit 31.2

CERTIFICATION OF PRINCIPAL FINANCIAL OFFICER
PURSUANT TO EXCHANGE ACT RULES 13a-14(a) AND 15d-14(a)
AS ADOPTED PURSUANT TO SECTION 302
OF THE SARBANES-OXLEY ACT OF 2002

I, Michael McLaughlin, certify that:

1. I have reviewed this Annual Report on Form 10-K of Informatica Inc.;
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 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 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.

Date: February 22, 2024 February 25, 2025

By:	/s/ Michael McLaughlin
Name:	Michael McLaughlin
Title:	*Executive Vice President and Chief Financial Officer*
	(Principal Financial Officer)

Exhibit 32.1

CERTIFICATIONS OF CHIEF EXECUTIVE OFFICER AND CHIEF FINANCIAL OFFICER
PURSUANT TO
18 U.S.C. SECTION 1350
AS ADOPTED PURSUANT TO SECTION 906
OF THE SARBANES-OXLEY ACT OF 2002

I, Amit Walia, do hereby certify, to the best of my knowledge and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K of Informatica Inc. for the period ended December 31, 2023 December 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Informatica Inc.

Date: February 22, 2024 February 25, 2025

By:	/s/ Amit Walia
Name:	Amit Walia
Title:	*Chief Executive Officer and Director*
	(Principal Executive Officer)

I, Michael McLaughlin, do hereby certify, to the best of my knowledge and pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that the Annual Report on Form 10-K of Informatica Inc. for the period ended December 31, 2023 December 31, 2024 (the "Report") fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, and that the information contained in the Report fairly presents, in all material respects, the financial condition and results of operations of Informatica Inc.

Date: February 22, 2024 February 25, 2025

By:	/s/ Michael McLaughlin
Name:	Michael McLaughlin
Title:	*Executive Vice President and Chief Financial Officer*
	(Principal Financial Officer)

Exhibit 97.1

INFORMATICA INC.

EXECUTIVE OFFICER

COMPENSATION RECOVERY ("CLAWBACK") POLICY

As adopted November 17, 2023

Informatica Inc. (the "**Company**") is committed to strong corporate governance. As part of this commitment, the Compensation Committee (the "**Compensation Committee**") of Company's Board of Directors (the "**Board**"), hereby adopts the Executive Officer Compensation Recovery ("**Clawback**") Policy. This Policy is intended to further the Company's pay-for-performance philosophy and to comply with applicable law by providing for the recovery of certain compensation received by Covered Executives in the event of an Accounting Restatement. The application of the Policy to Executive Officers is not discretionary and applies without regard to whether a Covered Executive was at fault, except to the limited extent provided below.

The Policy is intended to comply with, and will be interpreted in a manner consistent with, Section 10D of the Securities Exchange Act of 1934 (the "**Exchange Act**"), with Exchange Act Rule 10D-1 and with the listing standards of the national securities exchange (the "**Exchange**") on which the securities of the Company are listed, including any official interpretive guidance.

Persons Covered by the Policy

This Policy is binding and enforceable against all Covered Executives.A Covered Executive is each individual who is or was ever designated as an "officer" by the Board in accordance with Exchange Act Rule 16a-1(f) (a "**Section 16 Officer**"). The Committee may (but is not obligated to) request or require a Covered Executive to sign and return to the Company an acknowledgement that such Covered Executive will be bound by the terms and comply with the Policy. The Policy is binding on each Covered Executive whether or not the Covered Executive signs and/or returns any acknowledgment.

Administration of the Policy

The Compensation Committee has full authority to administer this Policy. The Compensation Committee is authorized to interpret and construe this Policy and to make all determinations necessary, appropriate, or advisable for the administration of this Policy. In addition, if determined in the discretion of the Board, this Policy may be administered by the independent members of the Board or another independent committee thereof, in which case all references herein to the Compensation Committee shall be deemed references to the independent members of the Board or the other independent committee of the Board, as applicable. All determinations of the Compensation Committee and any other administrator of the Policy will be final and binding on all interested persons and will be given the maximum deference permitted by law.

Accounting Restatements Requiring Application of the Policy

If the Company is required to prepare an accounting restatement due to the material noncompliance of the Company with any financial reporting requirement under the securities laws, including any required accounting 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 (an "**Accounting Restatement**"); then the Committee must determine the Excess Compensation, if any, that must be recovered. The Company's obligation to recover Excess Compensation is not dependent on if or when restated financial statements are filed with the Securities and Exchange Commission.

4871-4142-9361.5

Compensation Covered by the Policy

The Policy applies to certain **Incentive-Based Compensation** (certain terms used in this Section are defined below) that is **Received** on or after October 2, 2023 (the "**Effective Date**"), during the **Covered Period** while the Company has a class of securities listed on a national securities exchange. Such Incentive-Based Compensation is considered "**Clawback Eligible Incentive-Based Compensation**" if the Incentive-Based Compensation is Received by a person after such person became a Section 16 Officer and the person served as a Section 16 Officer at any time during the performance period for the Incentive-Based Compensation. "**Excess Compensation**" means the amount of Clawback Eligible Incentive-Based Compensation that exceeds the amount of Clawback Eligible Incentive-Based Compensation that otherwise would have been Received had such Clawback Eligible Incentive-Based Compensation been determined based on the restated amounts. Excess Compensation must be computed without regard to any taxes paid and is referred to in the listings standards as "erroneously awarded compensation".

To determine the amount of Excess Compensation for Incentive-Based Compensation based on stock price or total shareholder return, where it is not subject to mathematical recalculation directly from the information in an Accounting Restatement, the amount must be based on a reasonable estimate of the effect of the Accounting Restatement on the stock price or total shareholder return upon which the Incentive-Based Compensation was Received and the Company must maintain documentation of the determination of that reasonable estimate and provide that documentation to the Exchange.

Defined Terms in this Policy

The capitalized terms in this Policy have the following meaning, unless clearly required otherwise by the context.

"**Accounting Restatement Determination Date**" means the earliest to occur of: (a) the date the Board, a committee of the Board, or one or more of the officers of the Company authorized to take such action if Board action is not required, concludes, or reasonably should have concluded, that the Company is required to prepare an Accounting Restatement; and (b) the date a court, regulator, or other legally authorized body directs the Company to prepare an Accounting Restatement.

“**Covered Period**” means the three completed fiscal years immediately preceding the Accounting Restatement Determination Date. In addition, Covered Period can include certain transition periods resulting from a change in the Company’s fiscal year.

“**Financial Reporting Measure**” means a measure that is determined and presented in accordance with the accounting principles used in preparing the Company’s financial statements, and any measure that is derived wholly or in part from such measure. Stock price and total shareholder return are also Financial Reporting Measures. A Financial Reporting Measure need not be presented within the financial statements or included in a filing with the Securities and Exchange Commission.

“**Incentive-Based Compensation**” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. For the avoidance of doubt, no compensation that is potentially subject to recovery under the Policy will be earned until the Company’s right to recover under the Policy has lapsed.

“Policy” means this Executive Officer Compensation Recovery (“**Clawback**”) Policy, as it may be amended from time to time.

Incentive-Based Compensation is “**Received**” under the Policy 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, vesting, settlement or grant of the Incentive-Based Compensation occurs after the end of

that period. For the avoidance of doubt, the Policy does not apply to Incentive-Based Compensation for which the Financial Reporting Measure is attained prior to the Effective Date of this Policy.

Repayment of Excess Compensation

The Company will seek recovery of any Excess Compensation reasonably promptly and any affected Covered Executive is required to repay such Excess Compensation. Subject to applicable law, the Company may recover Excess Compensation by requiring the Covered Executive to repay such amount to the Company by direct payment to the Company or such other means or combination of means as the Compensation Committee determines to be appropriate (which determinations need not be identical as to each Covered Executive), including but not limited to:

(1) requiring reimbursement of cash Incentive-Based Compensation previously paid;

(2) seeking recovery of any gain realized on the vesting, exercise, settlement, sale, transfer, or other disposition of any equity-based awards (including, but not limited to, time-based vesting awards), without regard to whether such awards are Incentive-Based Compensation or vest based on the achievement of performance goals;

(3) offsetting the amount to be recovered from any unpaid or future compensation to be paid by the Company or any affiliate of the Company to the Covered Executive, including (but not limited to) payments of severance that might otherwise be due in connection with a Covered Executive’s termination of employment and without regard to whether such amounts are Incentive-Based Compensation;

(4) cancelling outstanding vested or unvested equity awards (including, but not limited to, time-based vesting awards), without regard to whether such awards are Incentive-Based Compensation; and/or

(5) taking any other remedial and recovery action permitted by law, as determined by the Committee.

The repayment of Excess Compensation must be made by a Covered Executive notwithstanding any Covered Executive’s belief (whether or not legitimate) that the Excess Compensation had been previously earned under applicable law and therefore is not subject to clawback.

In addition to its rights to recovery under the Policy, the Company or any affiliate of the Company may take any legal actions it determines appropriate to enforce a Covered Executive’s obligations to the Company or to discipline a Covered Executive. Failure of a Covered Executive to comply with their obligations under the Policy may result in (without limitation) termination of that Covered Executive’s employment, institution of civil proceedings, reporting of misconduct to appropriate governmental authorities, reduction of future compensation opportunities or change in role. The decision to take any actions described in the preceding sentence will not be subject to the approval of the Committee and can be made by the Board, any committee of the Board, or any duly authorized officer of the Company or of any applicable affiliate of the Company. For avoidance of doubt, any decisions of the Company or the Covered Executive’s employer to discipline a

Covered Executive or terminate the employment of a Covered Executive are independent of determinations under this Policy. For example, if a Covered Executive was involved in activities that led to an Accounting Restatement, the Company's decision as to whether to not to terminate such Covered Executive's employment would be made under its employment arrangements with such Covered Executive and the requirement to apply this no-fault and non-discretionary clawback policy will not be determinative of whether any such termination is for cause, although failure to comply with the Policy might be something that could result in a termination for cause depending on the terms of such arrangements.

Limited Exceptions to the Policy

The Company must recover the Excess Compensation in accordance with the Policy except to the limited extent that any of the conditions set forth below is met, and the Committee determines that recovery of the Excess Compensation would be impracticable:

(1) The direct expense paid to a third party to assist in enforcing the Policy would exceed the amount to be recovered. Before reaching this conclusion, the Company must make a reasonable attempt to recover such Excess Compensation, document such reasonable attempt(s) to recover, and provide that documentation to the Exchange; or

(2) 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 legal requirements as such.

Other Important Information in the Policy

This Policy is in addition to the requirements of Section 304 of the Sarbanes-Oxley Act of 2002 that are applicable to the Company's Chief Executive Officer and Chief Financial Officer and any other applicable laws, regulatory requirements or rules, or pursuant to the terms of any existing Company policy or agreement providing for the recovery of compensation.

Notwithstanding the terms of any of the Company's organizational documents (including, but not limited to, the Company's bylaws), any corporate policy or any contract (including, but not limited to, any indemnification agreement), neither the Company nor any affiliate of the Company will indemnify or provide advancement for any Covered Executive against any loss of Excess Compensation. Neither the Company nor any affiliate of the Company will pay for or reimburse insurance premiums for an insurance policy that covers potential recovery obligations. In the event that the Company is required to recover Excess Compensation pursuant to the Policy from a Covered Executive who is no longer an employee, the Company will be entitled to seek recovery in order to comply with applicable law, regardless of the terms of any release of claims or separation agreement that individual may have signed.

The Committee or Board may review and modify the Policy from time to time.

If any provision of the Policy or the application of any such provision to any Covered Executive is adjudicated to be invalid, illegal or unenforceable in any respect, such invalidity, illegality or unenforceability will not affect any other provisions of the Policy or the application of such provision to another Covered Executive, and the invalid, illegal or unenforceable provisions will be deemed amended to the minimum extent necessary to render any such provision or application enforceable.

The Policy will terminate and no longer be enforceable when the Company ceases to be listed issuer within the meaning of Section 10D of the Exchange Act.

EXECUTIVE OFFICER

COMPENSATION RECOVERY ("CLAWBACK") POLICY

ACKNOWLEDGEMENT

- I acknowledge that I have received, read and understand the Informatica Inc. (the "**Company**") Executive Officer Compensation Recovery ("Clawback") Policy, as effective October 2, 2023 (the "**Policy**").
- I agree that the Policy applies to me, and is binding on all of my beneficiaries, heirs, executors, administrators or other legal representatives, and that the Company's right to recovery in order to comply with applicable law will apply, regardless of the terms of any release of claims or separation agreement I have signed or will sign in the future.
- I agree to be bound by and to comply with the Policy and understand that determinations of the Compensation Committee (as such term is used in the Policy) will be final and binding and will be given the maximum deference permitted by law.
- I agree that my current indemnification rights, whether in an individual agreement or the Company's organizational documents, exclude the right to be indemnified for amounts required to be recovered under the Policy.
- I agree that my failure to comply in all respects with the Policy is a basis for termination of my employment with the Company and any affiliate of the Company as well as any other appropriate discipline.
- I understand that neither the Policy, nor the application of the Policy to me, provides a basis for resignation for good reason, constructive termination or any similar concept under any applicable employment agreement or arrangement.
- I understand that if I have questions concerning the meaning or application of the Policy, it is my responsibility to seek guidance from the Chief Legal Officer or my own personal advisers.
- I agree that neither this Acknowledgement nor the Policy is meant to constitute an employment contract.

Agreed and accepted:

Executive

(*print name*)

(*signature*)

(date)

DISCLAIMER

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