

**\$1,000,000,000****Cloud Software Group, Inc.****\$1,000,000,000****% Senior Secured Notes due 2032****The Offering:**

- Cloud Software Group, Inc. (f/k/a TIBCO Software Inc.), a Delaware corporation (“Cloud Software” or the “Issuer”), is offering \$1,000,000,000 aggregate principal amount of % senior secured notes due 2032 (the “Notes”).
- The net proceeds from this offering will be used to prepay \$415.0 million of loans outstanding under the Senior Secured Credit Facilities (as defined herein), including to pay any accrued and unpaid interest thereon, as well as related fees and expenses, with the remainder to be used for general corporate purposes, which are expected to include the payment of a dividend to Holdco (as defined herein) to finance the redemption of all or a portion of the Series A Preferred Stock (as defined herein) issued by Holdco in accordance with the Certificate of Designation (as defined herein). See “Use of Proceeds.”

**The Notes:**

- **Maturity:** The Notes will mature on June 30, 2032.
- **Interest Payments:** The Notes will pay interest semi-annually, in cash in arrears, on June 30 and December 30 of each year, beginning on December 30, 2024.
- **Guarantees:** The Notes will be, jointly and severally, unconditionally guaranteed on a senior secured basis by the Issuer’s existing and future wholly-owned domestic subsidiaries that are borrowers, or that guarantee the Issuer’s obligations, under the Senior Secured Credit Facilities. See “Description of the Notes—Guarantees.”
- **Collateral:** The Notes and related guarantees will be secured by first-priority liens on the Collateral (as defined herein), which consists of substantially all of the assets that secure the Issuer’s and the guarantors’ obligations under the Senior Secured Credit Facilities ratably on a *pari passu* basis. The Collateral will exclude certain Excluded Property (as defined under “Description of the Notes”). See “Description of the Notes—Security for the Notes.”
- **Ranking:** The Notes and the related guarantees will be the Issuer’s and the guarantors’ senior secured obligations and will be: (i) *pari passu* in right of payment with all of the Issuer’s and the guarantors’ existing and future senior indebtedness, including the First Lien Notes (as defined herein), the Second Lien Notes (as defined herein), the Rollover Citrix Notes (as defined herein) and the obligations under the Senior Secured Credit Facilities and, in each case, the guarantees thereof, (ii) effectively *pari passu* with all of the Issuer’s and the guarantors’ existing and future indebtedness that is secured by *pari passu* liens on the Collateral, including the First Lien Notes, the obligations under the Senior Secured Credit Facilities and, with respect to certain Collateral, the Rollover Citrix Notes, to the extent of the value of the Collateral, (iii) effectively senior to the Issuer’s and the guarantors’ existing and future indebtedness that is unsecured or that is secured by junior liens on the Collateral, including the Second Lien Notes, to the extent of the value of the Collateral, (iv) effectively junior to the Issuer’s and the guarantors’ existing and future indebtedness that is secured by assets that are not Collateral, to the extent of the value of such assets, (v) senior in right of payment to all of the Issuer’s and the guarantors’ existing and future subordinated indebtedness and (vi) structurally subordinated to all existing and future indebtedness and other liabilities of any subsidiary that does not guarantee the Notes, including certain of our foreign subsidiaries.
- **Optional Redemption:** The Issuer may redeem some or all of the Notes at any time on or after , 2027 at the redemption prices set forth in this offering circular, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. At any time prior to , 2027, the Issuer may redeem (i) up to 40% of the Notes using the proceeds of certain equity offerings at a redemption price equal to % of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, (ii) some or all of the Notes with the net cash proceeds from any Qualified IPO (as defined herein) or a related capital contribution at a redemption price equal to % of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date or (iii) some or all of the Notes at a price equal to 100% of the principal amount, plus a “make-whole” premium, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. Furthermore, at any time prior to , 2027, the Issuer may redeem up to 10% of the aggregate principal amount of the Notes issued under the indenture (including any additional Notes issued under the indenture) during each twelve-month period commencing on , 2024 at a redemption price of 103% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. See “Description of the Notes—Optional Redemption.” If the Issuer sells certain of its assets or experiences specific kinds of changes in control, the Issuer must offer to purchase the Notes.
- **No Registration Rights:** Holders of the Notes will not have the benefit of registration rights with respect to the Notes.

*Investing in the Notes involves risks. See “Risk Factors” beginning on page 27.*

**Price for the Notes: % plus accrued interest, if any, from , 2024.**

The Notes have not been and will not be registered under the Securities Act of 1933, as amended (the “Securities Act”), any state securities laws or the securities laws of any other jurisdiction. The Notes are being offered and sold in the United States only to persons reasonably believed to

be “qualified institutional buyers” (“QIBs”) in accordance with Rule 144A under the Securities Act (“Rule 144A”) and to certain non-U.S. persons in transactions outside the United States in accordance with Regulation S under the Securities Act (“Regulation S”). Prospective purchasers are hereby notified that the seller of the Notes may be relying on Rule 144A. For a description of restrictions on transfers of the Notes, see “Transfer Restrictions.”

The Issuer does not intend to apply for listing of the Notes on any securities exchange or for inclusion of the Notes in any automated quotation system.

The initial purchasers expect to deliver the Notes to purchasers in book-entry form through the facilities of The Depository Trust Company (“DTC”) on or about , 2024.

*Joint Book-Running Managers*

<b>UBS Investment Bank</b>	<b>BofA Securities</b>	<b>Goldman Sachs &amp; Co. LLC</b>	<b>Barclays</b>	<b>Citigroup</b>
<b>Deutsche Bank Securities</b>	<b>KKR</b>	<b>Mizuho</b>	<b>Morgan Stanley</b>	<b>RBC Capital Markets</b>
<b>Jefferies</b>	<b>BMO Capital Markets</b>	<b>Macquarie Capital</b>	<b>BNP PARIBAS</b>	<b>Guggenheim Securities</b>
<b>HSBC</b>	<b>Nomura</b>	<b>Truist Securities</b>	<b>Wells Fargo Securities</b>	<b>KeyBanc Capital Markets</b>
<b>MUFG</b>	<b>Scotiabank</b>	<b>SOCIETE GENERALE</b>	<b>Stifel</b>	<b>SPC Capital Markets LLC</b>
<b>TD Securities</b>	<b>Fifth Third Securities</b>	<b>ING</b>	<b>IMI – Intesa Sanpaolo</b>	<b>Natixis</b>
	<b>Santander</b>	<b>US Bancorp</b>		

The date of this offering circular is , 2024

We and the initial purchasers have not authorized anyone to provide any information other than that contained in this offering circular or to which we or the initial purchasers have referred you. We and the initial purchasers take no responsibility for, and can provide no assurance as to the reliability of, any other information that others may give you. This document may only be used where it is legal to sell these securities. You should not assume that the information contained in this offering circular is accurate as of any date other than the date on the front cover of this offering circular.

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On September 30, 2022 (the “Closing Date”), Picard Merger Sub, Inc. (“Merger Sub”), an indirect, wholly-owned subsidiary of Cloud Software, merged with and into Citrix Systems, Inc. (“Citrix”) (the “Merger”), with Citrix surviving the Merger as a wholly-owned indirect subsidiary of Cloud Software. The common stock of Picard Holdco, Inc. (“Holdco”), an indirect parent of Cloud Software, is owned by affiliates of Vista Equity Partners (“Vista”), a leading global investment firm focused exclusively on enterprise software, data and technology-enabled businesses, and Elliott Investment Management L.P. (together with its affiliates, “Elliott,” and, together with Vista, the “Investors”), a multi-strategy fund manager that is one of the oldest firms of its kind under continuous management, and the Series A Preferred Stock of Holdco is held by certain other investors. See “Summary—The Investors” and “Summary—Our Structure.”

Unless otherwise indicated or the context otherwise requires, the terms “Cloud Software,” “Company,” “we,” “us” and “our” refer to Cloud Software Group, Inc. and its subsidiaries and affiliates. With respect to the discussion of the terms of the Notes on the cover page and in the sections entitled “Summary—The Offering,” “Description of the Notes” and “Book Entry, Delivery and Form,” references to the “Issuer,” “we,” “us” and “our” refer to Cloud Software and not any of its subsidiaries, joint ventures or affiliates.

## NOTICE TO INVESTORS

This offering circular has been prepared by us solely for use in connection with the proposed offering of the Notes described herein to persons reasonably believed to be QIBs under Rule 144A and to persons outside the United States under Regulation S. This offering circular is confidential and personal to each offeree and does not constitute an offer to any other person or the public generally to subscribe for or otherwise acquire the Notes. Distribution of this offering circular to any person other than the offeree and those persons, if any, retained to advise such offeree with respect to this offering circular is unauthorized and any disclosure of any of its contents without our prior written consent is prohibited. By accepting delivery of this offering circular, you agree to the foregoing and not to make any photocopies, in whole or in part, of this offering circular or any documents delivered in connection with this offering circular.

The initial purchasers make no representation or warranty, express or implied, as to the accuracy or completeness of the information contained in this offering circular, and nothing contained in this offering circular is, nor should you rely upon it as, a promise or representation, whether as to the past or the future.

The information contained in this offering circular is as of the date of this offering circular and is subject to change, completion or amendment without notice. Neither the delivery of this offering circular at any time nor the offer, sale or delivery of any Note shall, under any circumstances, create any implication that there has been no change in the information contained in this offering circular or in our affairs since the date of this offering circular.

No person is authorized in connection with this offering to give any information or to make any representation not contained in this offering circular, and, if given or made, such other information or representation must not be relied upon as having been authorized by the Issuer or the initial purchasers or any of the Issuer's or the initial purchasers' representative.

**Neither the Securities and Exchange Commission (the "SEC") nor any state securities commission nor any other regulatory authority has approved or disapproved of these securities or determined if this offering circular is truthful or complete. Any representation to the contrary is a criminal offense.**

By purchasing the Notes, you will be deemed to have made acknowledgments, representations, warranties and agreements as set forth under "Transfer Restrictions" in this offering circular. We and the initial purchasers are not making an offer to sell the Notes in any jurisdiction except where an offer or sale is permitted.

We are making this offering in reliance on an exemption from registration under the Securities Act for offers and sales of securities that do not involve a public offering. The Notes may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and any applicable state securities laws. Laws in certain jurisdictions may restrict the distribution of this offering circular and the offer and sale of the Notes. Persons into whose possession this offering circular or any of the Notes are delivered must inform themselves about, and observe, those restrictions. You must comply with all applicable laws and regulations in force in any applicable jurisdiction, and you must obtain any consent, approval or permission required for the purchase, offer or sale by you of the Notes under the laws and regulations in force in the jurisdiction to which you are subject or in which you make such purchase, offer or sale, and neither we nor the initial purchasers will have any responsibility therefor.

The Notes are subject to restrictions on transferability and resale and may not be transferred or resold except as permitted under the Securities Act and applicable state securities laws pursuant to registration or exemption therefrom. As a prospective purchaser, you should be aware that you may be required to bear the financial risks of this investment for an indefinite period of time. See "Plan of Distribution" and "Transfer Restrictions."

The offering is being made on the basis of this offering circular and is subject to the terms described in this offering circular and the indenture relating to the Notes. In making an investment decision, prospective investors must rely on their own examination of the Issuer and the terms of the offering, including the merits and risks involved. Prospective investors should not construe anything in this offering circular as legal, business or tax advice.

Each prospective investor should consult its own advisors as needed to make its investment decision and to determine whether it is legally permitted to purchase the securities under applicable legal investment or similar laws or regulations.

Each prospective investor must comply with all applicable laws and regulations in force in any jurisdiction in which it purchases, offers or sells Notes or possesses or distributes this offering circular and must obtain any consent, approval or permission required by it for the purchase, offer or sale by it of Notes under the laws and regulations in force in any jurisdiction to which it is subject or in which it makes such purchases, offers or sales, and none of us, the initial purchasers or their representative shall have any responsibility therefor.

We do not intend to apply for listing of the Notes on any securities exchange or for inclusion of the Notes in any automated dealer quotation system. The Notes will initially be available in book-entry form only. We expect that the Notes will be issued in the form of one or more registered global notes. The global notes will be deposited with the registrar, as custodian for DTC as depositary, and registered in the name of Cede & Co. or another nominee of such depositary. Beneficial interests in the global notes will be shown on, and transfers of beneficial interests in the global notes will be effected only through, records maintained by DTC and its participants. After the initial issuance of the global notes, certificated notes will be issued in exchange for global notes only in the limited circumstances set forth in the indenture that will govern the Notes. See “Book Entry, Delivery and Form.”

The Issuer reserves the right to withdraw this offering of Notes at any time and the Issuer and the initial purchasers reserve the right to reject any commitment to subscribe for the Notes, in whole or in part. The Issuer and the initial purchasers also reserve the right to allot to you less than the full amount of Notes sought by you. The initial purchasers and certain related entities may acquire for their own account a portion of the Notes.

In connection with this offering, the initial purchasers may purchase and sell Notes in the open market. These transactions may include over-allotment, covering transactions and stabilizing transactions. Any of these transactions may have the effect of preventing or retarding a decline in the market prices of the Notes. They may also cause the price of the Notes to be higher than the price that otherwise would exist in the open market in the absence of these transactions. The initial purchasers may conduct these transactions in the over-the-counter market or otherwise. If the initial purchasers commence any of these transactions, they may discontinue them at any time. See “Plan of Distribution.”

This offering circular contains summaries believed to be accurate with respect to certain documents, but reference is made to the actual documents for complete information. All of those summaries are qualified in their entirety by this reference. Copies of documents referred to herein will be made available to prospective investors upon request to the Issuer or the initial purchasers.

By accepting delivery of this offering circular, you acknowledge that (1) you have been afforded an opportunity to request and to review all additional information considered by you to be necessary to verify the accuracy of, or to supplement, the information contained in this offering circular, (2) you have not relied on the initial purchasers or any person affiliated with the initial purchasers in connection with the investigation of the accuracy of such information or your investment decision, (3) this offering circular relates to an offering that is exempt from registration under the Securities Act and (4) no person has been authorized to give information or to make any representations concerning us, this offering or the Notes described in this offering circular, other than as contained in this offering circular.

This offering circular may not be copied or reproduced in whole or in part and it may only be distributed and disclosed to the prospective investors to whom it is provided. You may not disclose any of the contents of this offering circular or use any information herein for any purpose other than considering the purchase of the Notes.

You should contact the initial purchasers with any questions about this offering or if you require additional information to verify the information contained in this offering circular.

We expect that delivery of the Notes will be made to investors on or about \_\_\_\_\_, 2024, which will be the \_\_\_\_\_ business day following the date of this offering circular (such settlement being referred to as “T+

”). Under Rule 15c6-1 under the Securities Exchange Act of 1934, as amended (the “Exchange Act”), trades in the secondary market are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes prior to the second business day before the delivery of the Notes hereunder will be required, by virtue of the fact that the Notes initially settle in T+ , to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes hereunder during such period should consult their advisors.

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## **NO REVIEW BY THE SEC; NO REGISTRATION RIGHTS**

This offering circular, as well as any other documents in connection with this offering, will not be reviewed by the SEC. There are no registration rights associated with the Notes or the guarantees and we have no present intention to offer to exchange the Notes and the guarantees for notes and guarantees registered under the Securities Act or to file a registration statement with respect to the Notes. The indenture that will govern the Notes will not be qualified under the Trust Indenture Act of 1939, as amended (the “Trust Indenture Act”).

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## **CAUTIONARY NOTE REGARDING FORWARD-LOOKING STATEMENTS**

This offering circular contains “forward-looking statements” within the meaning of the Private Securities Litigation Reform Act of 1995 that are subject to risks and uncertainties. All statements other than statements of historical fact or relating to present facts or current conditions included in this offering circular are forward-looking statements. These forward-looking statements represent our current intentions, plans, expectations, assumptions and beliefs about future events, including the completion of this offering, and are subject to risks, uncertainties and other factors. It is important to note that our goals and expectations are not predictions of actual performance. We may not actually achieve the intentions, plans, expectations, assumptions or beliefs disclosed in our forward-looking statements, and you should not rely on our forward-looking statements in making your investment decision. Actual results or events could differ materially from the plans, intentions, and expectations disclosed in the forward-looking statements we make. You can identify forward-looking statements by the fact that they do not relate strictly to historical or current facts. These statements may include words such as “expect,” “anticipate,” “target,” “goal,” “project,” “intend,” “plan,” “believe,” “budget,” “should,” “continue,” “could,” “forecast,” “may,” “might,” “potential,” “strategy,” “will,” “would,” “seek,” “estimate,” and other words and terms of similar meaning in connection with any discussion of the timing or nature of future operating or financial performance or other events.

Examples, though the absence of these words does not necessarily mean that a statement is not forward-looking, include, but are not limited to, statements we make regarding our strategy and operational and growth initiatives, our expansion of cloud-based solutions (as opposed to traditional on-premise delivery of our products) and our efforts to transition our customers from on-premise to the cloud, including the pace of the transition, our transition to a subscription-based business model, changes in our product and service offerings and features, including adoption of artificial intelligence technologies and analytics, financial information and results of operations for future periods, revenue trends, customer demand, seasonal factors or ordering patterns, international operations, investment transactions and valuations of investments and derivative instruments, reinvestment or repatriation of foreign earnings, fluctuations in foreign exchange rates, tax estimates and other tax matters, liquidity, our debt, changes in accounting rules or guidance, acquisitions, litigation matters, and the security of our network, products and services.

Our expectations, beliefs, objectives, intentions and strategies regarding future results are not guarantees of future performance and are subject to risks and uncertainties that could cause actual results to differ materially from results contemplated by our forward-looking statements. These risks and uncertainties include, but are not limited to:

- the introduction of new products by competitors or the entry of new competitors into the markets for our products and services;

- our ability to transition customers from on-premises licenses to cloud-based services and from perpetual maintenance licenses to subscription-based licenses, and our ability to transition to new business models in future;
- the size, timing and recognition of revenue from significant orders;
- our ability to innovate and develop new products and services while growing our established products and services;
- the success and growth of our product lines, competition, demand and pricing dynamics;
- the risk that our solutions could contain errors that could delay the release of new products or otherwise adversely impact our products and services;
- our ability to maintain and expand our business in large enterprise accounts and reliance on large service provider customers;
- our ability to expand our customer base and attract more users within our customer base;
- the impact of the global economic and political environment and market conditions on our business, volatility in global stock markets, foreign exchange rate volatility and uncertainty in IT spending;
- seasonal fluctuations in our business;
- international market readiness, execution and other risks associated with the markets for our products and services, including the impact of the conflicts between Russia and Ukraine and in the Middle East on our operations in those markets;
- risks of political uncertainty and social turmoil, including as a result of the conflicts between Russia and Ukraine and in the Middle East;
- failure to comply with federal, state and international regulations;
- the risks associated with maintaining the security of our products, services, and networks, and that of our third-party data center hosting facilities, cloud computing platform providers, and third-party service partners, including securing customer data;
- risks associated with our use of artificial intelligence technologies and analytics;
- damage to, or failure of, the systems of our third-party data center facilities, bandwidth providers and other third-party IT service providers on whom we rely;
- failure to execute our sales and marketing plans;
- the recruitment, integration and retention of qualified employees;
- failure to successfully partner with key channel partners, distributors, resellers, system integrators (“SIs”), service providers and strategic partners and our reliance on the success of those partners for the marketing and distribution of our products;
- transitions in key personnel and succession risk;

- risks associated with doing business with the U.S. and foreign governments, various state and local governments, and agencies, including risks related to the procurement process, budget constraints and cycles, termination of contracts and audits;
- our ability to fully realize anticipated cost savings related to actions previously initiated by us;
- our ability to effectively manage our capital structure and the impact of related changes on our operating results and financial condition;
- risks associated with our mergers, acquisitions and divestitures, including failure to further develop and successfully market the technology and products of acquired or merged companies, failure to achieve or maintain anticipated revenues, cost savings and operating performance contributions from acquisitions and mergers, the retention of key employees from acquired and merged companies, difficulties and delays integrating personnel, operations, technologies and products, unanticipated expenses or additional debt, competition from other potential acquirers and disruption to our ongoing business and diversion of management's attention from our ongoing business;
- our ability to make suitable acquisitions on favorable terms in the future;
- charges in the event of a write-off or impairment of acquired assets, underperforming businesses, investments or licenses;
- litigation and disputes, including challenges to our intellectual property rights or allegations of infringement, misappropriation or other violation of the intellectual property rights of others;
- risks related to our use of "open source" software;
- our ability to maintain, protect, enforce and defend our collection of brands;
- the concentration of customers in certain of our businesses;
- our exposure to the credit risk of our customers and partners;
- unanticipated changes in tax rates, non-renewal of tax credits or exposure to additional tax liabilities;
- risks in effectively controlling operating expenses;
- changes in accounting standards, rules and interpretations or inaccurate estimates or assumptions in the application of accounting policies and the impact on our financial statements;
- our exposure to natural disasters, climate-related impacts or other unanticipated catastrophes;
- the inapplicability of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") to us;
- our substantial indebtedness and ability to incur substantially more debt;
- our ability to comply with the agreements relating to our outstanding indebtedness;
- the covenants in our debt agreements, which may restrict our ability to pursue our business strategies;
- our exposure to the financial risks associated with interest rate fluctuations on our variable rate debt;
- potential conflicts of interests between us, the Investors and holders of the Notes; and



- the “Risk Factors” described in this offering circular.

All subsequent written and oral forward-looking statements concerning the matters addressed in this offering circular and attributable to us or any person acting on our behalf are expressly qualified in their entirety by the cautionary statements contained or referred to in this offering circular.

You are cautioned not to place undue reliance on forward-looking statements, which speak only as of the date of this offering circular and should be read in conjunction with the risk factors and other disclosures contained in this offering circular. The areas of risk and uncertainty described above, which are not exhaustive, should be considered in connection with any written or oral forward-looking statements that may be made in this offering circular or on, before or after the date of this offering circular by us or anyone acting for us.

Except to the extent required by applicable laws or rules, we do not undertake to update any forward-looking statements or to publicly announce revisions to any of the forward-looking statements, whether as a result of new information, future events or otherwise.

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## PRESENTATION OF FINANCIAL INFORMATION

Cloud Software prepares its consolidated financial statements in accordance with generally accepted accounting principles in the U.S. (“GAAP”).

When presenting Cloud Software’s financial information, this offering circular presents the historical consolidated financial and other data of Cloud Software Group Holdings, Inc. (“CSG Holdings”), a Delaware corporation that is the sole shareholder of Cloud Software. CSG Holdings has no significant assets or operations other than the ownership of Cloud Software. CSG Holdings is owned by Holdco, a Delaware corporation. The common stock of Holdco is owned by certain affiliates of the Investors, and the series A preferred equity, par value \$0.001 per share (the “Series A Preferred Stock”), issued by Holdco pursuant to the Certificate of Designation dated September 30, 2022 (as amended, the “Certificate of Designation”), is held by certain other investors. CSG Holdings (i) has no liabilities other than those incidental to its ownership of the equity interests in Cloud Software, and (ii) has no assets other than its ownership of all of the equity interests of Cloud Software. As a result, there are no material differences between the historical financial data of CSG Holdings and the historical financial data relating to Cloud Software.

Prior to the Merger, a new organization structure was implemented. Balboa Intermediate Holdings LLC (“Intermediate Holdings”), a Delaware limited liability company, was the sole shareholder of Cloud Software and previous reporting entity for the group. Intermediate Holdings had no significant assets or operations other than the ownership of Cloud Software. Intermediate Holdings was owned by Balboa Holdings LP (“Balboa Holdings”), a Delaware limited partnership that was owned by certain affiliates of Vista. Intermediate Holdings (i) had no liabilities other than those incidental to its ownership of the equity interests in Cloud Software, and (ii) had no assets other than its ownership of all of the equity interests of Cloud Software. Intermediate Holdings distributed its shares of Cloud Software to Balboa Holdings.

On January 28, 2022, Holdco and CSG Holdings were formed under Balboa Holdings. Cloud Software contemporaneously formed Picard Parent, Inc., a Delaware corporation (“Parent”). Parent then formed Merger Sub, a Delaware corporation. The aforementioned entities were formed for the sole purpose of consummating the Merger.

The Merger was consummated on September 30, 2022, with CSG Holdings becoming the sole shareholder of Cloud Software and its subsidiaries, which include Parent, the sole shareholder of Citrix. As a result of the reorganization, CSG Holdings became the successor reporting entity from Intermediate Holdings. References in this offering circular to Cloud Software’s historical consolidated financial statements and related notes refer to the historical consolidated financial statements and related notes of Intermediate Holdings prior to the Merger and CSG Holdings following the Merger.

Cloud Software’s fiscal year ends on November 30, while interim periods end on a Sunday in accordance with a 4-4-5 calendar. As used throughout this offering circular, when referring to Cloud Software’s financial information, “fiscal 2024” means Cloud Software’s fiscal year ending November 30, 2024, “fiscal 2023” means Cloud Software’s fiscal year ended November 30, 2023, “fiscal 2022” means Cloud Software’s fiscal year ended November 30, 2022 and “fiscal 2021” means Cloud Software’s fiscal year ended November 30, 2021. For purposes of presentation, we have indicated the first quarter of fiscal 2024 and fiscal 2023 as ended on February 28, 2024 and February 28, 2023, respectively, whereas, in fact, the first quarter of fiscal 2024 ended on March 3, 2024 and the first quarter of fiscal 2023 ended on March 5, 2023. There were 94 days and 95 days in each of the first quarters of fiscal 2024 and fiscal 2023, respectively.

Numerical data included in this offering circular have been subject to rounding adjustments. Accordingly, numerical data shown as totals in various tables may not be arithmetic aggregations of the data that precede them.

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## **NON-GAAP FINANCIAL MEASURES**

This offering circular includes certain supplemental financial measures of our performance that have not been calculated in accordance with GAAP, including, for example, Non-GAAP revenue, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Further Adjusted EBITDA, Further Adjusted EBITDA Margin, Adjusted Free Cash Flow, Adjusted Free Cash Flow Conversion Ratio, Non-GAAP Subscription Revenue, Non-GAAP Maintenance Revenue, Non-GAAP Recurring Revenue, Non-GAAP Recurring Revenue Mix and Non-GAAP Service Revenue.

Such non-GAAP financial measures are not prepared with a view towards compliance with published guidelines of the SEC, and are not measures of net income, operating income or any other performance measure derived in accordance with GAAP, and are subject to important limitations. Our definitions of such non-GAAP financial measure terms may vary from each other and from others in our industry. For additional information regarding our use of such non-GAAP financial measures, including the reasons that we believe this information is useful to investors, and a reconciliation of such non-GAAP financial measures to the most closely comparable financial measure calculated in accordance with GAAP, see “Summary—Summary Historical Financial Information.”

The financial information included in this offering circular is not intended to comply with the requirements of Regulation S-X under the Securities Act and the rules and regulations of the SEC promulgated thereunder, in particular with respect to (a) the omission of certain consolidating financial information regarding the guarantor and non-guarantor subsidiaries and (b) the presentation of certain non-GAAP financial measures (as described above).

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## **PROSPECTIVE FINANCIAL INFORMATION**

Cloud Software does not as a matter of course make public projections as to future sales, earnings, or other results. However, the management of Cloud Software has included Further Adjusted EBITDA and Further Adjusted EBITDA Margin in this offering circular for illustrative purposes, to present estimated run-rate cost savings, inclusive of cost of goods sold, sales and marketing, research and development, customer success and operations, general and administrative and incremental savings, based on actions taken or expected to be taken. Additionally, other amounts and metrics included in this offering circular incorporate Further Adjusted EBITDA, including Adjusted Free Cash Flow, first lien leverage ratio and interest coverage ratio. Further Adjusted EBITDA and Further Adjusted EBITDA Margin, in addition to the aforementioned other metrics that utilize Further Adjusted EBITDA, were not prepared with a view toward public disclosure or with a view toward complying with the guidelines established by the American Institute of Certified Public Accountants with respect to prospective financial information or accounting principles generally accepted in the United States, but, in the view of the management of Cloud Software, were prepared on a reasonable basis, reflect the best currently available estimates and judgments, and present, to the best of management’s knowledge and belief, the expected course of action and expected future financial performance. However, this information is not fact and should not be relied upon as being necessarily indicative of future results, and readers of this offering circular are cautioned not to place undue reliance on

estimates of Further Adjusted EBITDA and Further Adjusted EBITDA Margin. Neither Cloud Software’s independent auditors nor any other independent accountants have compiled, examined, or performed any procedures with respect to the prospective financial information (being the estimated run-rate cost savings included in Further Adjusted EBITDA and Further Adjusted EBITDA Margin information contained herein), nor have they expressed any opinion or any other form of assurance on such information or its achievability, and assume no responsibility for, and disclaim any association with, the prospective financial information.

The assumptions and estimates underlying the Further Adjusted EBITDA and Further Adjusted EBITDA Margin figures are inherently uncertain and, though considered reasonable by the management of Cloud Software as of the date of preparation, are subject to a wide variety of significant business, economic, and competitive risks and uncertainties that could cause actual cost savings to differ materially from the estimated run-rate cost savings included in Further Adjusted EBITDA and Further Adjusted EBITDA Margin, including, among others, risks and uncertainties discussed under “Risk Factors” and “Cautionary Note Regarding Forward-Looking Statements” in this offering circular. Accordingly, there can be no assurance that Further Adjusted EBITDA and Further Adjusted EBITDA Margin are indicative of the future performance of the combined company or that actual results will not differ materially from the estimates included in Further Adjusted EBITDA and Further Adjusted EBITDA Margin. The inclusion of Further Adjusted EBITDA and Further Adjusted EBITDA Margin should not be regarded as a representation by any person that the results contained in Further Adjusted EBITDA or Further Adjusted EBITDA Margin will be achieved. Cloud Software does not generally publish business plans and strategies or make external disclosures of its anticipated financial position or results of operations. Accordingly, the combined company does not intend to update or otherwise revise Further Adjusted EBITDA and Further Adjusted EBITDA Margin to reflect the occurrence of unanticipated events or changes in general economic or industry conditions, except as required by law.

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## CERTAIN DEFINITIONS

In this offering circular:

Adjusted EBITDA .....	represents EBITDA adjusted for stock-based compensation expense, acquisition-related and other expenses, restructuring adjustments, acquisition-related revenue adjustments, impact of change in accounting principles, non-EBITDA salaries, benefits and operating expenses, business optimization expenses, foreign exchange loss (gain) and other expenses.
Adjusted EBITDA Margin .....	represents Adjusted EBITDA divided by Non-GAAP revenue.
Adjusted Free Cash Flow .....	represents Further Adjusted EBITDA, less capital expenditures.
Adjusted Free Cash Flow Conversion Ratio .....	represents Adjusted Free Cash Flow divided by Further Adjusted EBITDA.
Annual Recurring Revenue or “ARR” .	refers to the annualized value of recurring subscription contracts as of a certain point in time normalized to a one-year period.
EBITDA .....	refers to net income (loss) as adjusted for amortization of intangible assets, interest expense, net income taxes and depreciation.
Further Adjusted EBITDA .....	represents Adjusted EBITDA adjusted for the estimates of run-rate cost savings actioned or to be actioned in good faith, within a period of 24 months from the end of the period and annual change in unearned

	revenue, if positive. If the change in unearned revenue is negative, then it is recorded as zero.
Further Adjusted EBITDA Margin.....	represents Further Adjusted EBITDA divided by Non-GAAP Revenue.
Gross Retention Rate or “GRR” .....	represents ARR of Cloud Software at the end of the period from existing customers including churn, divided by ARR of Cloud Software at the beginning of the period.
Maintenance Revenue .....	means GAAP revenue of Cloud Software consisting of fees for providing software updates on a when-and-if available basis and technical support for software products. Maintenance contracts provide customers with rights to unspecified software product upgrades, maintenance releases and patches released during the term of the contract and include online access to technical content, as well as online and telephone access to technical support personnel.
Net Retention Rate or “NRR” .....	represents ARR at the end of the period from Existing Customers including “Churn” and “Expansions,” divided by the ARR at the beginning of the period.
	“Churn” means the annualized value of contracts expired during the period and includes events like reduction in licenses and downgrades.
	“Expansions” means the annualized value of incremental ARR from Existing Customers and consideration received for upgrades, license expansion and pricing changes.
Non-GAAP Maintenance Revenue .....	represents Maintenance Revenue plus acquisition-related GAAP revenue adjustments.
Non-GAAP Recurring Revenue .....	represents the sum of Non-GAAP Maintenance Revenue and Non-GAAP Subscription Revenue.
Non-GAAP Recurring Revenue Mix ...	represents Non-GAAP Recurring Revenue divided by Non-GAAP Revenue.
Non-GAAP Revenue .....	represents GAAP revenue plus acquisition-related GAAP revenue adjustments.
Non-GAAP Service Revenue .....	represents GAAP service revenue less revenue recognized from existing customer contracts of the legacy TIBCO professional service business that was previously transferred to a third-party vendor.
Non-GAAP Subscription Revenue .....	represents Subscription Revenue plus acquisition-related GAAP revenue adjustments.
Subscription ARR.....	means ARR for subscription offerings only.
Subscription Revenue.....	means GAAP revenue of Cloud Software from (i) term-based licenses and related support for a variety of on-premise offerings and (ii) hosted Software as a Service (“SaaS”) licenses. Subscription offerings deliver the products, updates and upgrades through the term of the agreement

for a single fee and are available through on premise or cloud deployment models.

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## INDUSTRY AND MARKET DATA

Some of the market and industry data contained in this offering circular are based on independent industry publications or other publicly available information. Although we believe that these independent publications and other publicly available information are reliable as of their respective dates, we have not verified the accuracy or completeness of the data presented from independent sources.

In addition, certain market and industry data contained in this offering circular are based on internal data, studies and management estimates, which are derived from information obtained from analysts' reports, independent industry publications or publicly available sources, as well as our clients, partners, trade and business organizations and other contacts in the markets in which we operate, and also reflect our management's understanding of industry conditions. Although we believe that such information included in this offering circular is reliable as of their respective dates, such data, studies and estimates involve important risks, uncertainties and assumptions and are subject to change based on various factors, including those discussed under "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements" in this offering circular. These and other factors could cause results to differ materially from those expressed in the estimates and beliefs made by the independent parties and by us.

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- Forecast: Enterprise Infrastructure Software, Worldwide, 2022-2028, 1Q24 Update; and
- Forecast: Enterprise Application Software, Worldwide, 2022-2028, 1Q24 Update.

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## TRADEMARKS AND TRADE NAMES

Cloud Software, TIBCO, Citrix and the associated logos are registered trademarks. This offering circular also includes other registered and unregistered trademarks of ours. All other trademarks, tradenames and service marks appearing in this offering circular are the property of their respective owners.

Solely for convenience, certain trademarks, service marks and trade names referred to in this offering circular are listed without the ® and ™ symbols, but such references are not intended to indicate in any way that we will not assert, to the fullest extent under applicable law, our rights to these trademarks, service marks and trade names.

## SUMMARY

*This summary highlights selected information appearing elsewhere in this offering circular. Because it is a summary, it does not contain all of the information that you should consider before investing in the Notes. You should read this entire offering circular carefully, including the sections entitled “Presentation of Financial Information,” “Risk Factors,” “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and the consolidated financial statements of Cloud Software and the notes thereto included elsewhere in this offering circular.*

### Overview

Cloud Software was created in September 2022 by the combination of Citrix and TIBCO, two leading global enterprise-focused software businesses. The combination has created a portfolio of companies under the management of Cloud Software, which we believe positions us to become one of the world’s leading software providers capable of providing comprehensive, secure and optimized infrastructure for enterprise application and data management. Our collective capabilities help our customers advance their hybrid cloud information technology (“IT”) strategies and meet the needs of the modern enterprise. The combination of Citrix’s and TIBCO’s product portfolios allows us to offer solutions to address organizations’ most complex use-cases, serve as a centralized vendor for senior IT buyers within large enterprises and leverage an array of go-to-market (“GTM”) capabilities for our buyer and customer bases. Since the combination, we have realized significant operational improvements and expect to pursue additional opportunities in the near-term to drive further cost savings and long-term operating efficiencies. We believe that our management team’s track record of identifying, executing and integrating acquisitions positions Cloud Software to capitalize on further enterprise software market consolidation.

We serve large and mission-critical software markets. Based on our estimates, our total addressable market (“TAM”) was approximately \$70 billion as of 2023 with an expected compound annual growth rate (“CAGR”) of 15% from 2023 to 2027.

We currently serve over 145,000 active customers in over 150 countries, covering 84% of the Fortune 500, including over 650 customers who had more than \$1 million in ARR as of February 28, 2024. Our highly tenured customer base includes some of the largest enterprises and institutions in the world and span major industry verticals, including healthcare, financial services, technology, transportation, energy, manufacturing, telecommunications, business services, consumer and government agencies and others. Notable customers include Airbus, Bayer, Biogen, Centene, conEdison, Deloitte, eBay, Goya, JetBlue, Pepsi and Siemens. For the twelve months ended February 28, 2024, we had a Net Retention Rate (“NRR”) of 105% and a Gross Retention Rate (“GRR”) of 88% for our core platform brands, Citrix, NetScaler and TIBCO (including ibi). Our NRR for customers in our Cloud Software Enterprise segment, who contributed 45% of our ARR, was 116% for the same period.

The size and scale of our business forms one of the world’s foremost enterprise software providers that can efficiently serve and expand offerings to existing customers. With a larger market footprint following the combination, we believe Cloud Software has greater strategic importance with customers, increased ability to unlock growth opportunities within existing TAMs and stronger positioning to maintain its long-term leadership in existing and new markets.

For the twelve months ended February 28, 2024, we generated \$4,787 million of revenue, 96% of which was from subscription and maintenance revenue, and \$670 million of net loss. In addition, we had \$3,082 million of Further Adjusted EBITDA, with a Further Adjusted EBITDA margin of 65%. As of February 28, 2024, we had ARR of \$4,422 million, compared to \$4,147 million of ARR as of February 28, 2023, representing over 6% growth. This includes approximately \$3,800 million in Subscription ARR, growing 35%. For further information, see “Summary Historical Financial Information” and “Unaudited Condensed Consolidated Financial Statements.”

### Operating Strategy

Cloud Software’s mission is to create long-term value for all stakeholders by delivering mission-critical solutions via a subscription-based revenue model. We intend to continue driving industry-leading Adjusted EBITDA

and Adjusted EBITDA margins through improved cost structures and efficiencies and leveraging cash flow to invest in innovation organically and through acquisitions.

Since TIBCO's acquisition by Vista in 2014 and the Merger in 2022, we have undergone significant product and financial transformation. From a product perspective, we have invested in modern cloud platforms that can offer enhanced simplicity, user experiences and optimized cost of ownership. In addition, we have transitioned our customers from perpetual licenses to subscription contracts at an accelerated pace where 86% of our ARR is now subscription-based compared to 68% same time last year, which has resulted in increased revenue predictability and higher lifetime value from customers. We typically benefit from expansion in average spend when customers migrate from license to subscription contracts, and believe the ongoing transition will continue to drive growth.

Led by CEO Tom Krause, our strategy is to focus on high-quality, sustainable ARR while driving industry leading EBITDA. We achieve those results by:

- maintaining a rigorous and disciplined approach to investment;
- critical examination of our products to determine core value propositions;
- investment to deliver highly innovative and competitive solutions to our customers;
- a focus on renewals and expansion within our existing customer base;
- divestiture of assets that are not conducive to long-term favorable results in our model; and
- highly efficient and scalable corporate functions that support our businesses.

We build or buy technology to enhance our businesses' core products. We anticipate acquiring additional businesses that provide proven mission-critical capabilities and high value to customers and are good fits to operate within our model.

Our Further Adjusted EBITDA margins have expanded from approximately 49% for the twelve months ended February 28, 2023 to approximately 65% for the twelve months ended February 28, 2024, due to increased focus on subscription-based revenue streams and greater cost structure focus.

Prior to the end of calendar year 2022, we completed an exhaustive strategic review that included scrutiny on headcount and program expense, existing product viability and future product and feature opportunities, engineering strengths and weaknesses, compensation programs, sales motions, GTM strategies, marketing strategies and customer profiles. As a result of this strategic review, we now go to market under seven portfolio Company brands: Citrix, NetScaler (as a brand of Citrix), TIBCO, ibi (as a brand of TIBCO), ShareFile, NetScaler eCommerce, Spotfire, Jaspersoft, and XenServer.

We have coalesced our strategy around these brands to:

- allow focus by those brands on core value propositions with increased innovation investment;
- create significant cost savings and long-term operating efficiencies;
- drive accountability in each business; and
- leverage increased cash flow to allow debt repayment and future acquisitions.

Our core platform brands are Citrix, NetScaler and TIBCO (including ibi). These three brands collectively generated \$4,003 million of ARR for the twelve months ended February 28, 2024, representing 90.5% of our total

ARR for that period. These core platforms had a Net Retention Rate (“NRR”) of 105% and a Gross Retention Rate (“GRR”) of 88% for the twelve months ended February 28, 2024.

## **Portfolio of Brands**

### ***Citrix***

Citrix is a leading provider of infrastructure for secure hybrid work through virtual desktop infrastructure (“VDI”) and desktop-as-a-service (“DaaS”) with global software development teams and core technologies that represent a differentiated solution for customers. According to IDC, Citrix is a leader in the Virtual Client Computing (“VCC”) market.<sup>(1)</sup> Citrix customers include some of the largest enterprises and institutions in the world and span major industry verticals, including healthcare, financial services, technology, manufacturing, consumer and government agencies. Citrix has long-standing relationships with its customers with an average 10 years of tenure.

Citrix supports today’s remote and hybrid work environment with a broad range of features and functionalities that tie together the myriad of applications that reside within enterprises. Citrix provides secure access to employees, helps minimize distractions and improves focus, enabling them to do their best work, elevating employee productivity and employee engagement, and improving an enterprise’s security profile. Further, Citrix delivers a unified and secure offering with single sign-on access to all the applications and content employees use in one unified platform. For administrators, Citrix enables proactive management of security threats in complex, distributed, hybrid, multi-cloud and multi-device environments, and it empowers administrators to deliver applications to end users more securely than operating them natively.

Citrix, through its brand NetScaler, has a long history as the application delivery controller of choice for Fortune 500 companies who rely on it for both employee-facing and customer-facing applications. Today, NetScaler is a line of networking technology, which includes application delivery, applications insights, and application security - to help enterprises efficiently consolidate their application delivery and security infrastructure.

In March 2024, Citrix announced a new platform subscription contract program and evolved its universal subscription contracts. The new subscription contract programs bring the suite of Citrix capabilities, including VDI, DaaS, Application Delivery Control (“ADC”), Zero Trust, Observability and others, together in a single subscription contract. For customers, these changes:

- consolidate and optimize costs;
- protect business-critical applications and data;
- reduce operational complexity; and
- improve user experience.

Effectively, the unified subscription contract model gives customers entitlements to all capabilities, delivering greater value. For Citrix, the new subscription contract programs simplify our sale process by consolidating the suite of capabilities into a single subscription contract, and our back-end operations by reducing the number of SKUs we manage.

Citrix goes to market directly and through partners, depending on customer ARR. Our largest customers have assigned account executives and often receive support from large systems integrators partnered with Citrix. Customers below a certain ARR level are serviced by resellers and distributors. Sales to all their customer tiers are outsourced to partners in the three following regions: Latin America (excluding Brazil), the Association of Southeast Asian Nations (“ASEAN”) and emerging markets (Middle East and Africa).

Meaningful Citrix competitors include certain offerings from Omnisia (formerly operating as VMware’s End-User Computing Division), Microsoft, AWS and Google.

### ***Technology Relationships***



Citrix's most important technology relationship is with Microsoft, a relationship that has for over 30 years spanned product development, GTM initiatives and channel partner development. This has provided mutual customers secure, high-performance delivery of applications, desktops and data to their employees. In April 2024, Citrix and Microsoft extended their strategic partnership for an additional eight years. The renewed strategic partnership includes a focus on the development of new cloud and AI solutions with an integrated Citrix / Microsoft product roadmap, allowing Citrix the opportunity to enhance the value of Citrix software as well as contribute to Microsoft AVD. Specifically, Citrix will be the preferred Microsoft Global Azure Partner solution for Enterprise Desktop-as-a-Service when collaborating with joint Azure customers.

### ***TIBCO***

TIBCO is a global leader in enterprise data management, with an integrated business intelligence and analytics platform that utilizes high-end enterprise application integration and master data management ("MDM"). TIBCO provides critical data integration components in a company's operating infrastructure, covering a variety of durable industry verticals. Further, TIBCO offers a control plane that provides observation across all data planes, including on-premises, management of deployments and scaling, and monitoring of runtime performance metrics.

TIBCO offers the high performance, throughput, reliability, and scalability demanded by mission critical operations. Like Citrix, TIBCO recently enhanced its subscription model by offering a new platform subscription contract. The platform subscription contract provides the additional value of:

- gaining visibility over all TIBCO solutions wherever they exist within the customer environment;
- accelerating development of new, innovative applications and digital services;
- dramatically reducing time to identify runtime and performance problems;
- easy deployment and scaling of TIBCO solutions to cloud platforms of choice; and
- measuring and optimizing the costs and business value of TIBCO solutions.

ibi is a brand of TIBCO and provides scalable data and analytics software that makes data easy to access and analytics easy to consume. It is a business intelligence and full stack data management solution providing business-ready data. ibi, previously known as Information Builders, was acquired by TIBCO in 2021.

Meaningful TIBCO competitors include certain offerings from IBM, Oracle, SAP, and against pure play companies in select areas, including MuleSoft and Boomi (integration), Denodo and Informatica (data management), Qlik, Tableau and SAS (analytics).

### ***NetScaler***

NetScaler has a long history as the application delivery controller of choice for Fortune 500 companies who rely on it for both employee-facing and customer-facing applications. Today, NetScaler, is a line of networking technology, which includes application delivery, applications insights, and application security - to help enterprises efficiently consolidate their application delivery and security infrastructure. Following the strategic review and change in GTM strategy, many of the products previously offered under the Citrix App Delivery & Security product line now go to market within the NetScaler product line.

Capabilities offered as part of the platform include:

- ADC - provides high levels of application availability, choice and flexibility to meet diverse application deployment needs, including a single code base for operational consistency wherever your application is deployed — on-premises, hosted or in any cloud — and affords easy migration between environments;

- Application insights - provides actionable insight to aid performance, troubleshooting and capacity planning; provides transaction telemetry in multiple formats (Appflow, Logstream, IPFIX) to any other third-party or homegrown tool for subsequent analysis;
- Application security - provides single-pass architecture for security combined with a line-rate web application firewall (“WAF”) performance. As a consolidated application delivery and security platform, NetScaler delivers comprehensive protection with WAF, bot management, and API security across all types of application architectures and deployment scenarios.

Meaningful competition to NetScaler includes product offerings from F5, Radware, A10 and Cisco. In addition, for certain cloud and software centric use cases, large cloud providers such as AWS and Microsoft Azure can provide customers with ADC solutions built into their public cloud.

### ***Other***

Other notable brands under Cloud Software include:

***ShareFile*** - ShareFile is a secure content collaboration, file sharing and sync software that supports all the document-centric tasks and workflow needs of small to large businesses, including electronic signature. ShareFile also offers cloud-based or on-premises storage, virtual data rooms and client portals.

***NetScaler e-Commerce*** – NetScaler e-Commerce leverages NetScaler’s original purpose of providing load balancing and ensuring website performance and availability. It is focused on customers with e-commerce websites, such as online retail and marketplaces, digital products and services, SaaS, IaaS, online gaming and gambling. This is in contrast to the NetScaler capabilities within Citrix, which are focused on enterprise application delivery, security and observability.

***Spotfire*** – Spotfire offers a single visual analytics platform for data exploration and real-time decisions. Backed by point-and-click, no-code data science, Spotfire empowers non-technical personnel to analyze both data-at-rest and data-in-motion, together, for faster insight.

***Jaspersoft*** - Jaspersoft provides timely, actionable data inside of applications and business processes through an embeddable, cost-effective reporting and analytics platform.

***XenServer*** - XenServer is an industry leading platform for cost-effective desktop, server, and cloud virtualization infrastructures. XenServer enables organizations of any size or type to consolidate and transform compute resources into virtual workloads for today’s data center requirements.

### **Competitive Strengths**

#### ***Mission-critical, enterprise-focused software platform driving strong retention rates***

Market dynamics have accelerated demand for new workplace models, prompting organizations to prioritize digital transformation and embrace secure hybrid work. We enable today’s remote and hybrid work environment with single sign-on access to all the applications and content employees use in a unified platform through our market-leading virtual desktop infrastructure (“VDI”) and DaaS capabilities. App Delivery & Security solutions further optimize performance with enhanced security, reliability and user experience.

We deliver a portfolio of enterprise data solutions and are a leader in application integration, data management and analytics. Customers can connect any application, device or data source to ensure real time data flows across systems to automate critical decisions. The suite of data management capabilities ensures business operations are accessing consistent and accurate data in a single domain. Our analytics capabilities empower customers to analyze structured, unstructured and streaming data to identify insights with real-time analytics and enable data-informed decisions. Products often become the basis for new systems and expansion, which drives continued and incremental usage.

By deploying a streamlined set of solutions, our customers are able to enable digitization across access management, desktop access and application integration. Our software solutions are mission critical and deeply embedded within the IT infrastructure, which creates high switching costs given the disruptive, time-consuming and resource-intensive nature of new enterprise software installations. For the twelve months ended February 28, 2024, we had an NRR of 105% and GRR of 88% for our core platform brands, Citrix, NetScaler and TIBCO (including ibi), demonstrating our well-received product suite with customers.

### ***Industry leader in large and growing markets***

We believe we are well positioned within the approximately \$70 billion TAM across our existing products as of 2023 and will continue to be a leader in developing innovative technology solutions for our large base of enterprise customers. Based on our estimates, our TAM is expected to grow at a 15% CAGR from 2023 to 2027.

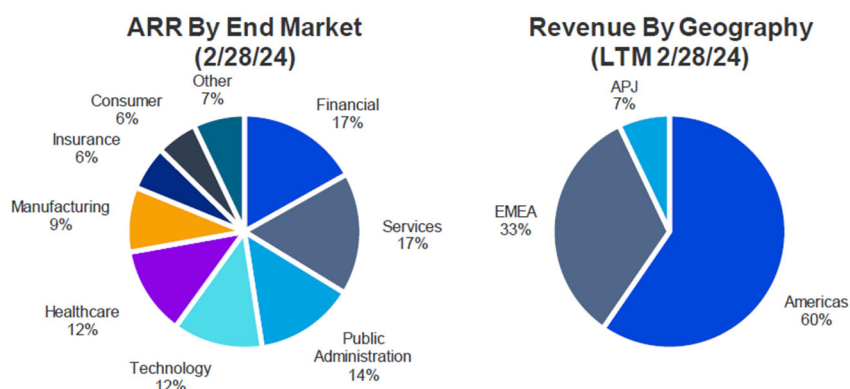
### ***Diversified, global blue-chip customer base***

We have a longstanding, durable customer base, serving leaders across a variety of industry verticals. We believe our current scale makes us one of the world's largest enterprise software providers, serving more than 145,000 active customers in over 150 countries. In addition, we currently serve approximately 84% of the Fortune 500, demonstrating the blue-chip nature of our clients.

Senior, IT-focused executives are usually the buyers of our solutions. With strong customer relationships and a track record of landing and expanding within customers, we believe we are well positioned to capture additional sales opportunities among enterprise customers. For example, on a standalone basis, the legacy Citrix business had identified additional penetration opportunities with approximately 70% of its existing customers and the legacy TIBCO business had identified additional penetration opportunities with 91% of its existing customers. Since the completion of the Merger in September 2022, we began to successfully leverage new cross-sell opportunities among both sets of customer bases within their existing product suites.

Our products are deployed across a broad range of industry verticals including financial services, governmental agencies, transportation, media, telecommunication companies, manufacturers, educational institutions, retailers, distributors, hospitals and others. Our strong presence in numerous industry verticals and the mission-critical nature of our products helps to diversify and mitigate the risk of industry-specific and cyclical downturns.

In addition, we maintain a balanced geographic revenue base, with a broad global footprint. For the twelve months ended February 28, 2024, we generated approximately 60% of our revenue in the Americas, 33% in EMEA and 7% in APAC.

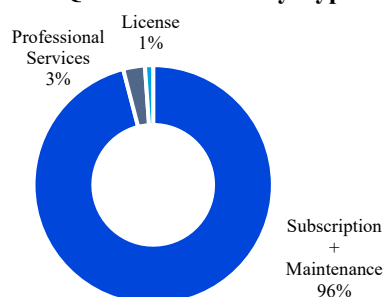


(a) The "ARR by End Market" chart excludes ARR from Citrix BU Service Provider and ShareFile partners.

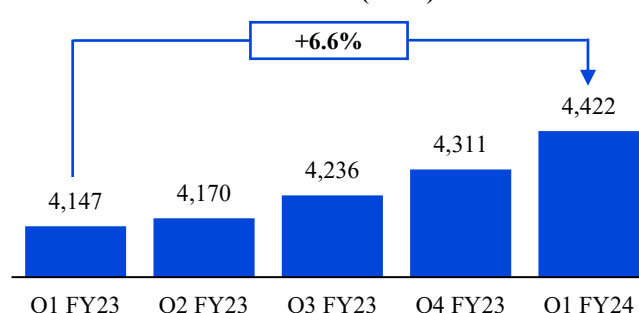
### ***Highly recurring model with significant ARR growth***

As of February 28, 2024, ARR has grown approximately over 6% compared to ARR as of February 28, 2023. Non-GAAP Recurring Revenue Mix, which represents the percentage of Non-GAAP Recurring Revenue divided by Non-GAAP Revenue, expanded from 93% to 98% over the same time period. As we continue to bolster and grow our subscription-based model, we believe our recurring revenue base and ARR growth will continue to be a strength.

**LTM 1Q FY24 Revenue by Type**



**Total ARR (\$mm)**



### ***Ongoing cost savings and cost savings opportunity***

Since the formation of Cloud Software, as of February 28, 2024, we have identified approximately \$773 million of cost savings, of which \$609 million has already been actioned. As of February 28, 2024, there are \$164 million of planned cost savings that are not fully captured in our operating results for the twelve months ended February 28, 2024. The identified cost savings opportunities are from previously initiated actions and are driven by reductions in personnel, optimizing facility usage, and the consolidation or rationalization of events, vendors, and tools. Of the identified cost savings, approximately 72% is related to headcount, with remaining 28% being non-headcount related. We anticipate that we will continue to undertake cost savings initiatives to continuously improve cost base and drive improvement in our EBITDA margins.

### ***Attractive financial profile with strong cash flow conversion***

We generated \$3,072 million of Adjusted Free Cash Flow in the twelve months ended February 28, 2024, representing an Adjusted Free Cash Flow Conversion Ratio of over 99%, driven by our stable revenue growth, low capital expenditure requirements and favorable working capital dynamics given the nature of the software business model. We also generated a Further Adjusted EBITDA margin of 65%. Our capital expenditures were less than 1% of revenue, driving strong Free Cash Flow conversion and an attractive deleveraging profile.

### ***Experienced management team with world-class sponsor support and a proven M&A track record***

We had approximately 7,900 employees as of February 28, 2024, and are led by a committed and highly experienced management team with significant industry expertise and a track record of success. Tom Krause, our Chief Executive Officer, brings more than 20 years of experience leading, building and positioning software technology companies for value and long-term success. He previously served as an executive at Broadcom Inc., both as Chief Financial Officer of Broadcom Inc. and President of Broadcom Software Group, where he oversaw numerous large scale mergers and acquisitions in the enterprise software space. In addition, the executive team includes leaders from both Citrix and TIBCO. Our leadership team has on average over 30 years of experience operating some of the leading businesses in the enterprise software industry. The management teams have successfully integrated over fifteen acquisitions since 2015.

Our partnership-oriented Investors, Vista and Elliott, are among the most active sponsors in the software sector, including substantial experience with scale enterprise and infrastructure software companies. Our Investors

have extensive experience acquiring and integrating businesses and are strategically aligned with our management in their views on the integration.

## **Business Strategy**

We will continue to build on our market-leading position to achieve sustained long-term growth in revenue and profitability through leveraging our strengths described below. Key components of the strategy that we intend to pursue include:

- ***Leverage position as market-leading end-to-end solution provider*** – We focus on profitably leveraging our expansive portfolio, large customer base and market-leading position to maintain sustained long-term growth:
- ***Increased strategic value creation for customers*** – We believe that we bring greater strategic importance to customers since the formation of Cloud Software. By combining leading vendors for mission-critical solutions through the Merger, we believe we have become a global leader in secure application delivery and integration solutions for enterprises, acting as a one-stop shop that simplifies purchasing of multiple solutions through our broad product portfolio.
- ***Broad complementary product portfolio*** – We offer an expanded portfolio of complementary product offerings to customers. Our expansive product set, including VCC software, App Delivery & Security solutions, content management and collaboration solutions, analytics and business intelligence (“ABI”), data science and ML, and MDM solutions, helps meet the diverse needs of customers across different market segments. Since the formation of Cloud Software, we have also begun to successfully improve our penetration within existing customers by leveraging the broader product set of our core platform brands.
- ***New transformative solutions*** – We are developing new transformative products and solutions for customers. We have started to build on some of the best technologies and products from our portfolio, leveraging our expertise of our best-in-class engineers and product experts. We are heavily focused on efficiently developing innovative new offerings that leverage capabilities across both portfolios and deliver incremental value to customers.
- ***Deeper understanding of customer needs and market trends*** – We leverage our deep understanding of customer needs and market trends to focus innovation efforts on the most value-enhancing areas, benefitting from our broad portfolio to align innovation efforts with industry growth drivers. We currently serve over 145,000 active customers in over 150 countries, providing expansive relationships and insight into customer needs. We are a leader in both work solutions and in application integration, data management, business intelligence and analytics and our leadership team provides extensive insight into market trends.
- ***Continuing transition towards recurring revenue and subscription models*** – We are focused on further strengthening our recurring business model, including transitioning customers to subscription contracts. Non-GAAP Recurring Revenue Mix, which represents the percentage of Non-GAAP Recurring Revenue, divided by Non-GAAP Revenue, was 96% for the twelve months ended February 28, 2024, increasing from 92% for fiscal 2022. The Citrix business unit, which contributed approximately 72% of ARR for the twelve months ended February 28, 2024, has over 50 million users, with 80% of those being subscription contract users, compared to 50% for the previous twelve months. Our SaaS contracts are generally sold as three-year subscriptions. With a 105% NRR for the twelve months ended February 28, 2024, we believe we are well-positioned to benefit from increased lifetime value. We will deliver our products via subscription. To that end, we have changed our licensing options for Citrix and NetScaler. For TIBCO, the evolution to a subscription model is a continuation of a process that had already begun. The changes to both Citrix and NetScaler offerings greatly simplify the licensing process, allowing customers to buy one subscription contract for Citrix and/or one subscription contract for NetScaler and accommodate all the variations, namely: “hybrid deployment,” “cloud deployment,” and “on premise.” On March 8, 2023, we announced

our new “Citrix Universal Subscription,” which replaces our former “DaaS + Hybrid Rights” offering. Importantly, this new subscription contract program has no restrictions on how a customer can deploy Citrix or where they host their workloads. Further, under the new subscription contract program, we no longer offer the sale of a longtime perpetual software maintenance service. However, existing and active maintenance contracts will be honored until their relevant expiration dates. With “Citrix Universal Subscription,” customers have the freedom to use Citrix Virtual Application and Desktop management infrastructure on-premises, deploy the infrastructure on a public cloud of their choice, and/or leverage our Citrix cloud services control plane in any combination. We believe this flexibility is unmatched in the industry and well suited for this era of hybrid, distributed workforces. “Citrix Universal Subscription” delivers the greatest flexibility, our most feature-rich solution, and best support experience. Also on March 8, 2023, NetScaler launched a new and simplified program for NetScaler ADC called “NetScaler Subscription.” This subscription contract model: (i) simplifies packaging to reduce confusion and minimize purchase friction; (ii) aligns NetScaler ADC hardware and software pricing for consistency and price parity; (iii) gives predictable annual operational expenses; and (iv) reduces barriers to entry by eliminating minimum order quantities for software pools and removing need for NetScaler ADM as a licensing server. As part of this announcement, we ended the sale of all perpetually licensed NetScaler ADC MPX/SDX hardware and VPX/BLX software. The end of perpetual licensing does not indicate the discontinuation of product and/or support for existing customers. All existing active maintenance contracts will be honored until their relevant expiration dates.

- ***Focusing on cost savings targets and prioritizing operating efficiency*** – We place a rigorous focus on operational efficiency to create meaningful value. We also continue to place a strong focus on achieving the near-term cost savings targets and on prioritizing operating efficiency over the long-term to drive meaningful value creation. These initiatives are being executed by a dedicated implementation team led by management along with sponsor operational executives and third-party resources with extensive experience integrating businesses. To the extent that we pursue further acquisitions, we believe our focus on operating efficiency and deep experience integrating acquisitions will be a key value driver.

## Industry Overview

- ***Virtualization (VDI & DaaS)*** – Virtualization allows enterprises to manage large numbers of desktops in a virtualized server environment allowing companies to better utilize servers based on demand and usage. All the data resides in servers in either on-premises data centers or in the cloud. VDI is the hosting of desktop environments on a central server. DaaS solutions provide a virtualized desktop or Windows application experience to workers, entirely from a remote hosted location such as the public cloud. DaaS eliminates the need for businesses to purchase the physical infrastructure associated with VDI or server-based computing, instead functioning through subscription- and usage-based payment structures.

According to our estimates based on Gartner research, worldwide end user spending for the Virtualization Infrastructure Software market is \$9.1 billion as of 2023, growing at a 2023 - 2027 CAGR of 7% to \$11.7 billion.<sup>(2)</sup> Other key players in the VCC market include AWS, Microsoft Azure and Omnisia (formerly operating as VMware’s End-User Computing division)

- ***App Delivery & Security*** – Application delivery, which includes ADCs, primarily provides security and access to applications at peak times. As computing is moving toward the cloud, software ADCs have been performing tasks that have been traditionally performed by custom-built hardware. ADCs also offer additional functionalities and flexibility for application deployment. These solutions help organizations quickly and securely scale up their application services based on the demand in the cloud. Traditional ADCs have been used for load balancing application servers in order to manage traffic and application deployment. However, next generation ADCs offer new functions that include security socket layer offloading, visibility, multi-cloud support, application analytics, transmission control protocol optimizations, rate shaping and web application firewalls. ADCs can be used by almost any organization that utilizes large-scale content delivery networks in order to provide fast web application (software) services and ensure high-traffic websites are secure and available to their users. They are also being used as a reverse proxy server that is placed in between web servers and the internet, removing the load from their origin servers and ensuring high availability for a seamless end-user experience.

Application security encompasses measures taken to improve the security of an application often by finding, fixing and preventing security vulnerabilities. Application security systems reduce the security risks involved in the different operations of various applications, such as web and mobile applications.

Key competitors in the application delivery and security market include A10 Networks, F5 Networks and Radware.

- **Integration** – Nearly all business processes (e.g., procurement, asset management and customer relationship management) are evolving in such a way that application leaders increasingly must integrate diverse applications, data, events, devices and people, both within and outside of their organization. Data integration tools include tools for change data capture, extraction, transformation and loading (“ETL”), and data virtualization. Application integration tools includes tools for data consistency/synchronization, message validation, mapping, transformation, and orchestration. The primary goal for such tools is to allow data structures and applications that were designed independently to work well together. Such tools originally focused on targeted styles, such as ETL, data federation/virtualization and data replication/synchronization, but now also include message-based delivery models. Enterprise integration platform-as-a-service (“EiPaaS”) is a combination of integration technology functionalities that are delivered as a suite of cloud services and designed to support enterprise-class integration initiatives. An EiPaaS provider offers high availability, disaster recovery, security, service level agreements (“SLAs”) and technical support. It also enables users to develop and execute multiple integration scenarios by providing support for multiple personas. EiPaaS provides many of the capabilities addressed by enterprise service buses and other data integration tools, with an emphasis on addressing cloud services integration use cases, overall ease of use and SaaS-like delivery. It is used for a combination of data, multistep process and composite services integration and typically includes API management capabilities.

Our Cloud Integration product, for example, provides functionality for integrating applications, data, APIs, business-to-business and internet of things, and automating processes.

According to Gartner research, in 2023, worldwide iPaaS and data integration software end user spending was \$13.0 billion, and is expected to reach \$25.0 billion by 2027, representing a CAGR of 18%.<sup>(2)</sup> Other key players include Boomi, Informatica, Microsoft, MuleSoft, Oracle, SAP and Workato.

- **Data Management** – Businesses are continuing to seek the agility afforded by a single, trusted, enterprise-wide view of master data and have turned to MDM solutions to help achieve digital acceleration goals. MDM is a technology-enabled business discipline in which business and IT work together to ensure the uniformity, accuracy, stewardship, governance, semantic consistency and accountability of an enterprise’s official shared master data assets. MDM solutions are enterprise software products that support the global identification, linking and synchronization of master data across heterogeneous data sources through reconciliation; create and manage a central, consistent system or index of record for master data; support common MDM hub implementation styles; enable generation and delivery of a trusted version of one or more data domains to all stakeholders, in support of various business initiatives; support ongoing master data stewardship and governance requirements through workflow-based monitoring and corrective-action techniques; are agnostic to the business application landscape in which they reside – that is, they do not assume or depend on the presence of any particular business application (or applications) to function because they are application neutral; and can be implemented by end-user organizations without having to make use of required professional services (i.e., not optional).

According to Gartner research, in 2023, worldwide MDM software end user spending reached \$1.6 billion and is expected to reach \$2.0 billion in 2027, representing a CAGR of 6%.<sup>(2)</sup> Other key players include Ataccama, IBM, Informatica, Profisee, Reltio, Riversand, SAP, Semarchy and Stibo Systems.

- **Collaboration Solutions** – Work solutions refer to business applications that foster more efficient work execution and collaboration across document, signature, functional and project-based workflows. As work becomes increasingly distributed, work solutions provide highly flexible digital channels and optimization tools to enable an intelligent digital interface which offers an integrated user experience augmented by

cognitive technologies such as AI, ML and advanced analytics. Work solutions provide a secure, personalized and federated view of the resources that workers require to do their jobs, including collaborators as well as applications and data, from anywhere.

ShareFile provides a secure and complete platform for worker productivity and collaboration across all work scenarios. Our offerings are differentiated in that their content collaboration solutions are optimized to run in VDI & DaaS environments. Our work solutions capabilities include collaborative work management, content collaboration, workflows and automation, and e-signature.

According to Gartner research, in 2023, worldwide Content Services end user spending reached \$16.0 billion and is expected to reach \$25.8 billion in 2027, representing a CAGR of 13%.<sup>(3)</sup> Other key players include Box, Dropbox, Google Cloud and Microsoft 365.

- **Data Analytics and Insights** – ABI platforms are characterized by easy-to-use functionality that supports a full analytic workflow – from data preparation to visual exploration and insight generation – with an emphasis on self-service usage and augmented user assistance. ABI platforms are no longer differentiated by their data visualization capabilities, which are now commoditized. Differentiation has shifted to how well platforms support augmented analytics. Augmentation utilizes ML and AI-assisted data preparation, insight generation and insight explanation to help business people and data analysts explore and analyze data more effectively than they could manually. Rather than being a discrete capability, augmentation is now threaded through platforms as ML is applied across the data-to-decision workflow. ABI platform functionality includes cloud analytics, data source connectivity, data preparation, cataloging, automated insights, data visualization, data storytelling, natural language query, natural language generation, reporting, security and manageability.

Vendors in the ABI market range from startups backed by venture capital funds to large technology firms. The vast majority of new spending in this market is on cloud deployments. Although spending on ABI is growing more slowly than in the 2010s, the number of people using ABI platforms is accelerating.

According to Gartner research, in 2023, worldwide Enterprise Software Analytics\* end user spending reached \$31.7 billion and is expected to reach \$60.8 billion in 2027, representing a CAGR of 18%.<sup>(3)</sup> Other key players include Microsoft, Oracle, Qlik, SAP, SAS, Tableau and ThoughtSpot

The markets in which we operate benefit from a number of industry trends that are driving their growth and enhancing their strategic importance for customers:

- **Global Shift to Secure Hybrid Work** – Since the onset of the COVID-19 pandemic, the rapid increase in remote and hybrid work, as well as the need for business continuity, has made desktop virtualization and DaaS a major priority for organizations. Remote and hybrid strategies continue to pressure digital workplace infrastructure & operations (“I&O”) leaders to measure and improve employee productivity and experience.
- **Transition to Cloud** – The pandemic strained on-premises digital workplace solutions and accelerated the shift to low-touch, cloud-hosted, and internet-facing technology and services. Most I&O leaders are accelerating their investments in cloud-powered workplace technologies to deliver services to workers in any location. Agile and easy to integrate cloud solutions are essential to all types of organizations in order to reduce costs, increase flexibility, streamline operations and automate redundant processes.
- **End-User Security** – Customers increasingly require solutions that help them securely and efficiently manage an increasingly complex set of end-user services. Our bundled solution allows I&O teams to focus on both priorities.
- **Expanded Attack Surface** – As more and more enterprises across the world are embracing digital transformation to upgrade their network architectures, networking and security solutions have been essential. With the rise in internet traffic, business applications and the huge number of internet-enabled



devices, ADCs provide the front-end intelligence that supplements and enhances business applications flow. With organizations increasingly connecting to various business-critical applications via the internet, the risk of a potential breach has been continuously increasing.

- ***Enterprise Integration Platform-as-a-Service*** – To help facilitate digital transformation, EiPaaS is one of the essential tools that organizations are using to deliver hyperautomation. Organizations are adopting EiPaaS to respond to drastic business changes, such as integration initiatives, contain costs and increase flexibility. As more organizations adopt cloud and SaaS applications to simplify their operations, vendor-managed solutions are becoming more appealing to buyers.
- ***Proliferation of Data*** – The proliferation of data, and the need for integrated insights spanning organizations, systems, and applications, necessitates I&O teams to expand IT spend further into work environments that are increasingly distributed. As businesses seek support for “360-degree view” requirements, products like MDM and ABI platforms are positioned to benefit from a renewed focus on business outcomes.
- ***Proliferation of Applications*** – As organizations increase the number of applications deployed in their overall application infrastructure, integration becomes essential to support business agility. In order to quickly meet diverse business needs, organizations need to rapidly integrate new applications with the rest of their application portfolio which requires comprehensive API management and integration suites.
- ***Need for Efficiency*** – As companies look to accelerate their digital strategies, the achievement of time, cost and other operational efficiencies are paramount to gaining competitive advantages from an investment in a digital transformation. By streamlining digital processes, IT vendors and managed solutions, businesses are optimizing their operations to improve workplace productivity and reduce processing times.
- ***Increasingly Digitized and Interconnected World*** – As the global economy becomes increasingly digital and interconnected, organizations are moving toward more collaborative and efficient work environments across divisions and locations. Maintaining engagement and productivity around the globe requires I&O leaders to ensure their organizations and workstreams are streamlined and synchronized.

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(1) IDC MarketScape: Worldwide Virtual Client Computing 2022-2203 Vendor Assessment (doc #US49857422, December 2022).

(2) Gartner Market Statistics, Forecast: Enterprise Infrastructure Software Markets, Worldwide, 2022-2028, 1Q24 Update, March 27 2024.

(3) Gartner Market Statistics, Forecast: Enterprise Application Software Markets, Worldwide, 2022-2028, 1Q24 Update, April 2, 2024.

\* Analytic Platforms consists of Subsegments: Analytic Platform Domain Offerings; Analytics and BI Platforms; Data Science and AI Platforms; Enterprise Reporting Platforms.

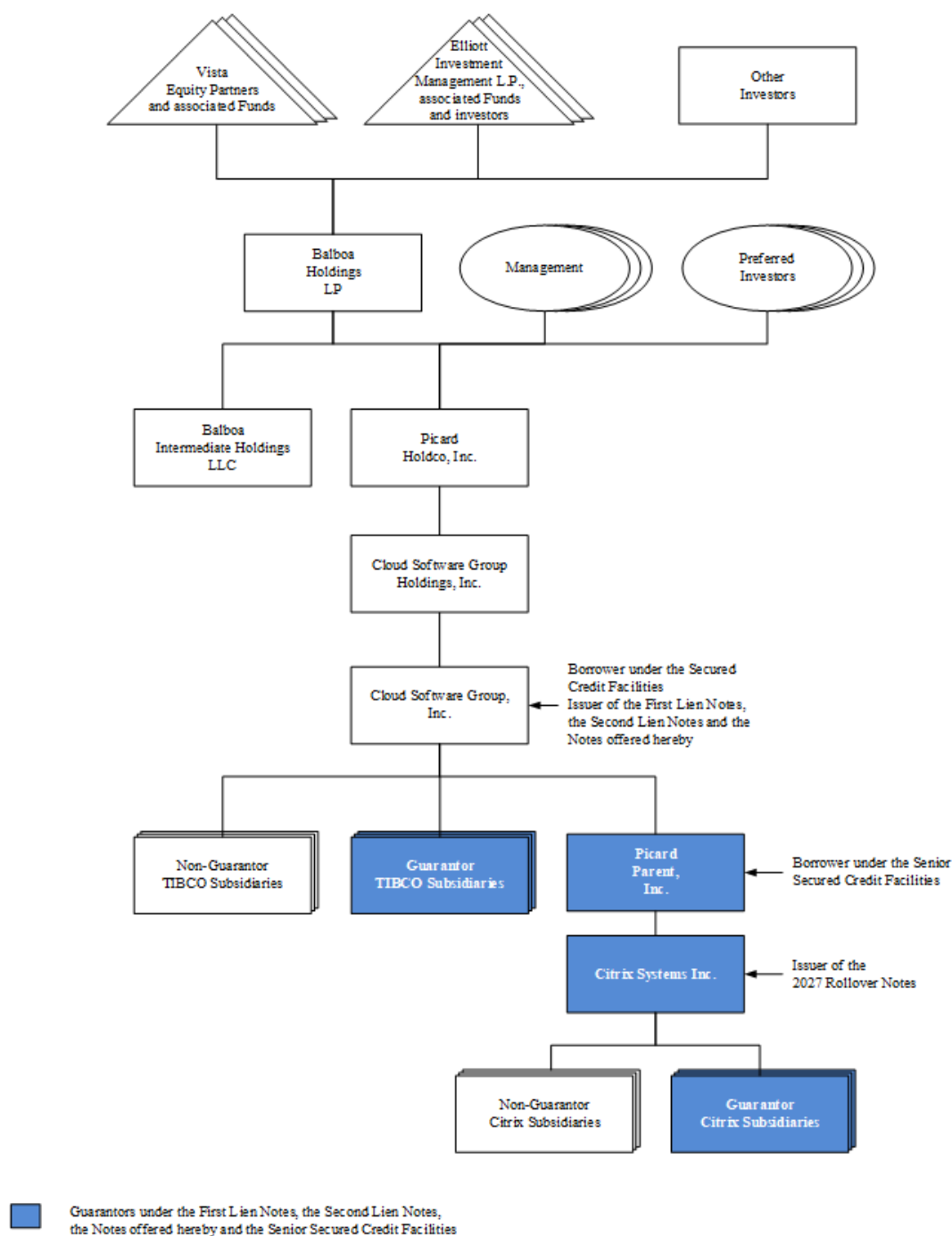
## **Recent Developments**

### ***March 2024 Transaction***

On March 22, 2024, the Company entered into a third amendment to the credit agreement governing the Senior Secured Credit Facilities (as amended, the “Credit Agreement”) whereby the Company incurred incremental first lien term loans denominated in USD in a principal amount of \$1,000.0 million under the USD Term Loan B-2 Facility (as defined below). The Company used the proceeds of the loans incurred under the USD Term Loan B-2 Facility to pay dividends to Holdco in an aggregate amount of \$457.4 million, which dividends were used by Holdco to repurchase \$411.4 million of the stated value of the Series A Preferred Stock and pay \$46.0 million of accrued and unpaid dividends on the Series A Preferred Stock and to pay fees and expenses in connection with the foregoing, with the remainder to be used for general corporate purposes. Such incurrence and the use of proceeds therefrom are collectively referred to herein as the “March 2024 Transaction.” See “Description of Certain Other Indebtedness—Senior Secured Credit Facilities.”

## Our Structure

The following chart summarizes our organizational structure, equity ownership and principal indebtedness expected to be in place from and after the consummation of this offering. This chart is for illustrative purposes only and does not represent all legal entities of the Issuer, its parent entities and subsidiaries or all obligations of such entities. See “—The Offering,” “Description of the Notes” and “Description of Certain Other Indebtedness” for more information regarding the terms of the Notes offered hereby and our other principal indebtedness.



## **The Investors**

Vista is a leading global investment firm with more than \$101 billion in assets under management as of December 31, 2023. The firm exclusively invests in enterprise software, data and technology-enabled organizations across private equity, permanent capital, credit and public equity strategies, bringing an approach that prioritizes creating enduring market value for the benefit of its global ecosystem of investors, companies, customers and employees. Vista's investments are anchored by a sizable long-term capital base, experience in structuring technology-oriented transactions and proven, flexible management techniques that drive sustainable growth. Select Vista investments include Duck Creek, KnowBe4, Avalara, Ellucian, Finastra, PowerSchool, iCIMS, Cvent, Alegeus, Apptio, Jamf, Gainsight and Ping Identity. Vista believes the transformative power of technology is the key to an even better future – a healthier planet, a smarter economy, a diverse and inclusive community and a broader path to prosperity.

Elliott was founded in 1977, is one of the oldest firms of its kind under continuous management and manages multi-strategy funds with approximately \$65.5 billion of assets under management as of December 31, 2023. A key element of Elliott's investment approach is its focus on the creation – not just identification – of value. Select Elliott investments include Akamai Technologies, ASG Technologies, ASM International, athenahealth, AT&T, BMC Software, CDK Global, Coveo, Cubic, Dell, eBay, E2open, EMC, F5 Networks, Gigamon, GoTo, Informatica, Juniper Networks, Mentor Graphics, Mitchell, MSC Software, NetApp, Nielsen, Novell, Quest Software, SAP, SoftBank, SonicWall, Syneos, Travelport, Twitter, and WorkForce Software.

## **Company Information**

Cloud Software Group, Inc. (f/k/a TIBCO Software Inc.), a Delaware corporation, was incorporated on November 13, 1996. Cloud's principal executive offices are located at 851 West Cypress Creek Road, Fort Lauderdale, Florida 33309. Cloud's website is [www.cloud.com](http://www.cloud.com).

**Information on, or accessible through, any website referred to herein is not part of this offering circular, nor is such content incorporated by reference herein.** You should rely only on the information contained in this offering circular when making a decision as to whether to invest in the Notes offered hereby.

## The Offering

*The summary below describes the principal terms of the offering and the Notes. Some of the terms and conditions described below are subject to important limitations and exceptions. You should carefully read the “Description of the Notes” for a more detailed description of the offering and the Notes.*

Issuer .....	Cloud Software Group, Inc.
Notes Offered .....	\$1,000,000,000 aggregate principal amount of % Senior Secured Notes due 2032.
Maturity Date.....	June 30, 2032.
Interest .....	Interest on the Notes will accrue at a rate of % per annum. Interest on the Notes will be payable semi-annually in cash in arrears on June 30 and December 30 of each year, commencing on December 30, 2024. Interest will accrue from the issue date of the Notes.
Guarantees .....	<p>The Notes will be, jointly and severally, unconditionally guaranteed on a senior secured basis by the Issuer’s existing and future wholly-owned domestic subsidiaries that are borrowers, or that guarantee the Issuer’s obligations, under the Senior Secured Credit Facilities. See “Description of the Notes—Guarantees.”</p> <p>Claims of holders of the Notes will be structurally subordinated to claims of creditors of certain of our subsidiaries that will not guarantee the Notes. See “Risk Factors—Risks Related to Our Indebtedness and the Notes.”</p> <p>As of and for the twelve months ended February 28, 2024, our non-guarantor subsidiaries generated approximately 42.5% of our consolidated revenues, held approximately 5.7% of our consolidated assets and had no debt for borrowed money outstanding, in each case after intercompany eliminations.</p>
Ranking.....	<p>The Notes and the related guarantees will be the Issuer’s and the guarantors’ senior obligations, secured on a first-priority basis by the Collateral, and will be:</p> <ul style="list-style-type: none"> <li>• <i>pari passu</i> in right of payment with all of the Issuer’s and the guarantors’ existing and future senior indebtedness, including the First Lien Notes, the Second Lien Notes, the Rollover Citrix Notes and the obligations under the Senior Secured Credit Facilities and, in each case, the guarantees thereof;</li> <li>• effectively <i>pari passu</i> with all of the Issuer’s and the guarantors’ existing and future indebtedness that is secured by <i>pari passu</i> liens on the Collateral, including the First Lien Notes, the obligations under the Senior Secured Credit Facilities and, with respect to certain Collateral, the Rollover Citrix Notes, to the extent of the value of the Collateral;</li> <li>• effectively senior to the Issuer’s and the guarantors’ existing and future indebtedness that is unsecured or that is secured by junior liens on the Collateral, including the Second Lien Notes, to the extent of the value of the Collateral;</li> </ul>

- effectively junior to the Issuer's and the guarantors' existing and future indebtedness that is secured by assets that are not Collateral, to the extent of the value of such assets;
- senior in right of payment to all of the Issuer's and the guarantors' existing and future subordinated indebtedness; and
- structurally subordinated to all existing and future indebtedness and other liabilities of any subsidiary that does not guarantee the Notes, including certain of our foreign subsidiaries.

As of February 28, 2024, on an as further adjusted basis after giving effect to the March 2024 Transaction and this offering and the use of proceeds therefrom, (i) we would have had approximately \$17,550.1 million of total debt outstanding, of which \$13,712.5 million (including the Notes offered hereby) is secured by first-priority liens on the Collateral and of which \$3,837.6 million is secured by second-priority liens on the Collateral, and (ii) we would have had \$1,000.0 million available for borrowing under the Revolving Facility (as defined below) (including undrawn letters of credit), subject to customary conditions. Any borrowings under the Revolving Facility, once made, will constitute senior indebtedness secured by first-priority liens on the Collateral. See "Capitalization."

As of February 28, 2024, after intercompany eliminations, our non-guarantor subsidiaries would have had no debt for borrowed money outstanding.

Collateral .....	The Notes and related guarantees will be secured by first-priority liens on the Collateral, which consists of substantially all of the assets that secure the Issuer's and the guarantors' obligations under the Senior Secured Credit Facilities ratably on a <i>pari passu</i> basis. The Collateral will exclude certain Excluded Property (as defined under "Description of the Notes"). See "Description of the Notes—Security for the Notes."
Intercreditor Agreements .....	The collateral agent for the Notes (such collateral agent, the "Notes Collateral Agent" and any collateral agent holding a security interest for the benefit of the Notes, an "applicable collateral agent") will join an intercreditor agreement (the "First Lien Intercreditor Agreement") with the collateral agent under the Senior Secured Credit Facilities (the "First Lien Credit Agreement Collateral Agent"), the collateral agent for the First Lien Notes (the "First Lien Notes Collateral Agent"), the collateral agent for the Rollover Citrix Notes (the "Rollover Citrix Notes Collateral Agent") and the other parties party thereto, setting forth therein the relative rights with respect to the First Lien Shared Collateral (as defined under "Description of the Notes") and covering certain other matters relating to the administration of security interests. Pursuant to the First Lien Intercreditor Agreement, the First Lien Credit Agreement Collateral Agent generally (prior to the expiration of a "standstill period") controls substantially all matters related to the First Lien Shared Collateral, including with respect to decisions or enforcement, and may take actions that the holders of the Notes may disagree with or that may be contrary to the interests of the holders of the Notes. The First Lien Intercreditor Agreement also includes waivers of certain important rights that holders of

	secured debt would otherwise have. The Notes Collateral Agent will also join the Junior Lien Intercreditor Agreement (as defined under “Description of the Notes”).
Optional Redemption.....	<p>The Issuer may redeem some or all of the Notes at any time on or after _____, 2027 at the redemption prices set forth in this offering circular, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. At any time prior to _____, 2027, the Issuer may redeem (i) up to 40% of the Notes using the proceeds of certain equity offerings at a redemption price equal to _____ % of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date, (ii) some (subject to at least \$500 million of Notes remaining outstanding) or all of the Notes with the net cash proceeds from any Qualified IPO or a related capital contribution at a redemption price equal to _____ % of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date and (iii) some or all of the Notes at a price equal to 100% of the principal amount, plus a “make-whole” premium, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. Furthermore, at any time prior to _____, 2027, the Issuer may redeem up to 10% of the aggregate principal amount of the Notes issued under the indenture (including any additional Notes issued under the indenture) during each twelve-month period commencing on _____, 2024 at a redemption price of 103% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. See “Description of the Notes—Optional Redemption.”</p>
Change of Control .....	<p>If we experience certain kinds of changes of control, we must offer to purchase the Notes at 101% of their principal amount, plus accrued and unpaid interest, if any, to, but excluding, the purchase date. See “Description of the Notes—Change of Control.”</p>
Mandatory Offer to Repurchase Following Certain Asset Sales .....	<p>If we sell certain assets and do not repay certain debt or reinvest the proceeds of such sales within certain time periods, we must offer to repurchase the Notes as described under “Description of the Notes—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock.”</p>
Certain Covenants.....	<p>The indenture that will govern the Notes will contain covenants that limit, among other things, our ability and the ability of some of our subsidiaries to:</p> <ul style="list-style-type: none"> <li>• incur additional indebtedness;</li> <li>• declare or pay dividends, redeem stock or make other distributions to stockholders;</li> <li>• make investments;</li> <li>• create liens or use assets as security in other transactions;</li> <li>• merge or consolidate, or sell, transfer, lease or dispose of substantially all of our assets;</li> <li>• enter into transactions with affiliates;</li> </ul>

- designate restricted subsidiaries as unrestricted subsidiaries;
- sell or transfer certain assets; and
- agree to certain restrictions on the ability of restricted subsidiaries to make payments to the Issuer.

These covenants are subject to a number of important qualifications and limitations. In addition, so long as the Notes have an investment grade rating from any two of Standard & Poor's Investors Ratings Service, Moody's Investors Service, Inc. and Fitch Ratings, Inc. we will not be subject to certain of the covenants listed above. See "Description of the Notes—Certain Covenants."

Transfer Restrictions; No Registration  
Rights.....

The Notes and the guarantees have not been and will not be registered under the Securities Act, any state securities laws or the securities laws of any other jurisdictions. The Notes may not be offered or sold except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act. See "Transfer Restrictions." The Notes are being offered and sold only to persons reasonably believed to be QIBs under Rule 144A and to certain non-U.S. persons in transactions outside the United States pursuant to Regulation S. Holders of the Notes will not have the benefit of registration rights.

Absence of an Established Market for the  
Notes.....

We do not intend to list the Notes on any securities exchange. The Notes will be a new class of securities for which there is currently no market. Although certain initial purchasers have informed us that they intend to make a market in the Notes, the initial purchasers are not obligated to do so and may discontinue market-making activities at any time without notice. Accordingly, we cannot assure you that a liquid market for the Notes will develop or be maintained.

Use of Proceeds .....

The net proceeds from this offering are expected to be approximately \$            million after deducting initial purchasers' discounts but before deducting expenses. We intend to use the net proceeds from this offering to prepay \$415.0 million of loans outstanding under the Senior Secured Credit Facilities, including to pay any accrued and unpaid interest thereon, as well as related fees and expenses, with the remainder to be used for general corporate purposes, which are expected to include the payment of a dividend to Holdco to finance the redemption of all or a portion of the Series A Preferred Stock issued by Holdco in accordance with the Certificate of Designation.

Certain of the initial purchasers or their respective affiliates act as agents and/or lenders under our Senior Secured Credit Facilities and therefore may receive a portion of the proceeds of this offering. See "Use of Proceeds."

Risk Factors .....

You should consider carefully all of the information set forth in this offering circular and, in particular, should evaluate the specific factors set forth in the section entitled "Risk Factors" in this offering circular.

### Summary Historical Financial Information

The following tables set forth our summary historical financial information for the periods and as of the dates indicated.

The following historical financial information is only a summary and should be read in conjunction with the section “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this offering circular and Cloud Software’s historical consolidated financial statements and the related notes included elsewhere in this offering circular, as well as information included in the sections “Cautionary Note Regarding Forward-Looking Statements,” “Risk Factors” and “Capitalization” included elsewhere in this offering circular.

Cloud Software has derived the consolidated statements of operations data and the consolidated statements of cash flows data for the fiscal years ended November 30, 2023, 2022 and 2021 and the consolidated balance sheets data as of November 30, 2023 and 2022 from Cloud Software’s audited consolidated financial statements included elsewhere in this offering circular. Cloud Software has derived the consolidated statements of operations data and the consolidated statements of cash flows data for the three months ended February 28, 2024 and 2023 and the consolidated balance sheet data as of February 28, 2024 from Cloud Software’s unaudited condensed consolidated financial statements included elsewhere in this offering circular, which reflect all adjustments (consisting only of normal recurring adjustments unless otherwise indicated) that, in the opinion of management, are necessary for a fair presentation of the results for the interim periods presented. Cloud Software’s historical results are not necessarily indicative of the results to be expected for any future period. Cloud Software’s historical consolidated financial statements were prepared in conformity with GAAP.

The unaudited condensed consolidated financial information for the twelve months ended February 28, 2024, which does not comply with GAAP but we believe provides investors with useful information to assess our performance, has been derived by subtracting the line item for the three months ended February 28, 2023 from the line item for the twelve months ended November 30, 2023 and adding the line item for the three months ended February 28, 2024.

	Twelve Months Ended February 28, 2024	Three Months Ended February 28,		Year Ended November 30,		
		2024	2023	2023	2022	2021
<i>(In thousands)</i>						
<b>Statements of Operations</b>						
Revenue:						
Software.....	\$ 3,639,269	\$ 1,223,442	\$ 735,282	\$ 3,151,109	\$ 1,002,527	\$ 563,112
Maintenance and service.....	1,147,407	209,467	404,378	1,342,318	729,528	593,388
Total revenue .....	4,786,676	1,432,909	1,139,660	4,493,427	1,732,055	1,156,500
Cost of revenue:						
Software.....	1,483,630	367,656	391,040	1,507,014	324,655	64,419
Maintenance and service.....	330,372	71,398	99,538	358,512	180,511	147,878
Total cost of revenue.....	1,814,002	439,054	490,578	1,865,526	505,166	212,297
Gross profit .....	2,972,674	993,855	649,082	2,627,901	1,226,889	944,203
Operating expenses:						
Research and development .....	651,056	158,395	189,902	682,563	298,065	177,840
Sales and marketing.....	581,204	149,197	217,927	649,934	469,114	271,430
General and administrative .....	324,260	78,277	106,394	352,377	186,464	65,416
Amortization of acquired intangible assets.....	920,220	231,534	231,973	920,659	280,828	149,826
Acquisition related and other costs.....	10,456	3,341	5,254	12,369	90,174	29,471
Restructuring charges .....	142,739	54,275	126,779	215,243	105,874	125,932



	<b>Twelve Months Ended February 28, 2024</b>	<b>Three Months Ended February 28,</b>		<b>Year Ended November 30,</b>		
		<b>2024</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<i>(In thousands)</i>						
Total operating expenses.....	2,629,935	675,019	878,229	2,833,145	1,430,519	819,915
Income (loss) from operations .....	342,739	318,836	(229,147)	(205,244)	(203,630)	124,288
Interest expense, net <sup>(1)</sup> .....	(1,380,075)	(377,146)	(350,626)	(1,353,555)	(318,165)	(145,117)
Other expense (income), net .....	(53,913)	21,077	(9,442)	(84,432)	(16,665)	(3,359)
Loss before (benefit) provision from income taxes .....	(1,091,249)	(37,233)	(589,215)	(1,643,231)	(538,460)	(24,188)
(Benefit) provision from income taxes	(420,900)	9,047	32,717	(397,230)	(176,467)	(14,387)
Net loss .....	\$ (670,349)	\$ (46,280)	\$ (621,932)	\$ (1,246,001)	\$ (361,993)	\$ (9,801)

- (1) Includes change in fair value and net settlement of interest rate swaps as follows: a gain of \$60.9 million for the twelve months ended February 28, 2024, a gain of \$3.3 million for the three months ended February 28, 2024, a gain of \$57.6 million for fiscal 2023, a gain of \$67.3 million for fiscal 2022 and a gain of \$13.1 million for fiscal 2021. There were no interest rate swap instruments during the three months ended February 28, 2023.

	<b>As of February 28,</b>		<b>As of November 30,</b>	
	<b>2024</b>	<b>2023</b>	<b>2022</b>	
<i>(In thousands)</i>				
<b>Balance Sheets</b>				
Cash and cash equivalents .....	\$ 695,251	\$ 427,142	\$ 701,576	
Total assets .....	21,192,307	21,235,794	23,746,822	
Total current liabilities .....	2,982,939	2,766,130	2,767,274	
Long-term debt, less current portion ....	15,306,063	15,305,305	14,367,880	
Total liabilities .....	19,712,657	19,610,387	19,737,608	
Total stockholders' equity .....	1,479,650	1,625,407	4,009,214	

	<b>Twelve Months Ended February 28, 2024</b>	<b>Three Months Ended February 28,</b>		<b>Year Ended November 30,</b>		
		<b>2024</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<i>(In thousands)</i>						
<b>Statements of Cash Flows</b>						
Net cash provided by operating activities .....	\$ 242,397	\$364,707	\$212,707	\$ 90,397	\$ 95,144	\$121,182
Net cash used in investing activities ...	(13,983)	(9,614)	(3,445)	(7,814)	(14,199,626)	(621,161)
Net cash provided by (used in) financing activities .....	(447,987)	(86,843)	—	(361,144)	14,675,165	35,364

	Twelve Months Ended February 28, 2024	Three Months Ended February 28,		Year Ended November 30,		
		2024	2023	2023	2022	2021
<i>(In thousands, except percentages)</i>						
<b>Other Financial Data:</b>						
EBITDA <sup>(1)(2)</sup> .....	\$ 2,460,373	\$ 883,340	\$ 312,787	\$ 1,889,820	\$ 304,692	\$ 307,683
Adjusted EBITDA <sup>(1)(2)</sup> .....	2,917,944	977,100	571,016	2,511,860	815,614	501,039
Adjusted EBITDA Margin <sup>(1)(2)</sup> .....	61%	69%	50%	56%	47%	42%
Further Adjusted EBITDA <sup>(1)(2)</sup> .....	3,081,944	977,100	571,016	2,511,860	815,614	537,970
Further Adjusted EBITDA Margin <sup>(1)(2)</sup> .....	65%	69%	50%	56%	47%	42%
Non-GAAP Revenue <sup>(3)</sup> .....	4,764,015	1,424,720	1,142,056	4,481,351	1,736,395	1,184,241
Adjusted Free Cash Flow <sup>(1)(4)</sup> .....	3,071,672	975,716	567,571	2,499,527	802,834	522,090
Non-GAAP Maintenance Revenue <sup>(5)</sup> .....	1,008,267	183,610	361,318	1,185,975	616,134	509,377
Non-GAAP Subscription Revenue <sup>(5)</sup> .....	3,583,708	1,217,998	702,894	3,068,604	973,195	527,086
Non-GAAP Recurring Revenue <sup>(5)</sup> .....	4,591,975	1,401,608	1,064,213	4,254,579	1,589,329	1,036,463
Non-GAAP Recurring Revenue Mix <sup>(5)</sup> .....	96%	98%	93%	95%	92%	88%
License revenue .....	53,506	5,450	34,523	82,759	31,053	40,826
Non-GAAP Service Revenue <sup>(6)</sup> .....	118,534	17,662	43,321	144,193	116,013	106,949
First lien debt <sup>(7)</sup> .....	13,627,479					
First lien debt, net <sup>(7)</sup> .....	11,889,661					
First lien leverage ratio, net <sup>(7)</sup> .....	3.9x					
Total debt <sup>(8)</sup> .....	17,465,101					
Total debt, net <sup>(8)</sup> .....	15,727,283					
Total leverage ratio, net <sup>(8)</sup> .....	5.1x					
Interest coverage ratio <sup>(9)</sup> .....	2.2x					

- (1) Cloud Software believes that in addition to the results determined in accordance with GAAP, EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Further Adjusted EBITDA, Further Adjusted EBITDA Margin and Adjusted Free Cash Flow are useful in evaluating Cloud Software's business, results of operations and financial condition. These measures differ from GAAP in that they exclude certain items, such as amortization primarily related to acquired intangible assets, interest expense, net income taxes, depreciation, stock-based compensation expense, acquisition-related and other expenses, restructuring adjustments, acquisition-related revenue adjustments, impact of change in accounting principles, non-EBITDA salaries, benefits and operating expenses, business optimization expenses, foreign exchange loss (gain), management and directors' fees and other expenses, estimates of run-rate cost savings actioned or to be actioned in good faith, within a period of 24 months from the end of the period and annual change in unearned revenue, if positive. If the change in unearned revenue is negative, then it is recorded as zero. See "Certain Definitions" and the reconciliations below for details of how each non-GAAP metric is derived. The income tax effect on non-GAAP items is calculated based upon the tax laws and statutory income tax rates applicable in the tax jurisdiction(s) of the underlying non-GAAP adjustment.

Cloud Software uses these non-GAAP measures for internal reporting and forecasting purposes, to evaluate performance and to evaluate and compensate executives. Cloud Software has provided these non-GAAP financial measures in addition to GAAP financial results because Cloud Software believes that these non-GAAP financial measures provide useful information to certain investors and financial analysts for comparison across accounting periods not influenced by certain non-cash items or cash charges that are the result of discrete activities that are not used by management when evaluating Cloud Software's historical and prospective financial performance. In addition, Cloud Software understands that some investors and financial analysts find this information helpful in analyzing operating margins, operating expenses and net income and comparing Cloud Software's financial performance to that of Cloud Software's peer companies and competitors.

There are significant limitations associated with the use of non-GAAP financial measures. Other companies in Cloud Software's industry may calculate these measures differently, which may limit their usefulness as a comparative measure. The additional non-GAAP financial information presented here should be considered in conjunction with, and not as a substitute for or superior to, the financial information presented in accordance with GAAP (such as net income) and should not be considered measures of our liquidity.

- (2) The following table presents a reconciliation of our non-GAAP EBITDA, Adjusted EBITDA, Adjusted EBITDA Margin, Further Adjusted EBITDA and Further Adjusted EBITDA Margin to GAAP net loss for the periods presented:

	Twelve Months Ended February 28, 2024	Three Months Ended February 28,		Year Ended November 30,		
(In thousands, except percentages)		2024	2023	2023	2022	2021
GAAP net loss .....	\$ (670,349)	\$ (46,280)	\$ (621,932)	\$(1,246,001)	\$ (361,993)	\$ (9,801)
Add: interest expense, net .....	1,361,958	371,959	345,229	1,335,228	316,659	144,786
Less: income taxes .....	(420,900)	9,047	32,717	(397,230)	(176,467)	(14,387)
Add: depreciation and amortization .....	2,189,664	548,614	556,773	2,197,823	526,493	187,085
EBITDA .....	2,460,373	883,340	312,787	1,889,820	304,692	307,683
Add: stock-based compensation and related payroll taxes .....	89,819	19,366	58,386	128,839	238,324	—
Add: acquisition-related and other expenses .....	10,456	3,341	5,254	12,369	92,657	29,471
Add: restructuring charges <sup>(a)</sup> .....	142,739	54,275	126,779	215,243	105,874	125,932
Add: acquisitions-related revenue adjustment <sup>(b)</sup> .....	(1,273)	200	2,397	924	4,340	27,741
Add: impact on change in accounting principles <sup>(c)</sup> .....	8,830	2,461	5,668	12,037	20,143	—
Add: non-EBITDA salaries, benefits and operating expenses <sup>(d)</sup> .....	135,834	30,914	42,138	147,058	31,238	6,044
Add: business optimization expenses <sup>(e)</sup> .....	63	21	2,768	2,810	175	478
Add: foreign exchange loss .....	50,629	(14,524)	14,343	79,496	12,504	5,063
Add: other expenses, net <sup>(f)</sup> .....	20,474	(2,294)	496	23,264	5,667	(1,373)
Adjusted EBITDA .....	2,917,944	977,100	571,016	2,511,860	815,614	501,039
Add: run-rate standalone cost savings <sup>(g)</sup> .....	164,000	—	—	—	—	—
Add: change in unearned revenue <sup>(h)</sup> .....	—	—	—	—	—	29,880
Add: ibi acquisition EBITDA <sup>(i)</sup> .....	—	—	—	—	—	7,051
Further Adjusted EBITDA .....	3,081,944	977,100	571,016	2,511,860	815,614	537,970
Adjusted EBITDA Margin .....	61%	69%	50%	56%	47%	42%
Further Adjusted EBITDA Margin ..	65%	69%	50%	56%	47%	45%

- (a) Represents costs associated with the ongoing reorganization of our business operations and expense re-alignment efforts and were primarily related to severance for employee terminations, excess facilities and other corporate actions aimed at increasing efficiencies and reducing redundancy costs.
- (b) Represents the unearned revenue fair value adjustment arising from revenue contracts with customers acquired in acquisitions prior to the Company's adoption of FASB ASU 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers" on December 1, 2021.
- (c) Represents the impact of the difference between expense recognized in accordance with ASC 842 as compared to expenses computed in accordance with ASC 840, on the Accounting for Leases.
- (d) Represents salary and benefit expenses (including payroll taxes related to stock-based awards) related to employees who were notified that their employment would be terminated but continued to receive their salary and benefits through their date of termination; costs relating to the decommissioning of software application tools, including termination of committed contracts due to consolidation and rationalization of software and solutions; costs incurred upon cancellation of marketing programs and events; costs relating to implementation of new initiatives and related retention and sign-on bonuses; litigation costs and settlements; long-term cash incentive awards offered to employees in lieu of stock award grants and related payroll taxes; and management fees.
- (e) Represents business optimization expenses related to accounting and tax projects and one-time implementation costs relating to new software and solutions.
- (f) Represents other income (expense), net including impairment of investments and change in fair value of certain private equity investments held and net of costs incurred to service existing customer contracts of the legacy TIBCO professional service business to a partner.
- (g) Run-rate standalone cost savings represents estimates of run-rate cost savings, inclusive of cost of goods sold, sales and marketing, research and development, customer success and operations, general and administrative and incremental savings, as of the end of the period that is expected to flow into EBITDA in future periods based on actions taken in the year or expected to be taken within 24 months of the year end in good faith. See "Prospective Financial Information." Run-rate standalone cost savings is not presented for the three months ended February 28, 2024, the three months ended February 28, 2023, fiscal 2023, fiscal 2022 or fiscal 2021.

- (h) Represents EBITDA impact of the annual change in unearned revenue. If the change in unearned revenue is negative, it is recorded as zero. No adjustment has been made for fiscal 2022 for acquired Citrix unearned revenue. The amount for fiscal 2021 represents the annual change in short term gross unearned revenue in accordance with the terms of the then existing credit agreement.
- (i) On December 28, 2020, Cloud Software acquired ibi. Represents EBITDA that would have been accretive to Cloud Software had ibi been acquired on December 1, 2020.

(3) The following table presents a reconciliation of our Non-GAAP revenue to GAAP revenue for the periods presented:

(In thousands)	Twelve Months Ended February 28, 2024	Three Months Ended February 28,		Year Ended November 30,		
		2024	2023	2023	2022	2021
Revenue						
GAAP revenue .....	\$ 4,786,676	\$ 1,432,909	\$ 1,139,660	\$ 4,493,427	\$ 1,732,055	\$ 1,156,500
Add: acquisition-related revenue adjustment <sup>(a)</sup> .....	(1,272)	200	2,396	924	4,340	27,741
Add: other .....	(21,389)	(8,389)	—	(13,000)	—	—
Non-GAAP Revenue .....	4,764,015	1,424,720	1,142,056	4,481,351	1,736,395	1,184,241

- (a) Represents the unearned revenue fair value adjustment arising from revenue contracts with customers acquired in acquisitions prior to the Company's adoption of FASB ASU 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers" on December 1, 2021.

(4) The following table presents a reconciliation of our non-GAAP Adjusted Free Cash Flow to GAAP net loss for the periods presented:

(In thousands, except percentages)	Twelve Months Ended February 28, 2024	Three Months Ended February 28,		Year Ended November 30,		
		2024	2023	2023	2022	2021
GAAP net loss .....	\$ (670,349)	\$ (46,280)	\$ (621,932)	\$ (1,246,001)	\$ (361,993)	\$ (9,801)
Add: interest expense, net .....	1,361,958	371,959	345,229	1,335,228	316,659	144,786
Less: income taxes .....	(420,900)	9,047	32,717	(397,230)	(176,467)	(14,387)
Add: depreciation and amortization .....	2,189,664	548,614	556,773	2,197,823	526,493	187,085
EBITDA .....	2,460,373	883,340	312,787	1,889,820	304,692	307,683
Add: stock-based compensation and related payroll taxes .....	89,819	19,366	58,386	128,839	238,324	—
Add: acquisition-related and other expenses .....	10,456	3,341	5,254	12,369	92,657	29,471
Add: restructuring charges <sup>(a)</sup> .....	142,739	54,275	126,779	215,243	105,874	125,932
Add: acquisitions-related revenue adjustment <sup>(b)</sup> .....	(1,273)	200	2,397	924	4,340	27,741
Add: impact on change in accounting principles <sup>(c)</sup> .....	8,830	2,461	5,668	12,037	20,143	—
Add: non-EBITDA salaries, benefits and operating expenses <sup>(d)</sup> .....	135,834	30,914	42,138	147,058	31,238	6,044
Add: business optimization expenses <sup>(e)</sup> .....	63	21	2,768	2,810	175	478
Add: foreign exchange loss .....	50,629	(14,524)	14,343	79,496	12,504	5,063
Add: other expenses <sup>(f)</sup> .....	20,474	(2,294)	496	23,264	5,667	(1,373)
Adjusted EBITDA .....	2,917,944	977,100	571,016	2,511,860	815,614	501,039
Add: run-rate standalone cost savings <sup>(g)</sup> .....	164,000	—	—	—	—	29,880
Add: change in unearned revenue <sup>(h)</sup> .....	—	—	—	—	—	7,051
Add: ibi acquisition EBITDA <sup>(i)</sup> .....	—	—	—	—	—	—
Further Adjusted EBITDA .....	3,081,944	977,100	571,016	2,511,860	815,614	537,970
Less: capital expenditures .....	10,272	1,384	3,445	12,333	12,780	15,880
Adjusted Free Cash Flow .....	3,071,672	975,716	567,571	2,499,527	802,834	522,090

- (a) Represents costs associated with the ongoing reorganization of our business operations and expense re-alignment efforts and were primarily related to severance for employee terminations, excess facilities and other corporate actions aimed at increasing efficiencies and reducing redundancy costs.
- (b) Represents the unearned revenue fair value adjustment arising from revenue contracts with customers acquired in acquisitions prior to the Company's adoption of FASB ASU 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers" on December 1, 2021.
- (c) Represents the impact of the difference between expense recognized in accordance with ASC 842 as compared to expenses computed in accordance with ASC 840, on the Accounting for Leases.
- (d) Represents salary and benefit expenses (including payroll taxes related to stock-based awards) related to employees who were notified that their employment would be terminated but continued to receive their salary and benefits through their date of termination; costs relating to the decommission of software application tools, including termination of committed contracts due to consolidation and rationalization of software and solutions; costs incurred upon cancellation of marketing programs and events; costs relating to implementation of new initiatives and related retention and sign-on bonuses; litigation costs and settlements; long-term cash incentive awards offered to employees in lieu of stock award grants and related payroll taxes; and management fees.
- (e) Represents business optimization expenses related to accounting and tax projects and one-time implementation costs relating to new software and solutions.
- (f) Represents other income (expense), net including impairment of investments and change in fair value of certain private equity investments held and net of costs incurred to service existing customer contracts of the legacy TIBCO professional service business to a partner.
- (g) Run-rate standalone cost savings represents estimates of run-rate cost savings, inclusive of cost of goods sold, sales and marketing, research and development, customer success and operations, general and administrative and incremental savings, as of the end of the period that is expected to flow into EBITDA in future periods based on actions taken in the year or expected to be taken within 24 months of the year end in good faith. See "Prospective Financial Information." Run-rate standalone cost savings is not presented for the three months ended February 28, 2024, the three months ended February 28, 2023, fiscal 2023, fiscal 2022 or fiscal 2021.
- (h) Represents EBITDA impact of the annual change in unearned revenue. If the change in unearned revenue is negative, it is recorded as zero. No adjustment has been made for fiscal 2022 for acquired Citrix unearned revenue. The amount for fiscal 2021 represents the annual change in short term gross unearned revenue in accordance with the terms of the then existing credit agreement.
- (i) On December 28, 2020, Cloud Software acquired ibi. Represents EBITDA that would have been accretive to Cloud Software had ibi been acquired on December 1, 2020.
- (5) The following table presents a reconciliation of our Non-GAAP Recurring Revenue to Maintenance Revenue and Subscription Revenue for the periods presented:

	Twelve Months Ended February 28, 2024	Three Months Ended February 28,		Year Ended November 30,		
(In thousands, except percentages)		2024	2023	2023	2022	2021
Maintenance Revenue .....	\$ 1,007,484	\$ 183,416	\$ 361,057	\$ 1,185,125	\$ 613,515	\$ 486,439
Add: acquisition-related revenue adjustment <sup>(a)</sup> .....	783	194	261	850	2,619	22,938
Non-GAAP Maintenance Revenue .....	1,008,267	183,610	361,318	1,185,975	616,134	509,377
Subscription Revenue .....	3,585,763	1,217,992	700,759	3,068,530	971,474	522,286
Add: acquisition-related revenue adjustment <sup>(a)</sup> .....	(2,055)	6	2,135	74	1,721	4,800
Non-GAAP Subscription Revenue .....	3,583,708	1,217,998	702,894	3,068,604	973,195	527,086
Non-GAAP Recurring Revenue .....	\$ 4,591,975	\$ 1,401,608	\$ 1,064,212	\$ 4,254,579	\$ 1,589,329	\$ 1,036,463
Non-GAAP Recurring Revenue Mix .....	96%	98%	93%	95%	92%	88%

- (a) Represents the unearned revenue fair value adjustment arising from revenue contracts with customers acquired in acquisitions prior to the Company's adoption of FASB ASU 2021-08, "Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers" on December 1, 2021.
- (6) The following table presents a reconciliation of our Non-GAAP Service Revenue to GAAP service revenue for the periods presented:

	Twelve Months Ended February 28, 2024	Three Months Ended February 28,		Year Ended November 30,		
(In thousands)		2024	2023	2023	2022	2021
GAAP service revenue .....	\$ 139,923	\$ 26,051	\$ 43,321	\$ 157,193	\$ 116,013	\$ 106,949
Add: Other <sup>(a)</sup> .....	(21,389)	(8,389)	—	(13,000)	—	—
Non-GAAP Service Revenue .....	118,534	17,662	43,321	144,193	116,013	106,949

- (a) Revenue recognized from existing customer contracts of the legacy TIBCO professional service business that was previously transferred to a third-party vendor.
- (7) First lien debt represents our first lien debt on an as further adjusted basis, after giving effect to the March 2024 Transaction and this offering and the use of proceeds therefrom. First lien debt, net represents our first lien debt, net of cash and cash equivalents after giving effect to the March 2024 Transaction and this offering and the use of proceeds therefrom. First lien leverage ratio, net represents our first lien debt, net divided by Further Adjusted EBITDA.
- (8) Total debt represents our total debt on an as further adjusted basis, after giving effect to the March 2024 Transaction and this offering and the use of proceeds therefrom. Total debt, net represents our total debt, net of cash and cash equivalents after giving effect to the March 2024 Transaction and this offering and the use of proceeds therefrom. Total leverage ratio, net represents our total debt, net divided by Further Adjusted EBITDA.
- (9) Interest coverage ratio represents our Further Adjusted EBITDA divided by interest expense, net.

The following table presents a reconciliation of our non-GAAP statement of operations data to GAAP statement of operations data for the three months ended February 28, 2024:

<i>(In thousands)</i>	GAAP Three Months Ended February 28, 2024	Adjustments	Non-GAAP Three Months Ended February 28, 2024
<b>Non-GAAP Statement of Operations Data</b>			
Revenue:			
Software.....	\$ 1,223,442	6 <sup>(b)</sup>	\$ 1,223,448
Maintenance and service.....	209,467	(8,195) <sup>(c)</sup>	201,272
Total revenue .....	1,432,909		1,424,720
Cost of revenue:			
Software.....	367,656	318,855 <sup>(d)</sup>	48,801
Maintenance and service.....	71,398	1,149 <sup>(e)</sup>	70,249
Total cost of revenue.....	439,054		119,050
Gross profit .....	993,855		1,305,670
Operating expenses:			
Research and development .....	158,395	9,405 <sup>(e)</sup>	148,990
Sales and marketing.....	149,197	4,869 <sup>(e)</sup>	144,328
General and administrative .....	78,277	3,774 <sup>(e)</sup>	74,503
Amortization of acquired intangible assets .....	231,534	231,534	—
Acquisition related and other costs .....	3,341	3,341	—
Restructuring charges .....	54,275	54,275	—
Total operating expenses.....	675,019		367,821
Income (loss) from operations.....	318,836		937,849
Interest expense, net <sup>(a)</sup> .....	(377,146)	377,146	—
Other income (expense), net.....	21,077	(21,077)	—
Loss before provision from income taxes .....	(37,233)		937,849
Provision from income taxes .....	9,047	(9,047)	—
Net (loss) income.....	\$ (46,280)		937,849
Add: Depreciation & Others.....			39,251 <sup>(f)</sup>
Adjusted EBITDA .....			\$ 977,100

(a) Includes a net gain of \$3.3 million related to the net settlement and change in fair value of interest rate swaps.

(b) Represents acquisitions-related revenue adjustment.

(c) Represents revenue recognized from existing customer contracts of the legacy TIBCO professional service business that was previously transferred to a third party vendor. Such revenue will be recognized only through the life of such existing customer contracts.

(d) Represents approximately \$311 million of amortization of intangible assets, approximately \$7.5 million of costs relating to the legacy TIBCO professional service business that was previously transferred to a third party vendor, and approximately \$1 million of stock-based compensation expense pertaining to stock awards granted to employees.

(e) Represents stock based compensation expense recognized for the period, pertaining to stock awards granted to employees.

(f) Represents approximately \$30 million of Non-EBITDA salaries, benefits, and other operating expenses, approximately \$6 million of depreciation of fixed assets, and approximately \$3 million from the impact on change in accounting principles.

The following table presents a reconciliation of our non-GAAP statement of operations data to GAAP statement of operations data for the three months ended February 28, 2023:

	GAAP Three Months Ended February 28, 2023	Adjustments	Non-GAAP Three Months Ended February 28, 2023
<i>(In thousands)</i>			
<b>Non-GAAP Statement of Operations Data</b>			
Revenue:			
Software.....	\$ 735,282	2,135 <sup>(a)</sup>	\$ 737,417
Maintenance and service.....	404,378	261 <sup>(a)</sup>	404,639
Total revenue .....	<u>1,139,660</u>		<u>1,142,056</u>
Cost of revenue:			
Software.....	391,040	313,137 <sup>(b)</sup>	77,903
Maintenance and service.....	99,538	3,503 <sup>(c)</sup>	96,035
Total cost of revenue.....	<u>490,578</u>		<u>173,938</u>
Gross profit .....	649,082		968,118
Operating expenses:			
Research and development .....	189,902	19,099 <sup>(c)</sup>	170,803
Sales and marketing.....	217,927	21,217 <sup>(c)</sup>	196,710
General and administrative .....	106,394	13,544 <sup>(d)</sup>	92,850
Amortization of acquired intangible assets .....	231,973	231,973	—
Acquisition related and other costs .....	5,254	5,254	—
Restructuring charges .....	126,779	126,779	—
Total operating expenses.....	<u>878,229</u>		<u>460,363</u>
Income (loss) from operations.....	(229,147)		507,755
Interest expense, net .....	(350,626)	350,626	—
Other income (expense), net .....	(9,442)	9,442	—
Loss before provision from income taxes .....	(589,215)		507,755
Provision from income taxes .....	32,717	(32,717)	—
Net loss (income).....	(621,932)		507,755
Add: Depreciation & Others.....			63,261 <sup>(e)</sup>
Adjusted EBITDA .....			<u>\$ 571,016</u>

(a) Represents acquisitions-related revenue adjustment.

(b) Represents approximately \$312 million of amortization of intangible assets and approximately \$1 million of stock based compensation expenses pertaining to stock awards granted to employees.

(c) Represents stock based compensation expense recognized for the period, pertaining to stock awards granted to employees.

(d) Represents approximately \$13 million of stock based compensation expense recognized for the period, pertaining to stock awards granted to employees and approximately \$3 million of business optimization expenses.

(e) Represents approximately \$42 million of Non-EBITDA salaries, benefits, and other operating expenses, approximately \$12 million of depreciation of fixed assets, and approximately \$6 million from the impact on change in accounting principles.

## RISK FACTORS

*Any investment in the Notes involves a high degree of risk. You should carefully consider the risks described below and all of the information contained in this offering circular before deciding whether to purchase any Notes. The risks and uncertainties described below are not the only risks and uncertainties that we face. Additional risks and uncertainties not presently known to us or that we currently deem immaterial may also materially and adversely affect our business. If any of those risks actually occur, our business, cash flows, financial condition and results of operations would suffer. The risks discussed below also include forward-looking statements and our actual results may differ substantially from those discussed in these forward-looking statements. See “Cautionary Note Regarding Forward-Looking Statements” in this offering circular.*

### **Risks Related to Our Indebtedness and the Notes**

***Our substantial leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our market, expose us to interest rate risk, and prevent us from timely satisfying our obligations.***

As of February 28, 2024, on an as further adjusted basis after giving effect to the March 2024 Transaction and this offering and the use of proceeds therefrom, we would have had approximately \$17,550.1 million of total indebtedness, of which \$13,712.5 million (including the Notes offered hereby) is secured by first-priority liens on the Collateral and of which \$3,837.6 million is secured by second-priority liens on the Collateral. In addition, we had \$1,000.0 million available for borrowing under the Revolving Facility (including undrawn letters of credit), subject to customary conditions. Any borrowings under the Revolving Facility once made, would constitute senior secured indebtedness secured by first-priority liens on the Collateral. If we cannot generate sufficient cash flow from operations to service our debt, we may need to refinance our debt, dispose of assets, or issue equity to obtain necessary funds; we do not know whether we will be able to take any of such actions on a timely basis or on terms satisfactory to us or at all.

Our high degree of leverage could have important consequences, including:

- making it more difficult for us to make payments on the Senior Secured Credit Facilities, the First Lien Notes, the Second Lien Notes, the Rollover Citrix Notes, the Notes and our other obligations;
- increasing our vulnerability to general economic and market conditions and to changes in the industries in which we compete;
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest on our indebtedness, thereby reducing our ability to use our cash flow to fund our operations, future working capital, capital expenditures, investments or acquisitions, future strategic business opportunities, or other general corporate requirements;
- restricting us from making acquisitions or causing us to make divestitures or similar transactions;
- limiting our ability to obtain additional financing for working capital, capital expenditures, debt service requirements, investments, acquisitions, and general corporate or other purposes;
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged; and
- increasing our cost of borrowing.

Borrowings under our Senior Secured Credit Facilities are subject to variable rates of interest and expose us to interest rate risk. If interest rates increase, our debt service obligations may increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease.



Additionally, our ability to comply with the financial and other covenants contained in our debt instruments may be affected by changes in economic or business conditions or other events beyond our control. If we do not comply with these covenants and restrictions, we may be required to take actions such as reducing or delaying capital expenditures, selling assets, restructuring or refinancing all or part of our existing debt, or seeking additional equity capital.

The Credit Agreement, the First Lien Notes Indenture (as defined herein), the Second Lien Notes Indenture (as defined herein), the indenture governing the Rollover Citrix Notes (the “Rollover Citrix Notes Indenture”) and the indenture that will govern the Notes contain, or will contain, operating covenants and restrictions that limit our operations and could lead to adverse consequences if we fail to comply with them. These restrictions limit, or will limit, the Issuer’s ability and the ability of our restricted subsidiaries to, among other things:

- incur or guarantee additional debt or issue disqualified stock or preferred stock;
- pay dividends and make other distributions on, or redeem or repurchase, capital stock;
- make certain investments, loans and advances;
- incur certain liens;
- enter into transactions with affiliates;
- merge or consolidate, or sell, transfer, lease or dispose of substantially all of our assets;
- enter into agreements that restrict the ability of restricted subsidiaries to make dividends or other payments to the Issuer or the guarantors;
- designate restricted subsidiaries as unrestricted subsidiaries; and
- transfer or sell assets.

In addition, we and our restricted subsidiaries are subject to certain additional covenants in respect of the Senior Secured Credit Facilities. We and our restricted subsidiaries are also subject to certain negative covenants in respect of the Series A Preferred Stock that impose restrictions on our business, including, among other things, restrictions on our ability to incur indebtedness, make certain fundamental changes, pay dividends and make other payments, repurchases and redemptions in respect of capital stock, make investments, sell assets, change our lines of business, enter into transactions with affiliates and certain other corporate actions. Such negative covenants are subject to customary and other agreed-upon exceptions. See “Description of Certain Other Indebtedness.”

The restrictions in the Credit Agreement, the First Lien Notes Indenture, the Second Lien Notes Indenture, the Rollover Citrix Notes Indenture, the indenture that will govern the Notes and the documents governing the Series A Preferred Stock may prevent us from taking actions that we believe would be in the best interest of our business, and may make it difficult for us to successfully execute our business strategy or effectively compete with companies that are not subject to similar restrictions. We may also incur additional debt obligations in the future that could subject us to additional restrictive covenants that could affect our financial and operational flexibility. We cannot assure you that we will be able to maintain compliance with these covenants and, if we fail to do so, that we will be able to obtain waivers from the applicable lenders and/or amend the applicable covenants.

Failure to comply with these covenants could result from, among other things, changes in our results of operations, the incurrence of additional indebtedness, the pricing of our products, our success at implementing cost reduction initiatives, our ability to successfully implement our overall business strategy or changes in general economic conditions, which may be beyond our control. The breach of any of these covenants or restrictions could result in a default or event of default under the Credit Agreement, the First Lien Notes Indenture, the Second Lien Notes Indenture, the Rollover Citrix Notes Indenture and/or the indenture that will govern the Notes, which, if not cured or waived, could result in our being required to repay these borrowings before their due date. If we are forced

to refinance these borrowings on less favorable terms or cannot refinance these borrowings, our prospects, business, financial condition, results of operations and cash flows could be materially and adversely affected and could cause us to become bankrupt or otherwise insolvent. In addition, these covenants may restrict our ability to engage in transactions that we believe would otherwise be in the best interests of our business and stockholders.

See “Description of Certain Other Indebtedness” for additional information about the covenants set forth in the Credit Agreement, the First Lien Notes Indenture, the Second Lien Notes Indenture and the Rollover Citrix Notes Indenture and “Description of the Notes” for additional information about the covenants set forth in the indenture that will govern the Notes.

***We may be unable to generate sufficient cash flow to satisfy our significant debt service obligations, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows.***

We will require a significant amount of cash to service our indebtedness. Our ability to make scheduled payments on or to 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 not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and/or interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments, acquisitions, capital expenditures, and payments on account of other obligations, seek additional capital, restructure or refinance our indebtedness, or sell assets. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and could require us to comply with more onerous covenants, which could further restrict our business operations. In addition, we cannot assure you that we will be able to refinance any of our indebtedness on commercially reasonable terms, or at all.

If we are at any point unable to repay or otherwise refinance our indebtedness when due, or if any other event of default is not cured or waived, the applicable lenders could accelerate our outstanding obligations or proceed against the collateral granted to them to secure that indebtedness, which could force us into bankruptcy or liquidation. In the event the applicable lenders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. Any acceleration of amounts due under the Credit Agreement or other indebtedness or the exercise by the applicable lenders of their rights under the security documents would likely have a material adverse effect on our business.

***Despite our level of indebtedness, we and our subsidiaries may still be able to incur substantially more debt, including off-balance sheet financing, contractual obligations, and general and commercial liabilities. This could further exacerbate the risks to our financial condition described above.***

We and our subsidiaries may be able to incur significant additional indebtedness in the future, including additional tranches of term loans and/or term loan increases, increases to our revolving commitments and/or additional revolving credit facilities as well as off-balance sheet financings, contractual obligations, and general and commercial liabilities. Although the Credit Agreement, the First Lien Notes Indenture, the Second Lien Notes Indenture, the Rollover Citrix Notes Indenture, the indenture that will govern the Notes and the documents governing the Series A Preferred Stock contain, or will contain, restrictions on the incurrence of additional indebtedness, such restrictions are, or will be, subject to a number of significant exceptions and qualifications and any additional indebtedness incurred in compliance with such restrictions could be substantial. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness. If we and our subsidiaries incur significant additional indebtedness or other obligations, the related risks that we face could increase.

***Because each guarantor’s liability under its guarantees may be reduced to zero, voided or released under certain circumstances, holders of Notes may not receive any payments from some or all of the guarantors.***

Holders of Notes have the benefit of the guarantees of the guarantors. However, the guarantees by the guarantors are limited to the maximum amount that the guarantors are permitted to guarantee under applicable law. As a result, a guarantor’s liability under its guarantee could be reduced to zero, depending upon the amount of other

obligations of such guarantor. Further, under the circumstances discussed more fully below, a court under federal or state fraudulent conveyance and fraudulent transfer statutes could void the obligations under a guarantee or further subordinate it to all other obligations of the guarantor. See “Federal and state fraudulent transfer laws may permit a court to void the Notes or the related guarantees and any related security, and if that occurs, you may not receive any payments on the Notes.” In addition, you will lose the benefit of a particular guarantee if it is released under certain circumstances described under “Description of the Notes—Guarantees.”

***If the financial institutions that are part of the syndicate of our Revolving Facility fail to extend credit under our facility, our liquidity and results of operations may be adversely affected.***

We have access to capital through our Revolving Facility, which is governed by the Credit Agreement. Each financial institution which is part of the syndicate for our Revolving Facility is responsible on a several, but not joint, basis for providing a portion of the loans to be made under our Revolving Facility. If any participant or group of participants with a significant portion of the commitments in our Revolving Facility fails to satisfy its or their respective obligations to extend credit under the Revolving Facility and we are unable to find a replacement for such participant or participants on a timely basis (if at all), our liquidity may be adversely affected.

***We utilize derivative financial instruments to reduce our exposure to market risks from changes in interest rates on our variable rate indebtedness, and we will be exposed to risks related to counterparty credit worthiness or non-performance of these instruments.***

We have entered into interest rate swap instruments to limit our exposure to changes in variable interest rates. While our hedging strategy is designed to minimize the impact of increases in interest rates applicable to our variable rate debt, including our Senior Secured Credit Facilities, there can be no guarantee that our hedging strategy will be effective, and we may experience credit-related losses in some circumstances.

***Interest rate fluctuations may have a material adverse effect on our business, results of operations, financial condition and cash flows.***

Indebtedness under the Senior Secured Credit Facilities bears interest at variable rates. Because we have substantial variable rate debt, fluctuations in interest rates may affect our business, results of operations, financial condition and cash flows. We have attempted, and may continue to attempt, to minimize interest rate risk and lower our overall borrowing costs through the utilization of derivative financial instruments, primarily interest rate swaps and interest rate caps. As of February 28, 2024, on an as further adjusted basis after giving effect to the March 2024 Transaction and this offering of the Notes and the use of proceeds therefrom, we would have had approximately \$8,600.1 million aggregate principal amount of variable rate indebtedness, representing approximately 49% of our total debt. See “Note 9 – Debt and Credit Facilities” to our audited consolidated financial statements included elsewhere in this offering circular for additional information.

***We are exposed to additional risks related to variable interest rates.***

U.S. dollar denominated indebtedness under the Term Loan A Facility (as defined below), the USD Term Loan B Facilities (as defined below) and the Revolving Facility bears interest based on the Secured Overnight Financing Rate (“SOFR”), U.S. Prime Rate, or Federal Funds Rate. Euro denominated indebtedness under the EUR Term Loan B Facility (as defined below) bears interest based on EURIBOR. Thus, a change in the short-term interest rate environment (particularly a material change) could have a material adverse effect on our business, results of operations, financial condition and cash flows and could cause the market value of our debt securities to decline.

***We may not be able to repurchase the Notes upon a change of control.***

Upon the occurrence of specific kinds of change of control events, we will be required to offer to repurchase all outstanding Notes at 101% of their principal amount, together with accrued and unpaid interest, if any, to, but excluding, the purchase date. Additionally, under the terms of the Senior Secured Credit Facilities, a change of control may constitute an event of default that permits the lenders to accelerate the maturity of borrowings

under the respective agreements and terminate their commitments to lend, and, under the terms of the First Lien Notes Indenture and the Second Lien Notes Indenture, a change of control will require us to make a change of control offer with respect to the First Lien Notes and the Second Lien Notes, respectively. The source of funds for any purchase of the Notes, the First Lien Notes or the Second Lien Notes and any repayment of borrowings under the Senior Secured Credit Facilities would be our available cash or cash generated from our subsidiaries' operations or other sources, including borrowings, sales of assets or sales of equity. We may not be able to repurchase the Notes, the First Lien Notes or the Second Lien Notes upon a change of control because we may not have sufficient financial resources to purchase all of the debt securities that are tendered upon a change of control and repay our other indebtedness that will become due. We may require additional financing from third parties to fund any such purchases, and we may be unable to obtain financing on satisfactory terms or at all. Further, our ability to repurchase the Notes may be limited by law. In order to avoid the obligations to repurchase the Notes, the First Lien Notes, the Second Lien Notes or events of default and potential breaches of the terms of the Senior Secured Credit Facilities, we may have to avoid certain change of control transactions that would otherwise be beneficial to us.

In addition, some important corporate events, such as leveraged recapitalizations, may not, under the indenture that will govern the Notes, constitute a "change of control" that would require us to repurchase the Notes, even though those corporate events could increase the level of our indebtedness or otherwise adversely affect our capital structure, credit ratings, financial condition or the value of the Notes. Therefore, we could, in the future, enter into certain transactions which would not constitute a change of control under the indenture that will govern the Notes, but that could increase the amount of indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. See "Description of the Notes—Change of Control."

***Holders of Notes may not be able to determine when a change of control giving rise to their right to have the Notes purchased has occurred following a sale of "substantially all" of our assets.***

The definition of change of control in the indenture that will govern the Notes will include a phrase relating to the sale of "all or substantially all" of our assets. There is no precise established definition of the phrase "substantially all" under applicable law. Accordingly, the ability of a holder of Notes to require the issuer to purchase its Notes as a result of a sale of less than all our assets to another person may be uncertain. See "Description of the Notes—Change of Control."

***Federal and state fraudulent transfer laws may permit a court to void the Notes or the related guarantees and any related security, and if that occurs, you may not receive any payments on the Notes.***

Federal and state fraudulent transfer and conveyance statutes may apply to the issuance of the Notes and the incurrence of the guarantees of the Notes and any related security. Under federal bankruptcy law and comparable provisions of state fraudulent transfer or conveyance laws, which may vary from state to state, the Notes or the guarantees thereof and any related security could be voided as a fraudulent transfer or conveyance if the Issuer or a guarantor, as applicable, (i) issued the Notes or incurred its guarantee with the intent of hindering, delaying or defrauding creditors or (ii) received less than reasonably equivalent value or fair consideration in return for either issuing the Notes or incurring the guarantee or any related security and, in the case of (ii) only, one of the following is also true at the time thereof:

- the Issuer or such guarantor, as applicable, was insolvent or rendered insolvent by reason of the issuance of the Notes or the incurrence of its guarantees;
- the issuance of the Notes or the incurrence of its guarantees left the Issuer or such guarantor, as applicable, with an unreasonably small amount of capital or assets to carry on the business;
- the Issuer or such guarantor intended to, or believed that it would, incur indebtedness beyond its ability to pay as they mature; or
- the Issuer or such guarantor was a defendant in an action for money damages, or had a judgment for money damages docketed against it if, in either case, the judgment is unsatisfied after final judgment.

As a general matter, value is given for a transfer or an obligation if, in exchange for the transfer or obligation, property is transferred or a valid antecedent debt is secured or satisfied. A court would likely find that a guarantor did not receive reasonably equivalent value or fair consideration for its guarantee or security interest to the extent the guarantor did not obtain a reasonably equivalent benefit directly or indirectly from the issuance of the Notes.

We cannot be certain as to the standards a court would use to determine whether or not the Issuer or a guarantor was insolvent at the relevant time or, regardless of the standard that a court uses, whether the Notes or the guarantees and any related security would be subordinated to other indebtedness. In general, however, a court would deem an entity insolvent if:

- the sum of its indebtedness, including contingent and unliquidated liabilities, was greater than the fair saleable value of all of its assets;
- the present fair saleable value of its assets was less than the amount that would be required to pay its probable liability on its existing indebtedness, including contingent liabilities, as they become absolute and mature; or
- it could not pay its indebtedness as they became due.

If a court were to find that the issuance of the Notes or the incurrence of a guarantee and any related security was a fraudulent transfer or conveyance or other reviewable transaction, the court could void the payment obligations under the Notes or that guarantee or security interest, could subordinate the Notes or that guarantee or security interest to presently existing and future indebtedness of the Issuer or of the relevant guarantor or could require the holders of the Notes to repay any amounts received with respect to the Notes or that guarantee or security interest. In the event of a finding that a fraudulent transfer or conveyance or other reviewable transaction occurred, you may not receive any repayment on the Notes. The indenture that will govern the Notes will also permit guarantees by foreign subsidiaries to be limited to the extent necessary to comply with applicable local law, and these limitations could limit the value of the guarantees. Further, the avoidance of the Notes could result in an event of default with respect to our and our subsidiaries' other indebtedness that could result in acceleration of that indebtedness.

Finally, as a court of equity, the bankruptcy court may subordinate the claims in respect of the Notes to other claims against us under the principle of equitable subordination if the court determines that (i) the holder of Notes engaged in some type of inequitable conduct, (ii) the inequitable conduct resulted in injury to our other creditors or conferred an unfair advantage upon the holders of Notes and (iii) equitable subordination is not inconsistent with the provisions of the U.S. Bankruptcy Code.

***Holders of the Notes will not be entitled to registration rights and we do not currently intend to register the Notes under applicable securities laws, and there are significant restrictions on your ability to transfer or resell the Notes.***

The Notes are being offered and sold pursuant to an exemption from registration under the Securities Act and applicable state securities laws. Therefore, you may transfer or resell the Notes only in a transaction registered under or exempt from the registration requirements of the Securities Act and applicable state securities laws. We are not required to and do not intend to register the Notes for resale under the Securities Act or the securities laws of any other jurisdiction and we are not required and do not intend to offer to exchange the Notes for notes registered under the Securities Act or the securities laws of any other jurisdiction. Accordingly, you may have difficulty transferring your Notes, and you may be required to bear the risk of your investment for an indefinite period of time. See "Transfer Restrictions."

***We are not required to file reports with the SEC, and we are not subject to the Sarbanes-Oxley Act. The indenture that will govern the Notes will contain periodic reporting requirements that will be different and less burdensome***

***than would be applicable to us if we had agreed to register the Notes immediately following the closing of the offering.***

We are not required to file reports with the SEC. The indenture that will govern the Notes will require us to provide annual, quarterly and certain material current reports to the holders of the Notes and the Trustee. The content of the reports required by the indenture will, however, be more limited than if we were subject to the reporting requirements of the Exchange Act. See “Description of the Notes—Certain Covenants—Reports.” In addition, we are not subject to the Sarbanes-Oxley Act, which requires public companies to have and maintain effective disclosure controls and procedures to ensure timely disclosure of material information, and have management review the effectiveness of those controls on a quarterly basis. The Sarbanes-Oxley Act also requires public companies to have and maintain effective internal controls over financial reporting to provide reasonable assurance regarding the reliability of financial reporting and preparation of financial statements, and have management review the effectiveness of those controls on an annual basis (and have the independent registered public accounting firm attest to the effectiveness of such internal controls). We are not required to comply with these internal control requirements and therefore we may not have comparable controls or procedures in place as compared to public companies. Further, the financial information we provide to holders of the Notes and the Trustee may not be comparable to reports filed by public companies.

***Your ability to transfer the Notes may be limited by the absence of an active trading market, and an active trading market may not develop for the Notes.***

We expect the Notes to be eligible for trading by QIBs, as defined under Rule 144A, but we do not intend to list the Notes on any national securities exchange or include the Notes in any automated quotation system. Certain initial purchasers have advised us that they intend to make a market in the Notes as permitted by applicable laws and regulations. However, the initial purchasers are not obligated to make a market in the Notes, and, if commenced, they may discontinue their market-making activities at any time without notice. Even if an active trading market for the Notes does develop, there is no guarantee that it will continue. Historically, the market for non-investment grade debt has been subject to severe disruptions that have caused substantial volatility in the prices of securities similar to the Notes. The market, if any, for the Notes may experience similar disruptions, and any such disruptions may adversely affect the liquidity in that market or the prices at which you may sell your Notes. For these reasons, an active market for the Notes may not develop or be maintained, which would adversely affect the market price and liquidity of the Notes. In that case, the holders of the Notes may not be able to sell their Notes at a particular time or at a favorable price.

***Many of the covenants in the indenture that will govern the Notes and related guarantees will not apply during any period in which the Notes are rated investment grade.***

Many of the covenants in the indenture that will govern the Notes and security interests will not apply to us during any period in which the Notes are rated investment grade, provided at such time no default or event of default has occurred and is continuing. These covenants restrict, among other things, our ability to pay distributions, incur indebtedness and enter into certain other transactions. There can be no assurance that the Notes will ever be rated investment grade, or that if they are rated investment grade, that the Notes will maintain these ratings. However, suspension of these covenants and related guarantees would allow us to engage in certain transactions that would not be permitted while these covenants, guarantees and security interests were in force. To the extent the covenants are subsequently reinstated, any such actions taken while the covenants were suspended would not result in an event of default under the indenture that will govern the Notes. See “Description of the Notes—Certain Covenants—Suspension of Covenants on Achievement of Investment Grade Status.”

***Claims of holders of the Notes will be structurally subordinated to claims of creditors of certain of our subsidiaries that will not guarantee the Notes.***

The Notes will not be guaranteed by certain of our existing and future subsidiaries. Only our wholly-owned domestic restricted subsidiaries that guarantee indebtedness under (or are borrowers under) the Senior Secured Credit Facilities will initially guarantee the Notes. None of our foreign subsidiaries, non-wholly-owned domestic subsidiaries or unrestricted subsidiaries will initially guarantee the Notes, and no such subsidiaries are expected to guarantee the Notes in the future. As of and for the twelve months ended February 28, 2024, the non-guarantor

subsidiaries generated approximately 42.5% of our consolidated revenues, held approximately 5.7% of our consolidated assets and had no debt for borrowed money outstanding, in each case after intercompany eliminations. In addition, the guarantee of certain guarantors will be released in connection with a transfer of such guarantor in a transaction not prohibited by the indenture that will govern the Notes or upon certain other events described in “Description of the Notes—Guarantees.” The indenture that will govern the Notes will permit these non-guarantor subsidiaries to incur certain additional debt and will not limit their ability to incur other liabilities that are not considered indebtedness thereunder.

***There are circumstances other than repayment or discharge of the Notes under which the guarantees and the Collateral securing the Notes will be released automatically, without your consent or the consent of the Trustee.***

Under various circumstances, the guarantees of the Notes and any related security will be released automatically. The guarantee of a guarantor of the Notes and any related security will be automatically released to the extent such guarantor or security interest is released in connection with a sale or other disposition of the equity interests of such guarantor in a transaction not prohibited by the indenture that will govern the Notes. As a result, the Collateral securing the Notes may be released automatically to enable the sale, transfer or other disposal of such Collateral in transactions not prohibited by the indenture that will govern the Notes, including the sale of any entity in its entirety that owns or holds such Collateral. The Collateral securing the Notes may also be released automatically upon the release of such guarantor from its guarantee as permitted by the indenture that will govern the Notes or when such guarantor otherwise ceases to be a guarantor.

The indenture that will govern the Notes will also permit us to designate one or more of our restricted subsidiaries that is a guarantor of the Notes as an unrestricted subsidiary, which will result in the guarantee of such guarantor being automatically released. If a guarantor is released from its guarantee of the Senior Secured Credit Facilities and certain other indebtedness of the Issuer or any other guarantor, other than in connection with a refinancing of the Senior Secured Credit Facilities and such other indebtedness or a payment under such guarantee, or a guarantor ceases to be a subsidiary as a result of any foreclosure of any pledge or security interest securing the secured indebtedness, such subsidiary’s guarantee of the Notes will be automatically released as well, in which case any liens on the assets of such subsidiary in favor of the Notes will also be released. If the guarantee of any guarantor is released, no holder of the Notes will have a claim as a creditor against that subsidiary, and the indebtedness and other liabilities, including trade payables and preferred stock, if any, whether secured or unsecured, of that subsidiary will be structurally senior to the claim of any holders of the Notes. For a description of all circumstances in which a guarantor’s subsidiary guarantee and the Collateral securing the Notes will be automatically released, see “Description of the Notes—Guarantees,” “Description of the Notes—Security for the Notes.”

***Changes in our credit rating or the rating of the Notes could negatively impact the market price or liquidity of the Notes.***

Credit rating agencies continually revise their ratings for the companies that they follow, including us. Credit rating agencies also evaluate our industry as a whole and may change their credit ratings for us based on their overall view of our industry. We cannot be sure that credit rating agencies will maintain their ratings on the Notes. A negative change in our ratings could have a negative impact on the future trading prices of the Notes and on our ability to obtain future debt financing on commercially reasonable terms or at all.

In addition, we currently expect that, upon issuance, the Notes will be rated by Standard & Poor’s Investors Ratings Service, Moody’s Investors Service, Inc. and Fitch Ratings, Inc. A rating agency’s rating of the Notes is not a recommendation to purchase, sell or hold any particular security, including the Notes. Such ratings are limited in scope and do not comment as to material risks relating to an investment in the Notes. An explanation of the significance of such rating may be obtained from such rating agency. There is no assurance that such credit ratings will be issued or remain in effect for any given period of time. Rating agencies also may lower, suspend or withdraw ratings on the Notes or our other debt in the future. Holders of the Notes will have no recourse against us or any other parties in the event of a change in or suspension or withdrawal of such ratings. Any lowering, suspension or withdrawal of such ratings may have an adverse effect on the market prices or marketability of the Notes.

***The indenture that will govern the Notes will not be qualified under the Trust Indenture Act and we will not be required to comply with the provisions of the Trust Indenture Act.***

The indenture that will govern the Notes will not be qualified under the Trust Indenture Act and we will not be required to comply with the provisions of the Trust Indenture Act. Therefore, holders of the Notes will not be entitled to the benefit of the provisions and protection of the Trust Indenture Act except to the extent there are similar provisions in the indenture that will govern the Notes.

***Certain actions in respect of defaults and amendments taken under the indenture that will govern the Notes by beneficial owners, including those with short positions in excess of their interests in the Notes, will be disregarded.***

By acceptance of the Notes, each holder of Notes (other than screened affiliates) agrees, in connection with any notice of default, notice of acceleration or instruction to the Trustee to provide a notice of default, notice of acceleration or take any other action (a “Noteholder Direction”), to (i) deliver a written representation to the Issuer and such Trustee that such holder and any of its affiliates acting in concert with it in connection with its investment in the Notes (other than screened affiliates) are not (or, in the case such holder is DTC or its nominee, that such holder is being instructed solely by beneficial owners that (together with such affiliates) have represented to such holder that they are not) Net Short (as defined in “Description of the Notes”) with respect to the Notes and (ii) provide the Issuer with such other information as the Issuer may reasonably request from time to time in order to verify the accuracy of such holder’s representation within five business days of request therefor. These restrictions may impact a holder’s ability to participate in a Noteholder Direction if it is unable to make such a representation.

***Affiliates of the Investors control us and their interests may conflict with our interests or the interests of the holders of the Notes.***

We are an indirect, wholly-owned subsidiary of Holdco. Investment funds affiliated with the Investors beneficially own substantially all of Holdco’s issued and outstanding capital stock together with the investors in the Series A Preferred Stock. In addition, the Investors have the right to designate all of the members of our board of directors. As a result, the Investors have control over our decisions to enter into any corporate transaction and have the ability to prevent any transaction that requires the approval of our board of directors or stockholders, regardless of whether the holders of Notes believe that any such transactions are in their own best interests. For example, the Investors could cause us to make acquisitions that increase the amount of our indebtedness, including secured indebtedness, or to sell assets, which may impair our ability to make payments under the Notes. In addition, to the extent permitted by the Credit Agreement, the First Lien Notes Indenture, the Second Lien Notes Indenture, the Rollover Citrix Notes Indenture, the indenture that will govern the Notes and the documents governing the Series A Preferred Stock, the Investors may cause us to pay dividends rather than make capital expenditures or otherwise use our funds for the benefit of our business.

In addition, the Investors are in the business of making investments in companies and may, from time to time, acquire and hold interests in businesses that compete directly or indirectly with us. While we do not currently compete with these investments, the Investors may vote in a manner so as to restrict us from expanding our business or entering into additional lines of business which may be related to the current or future operations of these investments. Also, the Investors may pursue acquisitions that may be complementary with our business and, as a result, those acquisition opportunities may not be available to us. So long as the Investors continue to indirectly own a significant amount of the outstanding shares of our common stock, even if such amount is less than 50%, the Investors will continue to be able to strongly influence or effectively control our decisions.

#### **Risks Related to the Collateral Securing the Notes**

***Even though the holders of the Notes will benefit from a first-priority lien on the Collateral, the representative of the lenders under the Senior Secured Credit Facilities will initially have the exclusive right to control actions (including the exercise of remedies) with respect to the Collateral. The First Lien Intercreditor Agreement contains customary provisions for New York (U.S.) law intercreditor agreements, but does not contain provisions***



***that seek to address non-New York (U.S.) law insolvency and restructuring considerations typically available in non-New York (U.S.) law intercreditor agreements.***

The rights of the holders of the Notes in the Collateral (including the right to exercise remedies) will be subject to the First Lien Intercreditor Agreement among the First Lien Credit Agreement Collateral Agent, the First Lien Notes Collateral Agent, the Rollover Citrix Notes Collateral Agent, the Notes Collateral Agent and any applicable representative for the holders of future *pari passu* obligations.

Under the First Lien Intercreditor Agreement, any actions that may be taken with respect to the First Lien Shared Collateral, including the ability to cause the commencement of enforcement proceedings against the First Lien Shared Collateral or to control such proceedings, are at the direction of the First Lien Credit Agreement Collateral Agent until the earlier to occur of (x) the discharge of our obligations under the Senior Secured Credit Facilities (which discharge does not include certain refinancings of the Senior Secured Credit Facilities) and (y) 180 consecutive days after the occurrence of a continuing event of default under an agreement governing a series of indebtedness that does not represent the largest outstanding principal amount of indebtedness subject to the First Lien Intercreditor Agreement and the acceleration of such indebtedness (subject to certain other requirements). See “Description of the Notes—Security for the Secured Notes—First Lien Intercreditor Agreement.”

At any time that the First Lien Credit Agreement Collateral Agent does not have the right to take action with respect to the Collateral pursuant to the First Lien Intercreditor Agreement as described above, then the authorized representative for the Notes or other debt that has the greatest outstanding principal amount would exercise such right to take action under the First Lien Intercreditor Agreement.

The foregoing is not a summary of all material terms of the First Lien Intercreditor Agreement. For a more detailed description, see “Description of the Notes—Security for the Secured Notes—First Lien Intercreditor Agreement.”

Under the First Lien Intercreditor Agreement, none of the Notes Collateral Agent, the Trustee for the Notes or the holders of the Notes may object following the filing of a bankruptcy petition or commencement of any other insolvency, restructuring or liquidation proceeding to (i) any proposed debtor-in-possession financing or to the use of cash collateral that is not opposed or objected to by the controlling collateral agent or (ii) to the extent not opposed or objected to by the controlling collateral agent, the use of the Collateral to secure debtor-in-possession financing, in each case, subject to certain specified conditions and limited exceptions. After the filing of any bankruptcy petition or the commencement of any other insolvency, restructuring or liquidation proceeding, the value of the Collateral could materially deteriorate, and holders of the Notes would be prohibited from raising an objection to such proposed financing or use of cash collateral. For a description of important waivers by holders of the Notes and limits on their rights as secured creditors under the First Lien Intercreditor Agreement, see “Description of the Notes—Security for the Secured Notes—First Lien Intercreditor Agreement.”

The First Lien Intercreditor Agreement contains customary provisions for New York (U.S.) law intercreditor agreements governing priority of claims among secured creditors and is governed by New York law. See “Description of the Notes—Security for the Secured Notes—First Lien Intercreditor Agreement.” The First Lien Intercreditor Agreement does not contain provisions that typically would be included in any non-New York jurisdiction.

***Additional indebtedness is secured by the Collateral that will secure the Notes, and the Notes will be secured only to the extent of the value of the assets that have been granted as security for the Notes and the guarantees, which may not be sufficient to satisfy our obligations under the Notes.***

The Notes will be secured by a first-priority lien on the Collateral, and there may not be sufficient Collateral to pay all or any of the Notes. In addition, indebtedness permitted to be secured by a lien that is *pari passu* with liens securing the Notes, including the First Lien Notes, the obligations under the Senior Secured Credit Facilities and, with respect to certain Collateral, the Rollover Citrix Notes (referred to herein as “Additional *Pari Passu* Obligations”), is secured by the same tangible and intangible assets comprising the Collateral securing the Notes, on a *pari passu* basis. In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against us or any guarantor, the Collateral securing the Additional *Pari Passu* Obligations and the Notes

must be used to pay the Additional Pari Passu Obligations and the Notes ratably as set forth in the First Lien Intercreditor Agreement. We may incur Additional Pari Passu Obligations in the future. Any Additional Pari Passu Obligations incurred in the future will adversely affect the relative position of the holders of the Notes with respect to the Collateral securing such Notes.

As of February 28, 2024, on an as further adjusted basis after giving effect to the March 2024 Transaction and this offering and the use of proceeds therefrom, we would have had approximately \$17,550.1 million principal amount of secured indebtedness under the First Lien Notes, the Second Lien Notes, the Notes, the Rollover Citrix Notes and the Senior Secured Credit Facilities and approximately \$1,000.0 million of additional borrowing capacity under the Revolving Facility, subject to customary conditions. Of the \$17,550.1 million principal amount of secured indebtedness, \$13,712.5 million would have been secured by first-priority liens on the Collateral and \$3,837.6 million would have been secured by second-priority liens on the Collateral.

No appraisals of any Collateral have been prepared in connection with the offering of the Notes. The value of the Collateral at any time will depend on market and other economic conditions, including the availability of suitable buyers for the Collateral. By their nature, some or all of the pledged assets may be illiquid and may have no readily ascertainable market value. The value of the Collateral securing the Notes could be impaired in the future as a result of changing economic conditions, our failure to implement our business strategy, competition and other future events or trends. In the event of a foreclosure, liquidation, bankruptcy or similar proceeding, no assurance can be given that the proceeds from any sale or liquidation of the Collateral securing the Notes will be sufficient to pay our obligations under the Notes, in full or at all, while also paying the Additional Pari Passu Obligations.

In the event of a bankruptcy, liquidation, dissolution, reorganization or similar proceeding against us or any guarantor, all proceeds from the Collateral will be applied first to repay the obligations in respect of the Notes and any other Additional Pari Passu Obligations. No assurance can be given that the proceeds from any sale or liquidation of the Collateral will be sufficient to pay our obligations under the Notes, in full or at all, while also paying the Additional Pari Passu Obligations.

Accordingly, there may not be sufficient Collateral to pay all or any of the amounts due on the Notes. Any claim for the difference between the amount, if any, realized by holders of the Notes from the sale of the Collateral securing the Notes and the obligations under the Notes will rank equally in right of payment with all of our other unsecured unsubordinated indebtedness and other obligations, including trade payables.

***Rights of holders of the Notes in the Collateral securing the Notes may be adversely affected by bankruptcy proceedings.***

The right of the applicable collateral agent to repossess and dispose or otherwise realize upon the Collateral securing the Notes upon acceleration is likely to be significantly impaired by federal bankruptcy law if bankruptcy proceedings are commenced by or against us prior to or possibly even after the applicable collateral agent has repossessed and disposed of the Collateral. Under the U.S. Bankruptcy Code, a secured creditor, such as the applicable collateral agent, is prohibited from repossessing its security from a debtor in a bankruptcy case, or from disposing of security repossessed from a debtor, without bankruptcy court approval.

Moreover, bankruptcy law permits the debtor to continue to retain and to use collateral, and the proceeds, products, rents or profits of the collateral, even though the debtor is in default under the applicable debt instruments, provided that the secured creditor is given “adequate protection.” The meaning of the term “adequate protection” may vary according to circumstances, but it is intended in general to protect the value of the secured creditor’s interest in the collateral and may include cash payments or the granting of additional security, if and at such time as the court in its discretion determines, for any diminution in the value of the collateral as a result of the stay of repossession or disposition or any use of the collateral by the debtor during the pendency of the bankruptcy case. In view of the broad discretionary powers of a bankruptcy court, it is impossible to predict how long payments under the Notes could be delayed following commencement of a bankruptcy case, whether or when the applicable collateral agent would repossess or dispose of the Collateral, or whether or to what extent holders of the Notes would be compensated for any delay in payment of loss of value of the Collateral through the requirements of “adequate protection.” Furthermore, in the event the bankruptcy court determines that the value of the Collateral is not sufficient to repay all amounts due on the Notes, the holders of the Notes would have “undersecured claims” as

to the difference and would not be entitled to post-petition interest or “adequate protection” with respect to such difference. Federal bankruptcy laws do not permit the payment or accrual of interest, costs and attorneys’ fees for “undersecured claims” during the debtor’s bankruptcy case.

***The Collateral securing the Notes may be diluted under certain circumstances.***

The Collateral that will secure the Notes also secures our obligations under the Senior Secured Credit Facilities, the First Lien Notes and, with respect to certain Collateral, the Rollover Citrix Notes on a *pari passu* basis. This Collateral may secure on a *pari passu* basis additional senior indebtedness that we or certain of our subsidiaries incur in the future, subject to restrictions on our ability to incur debt and liens under the indenture that will govern the Notes, the First Lien Notes Indenture, the Second Lien Notes Indenture, the Rollover Citrix Notes Indenture and the Credit Agreement. Your rights to the Collateral would be diluted, and in certain cases could be primed, by any increase in the indebtedness secured on a *pari passu* basis by such Collateral.

***It may be difficult to realize the value of the Collateral securing the Notes.***

The Collateral securing the Notes will be subject to any and all exceptions, defects, encumbrances, liens and other imperfections as may be accepted by the creditors that have the benefit of first-priority liens on the Collateral securing the Notes from time to time, whether on or after the date the Notes are issued. The initial purchasers did not analyze the effect of, nor participate in, any negotiations relating to, such exceptions, defects, encumbrances, liens and other imperfections. The existence of any such exceptions, defects, encumbrances, liens and other imperfections could adversely affect the value of the Collateral securing the Notes as well as the ability of the applicable collateral agent to realize or foreclose on such Collateral.

In the event that a bankruptcy or other insolvency case is commenced by or against us, if the value of the Collateral is less than the amount of principal and accrued and unpaid interest on the Notes and any Additional *Pari Passu* Obligations, interest may cease to accrue on the Notes from and after the date the bankruptcy petition is filed or other insolvency proceeding commenced.

***The rights of holders of the Notes to the Collateral securing the Notes may be adversely affected by the failure to perfect security interests in such Collateral and other issues generally associated with the realization of security interests in Collateral.***

Applicable law requires that a security interest in certain tangible and intangible assets can only be properly perfected and its priority retained through certain actions undertaken by the secured party including enforceability vis-a-vis third parties upon registration before the relevant public registries. The liens on the Collateral securing the Notes may not be perfected with respect to the claims of the Notes if the applicable collateral agent is not able to take the actions necessary to perfect any of these liens on or prior to the issue date of the Notes. Furthermore, the indenture that will govern the Notes will contain customary exceptions to perfection actions that would be required to be taken in order to perfect a security interest in certain types of Collateral. In addition, applicable law requires that certain property and rights acquired after the grant of a general security interest, such as real property, can only be perfected at the time such property and rights are acquired and identified and additional steps to perfect in such property and rights are taken. If additional domestic restricted subsidiaries are formed or acquired and become guarantors under the indenture that will govern the Notes, additional financing statements would be required to be filed to perfect the security interest in the assets of such guarantors. Depending on the type of the assets constituting after-acquired collateral, additional action may be required to be taken to perfect the security interest in such assets, such as the delivery of physical collateral, subject to the terms of the First Lien Intercreditor Agreement, or the execution and recordation of mortgages or deeds of trust. The Issuer and the guarantors will have limited obligations to perfect the security interest of the holders of the Notes in the Collateral. There can be no assurance that the Trustee for the Notes or the applicable collateral agent will monitor, or that we will inform such Trustee for the Notes or applicable collateral agent of, the future acquisition of property and rights that constitute Collateral securing the Notes, and that the necessary action will be taken to properly perfect the security interest in such after-acquired collateral. None of the Trustee for the Notes, the Notes Collateral Agent or any other applicable collateral agent has any obligation to monitor the acquisition of additional property or rights that could constitute Collateral securing the Notes or to monitor the perfection of any security interest, or to make any filings to perfect or maintain

the perfection of any security interest. This may result in the loss of the security interest in the Collateral securing the Notes or the priority of the security interest in favor of the Notes against third parties.

In addition, the security interest of the applicable collateral agent will be subject to practical challenges generally associated with the realization of security interests in Collateral. For example, the applicable collateral agent may need to obtain the consent of third parties and make additional filings. If we are unable to obtain these consents or make these filings, the security interests may be invalid and the holders will not be entitled to the affected Collateral or any recovery with respect thereto. We cannot assure you that the applicable collateral agent will be able to obtain any such consent. We also cannot assure you that the consents of any third parties will be given when required to facilitate a foreclosure or other security enforcement on such assets. Accordingly, the applicable collateral agent may not have the ability to foreclose upon or otherwise enforce against those assets and the value of the affected Collateral may significantly decrease.

***The Collateral securing the Notes is subject to casualty risks.***

Although we maintain insurance policies to insure against losses, there are certain losses that may be either uninsurable or not economically insurable, in whole or in part. As a result, it is possible that the insurance proceeds will not compensate us fully for our losses in the event of a catastrophic loss. If there is a total or partial loss of any of the Collateral, we cannot assure you that any insurance proceeds received by us will be sufficient to satisfy all the secured obligations, including the Notes.

***We will, in most cases, have control over the Collateral, and the sale of particular assets by us could reduce the pool of assets securing the Notes and any future guarantees. In addition, certain assets, including Excluded Property, will be excluded from the Collateral.***

Subject to the terms of the First Lien Intercreditor Agreement and the Senior Secured Credit Facilities, the security documents allow us to remain in possession of, retain exclusive control over, freely operate, and collect, invest and dispose of any income from, the Collateral. For example, so long as no default or event of default under the indenture that will govern the Notes would result therefrom, we may, among other things, without any release or consent by the Trustee for the Notes, conduct activities with respect to the Collateral, such as selling, factoring, abandoning or otherwise disposing of the Collateral and making cash payments (including repayments of indebtedness). The lien on the Collateral will be automatically released upon any permitted disposition thereof to a person that is not the issuer or guarantor of the Notes. Any such actions could reduce the pool of assets securing the Notes. See “Description of the Notes.”

In addition, certain assets, including Excluded Property, will be excluded from the Collateral. Some of these assets may be material to us and such exclusion could have a material adverse effect on the value of the Collateral. See “Description of the Notes—Security for the Notes” for the definition of “Excluded Property.”

***Any future pledge of Collateral or guarantee provided after the Notes are issued might be avoided by us or by a trustee in bankruptcy.***

The indenture and the security documents that will govern the Notes will require us to cause any subsidiary that guarantees the Senior Secured Credit Facilities to provide a guarantee of the Notes and will require us to cause such guarantor to grant liens on certain assets that we or any such guarantor holds at the time the Notes are issued or acquires after the Notes are issued. Any future guarantee or additional lien in favor of the applicable collateral agents for the benefit of the holders of the Notes might be avoidable by the grantor (as debtor-in possession) or by a trustee in bankruptcy or other third parties if certain events or circumstances exist or occur. For instance, if the entity granting a future guarantee or additional lien was insolvent at the time of the grant and if such grant was made within 90 days before that entity commenced a bankruptcy proceeding (or one year before commencement of a bankruptcy proceeding if the creditor that benefited from the guarantee or lien is an “insider” under the U.S. Bankruptcy Code), and the granting of the future guarantee or additional lien enabled the holders of the Notes to receive more than they would if the grantor were liquidated under Chapter 7 of the U.S. Bankruptcy Code, then such guarantee or lien could be avoided as a preferential transfer. Liens recorded or perfected after the issue date may be treated under bankruptcy law as if they were delivered to secure previously existing indebtedness. In bankruptcy proceedings commenced within 90 days of lien perfection, a lien given to secure previously existing indebtedness is

materially more likely to be avoided as a preference by the bankruptcy court than if delivered and promptly recorded on the issue date (or within a 30-day safe harbor provided for in the U.S. Bankruptcy Code). Accordingly, if we or any guarantor of the Notes were to file for bankruptcy or other insolvency protection after the issue date with respect to the Notes offered hereby and the liens had been perfected less than 90 days before the commencement of such bankruptcy proceeding, the liens securing the Notes may be particularly subject to challenge as a preference as a result of having been delivered after the issue date of the Notes. To the extent that such challenge were to succeed, the holders of the Notes would lose the benefit of the security that the Collateral was intended to provide.

***Lien searches may not reveal all existing liens on the Collateral that will secure the Notes.***

We will conduct lien searches on the Collateral securing the Notes in the United States (but not all other applicable jurisdictions) and cannot guarantee that these lien searches will reveal all existing liens on such Collateral. Any existing undiscovered lien could be significant, could be prior in ranking to the liens securing the Notes or the guarantees and could have an adverse effect on the ability of the applicable collateral agent to realize or foreclose upon the Collateral securing the Notes. In addition, certain statutory priority liens may also exist that cannot or will not be discovered by lien searches.

**Risks Related to Our Business and Industry**

***We face intense competition, which could result in customer loss, fewer customer orders and reduced revenues and margins.***

We sell our solutions and services in intensely competitive markets that are subject to rapid change. We compete with various providers of software including portions of VMWare (Broadcom), Microsoft, AWS, F5, Radware, A10 and Cisco, generally, as well as other pure play companies with respect to only certain of the brands in which we operate. We also face competition for certain aspects of our product and service offerings from major systems integrators, and our customers have alternatives to our proprietary software from open source software providers that provide software and intellectual property, typically without charging license fees, or from other competitors offering products through alternative business models, such as SaaS and DaaS.

Some of our competitors and potential competitors have significantly greater financial, technical, product development, sales and marketing and other resources, greater name recognition, larger customer bases and longer operating histories than we do. This may allow our present or future competitors to develop products comparable or superior to those we offer; adapt more quickly than we do to new technologies, evolving industry trends or customer requirements; execute more effectively on their marketing and sales strategies and leverage their internal relationships; and devote greater resources to the development, promotion and sale of their products than we do. For example, some of our competitors offer products outside our sector of the software market and routinely bundle these products with their infrastructure software products. Also, some of our competitors are expanding their competitive product offerings and strengthening their market position through increases in capital expenditures for internal research and development.

We compete based on our ability to offer to our customers the most current and desired solution and services features. We expect that competition will continue to be intense, and there is a risk that our competitors' products may be less costly, more heavily discounted or free, provide better performance or include additional features when compared to our solutions. Additionally, there is a risk that our solutions may become outdated or that our market share may erode. Further, the announcement of the release, or the actual release, of new solutions incorporating similar features to our solutions could cause our existing and potential customers to postpone or cancel plans to license certain of our existing and future solution and service offerings. Existing or new solutions and services that provide alternatives to our solutions and services could materially impact our ability to compete in these markets. As the markets for our solutions and services, especially those solutions in early stages of development, continue to develop, additional companies, including companies with significant market presence in the computer hardware, software, cloud, networking, mobile, data sharing and related industries, could enter, or increase their footprint in, the markets in which we compete and further intensify competition. In addition, we believe price competition will remain a significant competitive factor in the future. As a result, we may not be able to maintain our historic prices and margins and we may not be able to compete effectively in our markets or against

existing and future competitors, which could adversely affect our business, results of operations and financial condition.

We expect to continue to face additional competition as new participants enter our markets and as our current competitors seek to increase market share. Further, we may see new and increased competition in different geographic regions. The generally low barriers to entry in certain of our businesses increase the potential for challenges from new industry competitors, whether small and medium-sized businesses or larger, more established companies. Smaller companies new to our market may have more flexibility to develop on more agile platforms and have greater ability to adapt their strategies and cost structures, which may give them a competitive advantage with our current or prospective customers. We may also experience increased competition from new types of solutions as the options for DaaS, VDI, security, application delivery, integration, master data management and analytics offerings increase. Further, as our industry evolves and if our company grows, companies with which we have strategic alliances may become competitors in other product areas, or our current competitors may enter into new strategic relationships with new or existing competitors, all of which may further increase the competitive pressures we face.

In addition, the industry has been volatile and there has been a trend toward industry consolidation in our markets for several years. We expect companies will attempt to strengthen or hold their market positions in an evolving and volatile industry. For example, some of our competitors have made acquisitions or entered into partnerships or other strategic relationships to offer a more comprehensive solution than they had previously offered and more effectively address the needs of prospective customers. Additionally, as IT companies attempt to strengthen or maintain their market positions in the evolving digital workspace services, networking, integration and data sharing and analysis markets, these companies continue to seek to deliver comprehensive IT solutions to end users and combine enterprise-level hardware and software solutions that may compete with our DaaS, VDI, security, application delivery, integration, master data management and analytics solutions. These consolidators or potential consolidators may have significantly greater financial, technical and other resources and brand loyalty than we do, and may be better positioned to acquire and offer complementary solutions and services. The companies resulting from these possible combinations may create more compelling solution and service offerings and be able to offer greater pricing flexibility or sales and marketing support for such offerings than we can. These heightened competitive pressures could result in a loss of customers or a reduction in our revenues or revenue growth rates, all of which could adversely affect our business, results of operations and financial condition.

***Our Citrix and NetScaler businesses rely, and our other businesses are expected to rely to a greater extent, as our businesses evolve, on indirect distribution channels and major distributors that we do not control.***

The Citrix and NetScaler businesses rely significantly, and our other businesses are expected to rely to a greater extent, as our businesses evolve, on independent distributors and resellers to market and distribute our solutions and services. Our distributors generally sell through resellers. Our distributor and reseller base is relatively concentrated. We periodically revise our sales incentive programs for our independent distributors and resellers, and such program revisions may adversely impact our results of operations. Changes to our sales incentive programs can result from a number of factors, including our transition to a subscription-based business model and segmentation of our routes to market to increase efficiency. Our competitors may, in some cases, be effective in providing incentives to current or potential distributors and resellers to favor their products or to prevent or reduce sales of our solutions. The loss of or reduction in sales to our distributors or resellers could materially reduce our revenues. Further, we could maintain individually significant accounts receivable balances with certain distributors. The financial condition of our distributors could deteriorate and distributors could significantly delay or default on their payment obligations. Any significant delays, defaults or terminations could have a material adverse effect on our business, results of operations and financial condition.

We also bear the risk that our channel partners will fail to comply with U.S. or international anti-corruption or anti-competition laws, in which case we might be fined or otherwise penalized as a result of the agency relationship with such partners. Our channel partners may act outside of their authority and negotiate additional terms without our knowledge. We have implemented policies to help prevent and discourage such conduct, and we have implemented partner-specific training programs, but there can be no assurance that such policies will be followed. For instance, in the event that sales personnel negotiate terms that do not appear in the contract and of which we are unaware, whether such additional terms are written or verbal, we could be prevented from recognizing

revenue in accordance with our sales programs. We are currently investing, and intend to continue to invest, in significant resources to develop these channel relationships, which could adversely impact our results of operations if such channels do not result in increased revenues.

***Our multi-year transition from perpetual licenses to a subscription-based business model is subject to numerous risks and uncertainties which could have a negative impact on our business, results of operations and financial condition.***

As we continue to transition our customers from perpetual licenses to subscriptions, we have seen an impact on the timing of revenue recognition. Because subscription revenue related to our subscription solutions is typically recognized over time, we have experienced, and may continue to experience, a deferral of software revenues and a corresponding impact on our maintenance revenues. During our transition to the subscription-based model, our customer billings and cash collections have also been impacted. If we were to experience significant downturns in subscription sales and renewal rates, our reported financial results might not reflect such downturns until future periods. The subscription-based model may also make it difficult for us to rapidly increase our revenue through additional sales in any one period, as revenue from new customers will be recognized over the applicable subscription term.

Further, while many of our subscription-based offerings involve multi-year commitments, ultimately our subscription customers may decide not to renew their subscriptions for our solutions after the expiration of the subscription term, or to renew only for a portion of our solutions or to renew on pricing terms that are less favorable to us. Our customers' renewal rates may decline, fluctuate, or not improve as a result of a number of factors, including their level of satisfaction with our solutions, their ability to continue their operations and spending levels, the pricing of our solutions and the availability of competing solutions. The amount of our recognized revenue also depends on factors like the average duration of subscriptions. If our customers do not renew their subscriptions for our solutions or demand pricing or other concessions prior to renewal, if our renewal rates fluctuate or decline, or if our customers opt to purchase subscriptions with short-term durations, our total bookings and revenue will fluctuate or decline, and our business and financial results will be negatively affected.

In addition, the metrics we use to gauge the status of our business have evolved over the course of the transition as significant trends emerge. The transition to a subscription-based business model also means that our historical results, especially those achieved before we began the transition, may be difficult to compare to our future results. If we are unable to continue to navigate our transition in light of the foregoing risks and uncertainties, our business, results of operations and financial condition could be negatively impacted.

The foregoing risks and circumstances may adversely affect our business, results of operations and financial condition.

***The change in our GTM strategy, particularly the expansion of cloud-based solutions (as opposed to traditional on-premise delivery of our products) and the transition from perpetual maintenance licenses to a subscription-based business model, and the pace of those transitions, has introduced, and may continue to introduce, risks and uncertainties unique to such a shift in delivery and licensing, which could adversely affect our business, results of operations and financial condition.***

Our success depends, in part, on customer and user adoption of our newer products and services, and adaptation to new delivery models. The market for solutions that meet our customers' needs in accessing and organizing their work in a secure way is evolving and dynamic, and we must continue to evolve to address that market.

Expansion of our cloud-based solutions has required, and may continue to require, a considerable investment in resources, including technical, financial, legal, sales, information technology and operational systems. While market acceptance of such offerings has been positive, and the majority of our services are now provided through cloud-based subscriptions, ongoing acceptance is affected by a variety of factors, including, but not limited to, security, service availability, reliability, availability of tools to automate cloud migration, scalability, integration with public cloud platforms, customization, availability of qualified third-party service providers to assist customers in transitioning to our cloud-based solutions, performance, pricing, current license terms, support terms, community

engagement, customer preference, customer concerns with entrusting a third party to store and manage their data, public concerns regarding data privacy or data protection, and the enactment of restrictive laws or regulations.

To address the challenges in transitioning our remaining customers to the cloud, we have invested in innovation and feature development, simplified cloud migration, and performance and reliability, as well as other cloud customer success and sales initiatives. There can be no assurance, however, that these initiatives will result in an increase in the transition of our customers from on-premise to our cloud-based solutions. If we are unable to transition our customers to cloud-based solutions at the pace we expect, we may experience a negative impact on our overall financial performance.

Further, our cloud-based solutions provide customers with increased visibility into the level of active use of such solutions by the customers' employees or other end users. This enhanced visibility may adversely impact renewal rates if enough users in a customer organization do not actively engage with our solutions.

While we believe we are well placed to provide cloud-based solutions to all of our customers, the success in transitioning customers to our cloud-based solutions is dependent on our ability to effectively align, prioritize and allocate our engineering and other resources to balance the needs of maintaining our existing products, while also innovating in future products and features, and ensuring security and resiliency.

Any of the above circumstances or events may harm our business, results of operations and financial condition.

***Our business could be adversely impacted by conditions affecting the information technology market in which we operate and our ability to respond to such conditions, including by introducing new offerings.***

The markets for our solutions and services are characterized by:

- rapid technological change;
- evolving delivery models;
- evolving industry standards;
- fluctuations in customer demand;
- changing customer business models and increasingly sophisticated customer needs; and
- frequent new solution and service introductions and enhancements.

The demand for our solutions and services depends substantially upon the general demand for business-related computer appliances and software, which fluctuates based on numerous factors, including capital spending levels, the spending levels and growth of our current and prospective customers, and general economic conditions, including inflation and interest rates. As we continue to grow our subscription service offerings, we must continue to innovate and develop new solutions and features to meet changing customer needs. If we are not successful in expanding our core technologies into additional applications and products, developing enhancements to existing products and new products in a timely manner, enhancing our service offerings or generating higher average selling prices, our existing and potential customers may not purchase or subscribe to our products and services, our market share, revenues and gross margins may decline, and our business and operating results may suffer. Our software products can be licensed for use with a variety of platforms, standards and technologies, and we are constantly evaluating the feasibility of adding new platforms, standards and technologies. There may be future or existing platforms, standards and technologies that achieve popularity in the marketplace that may not be architecturally compatible with our software products. In addition, the effort and expense of developing, testing and maintaining software products will increase as more platforms, standards and technologies achieve market acceptance within our target markets, which could place a significant strain on our resources and software product release schedule. Our



failure to respond quickly to technological developments or customers' increasing technological requirements could lower the demand for any solutions and services and/or make our solutions uncompetitive and obsolete.

Global economic forecasts for the IT sector are uncertain and continue to highlight an industry in transition from legacy platforms to mobile, cloud, data analytics and social and AI-based solutions. If our current and prospective customers cut costs, they may significantly reduce their IT expenditures. For example, lower spending by corporate and governmental customers around the world has had a disproportionate impact on IT spending, which has led to a reduction in sales in the past and may continue to do so in the future.

Moreover, the purchase of our solutions and services is often discretionary and may involve a significant commitment of capital and other resources. Any of our new product offerings or significant enhancements to current product offerings could cause some customers to delay making new or additional purchases while they fully evaluate any new offerings we might have introduced to the market, which in turn may slow sales and adversely affect operating results for an indeterminate period of time. Also, we may not execute successfully on our product plans because of errors in product planning or timing or acceptance by the marketplace, technical hurdles that we fail to overcome in a timely fashion or a lack of appropriate resources. This could result in competitors providing those solutions before us, thereby resulting in loss of market share and earnings. We need to continue to develop our skills, tools and capabilities to capitalize on existing and emerging technologies, which will require us to devote significant resources.

Many of our potential customers have made significant investments in internally developed systems and would incur significant costs in switching to third-party products, which may substantially inhibit the growth of the market for infrastructure software. If the market fails to grow, or grows more slowly than we expect, our sales will be adversely affected. Also, even if corporate and governmental spending increases and companies make greater investments in IT and infrastructure software, our revenue may not grow at the same pace.

***Any failure by us to meet the requirements of current or newly targeted customers may have a detrimental impact on our business or operating results.***

We may wish to expand our customer base into markets in which we have limited experience. In some cases, customers in different markets, such as financial services or government, have specific regulatory or other requirements that we must meet. For example, in order to maintain contracts with the U.S. government, we must comply with specific rules and regulations relating to and that govern such contracts. Government contracts are generally subject to audits and investigations which could result in various civil and criminal penalties and administrative sanctions, including termination of contracts, refund of a portion of fees received, forfeiture of profits, suspension of payments, fines and suspensions or debarment from future government business. If we fail to meet such requirements in the future, we could be subject to civil or criminal liability or a reduction of revenue which could harm our business, operating results and financial condition.

***The inability to upsell to our current customers or attract new customers or the loss of any significant customers could harm our business.***

We generally do not have long-term sales contracts with any of our customers and we are transitioning away from the perpetual licensing model in favor of a subscription (term based) model. Our customers may choose not to renew their subscriptions of our products or not to use our services in the future. As a result, a customer that generates substantial revenue for us in one period may not be a source of revenue in subsequent periods. In addition, all of our legacy maintenance and support agreements are sold on a term basis. In order for us to grow our revenues and increase profitability, it is important that our existing customers renew, upgrade and expand their subscription licenses after the initial terms expire. To this end, we have introduced two new GTM strategies: Universal Licensing, allowing customers to deploy our software both in the cloud or on premise, and Platform Licensing, allowing customers to use all products licensed by a specific business unit. During the fiscal year ending November 30, 2024, we intend to roll out the Platform Licensing model within the TIBCO business unit, and we are actively consolidating the number of SKUs within all business units, which we hope will simplify our sales process and make it easier for customers to deploy our technology. Also, our renewal rates may decline or fluctuate as a result of a number of factors, including as a result of these changes. Any inability on our part to upsell to and generate

revenues from our existing customers or the loss of significant customers or renewals of customers on terms less favorable to us could adversely affect our business and operating results.

Our future growth also depends on our ability to attract new customers through business partners and resellers. This will depend, in part, on the effectiveness of our marketing effort and the efforts of our business partners and resellers. For our business, the ability to attract new customers can sometimes be difficult as a potential customer may be reluctant or unwilling to change from their existing products as they may have already made substantial personnel and financial investments in their existing products. If our business partners and resellers are unable to attract new customers of our products and maintain and expand those relationships, it could adversely affect our business and operating results.

***Our solutions could contain errors that could delay the release of new products or otherwise adversely impact our products and services.***

Despite significant testing by us and by current and potential customers, our products and services, including our SaaS products and services, and especially newly released or acquired products or services, contain errors or “bugs”. In some cases, these errors are not discovered until after commercial shipments or deployments have been made. Errors in our products or services could delay the development or release of new products or services and could adversely affect market acceptance of our products and services. Additionally, our products and services use, integrate with and otherwise depend on third-party products, which third-party products could contain defects and could reduce the performance of our products or render them useless. Because our products and services are often used in mission-critical applications, if defects or errors are discovered after commercial release of either new versions or enhancements of our products and platforms:

- potential customers may delay purchases;
- customers may react negatively, which could reduce future sales;
- our reputation in the marketplace may be damaged;
- we may have to defend against product liability, warranty or other claims;
- we may be required to indemnify our customers, distributors, OEMs or other resellers;
- we may incur additional service and warranty costs; and
- we may have to divert additional development resources to correct the defects and errors, which may result in the delay of new product releases or upgrades.

If any or all of the foregoing occur, we may lose revenues, incur higher operating expenses and lose market share, any of which could have a material adverse effect on our business, financial condition and results of operations.

***Certain of our offerings have sales cycles which are long and/or unpredictable, which could cause significant variability and unpredictability in our revenue and operating results for any particular period.***

Generally, a substantial portion of our large and medium-sized customers implement our solutions on a departmental or enterprise-wide basis. We have a long sales cycle for these departmental or enterprise-wide sales because:

- our sales force generally needs to explain and demonstrate the benefits of a large-scale deployment of our solution to potential and existing customers prior to sale;
- our service personnel typically spend a significant amount of time assisting potential customers in their testing and evaluation of our solutions and services;

- our customers are typically large and medium-sized organizations that carefully research their technology needs and the many potential projects prior to making capital expenditures for software infrastructure; and
- before making a purchase, our potential customers usually must get approvals from various levels of decision makers within their organizations, and this process can be lengthy.

Our long sales cycle for these solutions makes it difficult to predict when these sales will occur, and we may not be able to sustain these sales on a predictable basis. In addition, the long sales cycle for these solutions makes it difficult to predict the quarter in which sales will occur. Delays in sales could cause significant variability in our bookings, revenue and/or operating results for any particular period, and large projects with significant IT components may fail to meet our customers' business requirements or be canceled before delivery, which likewise could adversely affect our revenue and operating results for any particular period. Cloud-based solutions and subscription-based business models are particularly sensitive to these factors, and as a result, we may be increasingly affected by long sales cycles as our business transitions continue.

Overall, the timing of our revenue is difficult to predict. Our quarterly sales have historically reflected an uneven pattern in which a disproportionate percentage of a quarter's total sales occur in the last month, weeks and days of each quarter. In addition, our business is subject to seasonal fluctuations and such fluctuations are generally most significant in our fourth fiscal quarter and, as Citrix had a fiscal year end of December 31, for the first month of our first fiscal quarter, which we believe is due to the impact on revenue from the availability (or lack thereof) in our customers' fiscal year budgets and an increase in expenses resulting from amounts paid pursuant to our sales compensation plans as performance milestones are often triggered in the fourth quarter. We believe that these seasonal factors are common within our industry. In addition, our European operations generally generate lower sales in the summer months because of the generally reduced economic activity in Europe during the summer.

***Economic and market conditions are currently uncertain, and have in the past adversely affected, and may in the future adversely affect, our operating results.***

We are subject to risks arising from adverse changes and uncertainty in domestic and global economies. For example, past domestic and global economic downturns resulted in reduced demand for information technology, including enterprise software and services. Additionally, current economic and market conditions are uncertain. The direction and relative strength of the global economy continues to be uncertain and volatile, and could be adversely affected by, among other things:

- current uncertainties in the global and domestic economies, including disruption in the banking sector;
- global risks related to the Russian invasion of Ukraine and developments in the Middle East;
- the price of oil and its related effects on the economy;
- the rate of inflation and whether and how long inflation will continue to run at a rate higher than it historically has;
- changes in interest rates;
- volatility in the stock markets globally;
- political and economic changes and uncertainty in the United States and elsewhere, including in connection with the 2024 election cycle in the United States;
- uncertainty or renegotiation of trade agreements between the United States and other countries;
- changes in the trading and political relationship between the United States and China;

- downturns in the financial industry;
- volatility in currency exchange rates;
- increasingly divergent laws, regulations and licensing requirements between the UK and the EU, resulting from the UK's exit from the EU, often referred to as "Brexit"; and
- terrorist attacks and other geopolitical factors, including relationships between the United States and each of Russia, North Korea and Iran.

These and other factors make it difficult for us to forecast operating results and to make decisions about future investments. We cannot predict the duration of these economic or political conditions and the impact they may have on our customers or business. In response to economic uncertainty, we expect that many governmental organizations that are current or prospective customers for our solutions and services would cutback spending significantly, which would reduce the amount of government spending on IT and demand for our solutions and services from government organizations. Contract negotiations may become more protracted or difficult if customers institute additional internal approvals for technology purchases or require more negotiation of contract terms and conditions. These economic conditions, and uncertainty as to the general direction of the macroeconomic environment, are beyond our control and could result in reductions in sales of our products, longer sales cycles, difficulties in collection of accounts receivable or delayed payments, slower adoption of new technologies, increased price competition and reductions in the rate at which our customers renew their maintenance agreements and procure consulting services.

***Actual or perceived security vulnerabilities in our products and services or cyberattacks on our services infrastructure or corporate networks could have a material adverse impact on our business, results of operations and financial condition.***

Use of our products and services may involve the transmission and/or storage of data, including in certain instances our own and our customers' and other parties' business, financial and personal data. As we continue to evolve our products and features, we expect to host, transmit or otherwise have access to increasing amounts of potentially sensitive data. Our products and services are deployed across both cloud and on-premise environments and provide different security risks. Unlike cloud, the on-premise environment subjects potentially sensitive data to the maintenance measures of the customer and limits data recovery options. Maintaining the security of our products, computer networks and data storage resources is important and service vulnerabilities could result in loss of and/or unauthorized access to confidential information. We have in the past, and may in the future, discover vulnerabilities in our products or underlying technology, which could expose our reputation, our operations, our customers and the data held by our customers to risk. Generally, we address these vulnerabilities through product patches that are promptly applied across our cloud environment. However, patches for on-premise environments are controlled by the customer. Although we encourage prompt application of patches, we cannot ultimately control whether customers apply them. Customer delay in patch application can prolong detected vulnerabilities in our products. For example, in October 2023, we released builds to fix CVE-2023-4966, which affected our NetScaler ADC and NetScaler Gateway on-premises products. If exploited, CVE 2023-4966 can result in unauthorized data disclosure. Although we urged our customers to apply the patch to their impacted products immediately, CVE-2023-4966 was widely exploited by threat actors in attacks, some of which included unauthorized access to, and exfiltration of, our customers' data from their environments. Such attacks on our customers' environments has resulted in litigation and a regulatory inquiry. See "Note 13—Legal Proceedings" to our audited consolidated financial statements included elsewhere in this offering circular for additional information. In addition, to the extent we are diverting our resources to address and mitigate these vulnerabilities, it may hinder our ability to deliver and support our products and customers in a timely manner.

As a more general matter, unauthorized parties may attempt to misappropriate, alter, disclose, delete or otherwise compromise our confidential information or that of our employees, partners, customers or their end users, create system disruptions, product or service vulnerabilities or cause shutdowns. These unauthorized parties are becoming increasingly sophisticated, particularly those funded by or acting as formal or informal representatives of, or acting in conjunction with, nation states. Perpetrators of cyberattacks also may be able to develop and deploy

viruses, worms, malware and other malicious software programs that directly or indirectly attack our products, services, infrastructure (including third-party cloud service providers upon which we rely), third-party software and applications that we deploy in our internal network. Because techniques used by these perpetrators to sabotage or obtain unauthorized access to our systems change frequently and sometimes are not recognized until long after being launched against a target, because cyberattacks can originate from a wide variety of sources and through a wide variety of methods, and because the full scope of a cyberattack may not be realized until an investigation has been completed, we may be unable to anticipate the techniques used or to implement adequate preventative or response measures. Such threats may see their frequency increased and effectiveness enhanced by the use of artificial intelligence. In addition, certain measures that could increase the security of our IT systems take significant time and resources to deploy broadly, and such measures may not be deployed in a timely manner or be effective against an attack. Despite our efforts to build secure services, we can make no assurance that we will be able to detect, prevent, timely and adequately address, or mitigate the negative effects of cyberattacks or other security compromises. Like many enterprises, we experience attempted attacks on our network and services, and certain of those attacks have resulted in successful unauthorized access to our networks and services. In 2021, we learned that certain open source libraries included in certain of our products and services, as well as in software and services provided by our vendors and used internally, contained vulnerabilities that, if exploited, would enable a remote attacker to take control of an environment over the internet. There is no guarantee that our preventative and mitigation actions with respect to this vulnerability and others like it will eliminate fully the risk of a malicious compromise of the company or our customers. Any of these events could expose us to substantial litigation expenses and damages; consumer claims; indemnity and other contractual obligations; government fines, penalties and enforcement actions (including investigations, audits or inspections); mitigation expenses; and other liabilities. If an actual or perceived breach of our security occurs, the market perception of the adequacy of our security measures could be harmed, our brand and reputation could be impacted, we could lose potential sales and existing customers, our ability to operate our business could be impaired, and we may incur significant liabilities.

Our products operate in conjunction with, and are dependent on, a wide variety of third-party products, components and services. If there is a security vulnerability in one of these products, components or services, and if there is a security exploit targeting it, we could face increased costs, liability claims, customer dissatisfaction, reduced revenue, or harm to our reputation or competitive position. We also have an active acquisition program and have acquired a number of companies, products, services and technologies over the years. While we make significant efforts to address any IT security issues with respect to our acquired companies, we may still inherit such risks when we integrate these companies within the Company. The inability to implement, maintain and upgrade adequate safeguards by or with respect to our third-party vendors or acquisitions could have a material and adverse impact on our business, financial condition and results of operations. Significant disruption to our IT systems, or those of our vendors or acquisitions, or breaches of data security could also have a material adverse effect on our business, financial condition and operations.

Some of the factors that may lead to a breach or compromise in our customers' and our customers' customers' data, our services, and third party data center hosting facilities, cloud computing platform providers or third-party service partners holding our data, or the underlying infrastructure of the Internet include the following:

- third-party attempts to fraudulently induce our employees, partners or customers to disclose sensitive information such as user names, passwords or other information to gain access to our customers' data or IT systems, or our data or IT systems;
- efforts by individuals or groups of hackers and sophisticated organizations, such as state-sponsored organizations or nation-states, to launch coordinated attacks, such as retaliatory cyber-attacks stemming from Russia's invasion of Ukraine, including ransomware and distributed denial-of-service attacks;
- third-party attempts to abuse our marketing, advertising, messaging or social products and functionalities to impersonate persons or organizations and disseminate information that is false, misleading or malicious;

- cyberattacks on our internally built infrastructure on which many of our service offerings operate, or on third-party cloud-computing platform providers;
- vulnerabilities resulting from enhancements and updates to our existing product and service offerings;
- vulnerabilities in the products or components across the broad ecosystem that our products and services operate in conjunction with and are dependent on;
- vulnerabilities existing within new technologies and infrastructures, including those from acquired companies;
- attacks on, or vulnerabilities in, the many different underlying networks and services that power the Internet that our products depend on, most of which are not under our control or the control of our vendors, partners or customers; and
- employee or contractor errors or intentional acts that compromise our security systems.

If any of these factors were to occur, it could result in a material adverse effect on our business, financial condition and results of operations.

These misappropriations, cyberattacks or any other compromises of our security measures (or those of our customers or third parties with which we work) as a result of third-party action, malware, employee error, vulnerabilities, theft, malfeasance or otherwise could result in (among other consequences):

- loss or destruction of customer, employee, partner and other intellectual property or business or personal data;
- disruptions in the operation of our business, such as interruption in the delivery of our cloud and other services;
- costs associated with investigating, responding to and remediating the root cause, including additional monitoring of systems for unauthorized activity;
- negative publicity and harm to our reputation or brand, which could result in lost trust from our customers, partners and employees and could lead some customers to seek to cancel subscriptions, stop using certain of our products or services, reduce or delay future purchases of our products or services, or use competing products or services;
- individual and/or class action lawsuits, due to, among other things, the compromise of sensitive employee or customer information, which could result in financial judgments against us or the payment of settlement amounts and cause us to incur legal fees and costs;
- as further detailed below, regulatory enforcement action in the United States at both the federal and state level (such as by the Federal Trade Commission and/or state attorneys general) or in other jurisdictions under the growing number of data protection legal regimes, including, without limitation, the General Data Protection Regulation (“GDPR”) and the California Consumer Privacy Act (“CCPA”) or other similar federal, state or local laws, which could result in significant fines and/or penalties or other sanctions and which would cause us to incur legal fees and costs;
- costs associated with responding to those impacted by such issues, such as costs of providing data owners, consumers, regulators or others with notice; legal fees; costs of any additional fraud detection activities required by such customers’ credit card issuers; and costs incurred by credit card issuers associated with the compromise;

- disputes with our insurance carriers concerning coverage for the costs associated with responding to, and mitigating an incident; and/or
- longer-term remediation and security enhancement expenses.

Any of these actions could materially and adversely impact our business, results of operations and financial condition. Further, while we maintain multiple layers of oversight over enterprise cybersecurity and data protection risks associated with our products, services, information technology infrastructure and related operations, there is no guarantee that our oversight framework will be successful in providing the necessary governance to prevent or adequately respond to the actions described above.

***Aspects of our business are subject to legal and regulatory requirements, contractual obligations and industry standards concerning privacy, security and data protection, and the failure to comply with these may adversely affect our business.***

Aspects of our business may involve the transmission, collection, receipt, generation, use, transfer, making accessible, protection, securing, disposal of, sharing and processing of personal information and sensitive personal information and other sensitive information, which may include proprietary and confidential business data, trade secrets, sensitive third-party data, business plans, transaction information and financial information. This information may be subject to federal, state and international laws regarding privacy and protection of data. For example, in the United States, regulations such as the Gramm-Leach-Bliley Act of 1999 (as amended or supplemented), which protects and restricts the use of consumer credit and financial information, the Health Insurance Portability and Accountability Act of 1996 (as amended or supplemented), which regulates the use and disclosure of personal health information, Section 5 of the Federal Trade Commission Act, and the U.S. Department of Defense Cybersecurity Maturity Model Certification framework impose significant requirements and obligations on businesses that may affect the use and adoption of our service. From time to time Congress also has considered, and may currently be considering, various proposals for other privacy laws to which we may become subject if passed. Additionally, under various privacy laws and other obligations, we may be required to obtain certain consents to process personal data, including through the use of tracking technologies on our website. Our inability or failure to do so could result in adverse consequences, including fines, penalties or litigation. There has been, and we believe that there will continue to be, increased regulation with respect to the collection, use and handling of personal, financial, government and other information. For example, California enacted the CCPA which, among other things, requires covered companies to provide disclosures to California consumers, and afford such consumers abilities to opt-out of certain sales of personal information. The CCPA provides statutory damages or fines on a per violation basis that could be very large in the event of a significant data security breach or other CCPA violation. California also enacted the California Privacy Rights Act (“CPRA”), which became effective on January 1, 2023, and which modifies the CCPA to impose additional data protection obligations on companies doing business in California, including consumer rights processes, limitations on data uses, new audit requirements for higher risk data and opt outs for certain uses of sensitive data. Following California, a number of other states have passed, or are currently considering, comprehensive privacy laws. In the absence of a federal comprehensive privacy law preempting such state laws, state-led privacy legislation poses compliance challenges, costs, and operational and legal burdens.

Europe, the United Kingdom and many other jurisdictions around the world have passed, are updating or are currently considering legislative and regulatory proposals concerning privacy, data security and the collection and use of personal data (including, without limitation, the EU General Data Protection Regulation, the UK General Data Protection Regulation, the Australian Privacy Act, the Japanese Act on the Protection of Personal Information, and Brazil’s General Data Protection Law) that, in some respects, are far more stringent, and impose more significant burdens on subject businesses, than current privacy standards in the United States. Many of these laws provide for fines based on a percentage of a company’s global annual revenue.

While we are actively monitoring privacy and data protection regulatory activity, we take a risk-based approach to prioritizing our data protection compliance efforts. Our compliance efforts with these various laws in our higher risk jurisdictions have already caused us to incur substantial implementation and compliance costs and/or required us to change our business practices in a manner adverse to our business, and new obligations may have

similar effects in the future. Also, any new law or regulation, or interpretation of existing law or regulation, imposing greater fees or taxes or restrictions on the collection, use or transfer of information or data internationally or over the internet, could result in a decline in the use and adversely affect sales of our solutions and our results of operations. Finally, as a technology vendor, our customers and regulators will expect that we can demonstrate compliance with current data privacy and security regulations as well as our privacy policies and the information we make available to our customers and the public about our data handling practices. Our inability to do so may adversely impact sales of our solutions and services to certain customers, particularly customers in highly-regulated industries, and could result in regulatory actions, fines, legal proceedings and negatively impact our brand, reputation and business.

Additionally, we may have contractual obligations to protect the confidentiality and appropriate use of our customer data (including personal data). While we have implemented these contracts and have diligence procedures, policies and programs designed to comply with the CCPA and CPRA, GDPR, UK GDPR and other applicable privacy and data security laws and regulations, there can be no assurance that our employees, contractors, partners, suppliers, data providers or agents will not violate such laws and regulations or our contracts policies and procedures. Any failure by us to comply with our posted privacy notices, our contractual obligations or other federal, state or international privacy-related or data protection laws and regulations could result in proceedings against us by governmental entities, individuals or others, which could harm our business, operating results and financial condition. Additionally, if our privacy policies, marketing materials or other statements regarding data privacy and security are found to be deficient, lacking in transparency, deceptive, unfair, misrepresentative of our practices or out of compliance with any applicable laws or regulations, we may be subject to investigation, enforcement actions by regulators, litigation or other adverse consequences.

In addition to government activity and contractual obligations, privacy advocacy and other industry groups have established or may establish new self-regulatory standards that may place additional burdens on our ability to provide our services globally. Our customers expect us to meet voluntary certification and other standards established by third-parties that we have obtained for certain services, such as SOC 2 Type 2, ISO 27001, ISO 27701, PCI DSS, IRAP, and FedRAMP Moderate. If we are unable to maintain these certifications or meet these standards, it may adversely impact sales of our solutions and services to certain customers, particularly customers in highly-regulated industries, and could adversely affect our ability to provide our solutions to certain customers and could harm our business.

The interpretation and application of consumer and data protection laws, as well as cybersecurity requirements and industry standards in the United States, Europe, the United Kingdom and elsewhere can be uncertain and continue to remain in flux. Cloud-based solutions may be subject to further regulation, including data localization and portability requirements and other restrictions concerning international transfer of data, the operational and cost impact of which cannot be fully known at this time. It is possible that these laws, obligations and standards may be interpreted and applied in a manner that is inconsistent with our data practices. If so, in addition to the possibility of fines and penalties, a wide variety of other potential enforcement powers are available to competent supervisory authorities in respect of potential and suspected violations, including a governmental order requiring that we change our data practices, extensive audit and inspection rights, and powers to order temporary or permanent bans on all or some processing of personal data carried out by non-compliant actors, which in turn could harm our business, operating results and financial condition. Compliance with these regulations, obligations and standards may involve significant costs or require changes in business practices that result in reduced revenue. Noncompliance could result in penalties being imposed on us or orders that we cease conducting the noncompliant activity. Finally, as a technology vendor, our customers and regulators will expect that we can demonstrate compliance with current data privacy and security laws and regulations as well as our privacy policies and the information we make available to our customers and the public about our data handling practices. Any of the foregoing could have a material adverse impact on our sales, business, financial condition and results of operations.

***The impact of volatility and disruptions in the global credit and financial markets could have a material adverse effect on our business or financial condition.***

Failures of financial institutions and any related liquidity crisis may impact depositors' access to their cash deposits at financial institutions and create disruption in capital and credit markets. For example, events surrounding Silicon Valley Bank, First Republic Bank and Signature Bank during 2023 created temporary uncertainty on their



customers' cash deposits in excess of Federal Deposit Insurance Corporation limits prior to actions taken by governmental entities. In addition, in 2024, Republic First Bank collapsed. We had no direct exposure to Silicon Valley Bank, First Republic Bank, Signature Bank or Republic First Bank. While we maintain our cash deposits across a variety of highly rated financial institutions, there is no guarantee that other financial institutions will not experience similar liquidity issues or that actions taken by governmental entities to mitigate these risks will be sufficient to ensure access to our cash deposits and sources of liquidity. Moreover, a liquidity crisis may also result in additional disruption that is not immediately evident but which results in, for example, negative impact on the ability of our customers to pay amounts owed to us in a timely basis or at all and changes in interest rates and availability of credit that impact the nature and timing of customer projects. As a result, a failure of one or more financial institutions with which we do business could have a material adverse effect on our business or financial condition.

***Interruptions or delays in services provided by third parties could impair the delivery of our service and harm our business.***

We currently rely on third-party suppliers who provide hardware or hardware components for our products, provide our cloud based solutions through third party providers, serve our customers from third-party data center facilities and resources located throughout the world and utilize third party contractors. We also rely on bandwidth providers, Internet service providers, mobile networks and other third-party IT service providers to operate our business and to deliver our solutions. Any damage to, or failure of, the systems of our third-party providers could result in interruptions to our service.

Our suppliers may encounter problems during manufacturing due to a variety of reasons, including failure to follow specific protocols and procedures, failure to comply with applicable regulations, or the need to implement costly or time-consuming protocols to comply with applicable regulations (including regulations related to conflict minerals), equipment malfunction, natural disasters and environmental factors, any of which could delay or impede their ability to meet our demand. We also may experience disruptions or delays to our supply chain or fulfillment and delivery operations from, among other things, the temporary closure of third-party supplier and manufacturer facilities, spikes in demand for manufacturing services, interruptions in product supply or insufficient supply of components, restrictions on export or shipment or disruptions in product fulfillment due to closure or delays of our delivery vendors. If we are unable to procure hardware and hardware components in a timely manner from our existing suppliers or are required to change suppliers, there could be a delay in the supply of our hardware or hardware components and our ability to meet the demands of our customers could be adversely affected, which could cause the loss of sales and existing or potential customers and delayed revenue recognition, all of which could adversely affect our results of operations.

In addition, our cloud-based solutions are primarily operated through third-party cloud service providers, which we do not control and which may be subject to actual or perceived damage, interruption, vulnerabilities and other cyber-related risks, including, but not limited to, loss of customer data, disruptions in delivery of services, network outages, disruptions in availability of the internet, unauthorized access or other problems. Customers of our cloud-based solutions need to be able to access our platform at any time, without interruption or degradation of performance, and we provide them with service level commitments with respect to uptime. Third-party cloud providers run their own platforms that we access, and therefore, we are vulnerable to their service interruptions. We may experience interruptions, delays and outages in service and availability from time to time as a result of problems with our third-party cloud providers' infrastructure. Lack of availability of this infrastructure could be due to a number of potential causes including technical failures, natural disasters, fraud or security attacks that we cannot predict or prevent. Such outages could lead to the triggering of our SLAs and the issuance of credits to our cloud offering customers, which may impact our business, results of operations and financial condition. In addition, if our security, or that of any of these third-party cloud providers, is compromised, our software is unavailable or our customers are unable to use our software within a reasonable amount of time or at all, then our business, results of operations and financial condition could be adversely affected. In some instances, we may not be able to identify the cause or causes of these performance problems within a period of time acceptable to our customers. It is possible that our customers and potential customers would hold us accountable for any breach of security affecting a third-party cloud provider's infrastructure and we may incur significant liability from those customers and from third parties with respect to any breach affecting these systems. We may not be able to recover a material portion of our liabilities to our customers and third parties from a third-party cloud provider. It may also become increasingly

difficult to maintain and improve our performance, especially during peak usage times, as our software becomes more complex and the usage of our software increases.

Further, if for any reason our arrangement with one or more of our data centers is terminated, we could experience additional expense in arranging for new facilities and support. Our data center facilities providers have no obligations to renew their agreements with us on commercially reasonable terms, or at all. If we are unable to renew our agreements with the facilities providers on commercially reasonable terms or if in the future we add additional data center facility providers, we may experience costs or downtime in connection with the transfer to, or the addition of, new data center facilities. In addition, the failure of our data centers to meet our capacity requirements could result in interruptions in the availability of our solutions, impair the functionality of our solutions or impede our ability to scale our operations. As we continue to add data centers and increase capacity in existing and future data centers, we may move or transfer our data and our customers' data. Despite precautions taken during such processes and procedures, any unsuccessful data transfers may impair the delivery of our service, and we may experience costs or downtime in connection with the transfer of data to other facilities. Similarly, some of our solutions' features run or depend on IT services run by third parties, such as data feeds or public clouds such as AWS, Microsoft Azure, or Google Cloud, and an extended failure of such services might materially and adversely impact our ability to provide our services to our customers.

***Our AI offerings introduce risks, which, if realized, could adversely impact our business.***

We use artificial intelligence ("AI") and analytics in our cloud-based solutions and have announced partnerships on AI-related innovations. For example, we recently announced an eight-year strategic partnership with Microsoft that will support the development of new cloud-based and AI solutions. Our engineering organizations are deploying GitHub Copilot to all their engineers with the goal of increasing developer productivity, and Spotfire, a Cloud Software business unit, recently announced a new Spotfire Copilot extension built on Microsoft Azure OpenAI service.

AI technologies are complex, rapidly advancing and present risks spanning, among other factors, development, training, sourcing, usage, IP leakage, investment and compliance. For example, datasets used to develop AI models, content generated by AI systems or application of AI systems may be unexpected, flawed, biased, offensive, harmful or violative of confidentiality agreements or current or future laws and regulations or may raise privacy concerns; and the way in which our offerings incorporate and use AI may be incompatible with our customers' compliance requirements. Any perceived or actual inappropriate or controversial data practices by us or our partners could impair the acceptance of our AI solutions, give rise to legal liability, harm our brand or reputation and negatively impact our financial results.

Additionally, if any of our employees, contractors, vendors or service providers use any third-party AI-powered software in connection with our business or the services they provide to us, it may lead to the inadvertent disclosure of our confidential information, including inadvertent disclosure of our confidential information into publicly available third-party training sets, which may impact our ability to realize the benefit of, or adequately maintain, protect and enforce our intellectual property or confidential information, harming our competitive position and business. Our ability to mitigate risks associated with disclosure of our confidential information, including in connection with AI-powered software, will depend on our implementation, maintenance, monitoring and enforcement of appropriate technical and administrative safeguards, policies and procedures governing the use of AI in our business.

AI technologies also present unique ethical issues and the regulatory landscape is evolving. For example, in Europe, on March 13, 2024, the European Parliament formally adopted a draft of the European Union's Artificial Intelligence Act (the "AI Act") which is currently expected to be enacted in mid-2024, pending formal endorsement by the Council of the European Union and publication in the Official Journal of the European Union. The current draft of the AI Act, if enacted, would establish, among other things, a risk-based governance framework for regulating AI systems operating in the European Union. AI-related regulations may develop at different rates and inconsistently across jurisdictions, require us to develop AI-specific governance controls, increase investment costs and cause delays in, or disruption to, our offerings. If we do not have sufficient rights to use the data on which our AI solutions rely, we may incur liability through the violation of such regulations, third-party intellectual property, publicity or privacy rights or other rights or contracts to which we are a party. Further, our introduction or

enablement of new AI offerings or features may result in new or enhanced governmental or regulatory scrutiny, litigation, ethical concerns or other complications that could adversely affect our return on investment, ability to compete or reputation. Any of these factors could adversely affect our business, financial condition and results of operations.

***We rely on third parties in many aspects of operating our business, which creates additional risk.***

We rely on third parties in many aspects of our business operations, including third parties that provide certain outsourced customer support and product development functions, which are critical to our operations, and third parties that provide facilities, IT infrastructure, components and services, including cloud computing.

Third parties that we rely on may fail or refuse to perform critical operational tasks adequately, and these and other third parties on whom we rely may breach their agreements with us, refuse to renew these agreements on commercially reasonable terms, take actions that degrade the functionality of our services, impose additional costs or requirements on us, or give preferential treatment to competitive services. Financial or regulatory issues, labor issues, or other problems that prevent these third parties from providing services to us or our customers could harm our business. If our service providers do not perform satisfactorily, our operations could be disrupted, which could result in customer dissatisfaction, damage our reputation, and harm our business.

Price increases or financial penalties by, or service terminations, disruptions or interruptions at, companies that we rely on to provide services to us or our customers could disrupt our operations and harm our business. Some third parties who provide services to us may have or gain market power and be able to increase their prices without competitive constraint. In addition, there can be no assurance that third parties who provide services directly to us or our customers will continue to do so on acceptable terms, or at all. If any third parties were to stop providing services to us or our customers on acceptable terms, including as a result of bankruptcy or other business interruption, we may be unable to procure alternatives from other third parties in a timely and efficient manner and on acceptable terms, or at all. If we fail to adequately manage the risks associated with outsourcing aspects of our business to third-parties, our business, financial condition and results of operations may be adversely affected.

***The reorganization of our sales leadership, customer-facing organization and sales processes may be disruptive to our operations and may not yield the short or long-term benefits that we expect.***

While our business model transition is continuing to progress to focus on our subscription and cloud-based offerings, we expect to face challenges in retaining our sales personnel. In an effort to address these challenges, we have reorganized our sales leadership, re-aligned our customer-facing organization, enhanced our focus on indirect channels, and largely transitioned to sales of subscription licenses. We also have taken, and may continue to take, actions intended to re-align channel incentives to focus on landing and growing new business in the commercial segment of our business. These changes are significant and may cause short-term disruption.

We may be unsuccessful in recruiting and retaining sales personnel with the knowledge and skills required to market our products and services effectively as part of our GTM strategy. As a result, there may be periods of time when our sales force is not at its desired headcount, which may result in fewer sales of our products and services.

This sales reorganization may not result in the short or long-term benefits that we expect in a timely manner or at all. Moreover, these changes, or other similar changes that we may choose to make, may cause disruptions in our business that may negatively impact sales over one or more future quarters. Risks related to these activities include:

- challenges in reorganizing sales operations and personnel;
- inability to recruit and retain a sufficient number of qualified direct quota carrying sales personnel;
- reduced productivity among new sales team members or while members of the sales team adjust to their new roles and responsibilities and our new sales priorities;

- loss of key employees;
- inability to re-engage distributors, resellers and other channel partners due to changing market demands or competitive offerings;
- higher sales, marketing and services costs;
- lengthening of sales cycles as customers evaluate their cloud strategy and competitive offerings; and
- continued difficulties in accurately forecasting bookings and revenue and the estimated mix within subscription of on-premise versus cloud.

If the disruptions caused by these operational and organizational changes are greater or longer than anticipated, we are unable to maintain an adequate workforce of direct quota carrying sales personnel or we are unable to achieve the expected benefits of these activities, our business, financial condition, and results of operations may be adversely affected.

***If we are unable to align our indirect sales channels to our go-to-market strategy, our business operations and financial condition may be adversely affected.***

In addition to our direct sales force, we use indirect sales channel partners, such as OEMs, technology partners, systems integrators, exclusive distributors and resellers. Indirect sales channel partners are an important aspect of our business, and our primary route to market for the commercial and subscale international segments of our business. Our future growth in revenues and profitability depends in part on our ability to identify, establish, engage and retain successful channel partner relationships, which will take significant time and resources and involve significant risk.

We have established, and are in the process of extending, long term partnerships in certain regions with the goal of outsourcing our sales and services organizations in those regions. These partnerships require significant administrative and operational ramp up efforts, as well as investment in training and systems implementation. While we are making every effort to ensure that we are selecting the best suited business partners, we cannot be certain that they will be able to attain the levels of revenue achievement expected by the respective organizations.

We cannot be certain that we will be able to identify suitable indirect sales channel partners. To the extent we do identify such partners, we will need to negotiate the terms of a commercial agreement with them under which the partner would distribute our products. We cannot be certain that we will be able to negotiate commercially-attractive terms with any channel partner, if at all. In addition, all channel partners must be trained to distribute our products. In order to develop our distribution channel, we must develop and improve our processes for channel partner introduction and training.

We also cannot be certain that we will be able to maintain successful relationships with any channel partners. These channel partners may not have an exclusive relationship with us and may offer customers the products of several different companies, including products that compete with ours. With or without an exclusive relationship, we cannot be certain that they will prioritize or provide adequate resources for selling our products. A lack of support by any of our channel partners may harm our ability to develop, market, sell or support our products, as well as harm our brand. There can be no assurance that our channel partners will comply with the terms of our commercial agreements with them, including, for example, compliance with the U.S. Foreign Corrupt Practices Act and U.S. export and trade controls, or will continue to work with us when our commercial agreements with them expire or are up for renewal. If we are unable to maintain our relationships with these channel partners, or these channel partners fail to live up to their contractual obligations, our business, results of operations and financial condition could be harmed.

***In order to be successful, we must attract, engage, retain and integrate key employees and have adequate succession plans in place, and failure to do so could have an adverse effect on our ability to manage our business.***

Our success depends, in large part, on our ability to attract, engage, retain, and integrate qualified executives and other key employees throughout all areas of our business. Identifying, developing internally or hiring externally, training and retaining a diverse, global population of highly-skilled engineering, technical and security professionals, and managerial, sales and services, finance and marketing personnel are critical to our future, and global competition for experienced and diverse employees can be intense.

In order to attract and retain executives and other key employees in a competitive marketplace, we must provide a competitive compensation package. In certain cases, we are competing against companies with greater financial resources and name recognition for these executives and other key employees, and as such, there is no assurance that we will be able to meet our hiring needs or hire the most qualified candidates. In order to attract and retain executives and other key employees in a competitive marketplace, we must also provide a diverse and inclusive environment, and offer benefits to support our employees' physical and mental health. Our inability to do so may limit our effectiveness in attracting, retaining and motivating our executives and key employees. Failure to successfully hire executives and key employees or the loss of any executives and key employees could have a significant impact on our operations.

The loss of services of any key personnel, the inability to retain and attract qualified personnel in the future or delays in hiring may harm our business and results of operations. Failure to retain institutional knowledge and to ensure effective transfer of knowledge and smooth transitions involving key employees could hinder our strategic planning and execution. Further, changes in our management team may be disruptive to our business, and any failure to successfully integrate key new hires or promoted employees could adversely affect our business and results of operations.

***Sales and renewals of our support solutions constitute a decreasing portion of our unearned revenue.***

We anticipate that sales and renewals of our support solutions will continue to constitute a decreasing portion of our unearned revenue due to our transition to subscription-based solutions. Our ability to continue to generate both recognized and unearned revenue from our support solutions will depend on our customers continuing to perceive value in automatic delivery of our software upgrades and enhancements and the pace of our transition to subscription-based solutions. The discontinued broad availability of perpetual licenses has resulted in the loss of future opportunities to sell support solutions. Additionally, a decrease in demand for our support solutions could occur as a result of a decrease in demand for our other products. If our customers do not continue to purchase our support solutions, our unearned revenue would decrease and our results of operations and financial condition would be adversely affected.

***Our international presence subjects us to additional risks that could harm our business.***

We earn a significant portion of our total revenues from international sales generated through our foreign direct and indirect operations. Potential growth and profitability could require us to further expand our international operations. To successfully maintain and expand international sales, we may need to establish additional foreign operations, hire additional personnel and recruit additional international distributors and resellers. Our international operations are subject to a variety of risks, which could adversely affect the results of our international operations. These risks include:

- compliance with foreign regulatory and market requirements, including the requirement to submit additional technical information for product registration in order to sell in certain countries;
- variability of foreign economic, political, labor conditions and global policy uncertainty, including re-locating operations internationally;

- risks associated with doing business with foreign government entities, including complex procurement processes, public sector budgetary cycles and availability, termination rights which exceed those typical in the private sector and being subject to audits as government contractors;
- currency exchange rate fluctuations;
- changing restrictions imposed by regulatory or contractual requirements or limitations, tariffs, quotas or other trade barriers or by U.S. export laws;
- regional data privacy, security, secrecy and related laws that apply to the transmission of and protection of our and our customers' data across international borders;
- health or similar issues such as a pandemic or epidemic;
- difficulties in staffing and managing international operations;
- longer accounts receivable payment cycles;
- potentially adverse tax consequences;
- difficulties in enforcing and protecting intellectual property rights, including increased difficulty as a foreign entity in those international locations;
- providing technical information in order to obtain foreign filing licenses for filing our patent applications in certain countries;
- increased risk of non-compliance by foreign employees, partners, distributors, resellers and agents or other intermediaries with both U.S. and foreign laws, including antitrust regulations, the Foreign Corrupt Practices Act, the UK Bribery Act, U.S. or foreign sanctions regimes and export or import control laws and any trade regulations ensuring fair trade practices;
- burdens of complying with a wide variety of foreign laws;
- expansion of cloud-based products and services may increase risk in countries where cloud computing infrastructures are more susceptible to data intrusions or may be controlled directly or indirectly by foreign governments;
- our software and data of our customers being stored in foreign jurisdictions, which could lead to us being required to disclose or provide access to data or intellectual property to a foreign government pursuant to national security or other laws of such foreign jurisdiction; and
- as we generate cash flow in non-U.S. jurisdictions, if required, we may experience difficulty transferring such funds to the U.S. in a tax efficient manner.

Additionally, an increasing number of jurisdictions are imposing data localization laws, which require personal information, or certain subcategories of personal information, to be stored in the jurisdiction of origin. For example, Europe and other jurisdictions have enacted laws requiring data to be localized or limiting the transfer of personal data to other countries. In particular, the European Economic Area ("EEA") and the United Kingdom ("UK") have significantly restricted the transfer of personal data to the United States and other countries whose privacy laws it believes are inadequate. These regulations may deter customers from using cloud-based services such as ours, and may inhibit our ability to expand into those markets or prohibit us from continuing to offer services in those markets without significant additional costs. We do not own or operate servers in Russia. As such, to-date, we have not offered our cloud-based offerings in Russia.

We operate an engineering and customer support organization in China. Under the China Cyber Security Law (the “CSL”), network operators are required to provide technical support and assistance to public and state security authorities in national security and criminal investigations. The law does not provide details on the extent of technical support and assistance that may be required. There is the possibility that network operators may be required to disclose or provide access to information or data communicated or transmitted through the network owned, utilized or managed by the network operator to comply with the support and assistance requirement of the CSL. While we do not consider the Company to be a network operator, there is the possibility that China could decide to treat the Company as a network operator, and we would need to comply with this law.

We have had and may, from time to time, enter into strategic partnerships, joint ventures, OEM or similar business relationships with entities in foreign jurisdictions, including governmental or quasi-governmental entities, pursuant to which we may be required to license or transfer certain of our intellectual property rights to such entities. Such relationships could expose us to increased risks inherent in such activities, such as protection of our intellectual property, economic and political risks, and contractual enforcement issues.

Our success depends, in part, on our ability to anticipate and address these risks. Any of these factors, either individually or in combination, could materially impact our international operations and adversely affect our business or results of operations.

***We may be unable to fully realize anticipated cost savings related to actions previously initiated by us, which could have a material adverse effect on our business, financial condition and results of operations.***

As of February 28, 2024, there are \$164 million of planned cost savings from previously initiated actions that are driven by reductions in personnel, optimization of facility usage and the consolidation or rationalization of events, vendors and tools. However, our ability to fully achieve cost savings currently estimated, or at all, is subject to various assumptions by our management, which may or may not be realized, as well as the incurrence of other costs in our operations that may offset all or a portion of such cost savings. As a consequence, we may not be able to fully realize the identified cost savings or at all. In addition, we may incur additional and/or unexpected costs in order to realize these cost savings. Failure to fully achieve the anticipated cost savings could have a material adverse effect on our financial condition and operating results. Our presentation of Further Adjusted EBITDA in this offering circular reflects such estimated cost savings but does not reflect such costs. Accordingly, you should not view our presentation of these adjustments in our Further Adjusted EBITDA as a projection that we will achieve these cost savings but rather only as an indication of our current expectations and to show how Further Adjusted EBITDA will be calculated for the purposes of monitoring covenant compliance in the Credit Agreement, the First Lien Notes Indenture, the Second Lien Notes Indenture, the Rollover Citrix Notes Indenture and the indenture that will govern the Notes.

## **Risks Related to Acquisitions, Strategic Relationships and Divestitures**

***Acquisitions and divestitures present many risks, and we may not realize the financial and strategic goals we anticipate.***

Our success depends in part on our ability to continually enhance and broaden our product offerings in response to changing technologies, customer demands and competitive pressures. We have in the past addressed, and may continue to address, the development of new solutions and services and enhancements to existing solutions and services through acquisitions of other companies, product lines and/or technologies.

Acquisitions, including those of high-technology companies, are inherently risky. We cannot provide any assurance that any of our acquisitions or future acquisitions will be successful in helping us reach our financial and strategic goals. The risks we commonly encounter in undertaking, managing and integrating acquisitions are:

- an uncertain revenue and earnings stream from the acquired company, which could dilute our earnings;
- difficulties and delays integrating the personnel, operations, technologies, solutions and systems of the acquired companies;

- costs of integrating acquired companies in international transactions due to, among other things, local laws and regulations;
- difficulties operating acquired companies as a stand-alone business, if desired, to further our objectives and strategy;
- undetected errors or unauthorized use of a third-party's code in solutions of the acquired companies;
- our ongoing business may be disrupted and our management's attention may be diverted by acquisition, transition or integration activities;
- challenges and costs associated with implementing adequate and appropriate controls, procedures and policies in the acquired business;
- difficulties and costs associated with managing or integrating an acquired company's technologies or lines of business;
- potential difficulties in completing projects associated with purchased in-process research and development;
- entry into markets in which we have no or limited direct prior experience and where competitors have stronger market positions and which are highly competitive;
- the potential loss of key employees of the acquired company;
- potential difficulties integrating the acquired solutions and services into our sales channel or challenges selling acquired products;
- assuming pre-existing contractual relationships of an acquired company that we would not have otherwise entered into, the termination or modification of which may be costly or disruptive to our business;
- being subject to unfavorable revenue recognition or other accounting treatment as a result of an acquired company's practices;
- potential difficulties securing financing necessary to consummate substantial acquisitions;
- incurring a significant amount of debt to finance an acquisition, which would increase our debt service requirements, expense and leverage;
- intellectual property claims or disputes; and
- litigation arising from an acquisition.

Our failure to successfully integrate acquired companies due to these or other factors could have a material adverse effect on our business, results of operations and financial condition. In addition, if we fail to identify and successfully complete and integrate transactions, or successfully operate acquired companies on a stand-alone basis, that further our strategic objectives, we may be required to expend resources to develop products, services and technology internally, which may put us at a competitive disadvantage.

Any future divestitures we make may also involve risks and uncertainties. Any such divestitures could result in disruption to other parts of our business, potential loss of employees or customers, exposure to unanticipated liabilities or result in ongoing obligations and liabilities to us following any such divestiture. For example, in connection with a divestiture, we may enter into transition services agreements or other strategic



relationships, including long-term services arrangements, or agree to provide certain indemnities to the purchaser in any such transaction, which may result in additional expense. Further, if we do not realize the expected benefits or synergies of such transactions, our operating results and financial conditions could be adversely affected.

In addition, we may face competition for acquisition targets from larger and more established companies with greater financial resources. Therefore, we may engage in discussions for, and incur expenses and fees for, acquisitions that do not ultimately occur. This could result in a diversion of our management's time and increased expenses. Additionally, in order to finance any acquisition, we may need to raise additional funds through public or private financings or a capital contribution, or to use our cash reserves. In that event, we may not be able to raise additional funds or we could be forced to obtain equity or debt financing on terms that are not favorable to us. Use of our cash reserves for acquisitions could limit our financial flexibility in the future. The terms of existing or future loan agreements may place limits on our ability to incur additional debt to finance acquisitions. If we are not able to acquire strategically attractive businesses, products or technologies, we may not be able to remain competitive in our industry or achieve our overall growth plans.

***We identified a material weakness in our internal controls over financial reporting following the Merger. Failure to achieve and maintain effective internal controls over financial reporting could impair our ability to produce timely and accurate financial statements and have a material adverse effect on our business.***

In connection with the audit of our consolidated financial statements for fiscal 2022, we identified a material weakness in our internal controls relating to accounting and disclosures associated with the Merger, which has not yet been remediated. A material weakness is a deficiency, or a combination of deficiencies, in internal controls over financial reporting, such that there is a reasonable possibility that a material misstatement of our financial statements will not be prevented or detected on a timely basis. In particular, we determined that we should ensure that individuals with appropriate competence and authority evaluate and review the accounting for acquisitions.

We believe that the material weakness was isolated to processes surrounding the acquisition accounting for the Merger and we are in the process of remediating the material weakness to ensure it does not recur. For example, we are in the process of adding additional qualified accounting personnel to our reporting team, adding additional controls and increasing the levels of review to ensure that the material weakness does not recur.

While we are undertaking efforts to remediate this material weakness, the material weakness will not be considered remediated until our remediation plans have been fully implemented, the applicable controls operate for a sufficient period of time, and we have concluded, through testing, that the newly implemented and enhanced controls are operating effectively. As there were no business combinations or similar transactions affecting the Company during fiscal 2023, management was unable to implement its remediation plans and, thus, unable to test such remediation. Therefore, at this time, we cannot predict the success of our remediation efforts or the outcome of our assessment of such efforts. We also can give no assurance that additional material weaknesses will not be identified in the future. Our failure to implement and maintain effective internal control over financial reporting could result in errors in our consolidated financial statements that could result in a restatement of our financial statements, which could materially adversely affect us.

***If we determine that any of our goodwill or intangible assets, including technology purchased in acquisitions, are impaired, we would be required to take a charge to earnings, which could have a material adverse effect on our results of operations.***

We have a significant amount of goodwill and other intangible assets, such as product related intangible assets, from our acquisitions. We do not amortize goodwill and intangible assets that are deemed to have indefinite lives. However, we do amortize certain product related technologies, trademarks, patents and other intangibles and we periodically evaluate them for impairment. We review goodwill for impairment annually, or sooner if events or changes in circumstances indicate that the carrying amount could exceed fair value, at the reporting unit level, which for us also represents our operating segment. Significant judgments are required to estimate the fair value of our goodwill and intangible assets, including estimating future cash flows, determining appropriate discount rates, estimating the applicable tax rates, foreign exchange rates and interest rates, projecting the future industry trends and market conditions, and making other assumptions. Although we believe the assumptions, judgments and estimates

we have made have been reasonable and appropriate, different assumptions, judgments and estimates, may materially affect our results of operations. Changes in these estimates and assumptions, including changes in our reporting structure, could materially affect our determinations of fair value. In addition, due to uncertain market conditions and potential changes in our strategy and product portfolio, it is possible that the forecasts we use to support our goodwill and other intangible assets could change in the future, which could result in non-cash charges that would adversely affect our results of operations and financial condition. Also, we may make divestitures of businesses in the future. If we determine that any of the intangible assets associated with our acquisitions is impaired or goodwill is impaired, then we would be required to reduce the value of those assets or to write them off completely by taking a charge to current earnings. If we are required to write down or write off all or a portion of those assets, or if financial analysts or investors believe we may need to take such action in the future, our operating results could be materially and adversely affected.

***Our inability to maintain or develop our strategic and technology relationships could adversely affect our business.***

We have several strategic and technology relationships with large and complex organizations, such as Microsoft, Google and other companies with which we work to offer complementary solutions and services. We depend on the companies with which we have strategic relationships to successfully test our solutions, to incorporate our technology into their products and to market and sell those solutions. There can be no assurance we will realize the expected benefits from these strategic relationships or that they will continue in the future. If successful, these relationships may be mutually beneficial and result in industry growth. However, such relationships carry an element of risk because, in most cases, we must compete in some business areas with a company with which we have a strategic relationship and, at the same time, cooperate with that company in other business areas. Also, if these companies fail to perform or if these relationships fail to materialize as expected, we could suffer delays in product development, reduced sales or other operational difficulties and our business, results of operations and financial condition could be materially adversely affected.

**Risks Related to Intellectual Property and Brand Recognition**

***Our efforts to protect our intellectual property or technology (including any later developed or acquired intellectual property or technology) may not be successful, which could materially and adversely affect our business.***

We regard our intellectual property as critical to our success. We rely primarily on a combination of copyright, service mark, trademark, patent and trade secret laws, confidentiality procedures and contractual provisions to protect our source code, innovations and other intellectual property, all of which offer only limited protection. The loss of any material trade secret, trademark, tradename, patent or copyright could have a material adverse effect on our business. Despite our precautions, it could be possible for unauthorized third parties to infringe, misappropriate or otherwise violate our intellectual property rights or steal, or misappropriate, copy, disclose or reverse engineer our proprietary information, including certain portions of our solutions or to otherwise obtain and use our proprietary source code. We have sought to protect our intellectual property through offensive litigation and may seek other avenues for enforcement or for return on our investment in our patent portfolio, which may be costly and unsuccessful and/or subject us to successful counterclaims or challenges to our intellectual property rights. The steps we take to protect our intellectual property may be inadequate, and we may choose not to pursue or maintain protection for our intellectual property in the United States or foreign jurisdictions. In addition, our ability to monitor and control theft, misappropriation or infringement is uncertain, particularly in countries outside of the United States as the laws of some countries do not provide the same level of protection of our proprietary information as do the laws of the United States. If we cannot protect our intellectual property from infringement and our proprietary source code against unauthorized theft, copying, disclosure or use, we could lose market share, including as a result of unauthorized third parties' development of solutions and technologies similar to or better than ours.

The scope of our patent protection may be affected by changes in legal precedent and patent office interpretation of these precedents. Software-based patents are difficult to obtain and enforce in many jurisdictions and there may also be limits on recovery for damages in those jurisdictions. Further, any patents owned by us could be invalidated, circumvented or challenged. Any of our pending or future patent applications, whether or not being

currently challenged, may not be issued with the scope of protection we seek, if at all; and if issued, may not provide any meaningful protection or competitive advantage.

Our ability to protect our proprietary rights could be affected by differences in international law and the enforceability of licenses. The laws of some foreign countries do not protect our intellectual property to the same extent as do the laws of the United States and Canada. For example, we derive a significant portion of our sales from licensing our solutions under “click-to-accept” license agreements that are not signed by licensees and through electronic enterprise customer licensing arrangements that are delivered electronically, all of which could be unenforceable under the laws of many foreign jurisdictions in which we license our solutions. Moreover, with respect to the various confidentiality, license or other agreements we utilize with third parties related to their use of our solutions and technologies, there is no guarantee that such parties will abide by the terms of such agreements.

We may depend on third-party licensors of technology to enforce and protect intellectual property rights that we may license, and such third parties may refuse to enforce and protect such intellectual property rights. Further, if we resort to legal proceedings to enforce our intellectual property rights (such as initiating infringement lawsuit against a third party), the results of such proceedings, regardless of merit, are uncertain and our success cannot be assured. Even if we were to prevail, the proceedings could be burdensome and expensive. Any litigation that may be necessary in the future could result in substantial costs and diversion of resources and could have a material adverse effect on our business, results of operations and financial condition.

***Our efforts to protect the confidentiality of our proprietary information and trade secrets may not be successful, which could materially and adversely affect our business.***

We may now or in the future rely upon unpatented trade secrets and know-how to develop and maintain a competitive position. While we seek to protect such proprietary information, in part, through confidentiality and invention assignment agreements with our employees, collaborators, contractors, advisors, consultants and other third parties, we cannot guarantee that we have entered or will enter into such agreements with each party that has or may have had access to our trade secrets or proprietary information, or that these agreements will not be breached. We may not be able to obtain adequate remedies for such breaches. Enforcing a claim that a party illegally disclosed or misappropriated a trade secret is difficult, expensive, time-consuming and the outcome is unpredictable. In addition, some courts inside and outside the United States are less willing or unwilling to protect trade secrets. If any of our trade secrets were to be lawfully obtained or independently developed by a competitor or other third party, we would have no right to prevent them from using that technology or information to compete with us. If any of our trade secrets, now or in the future, were to be disclosed to, or independently developed by, a competitor or other third party, our competitive position could be materially and adversely harmed.

We seek to preserve the integrity and confidentiality of our data and trade secrets by maintaining physical security of our premises and physical and electronic security of our information technology systems. While we have confidence in these measures, they may be breached or insufficient, and we may not have adequate remedies for any such breach or insufficiency.

We may now or in the future engage in business and technology collaborations with third-party partners that may result in the partner owning, or the parties jointly owning, certain intellectual property, which may be based on or derived from our or the partner’s proprietary information or existing intellectual property. If we do not have adequate rights to use such partner-owned proprietary information or intellectual property, we may be restricted from using it in our process, products or services. If we and the partner jointly own any such intellectual property, the partner may have the ability to compete with our products and services, or we may be required to make royalty or similar payments to our partner for our use of such intellectual property.

***Our solutions and services, including solutions obtained through acquisitions, could infringe third-party intellectual property rights, which could result in material litigation costs and limit our ability to use certain technologies in the future.***

Third parties, employees or collaborators may claim that certain of our products infringe, misappropriate or otherwise violate their intellectual property rights. We have been subject to patent infringement claims and may in the future be subject to an increased number of intellectual property claims, including claims alleging the

unauthorized use of a third-party's code in our solutions. We may also be subject to ownership or inventorship disputes in the future arising, for example, from conflicting obligations of consultants, contractors or others who are involved in developing our intellectual property. Although it is our policy to require our employees and contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. If we fail in defending any such claims, in addition to paying monetary damages, we may lose valuable intellectual property rights, such as exclusive ownership of, or right to use, intellectual property, or be required to pay royalties for access to such intellectual property rights (which may not be commercially reasonable). Other owners may also be able to license such rights to other third parties, including our competitors. Such an outcome could have a material adverse effect on our business and financial condition. Even if we are successful in defending against such claims, litigation could result in substantial costs and be a distraction to management.

In addition, our use of open source software components in our products may make us vulnerable to claims that our products infringe, misappropriate or otherwise violate third-party intellectual property rights, in particular because many of the open source software components we may incorporate with our products may be developed by numerous independent parties over whom we exercise no supervision or control. An increase in intellectual property claims may occur for a variety of reasons, including:

- the expansion of our product lines through product development and acquisitions;
- the volume of patent infringement litigation commenced by non-practicing entities;
- an increase in the number of competitors in our industry segments and the resulting increase in the number of related solutions and services and the overlap in the functionality of those solutions and services;
- an increase in the number of our competitors and third parties that use their own intellectual property rights to limit our freedom to operate and exploit our solutions, or to otherwise block us from taking full advantage of our markets;
- our reliance on the technology of others and, therefore, the requirement to obtain intellectual property licenses from third parties in order for us to commercialize our solutions or services, which licenses we may not be able to obtain or continue to obtain from these third parties on reasonable terms; and
- the unauthorized or improperly licensed use of third-party code in our solutions.

Further, responding to any infringement claim, regardless of its validity or merit, could result in costly litigation, cause product shipment delays and divert our management's attention away from running our business. Intellectual property litigation could compel us to do one or more of the following:

- pay damages (including the potential for treble damages), license fees or royalties (including royalties for past periods) to the party claiming infringement;
- cease selling solutions or services that use the challenged intellectual property;
- obtain a license from the owner of the asserted intellectual property to sell or use the relevant technology, which license may not be available on reasonable terms, or at all; or
- redesign the challenged technology, which could be time consuming and costly, or not be accomplished.

If we were compelled to take any of these actions, our business, results of operations or financial condition may be adversely impacted.

Our software license agreements typically provide for indemnification of our customers for intellectual property infringement claims. Further, particularly because patent applications in the United States and many other countries are not publicly disclosed at the time of filing, applications covering technology used in our software products may have been filed without our knowledge. If we were to discover that our products infringed, misappropriated or otherwise violated the intellectual property rights of others, we would have to obtain licenses from these parties, which could require the payment of royalty or licensing fees, in order to continue offering our products without substantial re-engineering. We might not be able to obtain the necessary licenses on acceptable terms or at all, and if we could not obtain such licenses, we might not be able to re-engineer our products successfully or in a timely fashion. If we fail to address any infringement, misappropriation or violation issues successfully, we could be forced to incur significant costs, including damages and potentially satisfying indemnification obligations that we have to our customers, and we could be prevented from selling certain of our products.

***Our use of “open source” software could negatively impact our ability to sell our solutions and subject us to possible litigation.***

The solutions or technologies acquired, licensed or developed by us may incorporate so-called “open source” software, and we may incorporate open source software into other solutions in the future. Such open source software is generally licensed by its authors or other third parties under open source licenses, including, for example, the GNU General Public License, the GNU Lesser General Public License, the Apache License (version 2), “BSD-style” licenses, “MIT-style” licenses and other open source licenses which permit the user to copy, modify and distribute the software, typically free of charge. Certain open source software is licensed pursuant to license agreements that require a party who distributes the open source software as a component of the party’s software to publicly disclose part or all of the source code to the party’s software. This effectively renders what was previously proprietary software open source software. Even though we attempt to monitor our use of open source software in an effort to avoid subjecting our solutions to conditions we do not intend, including ensuring no open source software is used in such a way as to require us to disclose the source code to the related product, such use could inadvertently occur and it is possible that not all instances of our open source code usage are properly reviewed. Additionally, software purchased through the supply chain may contain open source software of which we are unaware that could present license rights and/or security risk. Further, although we believe that we have complied with our obligations under the various applicable licenses for open source software that we use such that we have not triggered any of these conditions, there is little or no legal precedent governing the interpretation or enforcement of many of the terms of these types of licenses. If an author or other third party that distributes 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. If our defenses were not successful, we could be subject to significant damages, enjoined from the distribution of our solutions that contained open source software, and required to comply with the terms of the applicable license, which could disrupt the distribution and sale of some of our solutions. In addition, if we combine our proprietary software with open source software in an unintended manner, under some open source licenses we could be required to publicly release the source code of our proprietary software, offer our solutions that use the open source software for no cost, make available source code for modifications or derivative works we create based upon incorporating or using the open source software, and/or license such modifications or derivative works under the terms of the particular open source license.

In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide technology support, maintenance, warranties or assurance of title or controls on the origin of the software. Open source software may also present risks of unforeseen or unmanaged security vulnerabilities that could potentially unintentionally be introduced into our solutions.

***If we lose access to third-party licenses, releases of our solutions could be delayed.***

We believe that we will continue to rely, in part, on third-party licenses to enhance and differentiate our solutions. Third-party licensing arrangements are subject to a number of risks and uncertainties, including:

- undetected errors or unauthorized use of another person’s code in the third party’s software;

- disagreement over the scope of the license and other key terms, such as royalties payable and indemnification protection;
- infringement actions brought by third-parties;
- the creation of solutions by third parties that directly compete with our solutions; and
- termination or expiration of the license.

If we lose or are unable to maintain any of these third-party licenses or are required to modify software obtained under third-party licenses, it could delay the release of our solutions. Any delays could have a material adverse effect on our business, results of operations and financial condition.

***Our business depends on maintaining and protecting the strength of our collection of brands.***

The Citrix, NetScaler, TIBCO and other brands that we have developed have significantly contributed to the success of our business. Maintaining and enhancing these brands is critical to expanding our base of customers and partners. We may be subject to reputational risks and our brand loyalty may decline if others adopt the same or confusingly similar marks in an effort to misappropriate and profit on our brand name and do not provide the same level of quality as is delivered by our solutions and services. Also, others may rely on false comparative advertising and customers or potential customers could be influenced by false advertising. Additionally, we may be unable to use some of our brands in certain countries or unable to secure trademark rights in certain jurisdictions where we do business. In order to police, maintain, enhance and protect our brands, we may be required to make substantial investments that may not be successful. We may also be subject to potential trade name or trademark infringement or dilution claims brought against us by owners of other trademarks. If we fail to police, maintain, enhance and protect our brands, if we incur excessive expenses in this effort or if customers or potential customers are confused by others' trademarks, our business, operating results, and financial condition may be materially and adversely affected.

**Risks Related to our Liquidity, Taxation and Capital Return**

***Our portfolios of liquid securities and other investments may lose value or become impaired.***

Our investment portfolio consists of agency securities, corporate securities, money market funds, and government securities. Although we follow an established investment policy and seek to minimize the credit risk associated with investments by investing primarily in investment grade, highly liquid securities and by limiting exposure to any one issuer depending on credit quality, we cannot give assurances that the assets in our investment portfolio will not lose value, become impaired, or suffer from illiquidity.

***Any losses we incur as a result of our exposure to the credit risk of our customers and partners could harm our results of operations.***

We monitor individual customer payment capability in granting credit arrangements, seek to limit credit to amounts we believe the customers can pay, and maintain reserves we believe are adequate to cover exposure for doubtful accounts. As we have grown our revenue and customer base, our exposure to credit risk has increased. Any material losses we incur as a result of customer defaults could have an adverse effect on our business, operating results and financial condition.

***We may have exposure to additional tax liabilities. Changes in tax laws or challenges to our tax position could adversely affect our results of operations and financial condition.***

As a multinational corporation, we are subject to income taxes in the United States and various foreign jurisdictions. Our future effective tax rates could be favorably or unfavorably affected by changes in the valuation of our deferred tax assets and liabilities, the geographic mix of our revenue, or by changes in tax laws or their interpretation. Significant judgment is required in determining our global provision for income taxes, our

intercompany transfer pricing allocations and other tax liabilities. Any change in the geographical allocation of our business could adversely affect our tax rates to the extent the shift is weighted towards jurisdictions with higher tax rates.

Pillar Two of the Organisation for Economic Co-operation and Development's Global Tax Deal establishes a global minimum tax rate of at least 15% applied to cross-border profits of large multinational corporations. The OECD expects countries to implement components of Pillar Two starting in 2024, although jurisdictions may establish a safe harbor delaying implementation a number of years. Additionally, there may also be future guidance and interpretation from the IRS, the SEC, the FASB and various other tax jurisdictions that affect our results of operations and financial condition. The tax impact from any of these provisions may have a material effect on our U.S. taxes and have an adverse effect on our results of operations and financial condition.

In the ordinary course of a global business, there are many intercompany transactions and situations where the ultimate tax determination is uncertain. Our income tax returns are routinely subject to audits by tax authorities and those authorities may disagree with positions taken by us on our tax returns. Although we regularly assess the likelihood of adverse outcomes resulting from these examinations to determine our estimates of uncertain tax positions, there can be no assurance that the outcomes from these continuous examinations will not have an adverse effect on our operating results and financial condition. A final determination of tax audits or tax disputes could have an adverse effect on our results of operations and financial condition.

We are also subject to non-income taxes, such as payroll, sales, use, value-added, net worth, property and goods and services taxes in the United States and various foreign jurisdictions. We are regularly under audit by tax authorities with respect to these non-income taxes and may have exposure to additional non-income tax liabilities which could have an adverse effect on our results of operations and financial condition.

Adverse developments in these laws or regulations, or any change in position regarding the application, administration or interpretation thereof, in any applicable jurisdiction, could have a material and adverse effect on our business, financial condition or results of operations. Many countries in the EU, and other countries where we do business, are actively considering or have enacted changes in the relevant tax, accounting and other laws, regulations and interpretations, including changes to tax laws applicable to corporate multinationals, which may have an adverse effect on our business or on our results of operations. In addition, the tax authorities in any applicable jurisdiction, including the U.S., may disagree with the positions we have taken or intend to take regarding the tax treatment or characterization of any of our transactions. If any applicable tax authorities, including U.S. tax authorities, were to successfully challenge the tax treatment or characterization of any of our transactions, it could have a material and adverse effect on our business, financial condition or results of operations.

## **General Risks**

***We are exposed to fluctuations in foreign currency exchange rates, which could adversely affect our future operating results.***

Our results of operations are subject to fluctuations in exchange rates, which could adversely affect our future revenue and overall operating results. For example, any strengthening of the U.S. dollar against foreign currencies would result in lower revenues from our international sales when sales are translated into U.S. dollars, although these decreases may be partially offset by lower operating expenses. Additionally, customers in foreign countries that incur higher costs due to the strengthening of the U.S. dollar may elect to delay payments or default on credit extended to them. Any material delay or default in our collection of significant accounts could have a negative effect on our results of operations. Further, any strengthening of the U.S. dollar could require us to offer discounts, reduce pricing or offer other incentives to mitigate any negative effects on demand from such a rise in the U.S. dollar. In the event that the U.S. dollar weakens compared to foreign currencies, we may incur higher operating expenses in those locations and, therefore, our business, financial condition and operating results could be negatively affected. As our international operations continue to grow, or if large fluctuations in foreign exchange rates continue, our revenue, operating expenses and income may be adversely affected.

In order to minimize volatility in earnings associated with fluctuations in the value of foreign currency relative to the U.S. dollar, we use financial instruments to hedge our exposure to foreign currencies as we deem

appropriate for a portion of our expenses, which are denominated in the local currency of our foreign subsidiaries. We generally initiate our hedging of currency exchange risks one year in advance of anticipated foreign currency expenses for those currencies to which we have the greatest exposure. When the dollar is weak, foreign currency denominated expenses will be higher, and these higher expenses will be partially offset by the gains realized from our hedging contracts. If the dollar is strong, foreign currency denominated expenses will be lower. These lower expenses will in turn be partially offset by the losses incurred from our hedging contracts. There is a risk that there will be fluctuations in foreign currency exchange rates beyond the one year timeframe for which we hedge our risk and there is no guarantee that we will accurately forecast the expenses we are hedging, and our hedging program may not reduce the impact of short-term or long-term volatility in foreign exchange rates. Further, a substantial portion of our overseas assets and liabilities are denominated in local currencies. To protect against fluctuations in earnings caused by changes in currency exchange rates when remeasuring our balance sheet, we utilize foreign exchange forward contracts to hedge our exposure to this potential volatility. Our foreign currency forward contracts are intended to reduce, but do not eliminate, the impact of currency exchange rate movements. For example, we do not execute forward contracts in all currencies in which we conduct business. There is no assurance that our hedging strategies will be effective. In addition, as a result of entering into these contracts with counterparties who are unrelated to us, the risk of a counterparty default exists in fulfilling the hedge contract. Should there be a counterparty default, we could be unable to recover anticipated net gains from the transactions.

***We are involved in litigation, investigations and regulatory inquiries and proceedings that could negatively affect us.***

From time to time, we are involved in various legal, administrative and regulatory proceedings, claims, demands and investigations relating to our business, which may include claims with respect to commercial, product liability, intellectual property, cybersecurity, privacy, data protection, antitrust, corruption, breach of contract, labor and employment, wage and hour, class action, whistleblower, mergers and acquisitions and other matters. In the ordinary course of business, we also receive inquiries from and have discussions with government entities regarding the compliance of our contracting and sales practices with laws and regulations and employment and benefits related compliance. We are currently involved in various legal proceedings. See “Note 13—Legal Proceedings” to our audited consolidated financial statements included elsewhere in this offering circular for additional information. Any of these matters can be time-consuming, divert management’s attention and resources, cause us to incur significant expenses and lead to attempts on the part of other parties to pursue similar claims. Allegations made in the course of regulatory or legal proceedings may also harm our reputation, regardless of whether there is merit to such claims. Furthermore, because litigation and the outcome of regulatory proceedings are inherently unpredictable, our business, financial condition or operating results could be materially affected by an unfavorable resolution of one or more of these proceedings, claims, demands or investigations.

***Changes or modifications in financial accounting standards may have a material adverse impact on our reported results of operations or financial condition.***

A change or modification in existing accounting rules or policies can have a significant effect on our reported results and may even affect our reporting of transactions completed before the change is effective. New pronouncements and varying interpretations of existing pronouncements have occurred with frequency and may occur in the future. Changes to existing rules, or changes to the interpretations of existing rules, could lead to changes in our accounting practices, and such changes could materially adversely affect our reported financial results or the way we conduct our business. A change in existing financial accounting standards or practices may even retroactively adversely affect previously reported transactions.

***Natural disasters, climate-related impacts, or other unanticipated catastrophes that result in a disruption of our operations could negatively impact our results of operations.***

Our worldwide operations are dependent on our network infrastructure, internal technology systems and website. Significant portions of our computer equipment, intellectual property resources and personnel, including critical resources dedicated to research and development and administrative support functions are presently located in Fort Lauderdale, Florida, an area of the country that is particularly prone to hurricanes, and at our various locations in California, an area of the country that is particularly prone to earthquakes and wildfires. We also have operations in various domestic and international locations that expose us to additional diverse risks. The occurrence



of natural disasters, such as extreme weather, hurricanes, floods or earthquakes; pandemics and global public health threats, such as the COVID-19 pandemic; or other unanticipated catastrophes, such as telecommunications failures, cyberattacks, fires or terrorist attacks, at any of the locations in which we or our key partners, suppliers and customers do business, could cause interruptions in our operations. For example, hurricanes have passed through southern Florida causing extensive damage to the region. Although we maintain crisis management and disaster response plans, such events could make it difficult or impossible for us to deliver our services to our customers, and could decrease demand for our services. In addition, even in the absence of direct damage to our operations, large disasters, terrorist attacks, pandemics or other casualty events could have a significant impact on our partners', suppliers' and customers' businesses, which in turn could result in a negative impact on our results of operations. Extensive or multiple disruptions in our operations, or our partners', suppliers' or customers' businesses, due to natural disasters, pandemics or other unanticipated catastrophes could have a material adverse effect on our results of operations.

## USE OF PROCEEDS

The net proceeds from this offering are expected to be approximately \$            million after deducting initial purchasers' discounts but before deducting expenses. We intend to use the net proceeds from this offering to prepay \$415.0 million of loans outstanding under the Senior Secured Credit Facilities, including to pay any accrued and unpaid interest thereon, as well as related fees and expenses, with the remainder to be used for general corporate purposes, which are expected to include the payment of a dividend to Holdco to finance the redemption of all or a portion of the Series A Preferred Stock issued by Holdco in accordance with the Certificate of Designation.

For information on the Senior Secured Credit Facilities, see "Description of Certain Other Indebtedness—Senior Secured Credit Facilities" included elsewhere in this offering circular.

Certain of the initial purchasers or their respective affiliates act as agents and/or lenders under our Senior Secured Credit Facilities and therefore may receive a portion of the proceeds of this offering. See "Description of Certain Other Indebtedness" and "Plan of Distribution" for more information.

## CAPITALIZATION

The following table sets forth our cash and cash equivalents and our capitalization as of February 28, 2024:

- on an actual basis;
- on an as adjusted basis to give effect to the March 2024 Transaction, without reflecting fees, discounts and expenses; and
- on an as further adjusted basis to give effect to the March 2024 Transaction and this offering and the use of proceeds therefrom, without reflecting fees, discounts and expenses or the payment of accrued and unpaid interest on the Senior Secured Credit Facilities.

This table should be read in conjunction with “Management’s Discussion and Analysis of Financial Condition and Results of Operations” included elsewhere in this offering circular and Cloud Software’s historical consolidated financial statements and the related notes included elsewhere in this offering circular, as well as information included under our headings “Use of Proceeds” and “Description of Certain Other Indebtedness.”

### As of February 28, 2024

	Actual	As Adjusted	As Further Adjusted
<b>(In thousands)</b>			
Cash and cash equivalents.....	\$695,251	\$1,237,818 <sup>(1)</sup>	\$1,822,818 <sup>(2)</sup>
<b>Debt:</b>			
Revolving Facility <sup>(3)(4)</sup> .....	—	—	—
Term Loan A Facility <sup>(3)</sup> .....	2,206,100	2,206,100	1,791,100 <sup>(6)</sup>
USD Term Loan B-1 Facility <sup>(3)</sup> .....	5,004,373	5,004,373	5,004,373
USD Term Loan B-2 Facility <sup>(3)</sup> .....	—	1,000,000	1,000,000
EUR Term Loan B Facility <sup>(3)(5)</sup> .....	804,647	804,647	804,647
First Lien Notes <sup>(3)</sup> .....	4,000,000	4,000,000	4,000,000
Second Lien Notes <sup>(3)</sup> .....	3,837,622	3,837,622	3,837,622
Notes offered hereby <sup>(3)</sup> .....	—	—	1,000,000
Rollover Citrix Notes <sup>(3)</sup> .....	112,359	112,359	112,359
Total debt.....	\$15,965,101	\$16,965,101	\$17,550,101
<b>Equity:</b>			
Stockholders’ equity .....	1,479,650	1,479,650	1,479,650
<b>Total capitalization.....</b>	<b>\$17,444,751</b>	<b>\$18,444,751</b>	<b>\$19,029,751</b>

- (1) The Company used the proceeds of the loans incurred under the USD Term Loan B-2 Facility to pay dividends to Holdco in an aggregate amount of \$457.4 million, which dividends were used by Holdco to repurchase \$411.4 million of the stated value of the Series A Preferred Stock and pay \$46.0 million of accrued and unpaid dividends on the Series A Preferred Stock, with the remainder to be used for general corporate purposes.
- (2) Does not reflect accrued and unpaid interest payable on the \$415.0 million of loans outstanding under the Senior Secured Credit Facilities to be prepaid using the net proceeds from this offering.
- (3) Represents the aggregate principal amount and does not reflect deferred financing costs, debt issuance costs, discounts or premiums.
- (4) Availability of the Revolving Facility is \$1,000 million, subject to customary conditions.
- (5) Represents €742.5 million in aggregate principal amount of borrowings outstanding under the EUR Term Loan B Facility as of February 28, 2024, converted to USD at an exchange rate of approximately 1 EUR to 1.0840 USD.
- (6) The Company intends to use the net proceeds from this offering to prepay \$415.0 million of loans outstanding under the Senior Secured Credit Facilities. The Company has not yet made a determination whether such loans will be loans outstanding under the Term Loan A Facility, loans outstanding under the Term Loan B Facilities or a mix of both. This

table assumes that the Company will use the net proceeds from this offering to prepay \$415.0 million of loans outstanding under the Term Loan A Facility.

## MANAGEMENT'S DISCUSSION AND ANALYSIS OF FINANCIAL CONDITION AND RESULTS OF OPERATIONS

*You should read the following discussion and analysis of our financial condition and results of operations together with the section entitled "Risk Factors" and with Cloud Software's consolidated financial statements and the related notes included elsewhere in this offering circular. The following discussion and analysis of our financial condition and results of operations contains forward-looking statements and involves numerous risks, uncertainties and assumptions, including, but not limited to, those set forth under "Risk Factors" and "Cautionary Note Regarding Forward-Looking Statements." Actual results may differ materially from those contained in any forward-looking statement.*

### Overview

CSG Holdings is a Delaware corporation that is the sole shareholder of Cloud Software. CSG Holdings has no significant assets or operations other than the ownership of Cloud Software. CSG Holdings is owned by Holdco, a Delaware corporation. The common stock of Holdco is owned by certain affiliates of the Investors, and the Series A Preferred Stock of Holdco is held by certain other investors. CSG Holdings (i) has no liabilities other than those incidental to its ownership of the equity interests in Cloud Software, and (ii) has no assets other than its ownership of all of the equity interests of Cloud Software. As a result, there are no material differences between the historical financial data of CSG Holdings and the historical financial data relating to Cloud Software. Shareholders of CSG Holdings ("CSG Shareholders") shall not have any personal liability whatsoever in such CSG Shareholders' capacity as a shareholder, whether to CSG Holdings, to the creditors of CSG Holdings or to any other third party, for the debts, liabilities, commitments or any other obligations of CSG Holdings or for any losses of CSG Holdings.

Prior to the Merger, a new organization structure was implemented. Intermediate Holdings, a Delaware limited liability company, was the sole shareholder of Cloud Software and previous reporting entity for the group. Intermediate Holdings had no significant assets or operations other than the ownership of Cloud Software. Intermediate Holdings was owned by Balboa Holdings, a Delaware limited partnership that was owned by certain affiliates of Vista. Intermediate Holdings (i) had no liabilities other than those incidental to its ownership of the equity interests in Cloud Software, and (ii) had no assets other than its ownership of all of the equity interests of Cloud Software. Intermediate Holdings distributed their ownership shares of Cloud Software to Balboa Holdings.

On January 28, 2022, Holdco and CSG Holdings were formed under Balboa Holdings. Cloud Software contemporaneously formed Parent. Parent then formed Merger Sub, a Delaware corporation. The aforementioned entities were formed for the sole purpose of consummating the Merger.

On September 30, 2022, the Merger and related transactions were executed, with CSG Holdings becoming the sole shareholder of Cloud Software and its subsidiaries, which include Parent, the sole shareholder of Citrix. As a result of the reorganization, CSG Holdings became the successor reporting entity from Intermediate Holdings. References to the "Company," "us," "we" or "our" in this "Management's Discussion and Analysis of Financial Condition and Results of Operations" refer to the consolidated operations of CSG Holdings and its subsidiaries.

Cloud Software was created by the combination of Citrix and TIBCO, two leading global enterprise-focused software businesses. The combination has created a portfolio of companies under the management of Cloud Software, collectively one of the world's leading software providers capable of providing comprehensive, secure and optimized infrastructure for enterprise application and data management. Our mission is to create long-term financial value by building a diversified software company that develops, sells and supports mission-critical products that serve the largest enterprises globally.

### ***Inflation and Price Volatility in the Global Economy***

General inflation in the United States, Europe and other geographies remains high. General inflation has led to currency volatility, rising interest rates and wages, and fiscal and policy interventions by governments in reaction to such events, which could have negative impacts on our business by decreasing the capital available to our customers to purchase our goods and services and increasing our operating costs and costs to borrow.

### ***Transition to Subscription Model***

As our business continues to transition from perpetual licenses to a subscription-based model, customer demand, contract value and the term of subscription contracts have become the most critical factors to our results of operations. Subscription contracts tend to have a lower annualized contract value than license contracts, but are recurring in nature, which is expected to provide a steadier stream of revenue.

### ***Seasonality and Quarterly Order Flow***

Our business is subject to variations throughout the year due to seasonal factors in the United States and worldwide. These factors include fewer selling days during the summer vacation season, the impact of the December holidays, and a slowdown in capital expenditures by our customers after calendar year-end (during our first fiscal quarter). These factors typically constrain sales activity in our first and third fiscal quarters compared to the rest of the year, and they make quarter-to-quarter comparisons of our operating results less meaningful.

Additionally, a substantial portion of our product orders are usually received in the last month of each fiscal quarter, with a concentration of such orders in the final two weeks of the quarter. We typically ship products shortly after the receipt of an order and may have orders that have not shipped at the end of any given quarter. Because the amount of such product orders may vary, the amount, if any, of such orders at the end of a particular quarter is not a reliable indicator to predict our future performance.

### **Results of Operations**

The following tables set forth the consolidated statements of operations in dollar amounts and as a percentage of our total revenue for the periods indicated. The period-to-period comparison of results is not necessarily indicative of results for future periods.

	<b>Three Months Ended February 28,</b>		<b>Year Ended November 30,</b>		
	<b>2024</b>	<b>2023</b>	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b><i>(In thousands)</i></b>					
<b>Statements of Operations</b>					
Revenue:					
Software .....	\$ 1,223,442	\$ 735,282	\$ 3,151,109	\$ 1,002,527	\$ 563,112
Maintenance and service .....	209,467	404,378	1,342,318	729,528	593,388
Total revenue.....	<u>1,432,909</u>	<u>1,139,660</u>	<u>4,493,427</u>	<u>1,732,055</u>	<u>1,156,500</u>
Cost of revenue:					
Software .....	367,656	391,040	1,507,014	324,655	64,419
Maintenance and service .....	71,398	99,538	358,512	180,511	147,878
Total cost of revenue....	<u>439,054</u>	<u>490,578</u>	<u>1,865,526</u>	<u>505,166</u>	<u>212,297</u>
Gross profit .....	<u>993,855</u>	<u>649,082</u>	<u>2,627,901</u>	<u>1,226,889</u>	<u>944,203</u>
Operating expenses:					
Research and development..	158,395	189,902	682,563	298,065	177,840
Sales and marketing.....	149,197	217,927	649,934	469,114	271,430
General and administrative..	78,277	106,394	352,377	186,464	65,416
Amortization of acquired intangible assets.....	231,534	231,973	920,659	280,828	149,826
Acquisition related and other costs.....	3,341	5,254	12,369	90,174	29,471
Restructuring charges .....	<u>54,275</u>	<u>126,779</u>	<u>215,243</u>	<u>105,874</u>	<u>125,932</u>
Total operating expenses .....	<u>675,019</u>	<u>878,229</u>	<u>2,833,145</u>	<u>1,430,519</u>	<u>819,915</u>

	Three Months Ended February 28,		Year Ended November 30,		
	2024	2023	2023	2022	2021
<i>(In thousands)</i>					
Income (loss) from operations ....	318,836	(229,147)	(205,244)	(203,630)	124,288
Interest expense, net .....	(377,146)	(350,626)	(1,353,555)	(318,165)	(145,117)
Other expense, net .....	21,077	(9,442)	(84,432)	(16,665)	(3,359)
Loss before benefit (provision)					
from income taxes .....	(37,233)	(589,215)	(1,643,231)	(538,460)	(24,188)
(Benefit) provision from income taxes .....	9,047	32,717	(397,230)	(176,467)	(14,387)
Net loss .....	<u>\$ (46,280)</u>	<u>\$ (621,932)</u>	<u>\$ (1,246,001)</u>	<u>\$ (361,993)</u>	<u>\$ (9,801)</u>

### ***Comparison of Three Months Ended February 28, 2024 to 2023***

#### ***Total Revenue***

Our total revenue consisted primarily of license, subscription, maintenance and consulting services fees from our customers, distributors and partners.

	Three Months Ended February 28,		Percentage Change
	2024	2023	
Total revenue .....	\$ 1,432,909	\$ 1,139,660	26%

Total revenue for the three months ended February 28, 2024 increased by \$293.2 million, or 26%, compared to the same quarter in the prior year. The increase was comprised of a \$488.2 million increase in software revenue, offset by a \$194.9 million decrease in maintenance and service revenue. The overall increase was due to the continued shift to subscription revenue and an increase in longer term contracts closed during the three months ended February 28, 2024.

For the three months ended February 28, 2024, as a percentage of total revenue and compared to the same quarter in the prior year, we experienced a significant increase in the United States region and slight decreases in the Europe, Middle East, and Africa region, the Asia Pacific and Japan region, and the Other Americas region.

Revenue by regions is as follows:

	Three Months Ended February 28,	
	2024	2023
United States .....	\$ 822,411	\$ 536,578
Percentage of total revenue .....	57%	47%
Europe, Middle East and Africa .....	450,648	410,600
Percentage of total revenue .....	31%	36%
Asia Pacific and Japan .....	91,474	96,842
Percentage of total revenue .....	6%	8%
Other Americas .....	68,376	95,640
Percentage of total revenue .....	5%	8%

### Software Revenue and Cost

	Three Months Ended February 28,		Percentage Change
	2024	2023	
Software revenue .....	\$ 1,223,442	\$ 735,282	66%
Percentage of total revenue .....	85%	65%	
Cost of software revenue .....	\$ 367,656	\$ 391,040	(6)%
Percentage of total revenue .....	26%	34%	
Percentage of software revenue .....	30%	53%	

Software revenue is comprised of both license and subscription revenue. Software revenue increased by \$488.2 million, or 66%, for the three months ended February 28, 2024 compared to the same quarter in the previous year. The overall increase was primarily due to a \$517.2 million increase in subscription revenue due to our continued transition to the subscription model, introduction of new Universal Platform licenses and an increase in longer term contracts, offset by a \$29.0 million decrease in license revenue primarily due to our transition away from the perpetual license model to the subscription model.

Cost of software revenue mainly consists of amortization of developed technology and royalty costs. Cost of software revenue for the three months ended February 28, 2024 decreased by \$23.4 million, or 6%, compared to the same period in the previous year. The decrease was primarily due to fewer hardware sales during the three months ended February 28, 2024 compared to same quarter in the prior year.

### Maintenance and Service Revenue and Cost

	Year Ended November 30,		Percentage Change
	2024	2023	
Maintenance and service revenue	\$ 209,467	\$ 404,378	(48)%
Percentage of total revenue .....	15%	35%	
Cost of maintenance and service revenue .....	\$ 71,398	\$ 99,538	(28)%
Percentage of total revenue .....	5%	9%	
Percentage of maintenance and service revenue .....	34%	25%	

Maintenance and service revenue for the three months ended February 28, 2024 decreased by \$194.9 million, or 48%, compared to the same quarter in the prior year. The decrease was primarily due to a \$177.6 million decrease in maintenance revenue due to the continued shift to subscription license model and a \$17.3 million decrease in service revenue primarily due to a reduced number of software implementation arrangements entered into with our customers.

Cost of maintenance and service revenue consisted primarily of compensation for support and services, customer support personnel and third-party contractors and associated expenses related to providing consulting services.

Cost of maintenance and service revenue for the three months ended February 28, 2024 decreased by \$28.1 million, or 28%, compared to the same period in the previous year. The decrease for the three months ended February 28, 2024 was primarily due to a decrease of \$26.3 million in salaries and employee-related costs due to decreased headcount, a \$2.7 million decrease in facilities and a \$1.9 million decrease in corporate allocations, offset by \$2.2 million increase related to consulting fees and contractor costs.



### *Research and Development Expenses*

Research and development expenses consisted primarily of employee-related expenses, including salary, bonus, benefits, recruiting expense and office support, third-party contractor fees and related costs associated with the development and enhancement of our products.

	<b>Three Months Ended February 28,</b>		<b>Percentage Change</b>
	<b>2024</b>	<b>2023</b>	
Research and development expenses.....	\$ 158,395	\$ 189,902	(17)%
Percentage of total revenue.....	11%	17%	

Research and development expenses for the three months ended February 28, 2024 decreased by \$31.5 million, or 17%, compared to the same quarter in the previous year. The decrease was primarily due to a \$19.9 million decrease in salaries and employee-related costs due to a reduction in headcount, a \$7.8 million decrease in consulting and contractor costs, a \$8.1 million decrease in facilities and facilities allocation and a \$4.0 million decrease in corporate allocations, offset by an increase in software fees of \$6.9 million.

### *Sales and Marketing Expenses*

Sales and marketing expenses consisted primarily of employee-related expenses, including salaries, sales commissions, benefits, bonus and related costs of our direct sales force, and marketing programs, including customer conferences, promotional materials, trade shows, advertising and related travel expenses.

	<b>Three Months Ended February 28,</b>		<b>Percentage Change</b>
	<b>2024</b>	<b>2023</b>	
Sales and marketing expenses .....	\$ 149,197	\$ 217,927	(32)%
Percentage of total revenue.....	10%	19%	

Sales and marketing expenses for the three months ended February 28, 2024 decreased by \$68.7 million, or 32%, compared to the same quarter last year, primarily due to a \$58.4 million decrease in employee-related expenses due to a reduction in headcount, a \$6.5 million decrease in consulting and contractor costs, a \$4.6 million decrease in corporate allocations and a \$3.1 million decrease in facilities expenses, offset by a \$3.3 million increase in software fees.

### *General and Administrative Expenses*

General and administrative expenses consisted primarily of employee-related expenses, including salaries, benefits, bonus, third party contractor fees and related costs, for general corporate functions such as executive, legal, finance, accounting, information technology, and human resources.

	<b>Three Months Ended February 28,</b>		<b>Percentage Change</b>
	<b>2024</b>	<b>2023</b>	
General and administrative expenses.....	\$ 78,277	\$ 106,394	(26)%
Percentage of total revenue .....	5%	9%	

General and administrative expenses for the three months ended February 28, 2024 decreased by \$28.1 million, or 26%, compared to the same quarter in the previous year. The decrease was primarily due to a \$23.3 million decrease in salaries and employee related costs due to a reduction in headcount, a \$14.9 million decrease in consulting and contractor costs and a \$3.4 million decrease in software subscriptions fees and hosting costs, offset by a \$10.2 million increase in corporate allocations and a \$3.5 million increase in facilities costs.

### *Amortization of Acquired Intangible Assets*

Intangible assets acquired through corporate acquisitions are comprised of the expected value of developed technologies, patents, trademarks, established customer bases and non-compete agreements, as well as maintenance contracts. Amortization of developed technologies is recorded as a cost of revenue, and amortization of other acquired intangible assets is included in operating expenses.

	<b>Three Months Ended February 28,</b>		<b>Percentage Change</b>
	<b>2024</b>	<b>2023</b>	
Amortization of acquired intangible assets			
In cost of revenue.....	\$ 311,224	\$ 312,114	-
In operating expenses.....	231,534	231,973	-
Total amortization.....	<u>\$ 542,758</u>	<u>\$ 544,087</u>	-
Percentage of total revenue.....	38%	48%	

### *Acquisition-Related and Other Costs*

	<b>Three Months Ended February 28,</b>		<b>Percentage Change</b>
	<b>2024</b>	<b>2023</b>	
Total acquisition-related and other expenses.....	\$ 3,341	\$ 5,254	(36)%
Percentage of total revenue .....	-	-	

Acquisition-related and other costs consisted of costs incurred after the issuance of a definitive term sheet for each particular transaction (whether or not such transaction was ultimately completed, remains in-process or is not completed) and included legal, banker, accounting and other advisory fees of third parties and severance costs for employees of the acquired company that were terminated within 90 days of the acquisition date. Acquisition-related and other costs decreased by \$1.9 million, or 36%, for the three months ended February 28, 2024 from the same period in the prior year primarily due to severance costs related to the Merger.

### *Restructuring Charges*

	<b>Three Months Ended February 28,</b>		<b>Percentage Change</b>
	<b>2024</b>	<b>2023</b>	
Restructuring charges.....	\$ 54,275	\$ 126,779	(57)%
Percentage of total revenue .....	4%	11%	

Restructuring charges for the three months ended February 28, 2024 decreased by \$72.5 million, or 57%, compared to the same quarter in the prior year primarily due to decreased facilities related restructuring adjustments. Restructuring charges consisted primarily of facilities and severance costs related to corporate actions aimed at increasing efficiencies and reducing redundancies. See “Note 7 — Accrued Restructuring Costs” to our unaudited condensed consolidated financial statements included elsewhere in this offering circular for further details.

### *Interest Expense, Net*

	<b>Three Months Ended February 28,</b>		<b>Percentage Change</b>
	<b>2024</b>	<b>2023</b>	
Interest expense, net .....	\$ 377,146	\$ 350,626	8%
Percentage of total revenue .....	26%	31%	

Interest expense, net for the three months ended February 28, 2024 increased by \$26.5 million, or 8%, compared to the same quarter in the prior year. The increase was primarily due to the impact of the new loans and refinancings that took place during fiscal 2023 and the gain related to the interest rate swaps. See Note 6 “Debt and Credit Facilities” to our unaudited condensed consolidated financial statements included elsewhere in this offering circular for further details.

*Other Income (Expense), Net*

	<b>Three Months Ended February 28,</b>		<b>Percentage Change</b>
	<b>2024</b>	<b>2023</b>	
Other income (expense), net.....	\$ 21,077	\$ (9,442)	(323)%
Percentage of total revenue .....	1%	1%	

Other income (expense), net included foreign exchange gains and losses, realized gains and losses on investments, and other miscellaneous income and expense items. The increase in other income (expense), net for the three months ended February 28, 2024 was primarily due to foreign exchange gains caused by volatility of exchange rates.

*Provision for Income Taxes*

	<b>Three Months Ended February 28,</b>		<b>Percentage Change</b>
	<b>2024</b>	<b>2023</b>	
Provision for income taxes .....	(9,047)	(32,717)	(72)%
Effective tax rate .....	24%	6%	

See Note 12 “Income Taxes” to our unaudited consolidated financial statements included elsewhere in this offering circular for further details.

***Comparison of Fiscal 2023, Fiscal 2022 and Fiscal 2021***

*Total Revenue*

Our total revenue consisted primarily of license, subscription, consulting services and maintenance fees from our customers, distributors and partners.

	<b>Year Ended November 30,</b>			<b>Percentage Change</b>	
	<b>2023</b>	<b>2022</b>	<b>2021</b>	<b>2022 to 2023</b>	<b>2021 to 2022</b>
Total revenue.....	\$4,493,427	\$1,732,055	\$1,156,500	159%	50%

Total revenue in fiscal 2023 increased by \$2,761.4 million, or 159%, compared to fiscal 2022. The increase was primarily due to a \$2,148.6 million, or 214%, increase in software revenue, a \$571.6 million, or 93%, increase in maintenance revenue, and a \$41.2 million, or 35%, increase in service revenue, in each case primarily as a result of the Merger.

Total revenue in fiscal 2022 increased by \$575.6 million, or 50%, compared to fiscal 2021. The increase was primarily due to a \$439.4 million, or 78%, increase in software revenue, a \$127.1 million, or 26%, increase in maintenance revenue, and a \$9.1 million, or 8%, increase in service revenue, in each case primarily as a result of the Merger.

Revenue by regions is as follows:

	Year Ended November 30,		
	2023	2022	2021
United States.....	\$ 2,320,158	\$ 896,365	\$ 553,696
Percentage of total revenue.....	52%	52%	48%
Europe, Middle East and Africa .....	1,559,956	586,430	395,897
Percentage of total revenue.....	35%	34%	34%
Asia Pacific and Japan.....	359,677	141,183	119,931
Percentage of total revenue.....	8%	8%	10%
Other Americas.....	253,636	108,077	86,976
Percentage of total revenue.....	5%	6%	8%

#### *Software Revenue and Cost*

	Year Ended November 30,			Percentage Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Software revenue .....	\$ 3,151,109	\$ 1,002,527	\$ 563,112	214%	78%
Percentage of total revenue.....	70%	58%	49%		
Cost of software revenue .....	\$ 1,507,014	\$ 324,655	\$ 64,419	364%	404%
Percentage of total revenue.....	34%	19%	6%		
Percentage of software revenue ....	48%	32%	11%		

Software revenue is comprised of both license and subscription revenue.

Software revenue increased by \$2,148.6 million, or 214%, in fiscal 2023 compared to fiscal 2022. The increase in software revenue was due to a \$2,097.1 million increase in subscription revenue and an increase of a \$51.5 million in license revenue, in each case primarily as a result of the Merger.

Software revenue increased by \$439.4 million, or 78%, in fiscal 2022 compared to fiscal 2021. The increase in software revenue was due to a \$449.2 million increase in subscription revenue primarily due to our transition to the subscription model and as a result of the Merger, offset by a \$9.8 million decrease in license revenue primarily due to our transition away from the perpetual license model to the subscription model (which would have been a larger decrease if not for the Merger).

Cost of software revenue consisted primarily of amortization of developed technology and royalty costs.

Cost of software revenue in fiscal 2023 increased by \$1,182.4 million, or 364%, compared to fiscal 2022. The increase was predominantly due to a \$1,011.7 million increase in amortization of developed technologies, a \$178.6 million increase in cost of sales, and a \$24.0 million increase in employee-related costs, offset by a \$33.7 million decrease in purchase price variance and a \$7.7 million decrease as a result of a decrease in sales, in each primarily as a result of the Merger.

Cost of software revenue in fiscal 2022 increased by \$260.2 million, or 404%, compared to fiscal 2021. The increase was predominantly due to a \$201.8 million increase in amortization of developed technologies and a \$55.5 million increase in hosted software costs as a result of the Merger.

#### *Service and Maintenance Revenue and Cost*

	Year Ended November 30,			Percentage Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Service and maintenance revenue.....	\$ 1,342,318	\$ 729,528	\$ 593,388	84%	23%

	Year Ended November 30,			Percentage Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Percentage of total revenue .....	30%	42%	51%		
Cost of service and maintenance revenue .....	\$ 358,512	\$ 180,511	\$ 147,878	99%	22%
Percentage of total revenue .....	8%	10%	13%		
Percentage of service and maintenance revenue .....	27%	25%	25%		

Service and maintenance revenue increased by \$612.8 million, or 84%, in fiscal 2023 compared to fiscal 2022. The increase was predominantly due to a \$571.6 million increase in maintenance revenue and a \$41.2 million increase in service revenue, primarily as a result of the Merger.

Service and maintenance revenue increased by \$136.1 million, or 23%, in fiscal 2022 compared to fiscal 2021. The increase was predominantly due to a \$127.1 million increase in maintenance revenue and a \$9.1 million increase in service revenue, primarily as a result of the Merger.

Cost of service and maintenance revenue consisted primarily of compensation for support services, customer support personnel and third-party contractors and associated expenses related to providing consulting services.

Cost of service and maintenance revenue in fiscal 2023 increased by \$178.0 million, or 99%, compared to fiscal 2022. The increase predominantly consisted of a \$145.6 million increase in employee related costs, a \$11.1 million increase in consulting fees, and a \$10.8 million increase in facilities costs, in each case as a result of the Merger.

Cost of service and maintenance revenue in fiscal 2022 increased by \$32.6 million, or 22%, compared to fiscal 2021. The increase predominantly consisted of a \$22.5 million increase in contractor cost due to the Merger, a \$4.4 million increase in allocated expenses and \$4.1 million increase in employee related costs as a result of the Merger.

#### *Research and Development Expenses*

Research and development expenses consisted primarily of employee-related expenses, including salary, bonus benefits, recruiting expense and office support, third-party contractor fees and related costs associated with the development and enhancement of our products.

	Year Ended November 30,			Percentage Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Research and development expenses.	\$ 682,563	\$ 298,065	\$ 177,840	129%	68%
Percentage of total revenue .....	15%	17%	15%		

Total research and development expenses increased by \$384.5 million, or 129%, in fiscal 2023 compared to fiscal 2022. The increase was predominantly due to a \$277.7 million increase in employee-related costs, a \$70.0 million increase in corporate allocations, a \$22.1 million increase in software costs, an \$8.5 million increase in depreciation, and a \$7.8 million increase in hosted software costs, partially offset by a \$17.5 million decrease in stock compensation, in each case primarily as a result of the Merger.

Total research and development expenses increased by \$120.2 million, or 68%, in fiscal 2022 compared to fiscal 2021. The increase was predominantly due to a \$95.4 million increase in employee-related costs, an increase

of \$18.0 million in allocated expenses, and an increase of \$7.7 million in contractor costs, in each case primarily as a result of the Merger.

### *Sales and Marketing Expenses*

Sales and marketing expenses consisted primarily of employee-related expenses, including salaries, sales commissions, benefits, bonus and related costs of our direct sales force and marketing programs, including customer conferences, promotional materials, trade shows, advertising and related travel expenses.

	Year Ended November 30,			Percentage Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Sales and marketing expenses ...	\$ 649,934	\$ 469,114	\$ 271,430	39%	73%
Percentage of total revenue.....	14%	27%	23%		

Total sales and marketing expenses increased by \$180.8 million, or 39%, in fiscal 2023 compared to fiscal 2022. The increase was primarily attributable to a \$145.4 million increase in salaries and wages as a result of an increased headcount, a \$25.8 million increase in corporate allocations, a \$18.2 million increase in office supplies and equipment, a \$11.7 million increase in software costs, and a \$11.6 million increase in referral fees. These were offset by a \$27.4 million decrease in stock compensation expense and a \$8.7 million decrease in cloud software costs. All increases and decreases described in this paragraph were as a result of the Merger.

Total sales and marketing expenses increased by \$197.7 million, or 73%, in fiscal 2022 compared to fiscal 2021. The increase was primarily attributable to a \$181.0 million increase in salaries and wages as a result of an increased headcount due to the Merger, a \$29.5 million increase in contractor costs, an \$18.1 million increase in corporate allocations, and a \$4.2 million increase in travel expenses. These were offset by a \$39.7 million decrease in marketing program expenses due to the Merger.

### *General and Administrative Expenses*

General and administrative expenses consisted primarily of employee-related expenses, including salaries, benefits, bonus, third-party contractor fees and related costs for general corporate functions such as executive, legal, finance, accounting, information technology and human resources.

	Year Ended November 30,			Percentage Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
General and administrative expenses.	\$352,377	\$186,464	\$ 65,416	89%	185%
Percentage of total revenue.....	8%	11%	6%		

General and administration expenses increased by \$165.9 million, or 89%, in fiscal 2023 compared to fiscal 2022. The increase was predominantly due to a \$109.1 million increase in salaries and wages as a result of increased headcount, a \$72.9 million increase in software costs, a \$38.0 million increase in contractor costs, a \$12.5 million increase in depreciation, a \$11.2 million increase in travel expense and an \$8.1 million increase in office supplies and equipment, offset by a \$64.9 million decrease in stock compensation expense, a \$20.7 million decrease in corporate allocations, and a \$9.1 million decrease in facilities expenses. All increases and decreases described in this paragraph were as a result of the Merger.

General and administration expenses increased by \$121.0 million in fiscal 2022 compared to fiscal 2021. The increase was predominantly due to a \$90.7 million increase in stock-based compensation, a \$35.6 million increase in contractor costs, an \$11.7 million increase in fees and charges and a \$8.3 million increase in salaries and employee-related expenses as a result of increased headcount, in each case primarily due to the Merger, and a \$1.1

million increase in travel expense, offset by a \$16.9 million decrease in corporate allocations, and a \$9.8 million decrease in expenses related to office supplies and equipment.

#### *Amortization of Acquired Intangible Assets*

Intangible assets acquired through corporate acquisitions are comprised of the estimated value of developed technologies, patents, trademarks, established customer bases and non-compete agreements, as well as maintenance and OEM customer royalty agreements. Amortization of developed technologies is recorded as a cost of revenue, and amortization of other acquired intangibles is included in operating expenses.

	Year Ended November 30,			Percentage Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Amortization of acquired intangible assets					
In cost of revenue.....	\$ 1,237,100	\$ 225,389	\$ 23,576	449%	856%
In operating expenses.....	920,659	280,828	149,826	228%	87%
Total amortization.....	<u>\$2,157,759</u>	<u>\$ 506,217</u>	<u>\$ 173,402</u>	326%	192%
Percentage of total revenue.....	48%	29%	15%		

Amortization of acquired intangible assets expenses increased by \$1,651.5 million, or 326%, in fiscal 2023 compared to fiscal 2022. The increase was primarily due to amortization of intangible assets associated with the Merger for the full fiscal 2023 as compared to two months for fiscal 2022. Amortization of acquired intangible assets expenses increased by \$332.8 million, or 192%, in fiscal 2022 compared to fiscal 2021. The increase was primarily due to the increase in amortization of intangible assets associated with the Merger.

#### *Acquisition Related and Other Costs*

	Year Ended November 30,			Percentage Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Acquisition related and other costs....	\$ 12,369	\$ 90,174	\$ 29,471	(86)%	206%
Percentage of total revenue.....	—%	5%	3%		

Acquisition related and other costs consisted of costs incurred after the issuance of a definitive term sheet for a particular transaction (whether or not such transaction is ultimately completed, remains in-process or is not completed) and included legal, banker, accounting and other advisory fees of third parties and severance costs for employees of the acquired company that are terminated within 90 days of the acquisition date. Acquisition-related and other costs decreased by \$77.8 million, or 86%, in fiscal 2023 compared to fiscal 2022 due to increased Merger expenses in the prior year. Acquisition-related and other costs increased by \$60.7 million, or 206%, in fiscal 2022 compared to fiscal 2021 due to the Merger and expenses of \$29.8 million paid toward the settlement of forward contracts and the release of associated debt commitments related to a proposed acquisition in December 2021 that was not consummated.

#### *Restructuring Charges*

	Year Ended November 30,			Percentage Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Restructuring charges	\$ 215,243	\$ 105,874	\$ 125,932	103%	(16)%
Percentage of total revenue	5%	6%	11%		

Restructuring charges for fiscal 2023 increased by \$109.4 million, or 103%, compared to fiscal 2022. Restructuring charges for fiscal 2022 decreased by \$20.1 million, or 16%, compared to fiscal 2021. Restructuring charges consisted primarily of severance and facilities costs related to corporate actions aimed at increasing efficiencies and reducing redundancies. See “Note 10 — Accrued Restructuring Costs” to our audited consolidated financial statements included elsewhere in this offering circular for further details.

#### *Interest Expense*

	Year Ended November 30,			Percentage Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Interest expense .....	\$ 1,353,555	\$ 318,165	\$ 145,117	325%	119%
Percentage of total revenue.....	30%	18%	13%		

Interest expense increased by \$1,035.4 million, or 325%, in fiscal 2023 from fiscal 2022. The increase was primarily due to the impact of the new loans used to finance the Merger as well as the refinancings which were offset by the interest rate swap. Interest expense increased by \$173.0 million, or 119%, in fiscal 2022 from fiscal 2021. The increase was primarily due to the interest related to debt incurred under the Senior Secured Credit Facilities, the credit agreement governing the second lien bridge term loan facility entered into by the Company in connection with the Merger, the First Lien Notes and the Rollover Citrix Notes that we incurred or issued in connection with the Merger.

#### *Other Expense, Net*

Other expense, net, included foreign exchange gain (loss), realized gains and losses on investments and other miscellaneous income and expense items.

	Year Ended November 30,			Percentage Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Other expense, net.....	\$ 84,432	\$ 16,665	\$ 3,359	407%	396%
Percentage of total revenue.	2%	1%	—		

Other expense, net, increased by \$67.8 million, or 407%, in fiscal 2023 compared to fiscal 2022, primarily due to foreign exchange losses of \$67.0 million caused by volatility of exchange rates, a \$25.6 million loss on sale of investments, partially offset by a \$16.8 million increase in interest income. Other expense, net, increased by \$13.3 million, or 396%, in fiscal 2022 compared to fiscal 2021, primarily due to foreign exchange losses of approximately \$17.1 million, partially offset by a \$1.2 million increase in interest income.

#### *Income Taxes*

	Year Ended November 30,			Percentage Change	
	2023	2022	2021	2022 to 2023	2021 to 2022
Benefit from income tax.....	\$ 397,230	\$ 176,467	\$ 14,387	125%	1,127%
Effective tax rate .....	24%	32%	60%		

The effective tax rate for fiscal 2023 is lower than fiscal 2022. See “Note 17 – Income Taxes” to our unaudited consolidated financial statements included elsewhere in this offering circular for further details.



The effective tax rate for fiscal 2022 is lower than fiscal 2021. The lower effective tax rate is primarily due to the effects of the prior year ibi integration and the current year release of valuation allowance on deferred tax assets of the Section 163(j) interest expense limitation and foreign tax credits as a result of the significant deferred tax liabilities acquired through the Merger.

## **Liquidity and Capital Resources**

### ***Capital Resources***

Our principal sources of liquidity are our cash and cash equivalents and our access to our Revolving Facility while our principal liquidity requirements are funding our operating expenses and related capital expenditures. We intend to fund our operating expenses primarily through cash flows from operations. We believe that our current cash, cash equivalents and amounts available under our Revolving Facility together with expected cash flows from operations will be sufficient to meet our anticipated cash requirements for working capital and capital expenditures for at least the next twelve months. Should demand for our products and services significantly decline over the next twelve months, the available cash provided by operations could be adversely impacted.

Our affiliates may purchase our debt from time to time through open market purchases or other transactions. In such cases, our debt may not be retired, in which case we would continue to pay interest in accordance with the terms of the debt, and we would continue to reflect the debt as outstanding in our consolidated financial statements.

### ***Current Cash Flows***

#### *Analysis of the Cash Flow Changes as of and for the Three Months Ended February 28, 2024*

As of February 28, 2024, we had cash, cash equivalents, and restricted cash totaling \$708.5 million, representing an increase of \$267.7 million from November 30, 2023. As of February 28, 2024, \$287.9 million of our cash, cash equivalents, and restricted cash was held by our foreign subsidiaries. In the event cash from foreign operations held by our foreign subsidiaries is needed to fund operations in the United States, we may be subject to additional income taxes in the United States reduced by any foreign taxes paid on such foreign earnings.

Net cash provided by operating activities in the three months ended February 28, 2024 was \$364.7 million, resulting from \$449.8 million in non-cash charges and an \$38.8 million net change in assets and liabilities, offset by a net loss of \$46.3 million. The non-cash charges primarily included amortization of intangible assets, depreciation, debt discount and issuance costs, deferred income taxes and stock compensation. Net change in assets and liabilities for the three months ended February 28, 2024 consisted primarily of an increase in accounts receivable, prepaid expenses and other assets, unearned revenue, and accrued liabilities and other long term liabilities, offset by a decrease in accounts payable.

To the extent that non-cash items increase or decrease our future operating results, there will be no corresponding impact on our cash flows. After excluding the effects of these non-cash charges, the primary changes in cash flows relating to operating activities result from changes in working capital. Our primary source of operating cash flows is the collection of accounts receivable from our customers, including maintenance that is typically invoiced annually in advance. Our operating cash flows are also impacted by the timing of payments to our vendors for accounts payable and other liabilities. We generally pay our vendors and service providers in accordance with the terms and conditions of the agreements governing such services.

Net cash used in investing activities was \$9.6 million for the three months ended February 28, 2024, primarily as a result of our acquisition of Vast Limits and purchases of fixed assets.

Net cash used in financing activities was \$86.8 million for the three months ended February 28, 2024, resulting primarily from principal debt repayments of \$21.0 million and \$65.9 million primarily used to pay dividends to holders of the Series A Preferred Stock in Holdco.

### *Analysis of the Cash Flow Changes for Fiscal 2023*

As of November 30, 2023, we had cash and restricted cash totaling \$440.8 million, representing a decrease of \$275.9 million from November 30, 2022. As of November 30, 2023, \$224.6 million of our cash and cash equivalents and restricted cash were held by our foreign subsidiaries.

Net cash provided by operating activities in fiscal 2023 was \$90.4 million, resulting from a net loss of \$1,246.0 million, adjusted for \$1,879.8 million in non-cash charges, and offset by a \$543.4 million net decrease in assets and liabilities. The non-cash charges included depreciation, amortization of intangible assets and debt discount, deferred income tax, stock-based compensation, remeasurement loss on a foreign currency denominated loan, and loss on extinguishment of debt. Net change in assets and liabilities consisted primarily of an increase in accounts receivable and prepaid expenses and other current assets, offset by a decrease in accounts payable, accrued liabilities and other long-term liabilities and unearned revenue.

Net cash used in investing activities was \$7.8 million in fiscal 2023, resulting primarily from purchases of property and equipment \$12.3 million, partially offset by the proceeds received from the sale of a building for \$4.5 million.

Net cash used in financing activities was \$361.1 million in fiscal 2023, resulting primarily from \$4,109.0 million used in the extinguishment of debt, \$1,197.5 million used to pay dividends to holders of Holdco, and \$57.8 million used for regular debt principal repayments, largely offset by \$5,003.2 million in proceeds received from the new debt issued. See “Note 9 – Debt and Credit Facilities” to our audited consolidated financial statements included elsewhere in this offering circular for additional information.

### *Analysis of the Cash Flow Changes for Fiscal 2022*

As of November 30, 2022, we had cash and restricted cash totaling \$716.8 million, representing an increase of \$566.6 million from November 30, 2021. As of November 30, 2022, \$345.5 million of our cash and cash equivalents and restricted cash were held by our foreign subsidiaries.

Net cash provided by operating activities in fiscal 2022 was \$95.1 million, resulting from a net loss of \$362.0 million, adjusted for \$431.3 million in non-cash charges, and a \$25.8 million net change in assets and liabilities. The non-cash charges included depreciation and amortization, deferred income tax, stock-based compensation, debt extinguishment loss, and foreign currency exchange rate loss.

Net cash used in investing activities was \$14,199.6 million in fiscal 2022, resulting primarily from \$14,262.0 million paid in connection with the Merger, net of cash acquired, the settlement of a loan to a related party of \$75.0 million in connection with a potential merger that was under consideration at the time but not consummated, and purchases of property and equipment of \$12.8 million.

Net cash provided by financing activities was \$14,675.2 million in fiscal 2022, resulting primarily from \$14,273.2 million in proceeds received from the new debt issued, and \$3,566.0 million from a contribution from Holdco, offset by \$3,085.3 million resulting from the debt extinguishment. See “Note 9 – Debt and Credit Facilities” to our audited consolidated financial statements included elsewhere in this offering circular for additional information.

### ***Guarantee Credit Line***

Issued bank guarantees were approximately \$3.7 million, \$3.6 million and \$5.4 million as of February 28, 2024, November 30, 2023 and November 30, 2022, respectively, and are collateralized by pledging the equivalent amount under restricted cash as required under a guarantee credit line. Various other contractual commitments also require us to issue letters of credit and pledge cash as security and record this cash under restricted cash. As of February 28, 2024, November 30, 2023 and November 30, 2022, we had restricted cash of \$13.3 million, \$13.7 million and \$15.2 million, respectively, which is included in Other assets on our consolidated balance sheets.

### ***Indebtedness***

See “Description of Certain Other Indebtedness” and “Note 6—Debt and Credit Facilities” to our unaudited consolidated financial statements included elsewhere in this offering circular.

### **Significant Accounting Policies**

See “Note 2—Summary of Significant Accounting Policies” to our audited consolidated financial statements included elsewhere in this offering circular.

### **Recently Issued Accounting Policies**

See “Note 2—Summary of Significant Accounting Policies” to our audited consolidated financial statements included elsewhere in this offering circular.

### **Quantitative and Qualitative Disclosures About Market Risk**

We are exposed to the impact of foreign currency fluctuations and interest rate changes.

#### ***Foreign Currency Risk***

We conduct business in the Americas, EMEA and APJ. As a result, our financial results could be affected by factors such as changes in foreign currency exchange rates or changes in economic conditions in foreign markets. While the majority of our transactions are currently made in U.S. dollars, we transact business in over 30 foreign currencies worldwide, of which the most significant to our operations are the Euro, Indian Rupee and British Pound. We enter into forward contracts with financial institutions to manage our currency exposure related to cash, accounts receivable, and certain net monetary assets and liabilities denominated in foreign currencies, and these forward contracts are generally settled within ninety days from trade dates. We do not enter into derivative financial instruments for speculative purposes.

We are also exposed to foreign exchange rate fluctuations as we convert the financial statements of our foreign subsidiaries into U.S. dollars in consolidation. If there is a change in foreign currency exchange rates, the conversion of the foreign subsidiaries’ financial statements into U.S. dollars will lead to translation gains or losses, which are recorded net as a component of other comprehensive income.

#### ***Interest Rate Risk***

We maintain our cash only in current and savings accounts and are not considered to be subject to interest rate risk because the interest paid on such funds fluctuates with the prevailing interest rate.

Our exposure to market rate risk for changes in interest rates relates primarily to interest paid on our Senior Secured Credit Facilities. See “Description of Certain Other Indebtedness—Senior Secured Credit Facilities.”

## BUSINESS

### Overview of Cloud Software

Cloud Software was created by the combination of Citrix and TIBCO, two leading global enterprise-focused software businesses. The combination has created a portfolio of companies under the management of Cloud Software, collectively one of the world's leading software providers capable of providing comprehensive, secure and optimized infrastructure for enterprise application and data management. Our mission is to create long-term financial value by building a diversified software company that develops, sells and supports mission-critical products that serve the largest enterprises globally.

Led by Chief Executive Officer Tom Krause, our strategy is to focus on high-quality, sustainable ARR while driving industry leading EBITDA. We achieve those results by:

- maintaining a rigorous and disciplined approach to investment;
- critical examination of our products to determine core value propositions;
- investment to deliver highly innovative and competitive solutions to our customers;
- a focus on renewals and expansion within our existing customer base;
- divestiture of assets that are not conducive to long-term favorable results in our model; and
- highly efficient and scalable corporate functions that support our businesses.

We build or buy technology to enhance our businesses' core products. We anticipate acquiring additional businesses that provide proven mission-critical capabilities and high value to customers and are good fits to operate within our model.

The Company goes to market under seven portfolio Company brands: Citrix, NetScaler (as a brand of Citrix), TIBCO, ibi (as a brand of TIBCO), ShareFile, NetScaler eCommerce, Spotfire, Jaspersoft, and XenServer.

We have coalesced our strategy around these brands to:

- allow focus by those brands on core value propositions with increased innovation investment;
- create significant cost savings and long-term operating efficiencies;
- drive accountability in each business; and
- leverage increased cash flow to allow debt repayment and future acquisitions.

Collectively, Citrix, NetScaler and TIBCO represent about 87% of Cloud Software's ARR for the twelve months ended February 28, 2024.

### Portfolio of Brands

#### *Citrix*

Citrix is a leading provider of infrastructure for secure hybrid work through virtual desktop infrastructure ("VDI") and desktop-as-a-service ("DaaS") with global software development teams and core technologies that represent a differentiated solution for customers. According to IDC, Citrix is a leader in the Virtual Client Computing ("VCC") market. Citrix customers include some of the largest enterprises and institutions in the world

and span major industry verticals, including healthcare, financial services, technology, manufacturing, consumer and government agencies. Citrix has long-standing relationships with its customers with an average 10 years of tenure.

Citrix supports today's remote and hybrid work environment with a broad range of features and functionalities that tie together the myriad of applications that reside within enterprises. Citrix provides secure access to employees, helps minimize distractions and improve focus, enabling them to do their best work, elevating employee productivity and employee engagement, and improving an enterprise's security profile. Further, Citrix delivers a unified and secure offering with single sign-on access to all the applications and content employees use in one unified platform. For administrators, Citrix enables proactive management of security threats in complex, distributed, hybrid, multi-cloud and multi-device environments, and it empowers administrators to deliver applications to end users more securely than operating them natively.

Citrix, through its brand NetScaler, has a long history as the application delivery controller of choice for Fortune 500 companies who rely on it for both employee-facing and customer-facing applications. Today, NetScaler is a line of networking technology, which includes application delivery, applications insights, and application security - to help enterprises efficiently consolidate their application delivery and security infrastructure.

In March 2024, Citrix announced a new platform licensing program and evolved its universal subscription licensing. The new licensing programs bring the suite of Citrix capabilities, including VDI, DaaS, ADC, Zero Trust, Observability and others, together in a single license. For customers, these changes:

- consolidate and optimize costs;
- protect business-critical applications and data;
- reduce operational complexity; and
- improve user experience.

Effectively, the unified licensing model gives customers entitlements to all capabilities, delivering greater value. For Citrix, the new licensing programs simplify our sale process by consolidating the suite of capabilities into a single license, and our back-end operations by reducing the number of SKUs we manage.

Citrix goes to market directly and through partners, depending on customer ARR. Our largest customers have assigned account executives and often receive support from large systems integrators partnered with Citrix. Customers below a certain ARR level are serviced by resellers and distributors. Sales to all customer tiers are outsourced to partners in the three following regions: Latin America (excluding Brazil), ASEAN and emerging markets (Middle East and Africa).

Meaningful Citrix competitors include certain offerings from VMware's EUC division recently acquired by KKR, Microsoft, AWS, F5, Radware, A10 and Cisco.

### *Technology Relationships*

Citrix's most important technology relationship is with Microsoft, a relationship that has for over 30 years spanned product development, GTM initiatives and channel partner development. This has provided mutual customers secure, high-performance delivery of applications, desktops and data to their employees. In April 2024, Citrix and Microsoft extended its strategic partnership for an additional eight years. The renewed strategic partnership includes a focus on the development of new cloud and AI solutions with an integrated Citrix / Microsoft product roadmap, allowing Citrix the opportunity to enhance the value of Citrix software as well as contribute to Microsoft AVD. Specifically, Citrix will be the preferred Microsoft Global Azure Partner solution for Enterprise Desktop-as-a-Service when collaborating with joint Azure customers.

### ***TIBCO***

TIBCO is a global leader in enterprise data management, with an integrated business intelligence and analytics platform that utilizes high-end enterprise application integration and master data management (“MDM”). TIBCO provides critical data integration components in a company’s operating infrastructure, covering a variety of durable industry verticals. Further, TIBCO offers a control plane that provides observation across all data planes, including on-premises, management of deployments and scaling, and monitoring of runtime performance metrics.

TIBCO offers the high performance, throughput, reliability, and scalability demanded by mission critical operations. Like Citrix, TIBCO recently enhanced its licensing model by offering a new platform license. The platform license provides the additional value of:

- gaining visibility over all TIBCO solutions wherever they exist within the customer environment;
- accelerating development of new, innovative applications and digital services;
- dramatically reducing time to identify runtime and performance problems;
- easy deployment and scaling of TIBCO solutions to cloud platforms of choice; and
- measuring and optimizing the costs and business value of TIBCO solutions.

ibi is a brand of TIBCO and provides scalable data and analytics software that makes data easy to access and analytics easy to consume. It is a business intelligence and full stack data management solution providing business-ready data. ibi, previously known as Information Builders, was acquired by TIBCO in 2021.

Meaningful TIBCO competitors include certain offerings from IBM, Oracle, SAP, and against pure play companies in select areas, including MuleSoft and Boomi (integration), Denodo and Informatica (data management), Qlik, Tableau and SAS (analytics).

#### **Other brands under Cloud Software include:**

**ShareFile** - ShareFile is a secure content collaboration, file sharing and sync software that supports all the document-centric tasks and workflow needs of small to large businesses, including electronic signature. ShareFile also offers cloud-based or on-premises storage, virtual data rooms and client portals. We are currently exploring strategic alternatives with respect to ShareFile, which may include a sale of all or part of ShareFile. There is no assurance that any transaction will be completed, or if any transaction is completed, the timing or terms of any such transaction. We may determine to suspend or terminate the exploration of strategic alternatives, including a potential sale of ShareFile, at any time due to various factors.

**NetScaler e-Commerce** – NetScaler e-Commerce leverages NetScaler’s original purpose of providing load balancing and ensuring website performance and availability. It is focused on customers with e-commerce websites, such as online retail and marketplaces, digital products and services, SaaS, IaaS, online gaming and gambling. This is in contrast to the NetScaler capabilities within Citrix, which are focused on enterprise application delivery, security and observability.

**Spotfire** – Spotfire offers a single visual analytics platform for data exploration and real-time decisions. Backed by point-and-click, no-code data science, Spotfire empowers non-technical personnel to analyze both data-at-rest and data-in-motion, together, for faster insight.

**Jaspersoft** - Jaspersoft provides timely, actionable data inside of applications and business processes through an embeddable, cost-effective reporting and analytics platform.

**XenServer** - XenServer is an industry leading platform for cost-effective desktop, server, and cloud virtualization infrastructures. XenServer enables organizations of any size or type to consolidate and transform compute resources into virtual workloads for today’s data center requirements.

## Corporate Functions

Our portfolio of brands are supported by corporate shared services for scalability, cost efficiencies and skills. These include:

- *Finance* - focused on cash flow, accounting, budgeting and reporting, financial reporting, audits, taxation, risk management and treasury.
- *Operations* – focused on:
  - *Infrastructure & Digital Workspace* - providing employees with the physical equipment and digital ecosystem to keep them connected and productive. Non-core elements of IT operations are transitioning to outsourced models for greater scale.
  - *Business Process Management* - develops and performs the operational tasks to support the entire customer lifecycle (sales order processing and customer service), as well as critical internal operations (procurement, automation and SaaS management). Non-core elements of this function are transitioning to outsourced models for greater scale.
  - *Software business operations* - drives efficiencies across the brands by providing standard engineering tools, leading consistent methodology adoption, creating product documentation, and managing cloud financial operations.
  - *Cyber security* - protects the organization by implementing policies, controls, scanning, and patches across the IT and product systems.
- *Corporate marketing* - providing governance and common services for the corporate entity as well as the portfolio of brands.
- *Human resources* - focused on talent management, compensation and employee benefits, training and development, and compliance.
- *Legal* - focused on all internal and external legal matters including governance, entity management and rationalization, litigation, investigations, compliance, mergers and acquisitions, divestures, employee and employer law, privacy and intellectual property and complex commercial transactions.
- *Facilities* - ensuring value of return for facilities, maintenance of facilities and providing for physical security of facilities and employees.

Due to the highly specialized requirements of each brand, certain functions are solely controlled and managed by each brand. This includes engineering, product management and product marketing, and customer support. Further, with the exception of ibi and XenServer, each brand maintains its own sales force. XenServer solutions are sold by Citrix sales, and ibi solutions are sold by TIBCO sales.

Due to the significant differences in customer profiles for ShareFile and JasperSoft, these two brands are more stand-alone than the other brands. As such, they not only maintain their own sales organizations, but have full responsibility for marketing and separate professional services.

## Our People

As of February 28, 2024, we had 7,795 employees.

## Our Technology and Intellectual Property

Cloud Software's success is dependent upon proprietary software technology. We believe that factors such as the technological and creative skills of our personnel, product enhancements, and new product developments are all essential to establishing and maintaining a technology leadership position.

We seek to protect our intellectual property rights by relying on a combination of federal, state, and common law rights in the United States and similar rights in other countries, as well as on contractual measures. In order to limit access to and disclosure and use of confidential information and proprietary technology, our portfolio of brands enter into confidentiality, non-disclosure, and invention assignment agreements with employees and contractors; into confidentiality and non-disclosure agreements with other third parties; and into confidentiality and/or license agreements with distributors and customers. In addition to these contractual measures, the Company also relies on a combination of trademarks, trade dress, copyrights, domain names, trade secrets, and patent rights to help protect the brand and other intellectual property. However, trade secrets can be difficult to protect and while steps are taken to protect and preserve trade secrets, including maintaining security of on-site premises and physical and electronic security of information technology systems, such measures can be breached, and we may not have adequate remedies for any such breach.

The Company has a patent program and strategy to identify, apply for, and secure patents for innovative aspects of its products, services, and technologies where appropriate. As of May 1, 2024, the Company owns approximately 2,500 U.S. granted patents and 250 U.S. pending patent applications. In foreign jurisdictions, including Australia, Canada, China, the EU, France, Germany, Hong Kong, Israel, Italy, Japan, Mexico, the Netherlands, Singapore, South Korea and the United Kingdom, the Company owns approximately 1,300 granted patents and 150 pending patent applications.

Further, Cloud Software and its portfolio of brands actively pursue additional registrations of trademarks, logos, service marks, and domain names in the United States and in other foreign jurisdictions in which it operates.

Despite these measures, we may be unable to obtain, maintain and enforce our intellectual property rights, and/or defend against allegations by third parties that we infringe, misappropriate or otherwise violate their intellectual property rights. This could have a material adverse effect on our business, financial condition and results of operations. For a discussion of risks and uncertainties affecting our business related to our protection of intellectual property and other proprietary information, please see "Risk Factors – Risks Related to Intellectual Property and Brand Recognition."



## MANAGEMENT

### Directors

The board of directors of the Company comprises 11 members and is controlled by the Investors. The following individuals serve as directors on the board of the Company, together with Mr. Krause:

#### *Jesse Cohn*

Jesse Cohn is an Equity Partner and a Managing Partner of Elliott, supporting Jon Pollock and Paul Singer in overseeing the global situational investing teams, and a member of the Management, Allocation, and Global Situational Investment Committees. Mr. Cohn is a member of the Advisory Board at the Harvard Law School Program on Corporate Governance.

Prior to joining Elliott in 2004, Mr. Cohn was an Analyst in the mergers and acquisitions group at Morgan Stanley. Mr. Cohn earned his B.S. in Economics from the University of Pennsylvania's Wharton School of Business, from which he graduated summa cum laude.

#### *Robert Croll*

Robert Croll is a Director at Elliott focusing on private equity investments in the technology, media and telecommunications sector. Mr. Croll currently serves on the board of Cloud Software.

Prior to joining Elliott in 2016, Mr. Croll was an associate at KKR & Co. Inc. ("KKR"). Mr. Croll holds a B.S. in Economics, magna cum laude, from The Wharton School at the University of Pennsylvania.

#### *Jason Genrich*

Jason Genrich is a Partner and Senior Portfolio Manager at Elliott, focusing on public equity and private equity investments in the technology, media and telecommunications sector. Mr. Genrich currently serves on the boards of Cloud Software, Crown Castle, Travelport Worldwide Limited and GoTo.

Prior to joining Elliott in 2014, Mr. Genrich was a private equity investor at Chicago-based GTCR. Mr. Genrich received a B.B.A. from the Ross School of Business at the University of Michigan.

#### *Chris Hsu*

Chris Hsu is a Managing Director, Private Equity and Head of Portfolio Operations at Elliott. Mr. Hsu currently serves on the board of Cloud Software and Nielsen as well as being an independent director at several privately held companies.

Prior to joining Elliott, Mr. Hsu founded financial services real estate platform Azibo where he served as Chief Executive Officer from 2019 through to 2022. From 2014 to 2018, Mr. Hsu held various roles at HP, HP Enterprise and Micro Focus including EVP and Chief Operating Officer at HPE, GM and Division President of HPE Software and CEO of the combined HPE Software-Micro Focus Company. Mr. Hsu served as an operating partner at KKR, an Associate Principal at McKinsey & Co., and started his career as an officer in the US Army. Mr. Hsu holds a B.S. in Mathematical Economics from the US Military Academy at West Point and an M.B.A. in Finance from the Kellogg School of Management at Northwestern University.

#### *Betty Hung*

Betty Hung joined Vista in 2007. Ms. Hung sits on the Vista Flagship Funds' Investment Committee and serves as a member of Vista's Executive Committee and Vista's Private Equity Management Committee. Ms. Hung currently sits on the boards of Advanced, CentralSquare, Cloud Software, Cvent (NASDAQ: CVT), EAB, EagleView, Finastra, PowerSchool (NYSE: PWSC) and Xactly, and is actively involved with the firm's investment in Pluralsight. Prior to her role as a Managing Director, Ms. Hung was an Operating Senior Vice President, served as the Chief Financial Officer of SumTotal and was the Chief Operating Officer of Vista Consulting Group.

Prior to joining Vista, Ms. Hung served as the Vice President of Portfolio Company Operations at Garnett & Helfrich Capital. Before her time with Garnett & Helfrich, Ms. Hung served as Chief Financial Officer at OSIsoft. Prior to OSIsoft, Ms. Hung worked at Goldman, Sachs & Co. and Alex. Brown & Sons. Ms. Hung holds a B.A. in Economics and Chinese Studies, cum laude, from Wellesley College and a Masters of Public Policy and Management, with a concentration in finance, from the Yale School of Management.

***David Kerko***

David Kerko is Head of Global Private Equity and a Senior Portfolio Manager at Elliott. Prior to joining Elliott in 2021, Mr. Kerko was an Advisor to KKR from 2015 through June 2020. From 2010 to 2015, Mr. Kerko was a Member at KKR and served as co-head of the Technology Group from 2013 to 2015. Mr. Kerko joined KKR in 1998 and played an active role building the firm's technology platform from 2006 to 2015. Mr. Kerko currently sits on the boards of Cloud Software, GlobalFoundries Inc (NASDAQ: GFS), Nielsen and Cubic Corporation.

Prior to joining KKR, Mr. Kerko was with Gleacher NatWest Inc. where he was involved in mergers and acquisition transactions and financing work. He holds a B.S. from The Wharton School at the University of Pennsylvania and a B.S.E., summa cum laude, from the School of Engineering and Applied Science at the University of Pennsylvania.

***Maneet (Monti) S. Saroya***

Monti Saroya is Co-Head of the Vista Flagship Fund and sits on its Investment Committee. Additionally, Mr. Saroya serves as a member of Vista's Executive Committee and its Private Equity Management Committee. He currently sits on the boards of Advanced, Allvue Systems, Cloud Software, Cvent (NASDAQ: CVT), Drift, Finastra, Gainsight, iCIMS, Infoblox, Mindbody, Olive, Pipedrive, Pluralsight, PowerSchool (NYSE: PWSC), Salesloft, Solera and Xactly, and is actively involved in the firm's investments in Jio and Vivid Seats (NASDAQ: SEAT). He was actively involved in the firm's investments in Aptio, Datto (formerly NYSE: MSP), Marketo, SumTotal, The ACTIVE Network, Transfirst, Turaz and Zywave.

Prior to joining Vista, Mr. Saroya worked as a senior research analyst for JMP Securities, where he provided research for buy-side clients on public on-demand (SaaS) companies, and Siebel Systems in a sales capacity for the CRM On Demand division. Prior to Siebel, Mr. Saroya worked for Cisco Systems in various operations roles. Mr. Saroya holds a B.S. in Computer Engineering from California Polytechnic State University, where he graduated magna cum laude.

***Robert F. Smith***

Robert F. Smith is the founder, Chairman and Chief Executive Officer of Vista. Mr. Smith directs Vista's investment strategy and decisions, governance and investor relations. Mr. Smith sits on the Investment Committees for Vista's Flagship, Foundation, Endeavor and Perennial Funds and serves as a member of Vista's Executive Committee, the firm's governing and decision-making body for matters affecting its overall management and strategic direction, and Private Equity Management Committee, the firm's decision-making body for matters affecting Vista's overall private equity platform.

Mr. Smith trained as an engineer at Cornell University, earning his B.S. in Chemical Engineering in 1985. Upon receiving his M.B.A. from Columbia Business School with honors in 1994, Mr. Smith joined Goldman Sachs in technology investment banking, first in New York City and then in Silicon Valley. In 2000, Mr. Smith founded Vista to invest in businesses that develop and use technology, software and data to promote economic equity, ecological responsibility and diversity and inclusion for the prosperity of all.

***John Stalder***

John Stalder joined Vista in 2011, is a Managing Director of the private equity flagship team and sits on the Vista Flagship Funds' Investment Committee. Mr. Stalder currently sits on the boards of Gainsight, Greenway Health, Infoblox, Pipedrive, Salesloft and Cloud Software. He was also actively involved in the firm's investments in Accruent, Aptean, Aptio, Datto, Marketo, MRI Software and Sunquest Information Systems.

Prior to joining Vista, Mr. Stalder worked at Pagemill Partners in the Software & Services group, where he advised clients in a variety of verticals including software, IT services and internet, among others. These projects included buy-side and sell-side transactions, equity financings, and other strategic advisory initiatives. Mr. Stalder holds a B.S. in Business Administration, with high distinction, from the University of Colorado.

#### ***Steven White***

Steven White joined Vista in 2014 and is currently a member of the private equity Flagship team. Mr. White currently sits on the boards of Allvue Systems, Cloud Software, Finastra and Infoblox. He was also actively involved in the firm's investments in Aptean, EagleView, SecureLink and Vertafore.

Prior to joining Vista, Mr. White worked in the Technology group at TPG Capital. While at TPG, Mr. White focused on growth and buyout investments of software and technology-enabled businesses. Prior to this, Mr. White worked at Moelis & Company where he advised clients on buy-side, sell-side and restructuring transactions in a variety of verticals including software, internet, gaming and media. Mr. White graduated cum laude from the University of California with a B.A. in Business Economics.

#### **Executive Officers**

##### ***Tom Krause***

Tom Krause is the Chief Executive Officer of Cloud Software, bringing more than 20 years of experience leading, building and positioning software and technology companies for value and long-term success.

Mr. Krause previously served as an executive officer of Broadcom Inc. and most recently was responsible for forming and leading the Broadcom Software Group as President, before which he was Chief Financial Officer of Broadcom Inc. Mr. Krause began his career in technology with Robertson Stephens and Technology Crossover Ventures followed by business and corporate development leadership roles in the semiconductor industry. Mr. Krause is a graduate of Princeton University where he majored in Economics.

##### ***Tom Berquist***

Tom Berquist is the Chief Financial Officer of Cloud Software, responsible for worldwide financial operations and reporting, facilities and information technology.

Mr. Berquist previously held Chief Executive Officer and Chief Financial Officer roles at software companies including Saba, Corel, and Actian. In addition, he has spent 10 years on Wall Street with Citigroup, Goldman Sachs, and Piper Jaffray, and six years at Deloitte. Mr. Berquist earned a bachelor's degree in Accounting and an MBA in Management & Marketing from the University of St. Thomas.

##### ***Antonio G. Gomes***

Antonio (Tony) Gomes is the Chief Legal and Administrative Officer for Cloud Software, responsible for the Legal, HR, and Corporate Marketing functions.

Mr. Gomes was previously EVP and Chief Legal Officer at Citrix, leading a global, multidisciplinary team of trusted advisors working in partnership with all segments of the business to advance the Company's objectives and manage risk. Prior to joining Citrix, Mr. Gomes was a partner in the corporate practice of Goodwin Procter LLP and an associate at Testa, Hurwitz & Thibault, LLP in Boston. Mr. Gomes received his bachelor's degree from Northeastern University and his law degree from Boston University School of Law.

##### ***Andy Nallappan***

Andy Nallappan is the Executive Vice President of Operations and the Chief Information and Security Officer of Cloud Software, responsible for tools, processes and security across all corporate functions and software assets for the Company.

Previously, Mr. Nallappan served as the Chief Information Officer, Chief Technology Officer, Chief Security Officer, and Head of Software Engineering and Operations for Broadcom. Mr. Nallappan has more than 30 years of experience in IT, software development, security and program management across the Fortune 500, public sectors and privately-owned companies. Mr. Nallappan holds a bachelor's degree in mechanical engineering from the University of Madras, and a master's degree in manufacturing engineering from the University of Texas at El Paso.

### ***Leanne Taylor***

Leanne Taylor is Senior Vice President of Commercial Strategy, responsible for strategic customer programs, strategic alignment for all Cloud Software business units, sales compensation design, implementation and execution, as well as consolidated sales reporting and analytics activities.

Previously, Ms. Taylor served as Senior Vice President of Global Customer Operations for Cloud Software and Global COO for the Customer Organization at Citrix. Prior to that, Ms. Taylor was Vice President for Industries and Strategic Customer Programs at SAP Australia and New Zealand. Ms. Taylor has also served as head of Financial Services Industry, for SAP, UK and Ireland, and Head of License Right Management for SAP UK and Ireland. Ms. Taylor spent 12 years at Standard Bank, both in Johannesburg and London, in various senior leadership roles. Ms. Taylor holds a bachelor's degree in Business Commerce and Finance from The University of KwaZulu-Natal.

### ***Ric Chi***

Ric Chi is the head of corporate strategy for Cloud Software, responsible for long-range strategic planning, corporate investments, capital markets and allocation, and mergers, acquisitions and divestitures.

Most recently, Mr. Chi was the Head of Corporate Development for Broadcom. In this role, Mr. Chi ran deal diligence and execution for key transformational acquisitions and divestitures, led long-range strategic planning, and advised the executive team and board on capital allocation decisions. Prior to Broadcom, Mr. Chi worked in the Investment Banking Group at Citibank and the Private Equity Investing Group at GI partners. Mr. Chi is a graduate of Cornell University, where he double majored in Economics and Information Science.

## **CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS**

### **Governance Documents**

#### ***Stockholders Agreement***

In connection with the closing of the Merger, Holdco, certain affiliates of the Investors and certain executives of Holdco entered into a stockholders agreement (the “Holdco Stockholders Agreement”). The Holdco Stockholders Agreement governs, among other things, the ownership of the capital stock of Holdco (the “Holdco Shares”) and other corporate governance matters, imposes certain restrictions on the transfer of Holdco Shares and provides for rights of first negotiation and tag-along rights in connection with certain transfers of Holdco Shares by the Investors. The Holdco Stockholders Agreement also includes certain provisions relating to preemptive rights over equity and debt securities issuances.

#### ***Registration Rights Agreement***

Additionally, Holdco and certain affiliates of the Investors entered into a registration rights agreement in connection with the closing of the Merger (the “Registration Rights Agreement”). The Registration Rights Agreement provides certain rights following an initial public offering of Holdco, including demand registration rights, shelf registration rights and piggyback registration rights.

### **Arrangements with Management**

In connection with the closing of the Merger, we entered into agreements with certain members of our management pursuant to which such members agree to make an equity investment in the Company or one of its subsidiaries. We also adopted an equity incentive plan following the closing of the Merger in which certain members of management and other employees will participate. We also entered into new employment agreements with certain members of our management.

### **Arrangements with the Investors**

#### ***Vista***

Vista provides Cloud Software, Holdco, Citrix, CSG Holdings and Parent with certain management and consulting services, which are reimbursed to the extent of any out-of-pocket expenses. For fiscal 2023 and fiscal 2022, we recognized \$1.5 million and \$1.1 million, respectively, in expenses related to Vista. Such activities for fiscal 2021 and the three months ended February 28, 2024 and 2023 were not material.

#### ***Elliott***

Elliott provides Cloud Software, Holdco, Citrix, CSG Holdings and Parent with certain management and consulting services, which are reimbursed to the extent of any out-of-pocket expenses. Citrix also utilizes Elliott Alto Aggregator L.P. for consulting services for which it pays fees and expenses. Such activities for fiscal 2023 and fiscal 2022 were not material. In addition, Elliott purchased approximately \$975 million in aggregate principal amount of the First Lien Notes on September 30, 2022 and approximately \$550 million in aggregate principal amount of the Second Lien Notes on April 10, 2023.

### **Other**

#### ***Holdco***

In connection with the Merger, Holdco contributed 100% of the shares in Cloud Software valued at \$1,671.1 million and 1.2 million shares in Citrix valued at \$124.8 million as of the Closing Date to the Company as a capital contribution. Additionally, upon the closing of the Merger, the Company received \$3,566.0 million in cash contributions from Holdco. The Company also received \$2.7 million in non-cash contributions from Holdco.

On September 29, 2022, Holdco contributed \$11.1 million of note receivable interest from the Company as a capital contribution.

For the year ended November 30, 2023, the Company received \$3.7 million in non-cash contributions from Holdco, and paid Holdco dividends of \$1,197.5 million in cash that was used to partially redeem Series A Preferred Shares of Holdco and to pay cash dividends to holders.

During the three months ended February 28, 2024, we paid Holdco dividends of \$65.9 million in cash that were used primarily to pay cash dividends to holders of the Series A Preferred Stock of Holdco. In addition, since the three months ended February 28, 2024, the Company used a portion of the proceeds from the USD Term Loan B-2 to pay dividends to Holdco in an aggregate amount of \$457.4 million, which dividends were used by Holdco to repurchase \$411.4 million of the stated value of the Series A Preferred Stock and pay \$46.0 million of accrued and unpaid dividends on the Series A Preferred Stock. See “Summary—Recent Developments—March 2024 Transaction.”

### ***Bali Finco, Inc.***

On November 24, 2021, Bali Finco Inc. (“Finco”), an investment vehicle owned by funds managed by Vista and formed in connection with a proposed acquisition, issued a promissory note for \$75.0 million to Intermediate Holdings in exchange for cash. The promissory note bore interest at a rate of 0.22% per annum and was expected to mature on November 24, 2023. On December 13, 2021, Finco repaid the promissory note in full as the proposed acquisition was not consummated. Intermediate Holdings determined Finco to be a variable interest entity, and that it is not the primary beneficiary of the variable interest entity and therefore does not consolidate Finco because it does not have the ability to control the activities that most significantly impact its economic performance. Intermediate Holdings had no liabilities to Finco as of November 30, 2023.

In connection with the proposed but discontinued acquisition, at Vista’s request, Intermediate Holdings incurred expenses of approximately \$29.8 million towards the settlement of forward contracts and the release of associated debt commitments previously contracted by Finco related to its proposed acquisition in December 2021. These amounts were recorded as “Acquisition related and other costs” in Cloud Software’s condensed consolidated statement of operations for fiscal 2022. Finco was dissolved on September 21, 2022.

### **Procedures with Respect to Review and Approval of Related Person Transactions; Corporate Opportunities**

From time to time, we may do business with certain companies affiliated with the Investors. The board of directors of the Issuer and its subsidiaries (the “Governing Boards”) will not adopt a formal written policy for the review and approval of transactions with related persons. However, the Governing Boards will review and approve transactions with related persons as appropriate.

Under the Holdco Stockholders Agreement, the Investors have consent rights over related person transactions between Holdco and its stockholders or affiliates of its stockholders, subject to certain conditions. In addition, under the Holdco Stockholders Agreement, Holdco renounced, on behalf of itself and its subsidiaries, to the fullest extent permitted by law, any interest or expectancy in the business opportunities of the Investors and each of their and their respective affiliates’ investment funds, equityholders, directors, officers, controlling persons, partners, managers, members and employees.

## DESCRIPTION OF CERTAIN OTHER INDEBTEDNESS

### Senior Secured Credit Facilities

To finance the Merger and related transactions, we entered into the Senior Secured Credit Facilities, initially consisting of (i) a six-year \$2,502.5 million first lien term loan A facility (the “Term Loan A Facility”), (ii) a six-and-a-half year \$4,050.0 million first lien term loan B facility (the “Closing Date USD Term Loan B Facility”), (iii) a six and a half year €500.0 million first lien term loan B facility (the “Closing Date EUR Term Loan B Facility”), (iv) a five-year \$40 million dollar revolving credit facility (the “Dollar Revolving Facility”) and (v) a five-year \$960 million multicurrency revolving credit facility (the “Multicurrency Revolving Facility” and, together with the Dollar Revolving Facility, the “Revolving Facility”).

On January 27, 2023, the Company entered into an amendment to the Credit Agreement whereby the Company (i) incurred incremental first lien term loans denominated in EUR in a principal amount of €250.0 million (the “Incremental EUR Term Loan B Facility” and, together with the Closing Date EUR Term Loan B Facility, the “EUR Term Loan B Facility”) and (ii) used the proceeds of the loans incurred under the Incremental EUR Term Loan B Facility to repurchase (and subsequently cancel) outstanding loans under the Term Loan A Facility in a principal amount of approximately \$271.4 million. The EUR Term Loan B Facility matures on March 30, 2029.

On November 22, 2023, the Company entered into a second amendment to the Credit Agreement whereby the Company (i) incurred incremental first lien term loans denominated in U.S. Dollars in a principal amount of \$1,000.0 million (the “Incremental Term Loan B Facility” and, together with the Closing Date USD Term Loan B Facility, the “USD Term Loan B-1 Facility”) and (ii) used the proceeds of the loans incurred under the Incremental Term Loan B Facility to finance distributions to Holdco, to pay fees and expenses related to the foregoing and to the incurrence of the loans under the Incremental Term Loan B Facility and for general corporate purposes. The USD Term Loan B-1 Facility matures on March 30, 2029.

On March 22, 2024, the Company entered into a third amendment to the Credit Agreement whereby the Company (i) incurred incremental first lien term loans denominated in U.S. Dollars in a principal amount of \$1,000.0 million (the “USD Term Loan B-2 Facility” and, together with the USD Term Loan B-1 Facility, the “USD Term Loan B Facilities” and, together with the EUR Term Loan B Facility, the “Term Loan B Facilities” and the Term Loan B Facilities, collectively with the Term Loan A Facility and the Revolving Facility, the “Senior Secured Credit Facilities”) and (ii) used the proceeds of the loans incurred under the USD Term Loan B-2 Facility to pay dividends to Holdco in an aggregate amount of \$457.4 million, which dividends were used by Holdco to repurchase \$411.4 million of the stated value of the Series A Preferred Stock and pay \$46.0 million of accrued and unpaid dividends on the Series A Preferred Stock, and to pay fees and expenses related to the foregoing, with the remainder to be used for general corporate purposes. The USD Term Loan B-2 Facility matures on March 21, 2031.

### Interest Rate and Fees

Amounts borrowed under the Senior Secured Credit Facilities are subject to an interest rate per annum equal to an applicable margin plus, at our option, either (a) for base rate loans, a base rate determined by reference to the highest of (i) the rate of interest publicly identified, from time to time by Bank of America, N.A. as its “prime rate”, (ii) the Federal Funds Rate plus 0.50%, (iii) one month term SOFR plus 1.00% and (iv) an applicable floor for each Senior Secured Credit Facility, (b) for term SOFR rate loans (i) under the Dollar Revolving Facility or under the Multicurrency Revolving Facility denominated in Dollars, a rate determined by reference to the higher of the term SOFR rate based on the interest period of the applicable borrowing and an applicable floor, (ii) under the USD Term Loan B Facilities, a rate determined by reference to the higher of the term SOFR rate based on the interest period of the applicable borrowing and an applicable floor and (iii) under the Term Loan A Facility, a rate determined by reference to the higher of the term SOFR rate based on the interest period of the applicable borrowing and an applicable floor, (c) (A) for EURIBOR rate loans under the Multicurrency Revolving Facility, a rate determined by reference to the higher of the EURIBOR rate based on the interest period of the applicable borrowing and an applicable floor, and (B) for EURIBOR rate loans under the EUR Term Loan B Facility and the Incremental EUR Term Loan B Facility, a rate determined by reference to the higher of the EURIBOR rate based on the interest period of the applicable borrowing and an applicable floor, and (d) for SONIA rate loans under the Revolving Facility, the higher of the Sterling Overnight Index Average and an applicable floor.

### ***Mandatory Repayments***

The Credit Agreement requires us to prepay outstanding loans under the Term Loan A Facility and Term Loan B Facilities, subject to certain exceptions and thresholds, with: (1) 100% of the net cash proceeds of any incurrence of debt not permitted under the Credit Agreement and debt incurred to refinance the Senior Secured Credit Facilities, (2) 50% (which percentage may be reduced to 25% and 0% if our first lien leverage ratio is less than or equal to specified levels) of our annual excess cash flow (as defined in the Credit Agreement) minus certain deductions applicable thereto and (3) 100% of the net cash proceeds of certain non-ordinary course asset sales or other dispositions of property by the Issuer or by any of its restricted subsidiaries, subject to reinvestment rights and certain other exceptions and thresholds.

### ***Voluntary Repayments***

We may make voluntary prepayments on outstanding loans under the Senior Secured Credit Facilities at any time without premium or penalty, other than a premium of 1.00% applicable to any prepayment of the USD Term Loan B-2 Facility that is made in connection with a “repricing transaction” that occurs on or prior to the 6-month anniversary of March 22, 2024, subject to certain exceptions.

### ***Amortization and Final Maturity***

The Term Loan B Facilities amortize at a rate of approximately 1% per annum in equal quarterly installments, with the balance payable in 2029, with respect to the EUR Term Loan B Facility and the USD Term Loan B-1 Facility, and 2031, with respect to the USD Term Loan B-2 Facility, at the time the applicable Term Loan B Facilities mature. The Term Loan A Facility amortizes (x) for the first 2 years after the Closing Date, at a rate of 1% per annum, in equal quarterly installments, and (y) commencing with the first full fiscal quarter ending 2 years after the Closing Date, at a rate of 2.5% per annum, in equal quarterly installments, with the balance payable in 2028 at the time the Term Loan A Facility matures.

### ***Guarantees and Security***

The obligations under the Senior Secured Credit Facilities are unconditionally guaranteed by each of the Issuer’s direct and indirect wholly-owned domestic subsidiaries (with certain agreed-upon exceptions) and, at our option, other subsidiaries of the Issuer.

All obligations under the Senior Secured Credit Facilities, and the guarantees of those obligations, are secured, subject to certain exceptions, by:

- a pledge of 100% of the capital stock of the Issuer, Parent and certain of the capital stock or equity interests held by, the Issuer, Parent and any subsidiary guarantor (limited to 65% of the voting capital stock or equity interests of certain foreign subsidiaries and certain domestic controlled foreign corporation holding companies), subject to certain exceptions; and
- a security interest in substantially all other tangible and intangible assets of the Issuer, Parent and each subsidiary guarantor, subject to certain exceptions.

The liens securing our obligations under the Senior Secured Credit Facilities are first-priority liens on all of the relevant assets of the Issuer, Parent and the subsidiary guarantors, subject to customary exceptions and liens permitted under the Senior Secured Credit Facilities.

### ***Certain Covenants and Events of Default***

The Senior Secured Credit Facilities contain a number of covenants that, among other things and subject to certain exceptions and thresholds, restrict the ability of the Issuer and its restricted subsidiaries to, among others:

- incur additional indebtedness, including capital leases;



- pay dividends on capital stock or redeem, repurchase or retire capital stock or other indebtedness;
- make investments, loans, advances and acquisitions;
- engage in transactions with our affiliates;
- sell assets, including the capital stock of our subsidiaries;
- consolidate or merge; and
- create liens.

The Credit Agreement contains a customary passive holding company covenant applicable to the direct parent of the Issuer.

The Credit Agreement contains a financial covenant, solely with respect to the Revolving Facility, of a maximum first lien leverage ratio set forth in the Credit Agreement, which financial covenant shall spring into effect while outstanding loans under the Revolving Facility exceed a certain threshold.

The Credit Agreement also contains certain events of default, subject to cure provisions and trigger thresholds, including payment defaults, failure to perform or observe covenants, cross-defaults with certain other events of default in connection with our other material indebtedness, a change of control and certain bankruptcy events, among others.

### **First Lien Notes**

To finance the Merger and related transactions, on September 30, 2022, the Issuer issued \$4,000.0 million aggregate principal amount of senior secured notes due 2029 (the “First Lien Notes”) pursuant to an indenture, dated as of September 30, 2022 (the “First Lien Notes Indenture”). The First Lien Notes will mature on March 31, 2029.

Elliott purchased \$975 million in aggregate principal amount of the First Lien Notes.

The Issuer pays interest on the First Lien Notes at 6.500% per annum, semi-annually in cash in arrears on March 31 and September 30 of each year.

The First Lien Notes are unconditionally guaranteed on a senior secured basis by the Issuer’s existing and future wholly-owned subsidiaries that are borrowers, or guarantee the Issuer’s obligations, under the Senior Secured Credit Facilities. The First Lien Notes are secured by first-priority liens on the Collateral, which consists of substantially all of the assets that secure the Issuer’s and guarantors’ obligations under the Senior Secured Credit Facilities, ratably on a *pari passu* basis. See “—Senior Secured Credit Facilities—Guarantees and Security.”

The Issuer may redeem some or all of the First Lien Notes at any time on or after September 30, 2025 at the redemption prices set forth in the First Lien Notes Indenture, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. The Issuer may also redeem up to 40% of the First Lien Notes using the proceeds of certain equity offerings completed before September 30, 2025 at a redemption price equal to 106.500% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, at any time prior to September 30, 2025, the Issuer may also redeem some or all of the First Lien Notes at a price equal to 100% of the principal amount, plus a “make-whole” premium, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. Furthermore, at any time prior to September 30, 2025, the Issuer may redeem up to 10% of the aggregate principal amount of the First Lien Notes issued under the First Lien Notes Indenture (including any additional First Lien Notes issued under the First Lien Notes Indenture) during each twelve-month period commencing on September 30, 2022 at a redemption price of 103% of the aggregate principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

The First Lien Notes Indenture contains covenants that limit the Issuer's ability to, among other things: (i) incur additional indebtedness; (ii) declare or pay dividends, redeem stock or make other distributions to stockholders; (iii) make investments; (iv) create liens or use assets as security in other transactions; (v) merge or consolidate, or sell, transfer, lease or dispose of substantially all of our assets; (vi) enter into transactions with affiliates; (vii) designate restricted subsidiaries as unrestricted subsidiaries; (viii) sell or transfer certain assets; and (ix) agree to certain restrictions on the ability of restricted subsidiaries to make payments to the Issuer. Additionally, upon the occurrence of certain kinds of changes of control, the Issuer may be required to offer to repurchase the First Lien Notes at a repurchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date. The First Lien Notes Indenture also contains customary events of default.

## **Second Lien Notes**

On April 10, 2023, the Issuer issued approximately \$3,837.6 million aggregate principal amount of senior secured second lien notes due 2029 (the "Second Lien Notes") pursuant to an indenture, dated as of April 10, 2023 (the "Second Lien Notes Indenture"). The proceeds were used to repay all of the loans outstanding under the second lien bridge term loan facility entered into by the Company in connection with the Merger, including any accrued and unpaid interest thereon. The Second Lien Notes will mature on September 30, 2029.

Elliott purchased approximately \$550 million in aggregate principal amount of the Second Lien Notes.

The Issuer pays interest on the Second Lien Notes at 9.00% per annum, semi-annually in cash in arrears on March 31 and September 30 of each year.

The Second Lien Notes are unconditionally guaranteed on a senior secured basis by the Issuer's existing and future wholly-owned subsidiaries that are borrowers, or guarantee the Issuer's obligations, under the Senior Secured Credit Facilities. The Second Lien Notes are secured by second-priority liens on the Collateral, which consists of substantially all of the assets that secure the Issuer's and guarantors' obligations under the Senior Secured Credit Facilities. See "—Senior Secured Credit Facilities—Guarantees and Security."

The Issuer may redeem some or all of the Second Lien Notes at any time on or after September 30, 2025 at the redemption prices set forth in the Second Lien Notes Indenture, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. The Issuer may also redeem up to 40% of the Second Lien Notes using the proceeds of certain equity offerings completed before September 30, 2025 at a redemption price equal to 109.000% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the redemption date. In addition, at any time prior to September 30, 2025, the Issuer may also redeem some or all of the Second Lien Notes at a price equal to 100% of the principal amount, plus a "make-whole" premium, plus accrued and unpaid interest, if any, to, but excluding, the redemption date.

The Second Lien Notes Indenture contains covenants that limit the Issuer's ability to, among other things: (i) incur additional indebtedness; (ii) declare or pay dividends, redeem stock or make other distributions to stockholders; (iii) make investments; (iv) create liens or use assets as security in other transactions; (v) merge or consolidate, or sell, transfer, lease or dispose of substantially all of our assets; (vi) enter into transactions with affiliates; (vii) designate restricted subsidiaries as unrestricted subsidiaries; (viii) sell or transfer certain assets; and (ix) agree to certain restrictions on the ability of restricted subsidiaries to make payments to the Issuer. Additionally, upon the occurrence of certain kinds of changes of control, the Issuer may be required to offer to repurchase the Second Lien Notes at a repurchase price equal to 101% of the principal amount thereof, plus accrued and unpaid interest, if any, to, but excluding, the repurchase date. The Second Lien Notes Indenture also contains customary events of default.

## **Citrix's Senior Secured Notes**

As of February 28, 2024, Citrix had outstanding approximately \$112.4 million aggregate principal amount of its 2.500% senior notes due 2027 (the "Rollover Citrix Notes"), which were issued pursuant to the base indenture, dated as of November 15, 2017, as supplemented and amended by the first supplemental indenture, dated as of

November 15, 2017, and as further supplemented and amended by the fourth supplemental indenture, dated as of September 30, 2022 (collectively, the “Rollover Citrix Notes Indenture”), each between Citrix, as issuer, and Wilmington Trust, National Association, as trustee and collateral agent, as applicable. The Rollover Citrix Notes bear interest at a rate of 4.500% per annum with interest payment dates on June 1 and December 1 of each year. The Rollover Citrix Notes will mature on December 1, 2027.

The Rollover Citrix Notes are secured by liens on certain assets of Citrix and certain of its restricted subsidiaries that constitute part of the Collateral, equally and ratably with their obligations as guarantors under the First Lien Notes and the Senior Secured Credit Facilities. The Rollover Citrix Notes Indenture does not limit the amount of indebtedness that may be incurred or the amount of securities that may be issued by Citrix or its subsidiaries. The Rollover Citrix Notes Indenture contains covenants that place certain restrictions, subject to certain exceptions, on Citrix’s ability and the ability of any of Citrix’s significant subsidiaries to incur liens to secure indebtedness or enter into any sale and lease-back transaction and on its ability to enter into certain consolidations and mergers or conveyances, transfers or leases of certain of Citrix’s properties and assets or to acquire or lease all or substantially all of the assets of another person, and also provides for customary events of default.

At any time prior to September 1, 2027, the Rollover Citrix Notes may be redeemed in whole or in part at a redemption price equal to 100% of the principal amount of the Rollover Citrix Notes, plus a make-whole premium and accrued and unpaid interest, if any, up to, but not including, the redemption date. On or after September 1, 2027, the Rollover Citrix Notes may be redeemed in whole or in part at a redemption price equal to 100% of the principal amount of the Rollover Citrix Notes, plus accrued and unpaid interest, if any, up to, but not including, the redemption date.

## DESCRIPTION OF THE NOTES

The following is a description of the \$1,000.0 million aggregate principal amount of % senior secured notes due 2032 (the “Notes”). In this description, (i) the terms “we,” “our” and “us” each refer to Cloud Software Group, Inc., a Delaware corporation (“Cloud Software”), and its consolidated Subsidiaries taken together; and (ii) the term “Company” refers only to Cloud Software and not any of its Affiliates or Subsidiaries.

The Company will issue the Notes under an indenture (the “Indenture”) to be dated as of the Issue Date among the Company, the Guarantors (as defined below) and Wilmington Trust, National Association, as trustee (in such capacity, the “Trustee”) and collateral agent (in such capacity, the “Notes Collateral Agent”). The Notes will be issued in a private transaction that is not subject to the registration requirements of the Securities Act. See “Transfer Restrictions.” The Notes are subject to all such terms pursuant to the provisions of the Indenture, and Holders are referred to the Indenture for a statement thereof.

The following is a summary of the material provisions of the Indenture. Because this is a summary, it may not contain all the information that is important to you. You should read the Indenture in its entirety. Copies of the proposed form of the Indenture may be requested as described under “Where You Can Find Additional Information.” You can find the definitions of certain terms used in this description under “—Certain Definitions.” The capitalized terms defined in “—Certain Definitions” below are used in this “Description of the Notes” as so defined.

The Company does not intend to list the Notes on any securities exchange. The Company will not be required to, nor does the Company currently intend to, offer to exchange the Notes for notes registered under the Securities Act or otherwise register or qualify by prospectus the Notes for resale under the Securities Act. The Indenture will not be qualified under the Trust Indenture Act or subject to the terms of the Trust Indenture Act. Accordingly, the terms of the Notes include only those stated in the Indenture.

### Brief Description of the Notes and the Note Guarantees

The Notes will be:

- general senior secured obligations of the Company, secured on a first-priority basis by the Collateral, subject to Permitted Liens (as defined below);
- *pari passu* in right of payment with all existing and future senior Indebtedness of the Company, including the First Lien Notes, the Second Lien Notes and the Indebtedness under the First Lien Credit Agreement;
- effectively *pari passu* with all existing and future Indebtedness of the Company secured by a first-priority Lien on the Collateral, including the First Lien Notes and the Indebtedness under the First Lien Credit Agreement, in each case, to the extent of the value of the Collateral;
- effectively senior to all existing and future unsecured Indebtedness of the Company and any Junior Lien Obligations of the Company, including the Second Lien Notes, in each case, to the extent of the value of the Collateral;
- effectively junior to all existing and future indebtedness that is secured by assets that are not Collateral;
- senior in right of payment to any future Subordinated Indebtedness of the Company;
- unconditionally guaranteed on a senior secured basis, jointly and severally, by each Guarantor; and

- structurally subordinated to any existing and future Indebtedness and other liabilities, including preferred stock, of Non-Guarantor Subsidiaries and any other Subsidiaries of the Company that are not Guarantors.

Each Note Guarantee (as defined below) will be:

- a general senior secured obligation of the applicable Guarantor, secured on a first-priority basis by the Collateral, subject to Permitted Liens;
- *pari passu* in right of payment with all existing and future senior Indebtedness of such Guarantor, including its Guarantees of the First Lien Notes, the Second Lien Notes and the Indebtedness under the First Lien Credit Agreement, and, if applicable, the Indebtedness with respect to the Rollover Citrix Notes;
- effectively *pari passu* with all existing and future Indebtedness of such Guarantor secured by a first-priority Lien on the Collateral, including its Guarantees of the First Lien Notes, the Indebtedness under the First Lien Credit Agreement and, with respect to certain Collateral, the Rollover Citrix Notes, in each case, to the extent of the value of the Collateral;
- effectively senior to all existing and future unsecured Indebtedness of such Guarantor and any Guarantee by such Guarantor of any Junior Lien Obligations of such Guarantor, including the Second Lien Notes, in each case, to the extent of the value of the Collateral;
- effectively junior to all existing and future Indebtedness of such Guarantor that is secured by assets that are not Collateral;
- senior in right of payment to any future Subordinated Indebtedness of such Guarantor; and
- structurally subordinated to any existing and future Indebtedness and other liabilities, including preferred stock, of any Subsidiaries of such Guarantor that are not Guarantors.

As of February 28, 2024, on an as further adjusted basis after giving effect to the March 2024 Transaction (as defined elsewhere in this offering circular) and the Transactions, we would have had approximately \$17,550.1 million principal amount of Secured Indebtedness under the Notes, the First Lien Notes, the Second Lien Notes, the Citrix Rollover Notes and the First Lien Credit Agreement, and approximately \$1,000.0 million of additional borrowing capacity under the Revolving Facility (as defined elsewhere in this offering circular), subject to customary conditions. Of the \$17,550.1 million principal amount of Secured Indebtedness, \$13,712.5 million would have been First Lien Obligations and \$3,837.6 million would have been Junior Lien Obligations.

### **Principal, Maturity and Interest**

The Company will issue the Notes in minimum denominations of \$2,000 and in integral multiples of \$1,000 in excess thereof. The rights of Holders of beneficial interests in the Notes to receive the payments on such Notes are subject to the applicable procedures of DTC. If the due date for any payment in respect of any Notes is not a Business Day at the place at which such payment is due to be paid, the Holder thereof will not be entitled to payment of the amount due until the next succeeding Business Day at such place, and will not be entitled to any further interest or other payment as a result of any such delay.

The Company will issue an aggregate principal amount of \$1,000.0 million of Notes on the Issue Date. The Notes will mature on \_\_\_\_\_, 2032. Interest on the Notes will accrue at the rate of \_\_\_\_\_ % per annum and will be payable, in cash, semi-annually in arrears on \_\_\_\_\_ and \_\_\_\_\_ of each year, commencing on \_\_\_\_\_, 2024, to Holders of record on the immediately preceding \_\_\_\_\_ and \_\_\_\_\_, respectively. Interest on the Notes will accrue from the most recent date to which interest has been paid or, if no interest has been paid, from the Issue Date. If the Company delivers global notes to the Trustee for cancellation on a date that is after the record date and on or before the corresponding interest payment date, then interest shall be paid in accordance with the applicable

procedures of DTC. Interest will be computed on the basis of a 360-day year comprised of twelve 30-day months. Each interest period will end on (but not include) the relevant interest payment date.

### **Additional Notes**

The Company may issue additional Notes (the “*Additional Notes*”) from time to time under the Indenture. The Indenture will provide for the issuance of Additional Notes having identical terms and conditions to the Notes offered hereby, subject to compliance with the covenants contained in the Indenture. It is intended, to the maximum extent possible, that any such Additional Notes will be part of the same issue as the Notes offered hereby under the Indenture for all purposes, including waivers, amendments, redemptions and offers to purchase; *provided* that Additional Notes will not be issued with the same CUSIP as the Notes offered hereby unless such Additional Notes are part of the same issue as the Notes offered hereby for U.S. federal income Tax purposes. Any issuance of Additional Notes will be subject to the covenant described under the caption “—Certain Covenants—Limitation on Indebtedness.”

### **Payments**

Principal of, and premium, if any, and interest on the Notes will be payable at the office or agency of the Company maintained for such purpose (along with any other paying agent maintained by the Company, the “*Paying Agent*”) or, at the option of the Paying Agent, payment of interest, if any, may be made by check mailed to the Holders of the Notes at their respective addresses set forth in the register of Holders or by wire transfer of immediately available funds to the accounts specified by the Holders of the Notes provided that all payments of principal, premium, if any, and interest with respect to Notes represented by one or more global notes registered in the name of or held by DTC or its nominee will be made by wire transfer of immediately available funds to the accounts specified by the Holders thereof. Until otherwise designated by the Company, the Company’s office or agency maintained for such purpose will be the office of the Trustee.

### **Guarantees**

The obligations of the Company under the Notes and the Indenture will be, jointly and severally, unconditionally guaranteed on a senior secured basis (the “*Note Guarantees*”) by each existing and future Domestic Subsidiary that Guarantees the Company’s obligations under the First Lien Credit Agreement. Certain Subsidiaries will be required to Guarantee the Notes to the extent described in “—Certain Covenants—Limitation on Guarantees.”

As of and for the twelve months ended February 28, 2024, the Non-Guarantor Subsidiaries generated approximately 42.5% of our consolidated revenues, held approximately 5.7% of our consolidated assets and had no debt for borrowed money outstanding, in each case after intercompany eliminations.

Each Note Guarantee will be limited to the maximum amount that would not render the Guarantor’s obligations subject to avoidance under applicable law as a fraudulent conveyance, fraudulent transfer or unjust preference, including provisions of the United States Bankruptcy Code or any comparable provision of foreign or state law or provincial law to comply with corporate benefit, financial assistance and other laws. By virtue of this limitation, a Guarantor’s obligation under its Note Guarantee could be significantly less than amounts payable with respect to the Notes, or a Guarantor may have effectively no obligation under its Note Guarantee. See “Risk Factors—Risks Relating to Our Indebtedness and the Notes— Federal and state fraudulent transfer laws may permit a court to void the Notes or the related guarantees and any related security, and if that occurs, you may not receive any payments on the Notes.”

The Note Guarantee of a Guarantor will be automatically and unconditionally released and discharged upon:

- (1) a sale, exchange, transfer or other disposition (including by way of merger, amalgamation, consolidation, dividend, distribution or otherwise) of the Capital Stock of such Guarantor or the sale, exchange, transfer or other disposition, of all or substantially all of the assets of the

Guarantor, to a Person other than to the Company or a Restricted Subsidiary and as otherwise not prohibited by the Indenture;

- (2) the designation in accordance with the Indenture of the Guarantor as an Unrestricted Subsidiary or the occurrence of any event after which the Guarantor is no longer a Restricted Subsidiary;
- (3) defeasance or discharge of the Notes, as provided in “—Defeasance” and “—Satisfaction and Discharge”;
- (4) such Guarantor being (or being substantially concurrently) released or discharged from all of (i) its obligations under all of its Guarantees of payment by the Company of any Indebtedness of the Company under the First Lien Credit Agreement or (ii) in the case of a Note Guarantee made by a Guarantor as a result of its Guarantee of other Indebtedness of the Company or a Guarantor pursuant to the covenant entitled “—Certain Covenants—Limitation on Guarantees,” the relevant Indebtedness, except in the case of (i) or (ii), a release as a result of payment under such Guarantee (it being understood that a release subject to a contingent reinstatement is still considered a release);
- (5) upon the merger, amalgamation or consolidation of any Guarantor with and into the Company or another Guarantor or upon the liquidation of such Guarantor, in each case, in compliance with the applicable provisions of the Indenture;
- (6) upon the achievement of Investment Grade Status by the Notes; *provided* that such Note Guarantee shall be reinstated upon the Reversion Date; and
- (7) as described under “—Amendments and Waivers.”

Claims of creditors of Non-Guarantor Subsidiaries, including trade creditors, secured creditors and creditors holding debt and guarantees issued by those Subsidiaries, and claims of preferred and minority stockholders (if any) of those Subsidiaries and claims against joint ventures generally will have priority with respect to the assets and earnings of those Subsidiaries and joint ventures over the claims of creditors of the Company, including Holders of the Notes. The Notes and each Note Guarantee therefore will be effectively subordinated to creditors (including trade creditors) and preferred and minority stockholders (if any) of Subsidiaries of the Company (other than the Guarantors) and joint ventures. Although the Indenture limits the incurrence of Indebtedness, Disqualified Stock and Preferred Stock of Restricted Subsidiaries, the limitation is subject to a number of significant exceptions.

Moreover, the Indenture does not impose any limitation on the incurrence by Restricted Subsidiaries of liabilities that are not considered Indebtedness, Disqualified Stock or Preferred Stock under the Indenture. See “—Certain Covenants—Limitation on Indebtedness.”

## **Security for the Notes**

### ***Collateral Generally***

The Notes and the Guarantees thereof will be secured (i) on a *pari passu* basis with the First Lien Credit Agreement Obligations, the First Lien Notes and, with respect to certain Collateral, the Rollover Citrix Notes and (ii) on a senior basis to the Second Lien Notes by perfected first-priority security interests in the same assets and property of the Company and the Guarantors that secure the First Lien Credit Agreement Obligations, the First Lien Notes and, with respect to certain Collateral, the Rollover Citrix Notes on a first-priority basis and the Second Lien Notes on a second-priority basis. The First Lien Secured Parties other than the Holders and the Junior Lien Secured Parties have rights and remedies with respect to the Collateral that, if exercised, could also adversely affect the value of the Collateral benefiting the Holders, particularly the rights described below under “—First Lien Intercreditor Agreement” and under “—Junior Lien Intercreditor Agreement.”

The Company and the Guarantors are and will be able to incur additional Indebtedness in the future which could share in the Collateral, including Additional First Lien Obligations, Additional Junior Lien Obligations and other Obligations secured by Permitted Liens. With respect to the Company and the Guarantors, the amount of such Additional First Lien Obligations, Additional Junior Lien Obligations and such additional Obligations will be limited by the covenants described under “—Certain Covenants—Limitation on Indebtedness” and “—Certain Covenants—Limitation on Liens.” Under certain circumstances, the amount of any such Additional First Lien Obligations, Additional Junior Lien Obligations and such additional Obligations could be significant.

### ***Certain Limitations on the Collateral***

The Collateral securing the Notes will not include any of the following assets with respect to the Company or any Guarantor (the “*Excluded Property*”): (A) any real property or real property interests (including, without limitation, all leasehold interests in real property); (B) any lease, license or other agreement or any property subject to a purchase money security interest, capital lease or similar agreement, in each case, to the extent permitted to be incurred or provided under the First Lien Credit Agreement and each other applicable loan document to the extent and for so long as the grant of a security interest therein would violate or invalidate such lease, license or agreement, purchase money security interest, capital lease or a similar arrangement or create a right of termination in favor of any other Person thereto (other than the Company or a Guarantor or their Affiliates) after giving effect to the applicable anti-assignment provisions of the UCC or similar other applicable law, other than proceeds and receivables thereof, the assignment of which is expressly deemed effective under the UCC or other similar applicable law notwithstanding such prohibition; (C) any governmental licenses or state or local franchises, charters and authorizations, to the extent security interests in such licenses, franchises, charters or authorizations are prohibited or restricted thereby (except to the extent such prohibition or restriction is ineffective under the UCC or other applicable law); (D) any lease, license, contract, property rights or agreement to which the Company or any Guarantor is a party or any of its rights, properties or interests thereunder (other than proceeds and receivables thereof) if and for so long as the grant of such security interest shall constitute or result in (i) the abandonment, invalidation, voiding or unenforceability of any right, title or interest of the Company or any Guarantor or any of its Affiliates therein or (ii) a breach or termination pursuant to the terms of, or a default under, such lease, license, contract, property rights or agreement (in the case of clause (i) and (ii), other than to the extent that any such abandonment, invalidation, voiding, unenforceability or termination would be rendered ineffective under the UCC or other applicable law); (E) any interests or property of the Company or a Guarantor to the extent and for so long as the grant of a security interest or Lien pursuant to the Notes Collateral Documents in the Company’s or such Guarantor’s right, title or interest therein would result in adverse accounting or regulatory consequences that are not *de minimis*, as reasonably determined by the Company; (F) motor vehicles, airplanes, vessels and any other assets covered by or subject to a certificate of title other than to the extent a security interest therein can be perfected by the filing of a UCC financing statement; (G) any assets or property of the Company or a Guarantor to the extent and for so long as the grant of a security interest or Lien pursuant to the Notes Collateral Documents in the Company’s or such Guarantor’s right, title or interest therein is prohibited or restricted by applicable requirements of law (including any requirement to obtain the consent or approval of any governmental authority or third Person other than the Company or a Guarantor or any of their respective subsidiaries, unless such consent has been obtained), or by any contract binding on such assets or property at the time of its acquisition (or on the First Lien Notes Issue Date) and not entered into in contemplation thereof (or in contemplation of the Merger Transactions, as applicable); *provided* that the foregoing exclusions in this clause (G) shall in no way be construed to apply to the extent that the prohibition is unenforceable under the UCC (or any successor provision or provisions) of any relevant jurisdiction or any other applicable law; (H) any other asset or property with respect to which the Controlling Collateral Agent and the Company reasonably agree that the costs, burden or consequence of obtaining a security interest or perfection thereof (including any material adverse tax consequences) are excessive in relation to the value to the Controlling Secured Parties of the security to be afforded thereby; (I) any property of any Excluded Subsidiary (as defined in the Notes Security Agreement); (J) deposit account (including, without limitation, (i) those used for funding payroll, healthcare and other employee wage and benefits and (ii) any tax account (including, without limitation, any sales or VAT tax account), escrow account, defeasance account, redemption account, trust account, any other account held in a fiduciary capacity or any other deposit account) and any cash or cash equivalents (including securities entitlements and related assets) held therein of the Company or any Guarantor; (K) assets of the Company and the Guarantors not located in the United States that require action under the law of any jurisdiction not located in the United States to create or perfect a security interest or Lien on such assets, which, for the avoidance of doubt, shall include intellectual property registered, located or titled outside of the United States; (L) any assets to the extent a



security interest in or Lien on such assets would result in adverse tax consequences that are not *de minimis* to the Company and its Restricted Subsidiaries and/or direct/indirect equityholders, as reasonably determined by the Company; (M) all commercial tort claims reasonably expected to result in a recovery of less than \$4,500,000 individually; (N) all letters of credit and letter-of-credit rights (whether or not the applicable letter of credit is evidenced by a writing) other than to the extent such letter of credit or letter-of-credit right can be perfected by the filing of a UCC financing statement; (O) any leasehold interest in any asset, to the extent a security interest therein cannot be perfected by filing a UCC financing statement; (P) any Excluded Equity Interests (as defined in the Notes Security Agreement); (Q) margin stock; (R) any intent-to-use trademark application (but only until the filing and acceptance of a “Statement of Use” or “Amendment to Allege Use” with respect thereto by the United States Patent and Trademark Office; and (S) intercompany amounts payable from a Subsidiary that is a CFC to the Company or a Guarantor; *provided* that in each case set forth above, such assets will immediately cease to constitute Excluded Property when the relevant property ceases to meet this definition and, with respect to any such property, a security interest hereunder shall attach immediately and automatically without further action.

The security interests in the Collateral securing the Notes (other than as set forth in the following paragraph) will not be required to be in place on the Issue Date and will not be perfected on such date, but will be required to be put in place no later than 120 days after the Issue Date or, if such security interests in the Collateral securing the First Lien Credit Agreement Obligations have not yet been perfected, such later date as agreed to by the First Lien Credit Agreement Collateral Agent.

In addition, and notwithstanding anything to the contrary:

(i) the First Lien Credit Agreement Collateral Agent may grant extensions of time (including after the expiration of any relevant period, which may apply retroactively) for the creation and perfection of security interests in, or obtaining of title insurance, legal opinions, surveys or other deliverables with respect to, particular assets and such extension shall automatically apply to the equivalent provisions under the Notes Collateral Documents;

(ii) any Lien required to be granted from time to time pursuant to the Indenture and/or any action requested in connection therewith shall be subject to the exceptions and limitations set forth in the Notes Collateral Documents;

(iii) no Guarantor nor any of their Subsidiaries shall be required, nor shall the Notes Collateral Agent be authorized with respect to the Collateral, (a) to deliver or provide (or take any actions with respect to obtaining), any mortgages, deeds of trust, deeds to secure debt, leasehold mortgages, landlord waivers, estoppels, collateral access letters, (b) to take any actions with respect to perfection by “control” other than with respect to Securities Collateral (as defined in the Notes Security Agreement) and certain debt instruments, (c) to take any actions with respect to any property or assets of the Guarantors under the law of any non-U.S. jurisdiction (including intellectual property registered outside of the United States) to create or perfect a security interest in any non-U.S. jurisdiction (and no security agreements, pledge agreements or other collateral documents governed under the laws of any non-U.S. jurisdiction shall be required), (d) other than with respect to a Foreign Subsidiary that the Company elects, in its sole discretion, to join as a Guarantor (subject to the Agreed Security Principles) to take any action with respect to any assets of the Guarantors (including intellectual property) located or titled outside of, or governed by or arising under the laws of a jurisdiction outside of, the United States, (e) to enter into any control agreements with respect to any cash or cash equivalents (including any Cash Equivalents), deposit accounts, securities accounts or commodity accounts of the Guarantors, (f) to provide any notice or obtain the consent of governmental authorities under the Federal Assignment of Claims Act (or any state equivalent thereof), (g) to enter into any source code escrow arrangement or register or prosecute any intellectual property, and there shall be no obligation to make any filings or take any actions to record or to perfect the Notes Collateral Agent’s lien on or security interest in (I) any intellectual property other than UCC filings and the filing of documents effecting the recordation of security interests in the United States Copyright Office and United States Patent and Trademark Office (upon which filing such security interests shall be deemed perfected) or (II) any intellectual property subsisting outside the United States (and neither the Notes Collateral Agent nor the Trustee shall be authorized to take any action outside of the United States to perfect any security interests), or (h) to, in the case of each Guarantor, take any actions, and in the case of the Notes

Collateral Agent, compel any Guarantor to take any actions, to grant, create or perfect a security interest in Excluded Property;

(iv) all agreements, instruments and documents with respect to the Collateral shall be documented under, and governed by, New York law (and to the extent applicable, federal law governing the intellectual property Collateral), and no foreign law legal opinions shall be required with respect to the Collateral;

(v) no pledge of Excluded Equity Interests shall be required;

(vi) no perfection actions by mortgage, deed of trust, deed to secure debt, leasehold mortgages, landlord waivers or collateral access agreements shall be required to be entered into under the laws of any jurisdiction;

(vii) in the event that the Company shall at any time desire to join a Foreign Subsidiary that is an Immaterial Subsidiary as a Guarantor, the Company and the First Lien Credit Agreement Administrative Agent shall reasonably negotiate in good faith to subject guarantee and collateral requirements vis-à-vis any such Foreign Subsidiary that is an Immaterial Subsidiary that the Company elects (in its sole discretion) to join as a Guarantor, to “agreed security principles” that are customary for the jurisdiction of organization of such Foreign Subsidiary (the “*Agreed Security Principles*”), and all guarantee and collateral requirements with respect to the Indenture shall, with respect to such Foreign Subsidiary, be subject in all cases to such Agreed Security Principles; and

(viii) unless otherwise elected by the Company in its sole discretion, in no event shall (A) the assets of any Excluded U.S. Subsidiary or Foreign Subsidiary (including the equity interests of any Subsidiary thereof) constitute security or secure, or such assets or the proceeds of such assets be required to be available for payment of the Notes, (B) more than 65% of the Voting Stock of and 100% of the equity interests that are not Voting Stock of any CFC Holding Company or Foreign Subsidiary, in each case, owned directly by the Company or a Guarantor be required to be pledged to secure the Notes or (C) any equity interests of any Subsidiary owned by a Foreign Subsidiary or Excluded U.S. Subsidiary (or any Subsidiary of any Foreign Subsidiary or Excluded U.S. Subsidiary) be required to be pledged to secure the Notes.

### ***After-acquired Collateral***

From and after the Issue Date, and subject to certain limitations and exceptions, if the Company or any Guarantor acquires any property or rights which are of a type constituting Collateral under any Notes Collateral Document (excluding, for the avoidance of doubt, any Excluded Property or assets not required to be Collateral pursuant to the Indenture or the Notes Collateral Documents), it will be required, within the time periods specified therefor, to execute and deliver such security instruments, financing statements and such certificates as are required under the Indenture or any Notes Collateral Document to vest in the Notes Collateral Agent a perfected security interest (subject to Permitted Liens) in such after-acquired collateral and to take such actions to add such after-acquired collateral to the Collateral, and thereupon all provisions of the Indenture and the Notes Collateral Documents relating to the Collateral shall be deemed to relate to such after-acquired collateral to the same extent and with the same force and effect. For the avoidance of doubt, opinions of counsel will not be required in connection with the addition of new Guarantors or in connection with such Guarantors entering into the Notes Collateral Documents or to vest in the Notes Collateral Agent (or its bailee) a perfected security interest in after-acquired collateral owned by such Guarantors (in each case, unless such opinions are delivered to the Controlling Collateral Agent pursuant to corresponding provisions of the First Lien Documents governing the Series of First Lien Obligations for which such Controlling Collateral Agent is the Collateral Agent).

### ***Further Assurances***

From and after the Issue Date and subject to the First Lien Intercreditor Agreement, promptly upon the reasonable request of the Notes Collateral Agent, the First Lien Notes Collateral Agent with respect to the corresponding requirements under the First Lien Notes Indenture, the First Lien Credit Agreement Collateral Agent with respect to the corresponding requirements under the First Lien Credit Agreement or the Citrix Notes Collateral Agent (as defined in the First Lien Intercreditor Agreement) with respect to the corresponding requirements under the Citrix Notes Indenture (as defined in the First Lien Intercreditor Agreement), the Company and the Guarantors

shall (i) correct any material defect or error that may be discovered in the execution, acknowledgment, filing or recordation of any Notes Collateral Document or other document or instrument relating to any Collateral and (ii) do, execute, acknowledge, deliver, record, re-record, file, re-file, register and re-register any and all such further acts, deeds, certificates, assurances and other instruments as may be necessary, or as the Notes Collateral Agent may reasonably request from time to time in order to carry out more effectively the purposes of the Indenture or the Notes Collateral Documents, subject to the limitations set forth above under “*Certain Limitations on the Collateral*”.

### ***Liens with respect to the Collateral***

On the Issue Date, the Company, the Guarantors and the Notes Collateral Agent will enter into the Notes Collateral Documents establishing the terms of the security interests with respect to the Collateral. These security interests will secure the payment and performance when due of all of the Notes Obligations of the Company and the Guarantors.

By their acceptance of the Notes, each Holder will be deemed to accept the terms of, agree to be bound by and authorize and direct each of the Trustee and Notes Collateral Agent, as applicable, to enter into and perform its respective obligations under and the applicable Notes Collateral Documents.

### ***First Lien Intercreditor Agreement***

On the Issue Date, the Notes Collateral Agent will enter into a joinder to the First Lien Intercreditor Agreement as an Additional Senior Class Debt Representative (as defined in the First Lien Intercreditor Agreement). The First Lien Intercreditor Agreement may be amended from time to time without the consent of the Holders to add other parties holding First Lien Obligations permitted to be incurred under the relevant agreements, or their respective representatives.

Under the First Lien Intercreditor Agreement, only the Controlling Collateral Agent (or any Person authorized by it) may act with respect to any First Lien Shared Collateral (including with respect to any intercreditor agreement with respect to any First Lien Shared Collateral). The Controlling Collateral Agent will initially be the First Lien Credit Agreement Collateral Agent and will remain the First Lien Credit Agreement Collateral Agent until the earlier of (1) the Discharge of First Lien Credit Agreement Obligations and (2) the Non-Controlling Authorized Representative Enforcement Date (such earlier date, the “*Controlling Collateral Agent Change Date*”). After the Controlling Collateral Agent Change Date, the Controlling Collateral Agent will be the Collateral Agent for the Controlling Secured Parties (acting on the instructions of the Applicable Authorized Representative).

The “*Applicable Authorized Representative*” means, with respect to any First Lien Shared Collateral, (i) until the Controlling Collateral Agent Change Date, the First Lien Credit Agreement Administrative Agent and (ii) from and after the Controlling Collateral Agent Change Date, the entity that was, prior to such Controlling Collateral Agent Change Date, the Major Non-Controlling Authorized Representative.

The “*Controlling Secured Parties*” means, with respect to any First Lien Shared Collateral, (i) at any time when the First Lien Credit Agreement Collateral Agent is the Controlling Collateral Agent with respect to such First Lien Shared Collateral, the First Lien Credit Agreement Secured Parties and (ii) at any other time, the Series of First Lien Secured Parties whose Authorized Representative is the Applicable Authorized Representative for such First Lien Shared Collateral.

The “*Major Non-Controlling Authorized Representative*” means, with respect to any First Lien Shared Collateral, the Authorized Representative of the Series of First Lien Obligations that constitutes the largest outstanding principal amount of any then outstanding Series of First Lien Obligations (including the First Lien Credit Agreement Obligations) with respect to such First Lien Shared Collateral, other than the Series of First Lien Obligations with respect to which the Authorized Representative is the Applicable Authorized Representative.

With respect to any First Lien Shared Collateral, no Non-Controlling Authorized Representative or other Non-Controlling Secured Party shall commence any judicial or non-judicial foreclosure proceedings with respect to, seek to have a trustee, receiver, liquidator or similar official appointed for or over, attempt any action to take

possession of, exercise any right, remedy or power with respect to, or otherwise take any action to enforce its security interest in or realize upon, or take any other action available to it in respect of, any First Lien Shared Collateral (including with respect to any intercreditor agreement with respect to any First Lien Shared Collateral), whether under any First Lien Document, applicable law or otherwise.

The “*Non-Controlling Authorized Representative Enforcement Date*” means, with respect to any Non-Controlling Authorized Representative, the date which is 180 days (throughout which 180-day period such Non-Controlling Authorized Representative was the Major Non-Controlling Authorized Representative) after the occurrence of both (a) an “event of default” with respect to the applicable First Lien Obligations under which such Non-Controlling Authorized Representative is the Authorized Representative and (b) each Collateral Agent’s and each other Authorized Representative’s receipt of written notice from such Non-Controlling Authorized Representative certifying that (i) such Non-Controlling Authorized Representative is the Major Non-Controlling Authorized Representative and that an “event of default” with respect to its First Lien Obligations has occurred and is continuing and (ii) the First Lien Obligations of the Series with respect to which such Non-Controlling Authorized Representative is the Authorized Representative are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of the applicable First Lien Documents; *provided*, that the Non-Controlling Authorized Representative Enforcement Date shall be stayed and shall not occur and shall be deemed not to have occurred with respect to any First Lien Shared Collateral (A) at any time the Applicable Authorized Representative or the Controlling Collateral Agent has commenced and is diligently pursuing any enforcement action with respect to such First Lien Shared Collateral or a material portion thereof or (B) at any time any Guarantor which has granted a security interest in any First Lien Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any insolvency or liquidation proceeding. If the Non-Controlling Authorized Representative or any other Non-Controlling Secured Party exercises any rights or remedies with respect to the First Lien Shared Collateral in accordance with the immediately preceding sentence of this paragraph and thereafter the Controlling Collateral Agent or any other Controlling Secured Party commences (or attempts to commence) the exercise of any of its rights or remedies with respect to the First Lien Shared Collateral (including seeking relief from the automatic stay or any other stay in any insolvency or liquidation proceeding), the Non-Controlling Authorized Representative Enforcement Date shall be deemed not to have occurred and the Non-Controlling Authorized Representative or any other Non-Controlling Secured Party shall stop exercising any such rights or remedies with respect to the First Lien Shared Collateral.

Notwithstanding the equal priority of the Liens with respect to the First Lien Shared Collateral, the Controlling Collateral Agent (acting on the instructions of the Applicable Authorized Representative) may deal with the First Lien Shared Collateral as if the Controlling Collateral Agent had a senior Lien on such Collateral, subject to the waterfall provisions below. No Non-Controlling Collateral Agent or Non-Controlling Secured Party will contest, protest or object to any foreclosure proceeding or action brought by the Controlling Collateral Agent, the Applicable Authorized Representative or any Controlling Secured Party or any other exercise by the Controlling Collateral Agent, the Applicable Authorized Representative or any Controlling Secured Party of any rights and remedies relating to the First Lien Shared Collateral, or to cause the Controlling Collateral Agent to do so. Each of the First Lien Secured Parties also will agree that it will not (and will waive any right to) contest or support any other person in contesting, in any proceeding (including any insolvency or liquidation proceeding), the perfection, priority, validity, value, attachment or enforceability of a Lien held by or on behalf of any of the First Lien Secured Parties in all or any part of the Collateral.

If an event of default with respect to any Series of First Lien Obligations has occurred and is continuing, and the Controlling Collateral Agent, the Applicable Authorized Representative or any First Lien Secured Party is taking action to enforce rights in respect of any First Lien Shared Collateral, or any distribution is made in respect of any First Lien Shared Collateral in any insolvency and solvency proceeding of the Company (including any adequate protection payments) or any Guarantor or any First Lien Secured Party receives any payment pursuant to any intercreditor agreement (other than the First Lien Intercreditor Agreement) with respect to any First Lien Shared Collateral, the proceeds of any sale, collection or other liquidation of any such First Lien Shared Collateral by the Controlling Collateral Agent or any other First Lien Secured Party on account of such enforcement of rights or remedies or distribution in respect thereof in any insolvency or liquidation proceeding or any payment received by the Controlling Collateral Agent or any other First Lien Secured Party pursuant to any such intercreditor agreement (other than the First Lien Intercreditor Agreement) with respect to such First Lien Shared Collateral (subject, in the case of any such payment, proceeds, or distribution, to the sentence immediately following) (all proceeds of any

sale, collection or other liquidation of any First Lien Shared Collateral and all such payments, distributions, and proceeds of any such payment or distribution being collectively referred to as “*Proceeds*”) shall be applied:

(i) first, to the payment in full in cash of all amounts owing to each Collateral Agent (in its capacity as such) and each Authorized Representative (in its capacity as such) pursuant to the terms of any applicable First Lien Document;

(ii) second, subject to the provisions below applicable to Impairment, to the payment in full in cash of the First Lien Obligations of each Series secured by a valid and perfected Lien on such First Lien Shared Collateral on a ratable basis, with such Proceeds to be applied to the First Lien Obligations of a given Series in accordance with the terms of the applicable First Lien Documents; *provided*, that, following the commencement of any insolvency or liquidation proceeding with respect to any Guarantor, solely for the purpose of this paragraph, in the event that the value of the First Lien Shared Collateral is not sufficient for the entire amount of Post-Petition Interest on the First Lien Obligations to be allowed under Sections 506(a) and (b) of the U.S. Bankruptcy Code or any other applicable provision of the U.S. Bankruptcy Code or other bankruptcy law in such insolvency or liquidation proceeding, the amount of First Lien Obligations of each Series of First Lien Obligations shall include only the maximum amount of Post-Petition Interest allowable under Sections 506(a) and (b) of the U.S. Bankruptcy Code or any other applicable provision of the U.S. Bankruptcy Code or other bankruptcy law in such insolvency or liquidation proceeding; and

(iii) third, after payment in full of all First Lien Obligations, to the Company and the Guarantors or their successors or assigns, as their interests may appear, or to whomsoever may be lawfully entitled to receive the same, or as a court of competent jurisdiction may direct.

If, despite the provisions of above, any First Lien Secured Party shall receive any payment or other recovery in excess of its portion of payments on account of the First Lien Obligations to which it is then entitled in accordance with the waterfall provisions above, such First Lien Secured Party shall hold such payment or recovery in trust for the benefit of all First Lien Secured Parties for distribution in accordance with the waterfall provisions above. Notwithstanding the foregoing, with respect to any First Lien Shared Collateral for which a third party (other than a First Lien Secured Party) has a lien or security interest that is junior in priority to the security interest of any Series of First Lien Obligations, but senior (as determined by appropriate legal proceedings in the case of any dispute) to the security interest of any other Series of First Lien Obligations (such third party, an “*Intervening Creditor*”), the value of any First Lien Shared Collateral or Proceeds allocated to such Intervening Creditor shall be deducted on a ratable basis solely from the First Lien Shared Collateral or Proceeds to be distributed in respect of the Series of First Lien Obligations with respect to which such Impairment exists.

The holders of First Lien Obligations of any Series (and not the First Lien Secured Parties of any other Series) shall bear the risk of (a) any determination by a court of competent jurisdiction that (i) any of the First Lien Obligations of such Series are unenforceable under applicable law or are subordinated to any other obligations (other than another Series of First Lien Obligations), (ii) any of the First Lien Obligations of such Series do not have a valid and perfected security interest in any of the Collateral securing any other Series of First Lien Obligations and/or (iii) any intervening security interest exists securing any other obligations (other than another Series of First Lien Obligations) on a basis ranking prior to the security interest of such Series of First Lien Obligations but junior to the security interest of any other Series of First Lien Obligations or (b) the existence of any Collateral for any other Series of First Lien Obligations that is not First Lien Shared Collateral for such Series (any such condition referred to in the foregoing clauses (a) or (b) with respect to any Series of First Lien Obligations, an “*Impairment*” of such Series); *provided*, that the existence of a maximum claim with respect to any real property subject to a mortgage that applies to all First Lien Obligations shall not be deemed to be an Impairment of any Series of First Lien Obligations. In the event of any Impairment with respect to any Series of First Lien Obligations, the results of such Impairment shall be borne solely by the holders of such Series of First Lien Obligations, and the rights of the holders of such Series of First Lien Obligations (including, without limitation, the right to receive distributions in respect of such Series of First Lien Obligations pursuant to the waterfall provisions above) shall be modified to the extent necessary so that the effects of such Impairment are borne solely by the holders of the Series of such First Lien Obligations subject to such Impairment. Additionally, in the event the First Lien Obligations of any Series are modified pursuant to applicable law (including, without limitation, pursuant to Section 1129 of the U.S. Bankruptcy

Code or any other provision of any bankruptcy law), any reference to such First Lien Obligations or documents governing such First Lien Obligations shall refer to such obligations or such documents as so modified.

If any First Lien Secured Party shall obtain possession of any First Lien Shared Collateral or shall realize any proceeds or payment in respect of any such First Lien Shared Collateral, pursuant to any First Lien Document or by the exercise of any rights available to it under applicable law or in any insolvency or liquidation proceeding or through any other exercise of remedies (including pursuant to any intercreditor agreement), at any time prior to the discharge of each Series of the First Lien Obligations, then it shall hold such First Lien Shared Collateral, proceeds or payment in trust for the other First Lien Secured Parties and promptly transfer such First Lien Shared Collateral, proceeds or payment, as the case may be, to the Controlling Collateral Agent, to be distributed in accordance with the waterfall provisions above.

If, at any time the Controlling Collateral Agent forecloses upon or otherwise exercises remedies against any First Lien Shared Collateral resulting in a sale or disposition thereof, then (whether or not any insolvency or liquidation proceeding is pending at the time) the Liens in favor of each other Collateral Agent for the benefit of each Series of First Lien Secured Parties upon such First Lien Shared Collateral will automatically be released and discharged as and when, but only to the extent, such Liens of the Controlling Collateral Agent on such First Lien Shared Collateral are released and discharged; *provided*, that any proceeds of any First Lien Shared Collateral realized therefrom shall be applied pursuant to the waterfall provisions above, subject to the Liens in favor of the First Lien Secured Parties on the same rights and priorities as set forth herein.

#### *Certain Limitations Applicable in Bankruptcy Proceedings*

The First Lien Intercreditor Agreement shall continue in full force and effect notwithstanding the commencement of any insolvency or liquidation proceeding. If the Company and/or any Guarantor shall become subject to a case or proceeding (a “*Bankruptcy Case*”) under the U.S. Bankruptcy Code or any other bankruptcy law and shall, as debtor(s)-in-possession, move for approval of financing (“*DIP Financing*”) to be provided by one or more lenders (the “*DIP Lenders*”) to the Company or such Guarantor under Section 364 of the U.S. Bankruptcy Code or any equivalent provision of any other bankruptcy law and/or the use of cash collateral under Section 363 of the U.S. Bankruptcy Code or any equivalent provision of any other bankruptcy law, each Authorized Representative (other than the Authorized Representative of any Controlling Secured Party) will not raise, join or support any objection to any such financing or to the Liens on the First Lien Shared Collateral securing the same (“*DIP Financing Liens*”) or to any use of cash collateral that constitutes First Lien Shared Collateral, unless the Controlling Collateral Agent (in the case of any Collateral Agent other than the First Lien Credit Agreement Collateral Agent, acting on the instructions of the Applicable Authorized Representative) shall then oppose or object to such DIP Financing or such DIP Financing Liens or use of cash collateral (and (i) to the extent that such DIP Financing Liens are senior to the Liens on any such First Lien Shared Collateral for the benefit of the Controlling Secured Parties, each Non-Controlling Collateral Agent, for itself and on behalf of the First Lien Secured Parties of the Series for which it is acting, will subordinate its Liens with respect to such First Lien Shared Collateral on the same terms as the Liens of the Controlling Secured Parties (other than any Liens of any First Lien Secured Parties constituting DIP Financing Liens) are subordinated thereto and (ii) to the extent that such DIP Financing Liens rank *pari passu* with the Liens on any such First Lien Shared Collateral granted to secure the First Lien Obligations of the Controlling Secured Parties, each Non-Controlling Collateral Agent, for itself and on behalf of the First Lien Secured Parties of the Series for which it is acting, will confirm the priorities with respect to such First Lien Shared Collateral as set forth herein), in each case, so long as (A) the First Lien Secured Parties of each Series retain the benefit of their Liens on all such First Lien Shared Collateral pledged to the DIP Lenders, including proceeds thereof arising after the commencement of such proceeding, with the same priority vis-à-vis all the other First Lien Secured Parties (other than any Liens of the First Lien Secured Parties constituting DIP Financing Liens) as existed prior to the commencement of the Bankruptcy Case, (B) the First Lien Secured Parties of each Series are granted Liens on any additional collateral pledged to any First Lien Secured Parties as adequate protection or otherwise in connection with such DIP Financing or use of cash collateral (in each case, except to the extent a Lien on additional collateral is granted to one Series in consideration of Collateral of such Series that is not First Lien Shared Collateral for a Series that does not receive a Lien on such additional collateral), with the same priority vis-à-vis the First Lien Secured Parties (other than any Liens of any First Lien Secured Parties constituting DIP Financing Liens) as set forth in the First Lien Intercreditor Agreement, (C) if any amount of such DIP Financing and/or cash collateral is applied to repay any of the First Lien Obligations, such amount is applied pursuant to the waterfall provisions above (in each

case, except to the extent a payment is made to one Series in consideration of Collateral of such Series that is not First Lien Shared Collateral for a Series that does not receive such payment) and (D) if any First Lien Secured Parties are granted adequate protection, including in the form of periodic payments, in connection with such DIP Financing and/or use of cash collateral, the proceeds of such adequate protection are applied pursuant to the waterfall provisions above (in each case, except to the extent such adequate protection is granted to one Series in consideration of Collateral of such Series that is not First Lien Shared Collateral for a Series that does not receive such adequate protection); *provided*, that the First Lien Intercreditor Agreement shall not limit the right of the First Lien Secured Parties of each Series to object to the grant of a Lien to secure the DIP Financing over any Collateral subject to Liens in favor of the First Lien Secured Parties of such Series or its Authorized Representative that shall not constitute First Lien Shared Collateral; *provided, further*, that the First Lien Secured Parties receiving adequate protection shall not (other than as a provider of DIP Financing) object to or oppose (or support any other Person in objecting to or opposing) any other First Lien Secured Party receiving adequate protection comparable to any adequate protection granted to such First Lien Secured Parties in connection with a DIP Financing and/or use of cash collateral.

The First Lien Obligations of any Series may, subject to the limitations set forth in the other First Lien Documents, be increased, extended, renewed, replaced, restated, supplemented, restructured, repaid, refunded, refinanced or otherwise amended or modified from time to time, all without affecting the priority of claims and application of proceeds set forth in the First Lien Intercreditor Agreement or the other provisions thereof defining the relative rights of the First Lien Secured Parties of any Series.

### ***Junior Lien Intercreditor Agreement***

On the Issue Date, the Notes Collateral Agent will enter into a joinder to the Junior Lien Intercreditor Agreement as a Senior Class Debt Representative (as defined in the Junior Lien Intercreditor Agreement). The Junior Lien Intercreditor Agreement may be amended from time to time without the consent of the Holders to add other parties holding Junior Lien Obligations and First Lien Obligations permitted to be incurred under the relevant agreements, or their respective representatives.

Notwithstanding the date, time, manner or order of filing or recordation of any document or instrument or grant, attachment or perfection of any Liens granted to a Junior Lien Collateral Agent or any Junior Lien Secured Parties on the Collateral or of any Liens granted to any First Lien Secured Parties on the Collateral (or any actual or alleged defect in any of the foregoing) and notwithstanding any provision of the UCC, any applicable law, any Junior Lien Documents or any First Lien Documents or any other circumstance whatsoever, each Junior Lien Collateral Agent and each other Junior Lien Representative, in each case on behalf of itself and each Junior Lien Secured Party under its Junior Lien Documents, will agree that (a) any Lien on the First Lien - Junior Lien Shared Collateral securing or purporting to secure any First Lien Obligations now or hereafter held by or on behalf of any First Lien Secured Parties or any First Lien Representative or other agent or trustee therefor, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall have priority over and be senior in all respects and prior to any Lien on the First Lien - Junior Lien Shared Collateral securing or purporting to secure any Junior Lien Obligations and (b) any Lien on the First Lien - Junior Lien Shared Collateral securing or purporting to secure any Junior Lien Obligations now or hereafter held by or on behalf of any Junior Lien Representative or other agent or trustee therefor, regardless of how acquired, whether by grant, statute, operation of law, subrogation or otherwise, shall be junior and subordinate in all respects to all Liens on the First Lien - Junior Lien Shared Collateral securing or purporting to secure any First Lien Obligations.

Pursuant to the terms of the Junior Lien Intercreditor Agreement, prior to the Discharge of all First Lien Obligations, whether or not an insolvency or liquidation proceeding has been commenced by or against the Company or any Guarantor, (i) neither any Junior Lien Representative nor any Junior Lien Secured Party will (w) file or commence any insolvency or liquidation proceeding against the Company or any Guarantor, (x) exercise or seek to exercise any rights or remedies (including setoff or recoupment) with respect to any First Lien - Junior Lien Shared Collateral in respect of any Junior Lien Obligations, or otherwise commence, or join with any Person (other than the Controlling Collateral Agent at the request of the Applicable Authorized Representative) in commencing, any action or proceeding with respect to such rights or remedies (including any enforcement, collection, execution, levy or foreclosure action or proceeding, with respect to any Lien held by it on the First Lien - Junior Lien Shared Collateral under any of the Junior Lien Documents or otherwise in respect of the Junior Lien Obligations), (y)

contest, protest or object to any foreclosure proceeding or action brought with respect to the First Lien - Junior Lien Shared Collateral or any other Collateral by any First Lien Representative or any First Lien Secured Party in respect of the First Lien Obligations, the exercise of any right by any First Lien Representative or any First Lien Secured Party (or any agent or sub-agent on their behalf) in respect of the First Lien Obligations under any lockbox agreement, control agreement, landlord waiver or bailee's letter or similar agreement or arrangement to which any First Lien Representative or any First Lien Secured Party either is a party or may have rights as a third party beneficiary, or any other exercise by any such party of any rights and remedies relating to the First Lien - Junior Lien Shared Collateral under the First Lien Documents or otherwise in respect of the Collateral or the First Lien Obligations (and the Junior Lien Intercreditor Agreement will provide for a reciprocal restriction on the ability of any Collateral Agent to contest or support any other Person in contesting, in any proceeding (including any insolvency or liquidation proceeding), the validity, extent, perfection, priority or enforceability of any Lien securing any Junior Lien Obligations held (or purported to be held) by or on behalf of any Junior Lien Collateral Agent or any of the Junior Lien Secured Parties in the First Lien - Junior Lien Shared Collateral securing the Junior Lien Obligations), or (z) object to the forbearance by the First Lien Secured Parties from bringing or pursuing any foreclosure proceeding or action or any other exercise of any rights or remedies relating to the First Lien - Junior Lien Shared Collateral in respect of First Lien Obligations and (ii) except as provided below, the Controlling Collateral Agent or any person authorized by it will have the exclusive right to exercise any right or remedy (including setoff or recoupment and the right to credit bid their debt) with respect to the First Lien - Junior Lien Shared Collateral and will also have the exclusive right to determine and direct the time, method and place for exercising such right or remedy or conducting any proceeding with respect thereto, in each case, without any consultation with or the consent of any Junior Lien Representative or Junior Lien Secured Party; *provided*, that (A) in any insolvency or liquidation proceeding commenced by or against the Company or any Guarantor, any Junior Lien Representative may file a claim, proof of claim or statement of interest with respect to the Junior Lien Obligations under its Junior Lien Documents, (B) any Junior Lien Representative may take any action (not adverse to the prior Liens on the First Lien - Junior Lien Shared Collateral securing the First Lien Obligations or the rights of the First Lien Representatives or the First Lien Secured Parties to exercise remedies in respect thereof) in order to create, prove, perfect, preserve or protect (but not enforce) its rights in, and perfection and priority of its Lien on, the First Lien - Junior Lien Shared Collateral, (C) any Junior Lien Representative and the Junior Lien Secured Parties may exercise their rights and remedies as unsecured creditors, to the extent provided in the Junior Lien Intercreditor Agreement, (D) Junior Lien Secured Parties may file any responsive or defensive pleadings in opposition to any motion, claim, adversary proceeding or other pleading made by any person objecting to or otherwise seeking the disallowance of the claims or Liens of the Junior Lien Secured Parties or the avoidance of any such Lien, (E) any Junior Lien Secured Party may vote on any plan of reorganization, plan of liquidation, agreement for composition, or other type of plan of arrangement or restructuring proposed in or in connection with any insolvency or liquidation proceeding that conforms to the terms and conditions of the Junior Lien Intercreditor Agreement, and (F) from and after the Junior Enforcement Date, the designated Junior Lien Representative (or a person authorized by it) may exercise or seek to exercise any rights or remedies (including setoff) with respect to any First Lien - Junior Lien Shared Collateral in respect of any Junior Lien Obligations, or institute any action or proceeding with respect to such rights or remedies (including any action of foreclosure), but only so long as (1) the Controlling Collateral Agent has not commenced and is not diligently pursuing any enforcement action with respect to all or a material portion of the First Lien - Junior Lien Shared Collateral or (2) the Company or the Guarantor which has granted a security interest in such First Lien - Junior Lien Shared Collateral is not then a debtor under or with respect to (or otherwise subject to) any insolvency or liquidation proceeding (in each case of clauses (A) through (F) above, solely to the extent such action is not in violation of, or otherwise inconsistent with, any other provision of the Junior Lien Intercreditor Agreement or contrary to the Lien priorities set forth in the Junior Lien Intercreditor Agreement). In exercising rights and remedies with respect to the Collateral, the First Lien Representatives and the First Lien Secured Parties may enforce the provisions of the First Lien Documents and exercise remedies thereunder, all in such order and in such manner as they may determine in the exercise of their sole discretion. Such exercise and enforcement shall include the rights of an agent appointed by them to sell or otherwise dispose of First Lien - Junior Lien Shared Collateral upon foreclosure, to incur expenses in connection with such sale or disposition and to exercise all the rights and remedies of a secured lender under the UCC of any applicable jurisdiction and of a secured creditor under bankruptcy laws of any applicable jurisdiction.

The "*Junior Enforcement Date*" means, with respect to any Junior Lien Representative, the date which is 180 consecutive days after the occurrence of both (i) an event of default (under and as defined in the Junior Lien Document for which such Junior Lien Representative has been named as representative) and (ii) the Controlling



Collateral Agent's and each other applicable representative's receipt of written notice from such Junior Lien Representative that (x) such Junior Lien Representative is the Junior Lien Representative and that an event of default (under and as defined in the Junior Lien Document for which such Junior Lien Representative has been named as Representative) has occurred and is continuing and (y) the Junior Lien Obligations of the Series with respect to which such Junior Lien Representative is the Junior Lien Representative are currently due and payable in full (whether as a result of acceleration thereof or otherwise) in accordance with the terms of the applicable Junior Lien Document; *provided* that the Junior Enforcement Date shall be stayed and shall not occur and shall be deemed not to have occurred with respect to any First Lien - Junior Lien Shared Collateral (1) at any time the Controlling Collateral Agent has commenced and is diligently pursuing any enforcement action with respect to such First Lien - Junior Lien Shared Collateral or all or a material portion of the First Lien - Junior Lien Shared Collateral or (2) at any time the Company or the Guarantor which has granted a security interest in such First Lien - Junior Lien Shared Collateral is then a debtor under or with respect to (or otherwise subject to) any insolvency or liquidation proceeding. If the designated Junior Lien Representative or any other Junior Lien Secured Party exercises any rights or remedies with respect to the First Lien - Junior Lien Shared Collateral in accordance with the immediately preceding sentence of this paragraph and thereafter the Controlling Collateral Agent or any other First Lien Secured Party commences (or attempts to commence) the exercise of any of its rights or remedies with respect to the First Lien - Junior Lien Shared Collateral (including seeking relief from the automatic stay or any other stay in any insolvency or liquidation proceeding), the Junior Enforcement Date shall be deemed not to have occurred and the designated Junior Lien Representative and each other Junior Lien Secured Party shall stop exercising any such rights or remedies with respect to the First Lien - Junior Lien Shared Collateral.

#### ***Release or Subordination of Collateral***

The Company and the Guarantors will be entitled to the release of property and other assets constituting Collateral from the Lien securing the Notes Obligations under any one or more of the following circumstances:

- (1) to the extent such Collateral is comprised of property leased to the Company or a Guarantor, upon termination or expiration of such lease;
- (2) as required to effect any sale or other disposition of Collateral in connection with any exercise of remedies of the Controlling Collateral Agent in accordance with the terms of the First Lien Intercreditor Agreement;
- (3) to enable the Company and/or one or more Guarantors to consummate the sale, transfer or other disposition (including by the termination of capital leases or the repossession of the leased property in a capital lease by the lessor, or pursuant to investments or dividends not prohibited by the covenants of the Note Documents) of such property or assets (to a Person that is not the Company or a Guarantor) to the extent consummated in accordance with, or not prohibited by, the covenant described under "—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock";
- (4) in connection with the designation of any Restricted Subsidiary as an Unrestricted Subsidiary;
- (5) in the case of any property or assets granted to or held by the Notes Collateral Agent under any Notes Collateral Document to the holder of any Lien on such property that is permitted pursuant to

certain specified baskets under the Note Documents, in each case, to the extent the contract or agreement pursuant to which such Lien is granted prohibits any other Liens on such property;

- (6) in the case any Collateral becomes Excluded Property;
- (7) in the case of a Guarantor that is released from its Guarantee with respect to the Notes pursuant to the terms of the Indenture, the release of the property and assets of such Guarantor;
- (8) upon the achievement of Investment Grade Status; and
- (9) as described under “—Amendments and Waivers” below.

The Liens on the Collateral securing the Notes and the related Note Guarantees also will be released (i) upon payment in full of the principal of, together with accrued and unpaid interest on, the Notes and all other Obligations under the Indenture, the related Note Guarantees and the Notes Collateral Documents that are due and payable at or prior to the time such principal, together with accrued and unpaid interest, are paid, (ii) upon a legal defeasance or covenant defeasance under the Indenture as described below under “Defeasance” or a discharge of the Indenture as described under “— Satisfaction and Discharge” or (iii) pursuant to the Notes Collateral Documents or the First Lien Intercreditor Agreement described above.

Notwithstanding clause (8) above, if, after achievement of Investment Grade Status, two of S&P, Moody’s and Fitch withdraw Investment Grade Status or downgrade the rating assigned to the Notes below Investment Grade Status, the Company and the Guarantors shall use commercially reasonable efforts to take all actions reasonably necessary to provide to the Notes Collateral Agent for its benefit and the benefit of the Trustee and the Holders of the Notes valid, perfected, first-priority security interests (subject to Permitted Liens) in the Collateral within 120 days after such Reversion Date or as soon as reasonably practicable thereafter.

In addition, upon the request of the Company or the applicable Guarantor, the Notes Collateral Agent may be required to subordinate its Lien over certain Collateral to certain other Permitted Liens that have senior priority over such Collateral, including certain cash collateral, Liens securing Purchase Money Obligations or Finance Lease Obligations, in each case, pursuant to the terms of the Indenture and the applicable Notes Collateral Documents.

### ***Sufficiency of Collateral***

The fair market value of the Collateral is subject to fluctuations based on factors that include, among others, the ability to sell the Collateral in an orderly sale, general economic conditions, the availability of buyers and similar factors. The amount to be received upon a sale of the Collateral would also be dependent on numerous factors, including, but not limited to, the actual fair market value of the Collateral at such time and the timing and the manner of the sale. By their nature, portions of the Collateral may be illiquid and may have no readily ascertainable market value. Accordingly, there can be no assurance that the Collateral can be sold in a short period of time or in an orderly manner. In addition, as discussed further below, the Holders of the Notes will not be entitled to receive post-petition interest or applicable fees, costs, expenses, or charges to the extent the amount of the obligations due under the Notes exceeds the value of the Collateral (after taking into account all other first-priority debt that is also secured by the Collateral), or any “adequate protection” on account of any undersecured portion of the Notes.

### ***Certain Bankruptcy Limitations***

The right of the Notes Collateral Agent to foreclose upon, repossess and dispose of the Collateral upon the occurrence of an Event of Default would be significantly impaired (or at a minimum delayed) by any applicable bankruptcy law in the event that any bankruptcy case or other insolvency or liquidation proceeding were to be commenced by or against the Company or any Guarantor prior to the Notes Collateral Agent’s having repossessed and disposed of the Collateral (and in some cases, even after). Upon the commencement of a case for relief under the U.S. Bankruptcy Code, a secured creditor such as the Notes Collateral Agent is prohibited from foreclosing upon

or repossessing its security from a debtor in a bankruptcy case, or from disposing of previously repossessed security without prior bankruptcy court approval (which may not be given under the circumstances).

In view of the broad equitable powers of a U.S. bankruptcy court and the lack of a precise definition of the meaning of “adequate protection,” it is impossible to predict whether or when payments under the Notes could be made following the commencement of a bankruptcy case (or the length of the delay in making any such payments), whether or when the Notes Collateral Agent could or would repossess or dispose of the Collateral, the value of the Collateral at any time during a bankruptcy case or whether or to what extent Holders of the Notes would be compensated for any delay in payment or loss of value of the Collateral. The U.S. Bankruptcy Code permits the payment and/or accrual of post-petition interest, expenses, costs and attorneys’ fees to a secured creditor during a debtor’s bankruptcy case only to the extent the value of such creditor’s interest in the collateral is determined by the bankruptcy court to exceed the outstanding aggregate principal amount of the obligations secured by the collateral.

Furthermore, in the event a domestic or foreign bankruptcy court determines that the value of the Collateral is not sufficient to repay all amounts due on the Notes (after taking into account all other obligations secured thereby on a *pari passu* basis), the Notes Secured Parties would hold secured claims only to the extent of the value of the Collateral to which the Holders of the Notes are entitled, and unsecured “deficiency” claims with respect to such shortfall, which deficiency claims would not be entitled to adequate protection during a bankruptcy case.

## Optional Redemption

Except as set forth below, the Notes are not redeemable at the option of the Company.

At any time prior to \_\_\_\_\_, 2027, the Company may redeem the Notes in whole or in part, at its option, upon notice as described under “—Selection and Notice,” at a redemption price equal to 100% of the principal amount of the Notes being redeemed plus the Applicable Premium as of, and accrued and unpaid interest, if any, to, but excluding, the redemption date.

At any time and from time to time on or after \_\_\_\_\_, 2027, the Company may redeem the Notes in whole or in part, at its option, upon notice as described under “—Selection and Notice,” at a redemption price equal to the percentage of principal amount of the Notes being redeemed set forth below, plus accrued and unpaid interest, if any, on such Notes to, but excluding, the applicable date of redemption, if redeemed during the twelve-month period beginning on \_\_\_\_\_ of the year indicated below:

Year	Percentage
2027.....	%
2028.....	%
2029 and thereafter.....	100.000%

At any time and from time to time prior to \_\_\_\_\_, 2027, the Company may redeem Notes, at its option, upon notice as described under “—Selection and Notice,” with the net cash proceeds received by the Company from any Equity Offering at a redemption price equal to \_\_\_\_\_ % of the principal amount of the Notes being redeemed, plus accrued and unpaid interest, if any, on such Notes to, but excluding, the redemption date, in an aggregate principal amount for all such redemptions not to exceed 40% of the original aggregate principal amount of the Notes (including any Additional Notes); *provided that*

- (1) in each case the redemption takes place not later than 180 days after the closing of the related Equity Offering, and
- (2) not less than 40% of the original aggregate principal amount of the Notes issued under the Indenture remains outstanding immediately thereafter (excluding Notes held by the Company or any of its Restricted Subsidiaries), unless all such Notes are redeemed substantially concurrently.

At any time and from time to time prior to \_\_\_\_\_, 2027, the Company may redeem the Notes in whole or in part, at its option, upon notice as described under “—Selection and Notice,” with the net cash proceeds received by the Company from any Qualified IPO or a capital contribution to the Company made with the net cash proceeds of any Qualified IPO at a redemption price equal to \_\_\_\_\_ % of the principal amount of the Notes being redeemed, plus accrued and unpaid interest, if any, on such Notes to, but excluding, the redemption date; *provided* that not less than \$500.0 million aggregate principal amount of the Notes (including any Additional Notes) remains outstanding immediately thereafter (excluding Notes held by the Company or any of its Restricted Subsidiaries), unless all Notes (including any Additional Notes) then outstanding are redeemed substantially concurrently.

At any time prior to \_\_\_\_\_, 2027, the Company may redeem up to 10% of the aggregate principal amount of the Notes issued under the Indenture (including any Additional Notes) during any twelve-month period, upon notice as described under “—Selection and Notice,” at a redemption price equal to 103.000% of the aggregate principal amount thereof, plus accrued and unpaid interest thereon to, but excluding, the redemption date.

Notwithstanding the foregoing, in connection with any tender offer for the Notes, including a Change of Control Offer or Asset Disposition Offer, if Holders of not less than 90% in aggregate principal amount of the outstanding Notes validly tender and do not withdraw such Notes in such tender offer and the Company, or any third party making a such tender offer in lieu of the Company, purchases all of the Notes validly tendered and not withdrawn by such Holders, the Company or such third party will have the right upon not less than 10 nor more than 60 days’ prior notice, given not more than 10 days following such purchase date, to redeem all Notes that remain outstanding following such purchase at a redemption price equal to the price offered to each other Holder (excluding any early tender or incentive fee) in such tender offer plus, to the extent not included in the tender offer payment, accrued and unpaid interest, if any, thereon, to, but excluding, the date of such redemption. In determining whether the Holders of at least 90% of the aggregate principal amount of the outstanding Notes have validly tendered and not validly withdrawn such Notes in a tender offer, including a Change of Control Offer or Asset Disposition Offer, Notes owned by the Company or its Affiliates or by funds controlled or managed by any Affiliate of the Company, or any successor thereof, shall be deemed to be outstanding for the purposes of such tender offer.

Notice of redemption will be provided as set forth under “—Selection and Notice” below.

Notice of any redemption of the Notes may, at the Company’s discretion, be given prior to the completion of a corporate transaction (including an Equity Offering, an incurrence of Indebtedness, a Change of Control or other corporate transaction) and any redemption notice may, at the Company’s discretion, be subject to one or more conditions precedent, including, but not limited to, completion of a related transaction. If such redemption or purchase is so subject to satisfaction of one or more conditions precedent, such notice shall describe each such condition, and if applicable, shall state that, in the Company’s discretion, the redemption date may be delayed until such time (including more than 60 days after the date the notice of redemption was mailed or delivered, including by electronic transmission) as any or all such conditions shall be satisfied, or such redemption or purchase may not occur and such notice may be rescinded in the event that any or all such conditions shall not have been satisfied by the redemption date, or by the redemption date as so delayed. In addition, the Company may provide in such notice that payment of the redemption price and performance of the Company’s obligations with respect to such redemption may be performed by another Person.

If the optional redemption date is on or after an interest record date and on or before the related interest payment date, the accrued and unpaid interest up to, but excluding, the redemption date will be paid to the Person in whose name the Note is registered at the close of business on such record date in accordance with the applicable procedures of DTC, and no additional interest will be payable to Holders whose Notes will be subject to redemption by the Company.

Unless the Company defaults in the payment of the redemption price, interest will cease to accrue on the Notes or portions thereof called for redemption on the applicable redemption date.

#### **No Mandatory Redemption or Sinking Fund**

The Company is not required to make mandatory redemption payments or sinking fund payments with respect to the Notes. However, under certain circumstances, the Company may be required to offer to purchase

Notes as described under the captions “—Change of Control” and “—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock.” The Company may at any time and from time to time purchase our outstanding debt securities or loans, including the Notes, in privately negotiated or open market transactions, by tender offer or otherwise.

### **Selection and Notice**

If less than all of the Notes are to be redeemed at any time, the Trustee will select the Notes for redemption in compliance with the requirements of the principal securities exchange, if any, on which the Notes are listed, as certified to the Trustee by the Company, and in compliance with the requirements of DTC, or if the Notes are not so listed or such exchange prescribes no method of selection and the Notes are not held through DTC or DTC prescribes no method of selection, the Trustee will select by lot or on a pro rata basis, subject to adjustments so that no Note in an unauthorized denomination remains outstanding after such redemption; *provided, however*, that no Note of \$2,000 in aggregate principal amount or less shall be redeemed in part.

Notices of redemption will be delivered electronically or mailed by first-class mail at least 10 days but not more than 60 days before the redemption date to each Holder of Notes to be redeemed at the address of such Holder appearing in the security register or otherwise in accordance with the applicable procedures of DTC, with a copy to the Trustee, except that redemption notices may be delivered electronically or mailed more than 60 days prior to a redemption date if the notice is issued in connection with a defeasance of the Notes or a satisfaction and discharge of the Indenture.

If any Note is to be redeemed in part only, the notice of redemption that relates to that Note shall state the portion of the principal amount thereof to be redeemed, in which case a portion of the original Note will be issued in the name of the Holder thereof upon cancellation of the original Note. In the case of a global note, an appropriate notation will be made on such Note to decrease the principal amount thereof to an amount equal to the unredeemed portion thereof. Subject to the terms of the applicable redemption notice (including any conditions contained therein), Notes called for redemption become due on the date fixed for redemption. On and after the redemption date, unless the Company defaults in the payment of the redemption price, interest ceases to accrue on Notes or portions of them called for redemption.

### **Change of Control**

The Indenture will provide that if a Change of Control occurs, unless the Company has previously or substantially concurrently therewith delivered a redemption notice with respect to all the outstanding Notes as described under “—Optional Redemption,” the Company will make an offer to purchase all of the Notes pursuant to the offer described below (the “*Change of Control Offer*”) at a price in cash equal to 101% of the aggregate principal amount thereof plus accrued and unpaid interest, if any, to, but excluding, the date of repurchase, subject to the right of Holders of the Notes of record on the relevant record date to receive interest due on the relevant interest payment date. Within 30 days following any Change of Control, the Company will deliver or cause to be delivered notice of such Change of Control Offer electronically in accordance with the procedures of DTC or by first-class mail, with a copy to the Trustee, to each Holder of Notes at the address of such Holder appearing in the security register, describing the transaction or transactions that constitute the Change of Control and offering to repurchase the Notes for the specified purchase price on the date specified in the notice, which date will be no earlier than 30 days and no later than 60 days from the date such notice is delivered, pursuant to the procedures required by the Indenture and described in such notice, except in the case of a conditional Change of Control Offer made in advance of a Change of Control as described below.

To the extent that the provisions of any securities laws, rules or regulations, including Rule 14e-1 under the Exchange Act, conflict with the provisions of the Indenture, the Company will comply with the applicable securities laws and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof. The Company may rely on any no-action letters issued by the SEC indicating that the staff of the SEC will not recommend enforcement action in the event a tender offer satisfies certain conditions.

Except as described above with respect to a Change of Control, the Indenture does not contain provisions that permit the Holders of the Notes to require that the Company repurchase or redeem the Notes in the event of a takeover, recapitalization or similar transaction.

The occurrence of events which would constitute a Change of Control may constitute a default under the First Lien Credit Agreement that permits the lenders to accelerate the maturity of borrowings thereunder. In addition, the First Lien Notes Indenture and the Second Lien Notes Indenture would require us to make a change of control offer with respect to the First Lien Notes and the Second Lien Notes, respectively. Future Indebtedness of the Company or its subsidiaries may also contain prohibitions on certain events which would constitute a Change of Control or require such Indebtedness to be repurchased upon a Change of Control. Moreover, the exercise by the Holders of their right to require the Company to repurchase the Notes could cause a default under such Indebtedness, even if the Change of Control itself does not, due to the financial effect of such repurchase on the Company. There can be no assurance that sufficient funds will be available when necessary to make any required repurchases.

Our ability to pay cash to the Holders of Notes following the occurrence of a Change of Control may be limited by our then-existing financial resources. Therefore, sufficient funds may not be available when necessary to make any required repurchases. The Change of Control purchase feature of the Notes may in certain circumstances make more difficult or discourage a sale or takeover of us and, thus, the removal of incumbent management. The Change of Control purchase feature is a result of negotiations between the initial purchasers of the Notes and us. We have no present intention to engage in a transaction involving a Change of Control after the Issue Date, although it is possible that we could decide to do so in the future.

Subject to the limitations discussed below, we could, in the future, enter into certain transactions, including acquisitions, refinancings or other recapitalizations, that would not constitute a Change of Control under the Indenture, but that could increase the amount of Indebtedness outstanding at such time or otherwise affect our capital structure or credit ratings. Restrictions on our ability to incur additional Indebtedness are contained in the covenants described under “—Certain Covenants—Limitation on Indebtedness” and “—Certain Covenants—Limitation on Liens.” Such restrictions in the Indenture can be waived only with the consent of the Holders of a majority in principal amount of the Notes then outstanding. Except for the limitations contained in such covenants, however, the Indenture will not contain any covenants or provisions that may afford Holders of the Notes protection in the event of a highly leveraged transaction.

The Company will not be required to make a Change of Control Offer following a Change of Control if (i) a third party makes the Change of Control Offer in the manner, at the times and otherwise in compliance with the requirements set forth in the Indenture applicable to a Change of Control Offer made by the Company and purchases all Notes validly tendered and not withdrawn under such Change of Control Offer or (ii) a notice of redemption of all outstanding Notes has been given pursuant to the Indenture as described above under the caption “—Optional Redemption,” unless and until there is a default in the payment of the redemption price on the applicable redemption date or the redemption is not consummated due to the failure of a condition precedent contained in the applicable redemption notice to be satisfied. Notwithstanding anything to the contrary herein, a Change of Control Offer may be made in advance of a Change of Control, conditional upon such Change of Control.

The definition of “*Change of Control*” includes a disposition of all or substantially all of the assets of the Company and its Subsidiaries, taken as a whole, to any Person. Although there is a limited body of case law interpreting the phrase “substantially all,” there is no precise established definition of the phrase under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve a disposition of “all or substantially all” of the assets of the Company and its Subsidiaries, taken as a whole. As a result, it may be unclear as to whether a Change of Control has occurred and whether a Holder of Notes may require the Company to make an offer to repurchase the Notes as described above.

The provisions under the Indenture relating to the Company’s obligation to make an offer to repurchase the Notes as a result of a Change of Control may be waived or modified with the written consent of the Holders of a majority in aggregate principal amount of the Notes then outstanding.

## Certain Covenants

Set forth below are summaries of certain covenants that will be contained in the Indenture.

### *Suspension of Covenants on Achievement of Investment Grade Status*

Following the first day:

- (a) the Notes have achieved Investment Grade Status; and
- (b) no Default or Event of Default has occurred and is continuing under the Indenture,

then, beginning on that day and continuing until the Reversion Date (as defined below), the Company and its Restricted Subsidiaries will not be subject to the provisions of the Indenture summarized under the following headings (collectively, the “*Suspended Covenants*”):

- “—Limitation on Restricted Payments”;
- “—Limitation on Indebtedness”;
- “—Limitation on Restrictions on Distributions from Restricted Subsidiaries”;
- “—Limitation on Affiliate Transactions”;
- “—Limitation on Sales of Assets and Subsidiary Stock”;
- “—Limitation on Guarantees”; and
- the provisions of clause (3) of the first paragraph of “—Merger, Amalgamation and Consolidation.”

If at any time the Notes cease to have such Investment Grade Status, then the Suspended Covenants will thereafter be reinstated as if such covenants had never been suspended (the “*Reversion Date*”) and be applicable pursuant to the terms of the Indenture (including in connection with performing any calculation or assessment to determine compliance with the terms of the Indenture), unless and until the Notes subsequently attain Investment Grade Status and no Default or Event of Default is in existence (in which event the Suspended Covenants shall no longer be in effect for such time that the Notes maintain an Investment Grade Status); *provided, however*, that no Default, Event of Default or breach of any kind shall be deemed to exist under the Indenture, the Notes or the Note Guarantees with respect to the Suspended Covenants based on, and none of the Company or any of its Subsidiaries shall bear any liability for, any actions taken or events occurring during the Suspension Period (as defined below), or any actions taken at any time pursuant to any contractual obligation arising prior to the Reversion Date that were permitted at such time, regardless of whether such actions or events would have been permitted if the applicable Suspended Covenants remained in effect during such period. The period of time between the date of suspension of the covenants and the Reversion Date is referred to as the “*Suspension Period*.”

On the Reversion Date, all Indebtedness Incurred during the Suspension Period will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (4)(b) of the second paragraph of “—Limitation on Indebtedness.” Restricted Payments made during the Suspension Period will not reduce the amount available to be made as Restricted Payments under the covenant described under “—Limitation on Restricted Payments.” On the Reversion Date, the amount of Excess Proceeds shall be reset at zero. Any Affiliate Transaction entered into after the Reversion Date pursuant to an agreement entered into during any Suspension Period will be deemed to have been outstanding on the Issue Date, so that it is classified as permitted under clause (6) of the second paragraph under “—Limitation on Affiliate Transactions.” Any encumbrance or restriction on the ability of any Restricted Subsidiary to take any action described in clauses (A) through (C) of the first paragraph of “—Limitation on Restrictions on Distributions from Restricted Subsidiaries” that becomes effective during the

Suspension Period will be deemed to have existed on the Issue Date, so that it is classified as permitted under clause (1) of the second paragraph under “—Limitation on Restrictions on Distributions from Restricted Subsidiaries.” In addition, any future obligation to grant further Guarantees shall be released during the Suspension Period. All such further obligation to grant Guarantees shall be reinstated upon the Reversion Date. No Default or Event of Default or breach of any kind will be deemed to have occurred on the Reversion Date as a result of any actions taken or the continuance of any circumstances resulting from actions taken or the performance of obligations under agreements entered into by the Company or its Restricted Subsidiaries during the Suspension Period (other than agreements to take actions after the Reversion Date that would not be permitted outside of the Suspension Period entered into in contemplation of the Reversion Date).

On and after each Reversion Date, the Company and its Subsidiaries will be permitted to consummate the transactions contemplated by any contract entered into during the Suspension Period, so long as such contract and such consummation would have been permitted during such Suspension Period.

There can be no assurance that the Notes will ever achieve or maintain Investment Grade Status.

The Trustee shall have no duty to monitor the ratings of the Notes, shall not be deemed to have any knowledge of the ratings of the Notes and shall have no duty to notify Holders if the Notes achieve Investment Grade Status or of the occurrence of a Reversion Date or to independently determine if such events have occurred.

### ***Limitation on Indebtedness***

The Company will not, and will not permit any of its Restricted Subsidiaries to, Incur any Indebtedness (including Acquired Indebtedness); *provided, however*, that the Company and any of its Restricted Subsidiaries may Incur Indebtedness (including Acquired Indebtedness) if on the date of such Incurrence and after giving pro forma effect thereto (including pro forma application of the proceeds thereof), the principal amount of such Indebtedness does not exceed an amount equal to the sum of (i) the greater of \$1,235.0 million and 40.0% of LTM EBITDA and (ii) an additional unlimited amount so long as, in the case of this clause (ii), either (x) the Fixed Charge Coverage Ratio for the Company and its Restricted Subsidiaries is greater than 2.00 to 1.00 or (y) the Consolidated Total Leverage Ratio would have been no greater than 7.50 to 1.00.

The first paragraph of this covenant will not prohibit the Incurrence of the following Indebtedness (collectively, “*Permitted Debt*”):

- (1) the sum of (X) Indebtedness Incurred under any Credit Facility by the Company or any of its Restricted Subsidiaries (including letters of credit or bankers’ acceptances issued or created under any Credit Facility) and Guarantees in respect of such Indebtedness, up to an aggregate principal amount equal to the sum of (I) \$10,050.0 million plus (II) the greater of \$2,315.0 million and 75.0% of LTM EBITDA plus (III) (i) if such Indebtedness Incurred has Pari Passu Lien Priority relative to the Notes, at the time of such Incurrence, an amount equal to the maximum principal amount of Indebtedness that the Company and its Restricted Subsidiaries could Incur such that, after giving effect to the Incurrence of such Indebtedness, the Consolidated First Lien Secured Leverage Ratio is equal to or less than 5.25 to 1.00 (*provided* that for purposes of determining the amount that may be Incurred under this clause (1)(X)(III)(i), all Indebtedness Incurred under this clause (1)(X)(III)(i) shall be deemed to be included in clause (x) of the definition of “Consolidated First Lien Secured Leverage Ratio”), or (ii) if such Indebtedness Incurred has Junior Lien Priority relative to the Notes, at the time of such Incurrence, an amount equal to the maximum principal amount of Indebtedness that the Company and its Restricted Subsidiaries could Incur such that, after giving effect to the Incurrence of such Indebtedness, the Consolidated Secured Leverage Ratio is equal to or less than 7.10 to 1.00 (*provided* that for purposes of determining the amount that may be Incurred under this clause (1)(X)(III)(ii), all Indebtedness Incurred under this clause (1)(X)(III)(ii) shall be deemed to be included in clause (x) of the definition of “Consolidated Secured Leverage Ratio”) and (Y) in the case of any refinancing of any Indebtedness permitted under this clause or any portion thereof, the aggregate amount of fees, underwriting discounts, accrued and unpaid interest, premiums (including, without limitation, tender premiums) and other costs and expenses (including, without limitation, original issue discount, upfront fees or similar



fees) Incurred in connection with such refinancing, and any Refinancing Indebtedness in respect thereof;

- (2) Guarantees by the Company or any Restricted Subsidiary of Indebtedness or other obligations of the Company or any Restricted Subsidiary so long as the Incurrence of such Indebtedness or other obligation is not prohibited by the terms of the Indenture;
- (3) Indebtedness of the Company owing to and held by any Restricted Subsidiary or Indebtedness of a Restricted Subsidiary owing to and held by the Company or any Restricted Subsidiary; *provided, however, that:*
  - (a) any subsequent issuance or transfer of Capital Stock or any other event which results in any such Indebtedness being held by a Person other than the Company or a Restricted Subsidiary; and
  - (b) any sale or other transfer of any such Indebtedness to a Person other than the Company or a Restricted Subsidiary,

shall be deemed, in each case, to constitute an Incurrence of such Indebtedness by the Company or such Restricted Subsidiary, as the case may be;

- (4) Indebtedness represented by (a) the Notes (other than any Additional Notes), including any Guarantee thereof, (b) any Indebtedness (other than Indebtedness incurred pursuant to clauses (1), (2), (3) and (4)(a) above) outstanding on the Issue Date, including the First Lien Notes, the Second Lien Notes and the Rollover Citrix Notes (other than any additional First Lien Notes, Second Lien Notes or Rollover Citrix Notes issued following the Issue Date), and any Guarantee thereof, (c) Refinancing Indebtedness Incurred in respect of any Indebtedness described in this clause (4) (including with respect to the Notes, the First Lien Notes, the Second Lien Notes, the Rollover Citrix Notes and any Guarantee thereof) or clause (2), (5) or (8) of this paragraph or Incurred pursuant to the first paragraph of this covenant, and (d) Management Advances;
- (5) Indebtedness of (a) the Company or any Restricted Subsidiary Incurred to finance an acquisition or Investment or (b) Persons that are acquired by the Company or any Restricted Subsidiary or merged into, amalgamated or consolidated with the Company or a Restricted Subsidiary in accordance with the terms of the Indenture (including designating an Unrestricted Subsidiary as a Restricted Subsidiary); *provided* that such Indebtedness is in an aggregate principal amount not to exceed (i) the greater of \$1,850.0 million and 60.0% of LTM EBITDA at any time outstanding plus (ii) unlimited additional Indebtedness if, after giving pro forma effect to the Incurrence thereof and the application of the proceeds thereof, either
  - (a) the Company would be permitted to Incur at least \$1.00 of additional Indebtedness pursuant to the first paragraph of this covenant,
  - (b) (i) if such Indebtedness Incurred has Pari Passu Lien Priority relative to the Notes, at the time of such Incurrence, the Consolidated First Lien Secured Leverage Ratio is equal to or less than 5.25 to 1.00 (*provided* that for purposes of determining the amount that may be Incurred under this clause (5)(b)(i), all Indebtedness Incurred under this clause (5)(b)(i) shall be deemed to be included in clause (x) of the definition of “Consolidated First Lien Secured Leverage Ratio”), or (ii) if such Indebtedness Incurred has Junior Lien Priority relative to the Notes, at the time of such Incurrence, the Consolidated Secured Leverage Ratio is equal to or less than 7.10 to 1.00 (*provided* that for purposes of determining the amount that may be Incurred under this clause (5)(b)(ii), all Indebtedness Incurred under this clause (5)(b)(ii) shall be deemed to be included in clause (x) of the definition of “Consolidated Secured Leverage Ratio”),

- (c) either the Fixed Charge Coverage Ratio of the Company and the Restricted Subsidiaries would not be lower or the Consolidated Total Leverage Ratio of the Company and the Restricted Subsidiaries would not be higher, in each case, than immediately prior to such Incurrence, acquisition, merger, amalgamation or consolidation, or
  - (d) such Indebtedness constitutes Acquired Indebtedness (other than Indebtedness Incurred in contemplation of the transaction pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary); *provided* that the only obligors with respect to such Indebtedness shall be those Persons who were obligors (or who would become obligors pursuant to the definitive documentation in respect of such Indebtedness) of such Indebtedness prior to such Incurrence, acquisition, merger, amalgamation or consolidation or as otherwise permitted by this covenant;
- (6) Hedging Obligations or other Derivative Transactions (excluding Hedging Obligations and other Derivative Transactions entered into for speculative purposes);
- (7) [reserved];
- (8) Indebtedness in respect of (a) workers' compensation claims, health, disability or other employee benefits, property, casualty or liability insurance, self-insurance obligations, customer guarantees, performance, indemnity, surety, judgment, bid, appeal, advance payment (including progress premiums), customs, value added or other Tax or other guarantees or other similar bonds, instruments or obligations and completion guarantees and warranties provided by the Company or a Restricted Subsidiary or relating to liabilities, obligations or guarantees Incurred in the ordinary course of business or consistent with past practice or industry norms; (b) the honoring by a bank or other financial institution of a check, draft or similar instrument drawn against insufficient funds in the ordinary course of business or consistent with past practice or industry norms; *provided, however,* that such Indebtedness is extinguished within five Business Days of Incurrence; (c) customer deposits and advance payments (including progress premiums) received in the ordinary course of business or consistent with past practice or industry norms from customers for goods or services purchased in the ordinary course of business or consistent with past practice or industry norms; (d) letters of credit, bankers' acceptances, discounted bills of exchange, discounting or factoring of receivables or payables for credit management purposes, warehouse receipts, guarantees or other similar instruments or obligations issued or entered into, or relating to liabilities or obligations Incurred in the ordinary course of business or consistent with past practice or industry norms; (e) the endorsement of instruments for deposit in the ordinary course of business; (f) Cash Management Obligations; and (g) Settlement Indebtedness;
- (9) Indebtedness arising from agreements providing for guarantees, indemnification, obligations in respect of earn-outs, deferred purchase price or other adjustments of purchase price or, in each case, similar obligations, in each case, Incurred or assumed in connection with the acquisition or disposition of any business or assets or Person or any Capital Stock of a Subsidiary (other than Guarantees of Indebtedness Incurred by any Person acquiring or disposing of such business or assets or such Subsidiary for the purpose of financing such acquisition or disposition); *provided* that the maximum liability of the Company and its Restricted Subsidiaries in respect of all such Indebtedness in connection with a disposition shall at no time exceed the gross proceeds, including the fair market value of non-cash proceeds (measured at the time received and without giving effect to any subsequent changes in value), actually received by the Company and its Restricted Subsidiaries in connection with such disposition;
- (10) Indebtedness in an aggregate outstanding principal amount which, when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause and then outstanding, will not exceed 100.0% of the Net Cash Proceeds received by the Company and its Restricted Subsidiaries from the issuance or sale (other than to a Restricted Subsidiary) of its Capital Stock or otherwise contributed to the equity of the Company and its Restricted Subsidiaries (in each

case, other than through the issuance of Disqualified Stock, Designated Preferred Stock or an Excluded Contribution or from the Company or another Restricted Subsidiary), in each case, subsequent to the Issue Date and any Refinancing Indebtedness in respect thereof; *provided, however*, that (i) any such Net Cash Proceeds that are so received or contributed shall not increase the amount available for making Restricted Payments to the extent the Company and its Restricted Subsidiaries Incur Indebtedness in reliance thereon and (ii) any Net Cash Proceeds that are so received or contributed shall be excluded for purposes of Incurring Indebtedness pursuant to this clause to the extent such Net Cash Proceeds or cash have been applied to make Restricted Payments;

- (11) Indebtedness of any Restricted Subsidiary that is not a Guarantor in an aggregate principal amount at any time outstanding not to exceed the greater of \$3,085.0 million and 100.0% of LTM EBITDA;
- (12) (a) Indebtedness issued by the Company or any of its Subsidiaries to any future, present or former employee, director, officer, manager, contractor, consultant or advisor (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Company, any of its Subsidiaries or any Parent Entity, in each case to finance the purchase or redemption of Capital Stock of the Company or any Parent Entity that is not prohibited by the covenant described below under “—Limitation on Restricted Payments” and (b) Indebtedness representing deferred compensation or any other similar arrangements incurred in the ordinary course of business or consistent with past practice or industry norms or in connection with the Merger Transactions, any Investment or any acquisition (by merger, consolidation, amalgamation or otherwise);
- (13) Indebtedness of the Company or any of its Restricted Subsidiaries consisting of, or in connection with, (i) the financing of insurance premiums, (ii) take-or-pay obligations contained in supply arrangements, in each case Incurred in the ordinary course of business or consistent with past practice or industry norms, (iii) obligations to reacquire assets or inventory in connection with customer financing arrangements in the ordinary course of business or consistent with past practice or industry norms or (iv) the financing of committed expenses or costs of services of the Company or any of its Restricted Subsidiaries (including, without limitation, in connection with any extended payment arrangement) to the extent not constituting Indebtedness for borrowed money;
- (14) Indebtedness in an aggregate outstanding principal amount which when taken together with the principal amount of all other Indebtedness Incurred pursuant to this clause (14) and then outstanding will not exceed the greater of (a) \$3,085.0 million and (b) 100.0% of LTM EBITDA and any Refinancing Indebtedness in respect thereof;
- (15) Indebtedness in respect of any Qualified Securitization Financing or any Receivables Facility;
- (16) Indebtedness of the Company or any of its Restricted Subsidiaries arising pursuant to any Permitted Tax Restructuring, Permitted Intercompany Activities and related transactions;
- (17) Indebtedness supported by any letter of credit, bank guarantee or similar instrument otherwise constituting Permitted Debt;
- (18) any obligation, or guaranty of any obligation, of the Company or any Restricted Subsidiary to reimburse or indemnify a Person extending credit to customers of the Company or a Restricted Subsidiary incurred in the ordinary course of business or consistent with past practice or industry norms for all or any portion of the amounts payable by such customers to the Person extending such credit;
- (19) Indebtedness to a customer to finance the acquisition of any equipment necessary to perform services for such customer; *provided* that the terms of such Indebtedness are consistent with those

entered into with respect to similar Indebtedness prior to the Issue Date, including that (1) the repayment of such Indebtedness is conditional upon such customer ordering a specific volume of goods or services and (2) such Indebtedness does not bear interest or provide for scheduled amortization or maturity;

- (20) [reserved];
- (21) obligations in respect of Disqualified Stock (i) to the extent such Disqualified Stock is payment subordinated to the Notes or (ii) in an amount not to exceed the greater of \$310.0 million and 10.0% of LTM EBITDA;
- (22) Indebtedness incurred for the benefit of joint ventures in an aggregate principal amount not to exceed the greater of (a) \$1,080.0 million and (b) 35.0% of LTM EBITDA million outstanding at the time of incurrence and any Refinancing Indebtedness in respect thereof;
- (23) Unsecured Finance Leases;
- (24) Indebtedness incurred by the Company or any of its Restricted Subsidiaries to the extent that the net proceeds thereof are promptly deposited with the Trustee to satisfy or discharge the Notes or exercise the Company's legal defeasance or covenant defeasance, in each case, in accordance with the Indenture;
- (25) (i) Indebtedness arising as a result of daylight exposures of the Company or any Restricted Subsidiary in respect of banking arrangements entered into in the ordinary course of its treasury activities; (ii) Indebtedness pursuant to local, asset-based or working capital facilities, overdraft facilities and/or other similar facilities in an aggregate amount for all such Indebtedness under this clause (ii) not to exceed, at any time outstanding, the greater of \$1,235.0 million and 40.0% of LTM EBITDA; (iii) any guarantee or indemnity provided by the Company for the obligations of any Restricted Subsidiary or by any Restricted Subsidiary for the obligations of the Company or any other Restricted Subsidiary in connection with the Company or any Restricted Subsidiary claiming exemption from audit, the preparation and filing of its accounts or other similar exemptions (including under section 394C, 448C or 479C of the Companies Act 2006 of the United Kingdom or other similar or equivalent provisions); and (iv) any Indebtedness in connection with leases, concessions and/or licenses;
- (26) unfunded pension fund and other employee benefit plan obligations and liabilities incurred by the Company and/or any Restricted Subsidiary in the ordinary course of business;
- (27) Indebtedness in respect of Finance Lease Obligations or Purchase Money Obligations, Indebtedness arising out of Sale and Leaseback Transactions and Indebtedness incurred in connection with financing any real property (regardless of when such real property was initially acquired) in an aggregate principal amount not to exceed the greater of (a) \$1,850.0 million and (b) 60.0% of LTM EBITDA, plus any additional amount so long as either (x) the Consolidated First Lien Secured Leverage Ratio is equal to or less than 5.50 to 1.00 or (y) the Consolidated Secured Leverage Ratio is equal to or less than 7.10 to 1.00 (assuming solely for calculation of the leverage ratios in the foregoing clauses (x) and (y) that such Indebtedness is included in the numerators of such calculation), and any Refinancing Indebtedness in respect thereof;
- (28) (i) Contingent Obligations in respect of Indebtedness otherwise permitted to be incurred by the Company and its Restricted Subsidiaries pursuant to this covenant (provided that if any such Indebtedness is subordinated (including as to lien or collateral priority) to the Notes, such Contingent Obligation shall be subordinated on terms at least as favorable to the Holders) and (ii) Indebtedness constituting Investments permitted by the covenant described below under "— Limitation on Restricted Payments" (other than clause 15(ii) of the definition of "Permitted Investments");

- (29) Indebtedness of the Company to its Subsidiaries at such times and in such amounts necessary to permit the Company to receive any dividend or distribution permitted to be made to the Company pursuant to the covenant described under “—Limitation on Restricted Payments” below;
- (30) unsecured Indebtedness representing any Taxes to the extent such Taxes are being contested by the Company or any of its Restricted Subsidiaries in good faith by appropriate proceedings and adequate reserves are being maintained by the Company or any of its Restricted Subsidiaries in accordance with GAAP;
- (31) [reserved];
- (32) to the extent constituting Indebtedness, advances in respect of transfer pricing or shared services agreements that are not prohibited by clause (40) of the definition of “Permitted Investments”;
- (33) to the extent constituting Indebtedness, any contingent liabilities arising in connection with any stock options;
- (34) Indebtedness pursuant to trade and documentary letters of credit;
- (35) customary indemnities contained in mandate, engagement and commitment letters, facility agreements, purchase agreements and indentures, in each case entered into in respect of Indebtedness permitted pursuant to this covenant and any Refinancing Indebtedness in respect thereof;
- (36) any Subordinated Shareholder Loans; and
- (37) Indebtedness in connection with Sale and Leaseback Transactions and any Refinancing Indebtedness thereof, in an aggregate amount for all such Indebtedness under this clause (37) not to exceed, at any time outstanding, the greater of \$1,080.0 million and 35% of LTM EBITDA.

For purposes of determining compliance with, and the outstanding principal amount of any particular Indebtedness Incurred pursuant to and in compliance with, this covenant:

- (1) subject to clause (3) below, in the event that all or any portion of any item of Indebtedness meets the criteria of more than one of the types of Indebtedness described in the first and second paragraphs of this covenant, the Company, in its sole discretion, will classify, and may from time to time reclassify, such item of Indebtedness and only be required to include the amount and type of such Indebtedness in the first paragraph above or one of the clauses of the second paragraph of this covenant;
- (2) additionally, all or any portion of any item of Indebtedness may later be reclassified as having been Incurred pursuant to any type of Indebtedness described in the first and second paragraphs of this covenant so long as such Indebtedness is permitted to be Incurred pursuant to such provision and any related Liens are permitted to be Incurred at the time of reclassification (it being understood that any Indebtedness incurred pursuant to one of the clauses of the second paragraph of this covenant shall cease to be deemed incurred or outstanding for purposes of such clause but shall be deemed incurred for the purposes of the first paragraph of this covenant from and after the first date on which the Company or its Restricted Subsidiaries could have incurred such Indebtedness under the first paragraph of this covenant without reliance on such clause);
- (3) all Indebtedness outstanding on the Issue Date under the First Lien Credit Agreement shall be deemed to have been Incurred on the Issue Date under clause (1) of the second paragraph of the description of this covenant;

- (4) in the case of any Refinancing Indebtedness, such Indebtedness shall not include the aggregate amount of fees, underwriting discounts, accrued and unpaid interest, dividends, premiums (including, without limitation, tender premiums), defeasance costs, fees and other costs and expenses (including, without limitation, original issue discount, upfront fees or similar fees) Incurred in connection with such refinancing;
- (5) Guarantees of, or obligations in respect of letters of credit, bankers' acceptances or other similar instruments relating to, or Liens securing, Indebtedness that is otherwise included in the determination of a particular amount of Indebtedness shall not be included;
- (6) if obligations in respect of letters of credit, bankers' acceptances or other similar instruments are Incurred pursuant to any Credit Facility and are being treated as incurred pursuant to any clause of the second paragraph above or the first paragraph above and the letters of credit, bankers' acceptances or other similar instruments relate to other Indebtedness, then such other Indebtedness shall not be included;
- (7) the principal amount of any Disqualified Stock of the Company or a Restricted Subsidiary, or Preferred Stock of a Restricted Subsidiary, will be equal to the greater of the maximum mandatory redemption or repurchase price (not including, in either case, any redemption or repurchase premium) or the liquidation preference thereof;
- (8) Indebtedness permitted by this covenant need not be permitted solely by reference to one provision permitting such Indebtedness but may be permitted in part by one such provision and in part by one or more other provisions of this covenant permitting such Indebtedness;
- (9) for all purposes under the Indenture, including for purposes of calculating the Fixed Charge Coverage Ratio, the Consolidated First Lien Secured Leverage Ratio, the Consolidated Secured Leverage Ratio or the Consolidated Total Leverage Ratio, as applicable, in connection with the incurrence, issuance or assumption of any Indebtedness pursuant to the first or second paragraph above or the incurrence or creation of any Lien pursuant to the definition of "Permitted Liens" or otherwise, the Company may elect, at its option, to treat all or any portion of the committed amount of any Indebtedness (and the issuance and creation of letters of credit and bankers' acceptances thereunder) which is to be incurred (or any commitment in respect thereof) or secured by such Lien, as the case may be (any such committed amount elected until revoked as described below, the "Reserved Indebtedness Amount"), as being incurred as of such election date, and, if such Fixed Charge Coverage Ratio, the Consolidated First Lien Secured Leverage Ratio, the Consolidated Secured Leverage Ratio, the Consolidated Total Leverage Ratio or other provision of the Indenture, as applicable, is complied with (or satisfied) with respect thereto on such election date, any subsequent borrowing or reborrowing thereunder (and the issuance and creation of letters of credit and bankers' acceptances thereunder) will be deemed to be permitted under this covenant or the definition of "Permitted Liens," as applicable, whether or not the Fixed Charge Coverage Ratio, the Consolidated First Lien Secured Leverage Ratio, the Consolidated Secured Leverage Ratio, the Consolidated Total Leverage Ratio or other provision of the Indenture, as applicable, at the actual time of any subsequent borrowing or reborrowing (or issuance or creation of letters of credit or bankers' acceptances thereunder) is complied with (or satisfied) for all purposes (including as to the absence of any continuing Default or Event of Default);
- (10) when calculating the availability under any basket or ratio under the Indenture or compliance with any provision of the Indenture in connection with any Limited Condition Transaction and any actions or transactions related thereto (including acquisitions, Investments, the incurrence, issuance or assumption of Indebtedness and the use of proceeds thereof, the incurrence or creation of Liens, repayments, Restricted Payments and Asset Dispositions), in each case, at the option of the Company (the Company's election to exercise such option, an "*LCT Election*"), the date of determination for availability under any such basket or ratio and whether any such action or transaction is permitted (or any requirement or condition therefor is complied with or satisfied (including as to the absence of any continuing Default or Event of Default)) under the Indenture

shall be deemed to be the date (the “*LCT Test Date*”) either (a) the definitive agreement for such Limited Condition Transaction is entered into (or, if applicable, the date of delivery of an irrevocable declaration of a Restricted Payment or similar event), or (b) solely in connection with an acquisition to which the United Kingdom City Code on Takeovers and Mergers applies, the date on which a “Rule 2.7 announcement” of a firm intention to make an offer (or equivalent announcement in another jurisdiction) (an “*LCT Public Offer*”) in respect of a target of a Limited Condition Transaction and, in each case, if, after giving pro forma effect to the Limited Condition Transaction and any actions or transactions related thereto (including acquisitions, Investments, the incurrence, issuance or assumption of Indebtedness and the use of proceeds thereof, the incurrence or creation of Liens, repayments, Restricted Payments and Asset Dispositions) and any related pro forma adjustments, the Company or any of its Restricted Subsidiaries would have been permitted to take such actions or consummate such transactions on the relevant LCT Test Date in compliance with such ratio, test or basket (and any related requirements and conditions), such ratio, test or basket (and any related requirements and conditions) shall be deemed to have been complied with (or satisfied) for all purposes (in the case of Indebtedness, for example, whether such Indebtedness is committed, issued, assumed or incurred at the LCT Test Date or at any time thereafter); *provided*, that (a) if financial statements for one or more subsequent fiscal quarters shall have become available, the Company may elect, in its sole discretion, to redetermine all such ratios, tests or baskets on the basis of such financial statements, in which case, such date of redetermination shall thereafter be the applicable LCT Test Date for purposes of such ratios, tests or baskets, (b) except as contemplated in the foregoing clause (a), compliance with such ratios, test or baskets (and any related requirements and conditions) shall not be determined or tested at any time after the applicable LCT Test Date for such Limited Condition Transaction and any actions or transaction related thereto (including acquisitions, Investments, the incurrence, issuance or assumption of Indebtedness and the use of proceeds thereof, the incurrence or creation of Liens, repayments, Restricted Payments and Asset Dispositions) and (c) Ratio Interest Expense for purposes of the Fixed Charge Coverage Ratio will be calculated using an assumed interest rate as determined by the Company in good faith and without giving effect to any “pricing flex” term that may be included in any committed financing.

For the avoidance of doubt, if the Company has made an LCT Election, (1) if any of the ratios, tests or baskets for which compliance was determined or tested as of the LCT Test Date would at any time after the LCT Test Date have been exceeded or otherwise failed to have been complied with as a result of fluctuations in any such ratio, test or basket, including due to fluctuations in EBITDA or Total Assets of the Company or the Person subject to such Limited Condition Transaction, such baskets, tests or ratios will not be deemed to have been exceeded or failed to have been complied with as a result of such fluctuations; (2) if any related requirements and conditions (including as to the absence of any continuing Default or Event of Default) for which compliance or satisfaction was determined or tested as of the LCT Test Date would at any time after the LCT Test Date not have been complied with or satisfied (including due to the occurrence or continuation of an Default or Event of Default), such requirements and conditions will not be deemed to have been failed to be complied with or satisfied (and such Default or Event of Default shall be deemed not to have occurred or be continuing); and (3) in calculating the availability under any ratio, test or basket in connection with any action or transaction unrelated to such Limited Condition Transaction following the relevant LCT Test Date and prior to the earlier of the date on which such Limited Condition Transaction is consummated or the date that the definitive agreement or date for redemption, purchase or repayment specified in an irrevocable notice for such Limited Condition Transaction is terminated, expires or passes (or, if applicable, the irrevocable notice is terminated, expires or passes or, as applicable, the offer in respect of an LCT Public Offer for, such acquisition is terminated), as applicable, without consummation of such Limited Condition Transaction, any such ratio, test or basket shall be determined or tested giving pro forma effect to such Limited Condition Transaction;

- (11) notwithstanding anything in this covenant or any other covenant to the contrary, (i) if (x) any restriction, basket, threshold or permission is determined by reference to the greater of a fixed amount (the “*fixed component*”) and a percentage of LTM EBITDA (the “*grower component*”)

and (y) the grower component of the applicable restriction, basket, threshold or permission exceeds the applicable fixed component at any time, the fixed component shall be deemed to increase to the highest amount of the grower component reached from time to time and shall not subsequently be reduced as a result of any decrease in the grower component and (ii) in the case of any Indebtedness incurred to refinance Indebtedness initially incurred in reliance on a clause of the second paragraph of this covenant measured by reference to a percentage of LTM EBITDA at the time of Incurrence, if such refinancing would cause the percentage of LTM EBITDA restriction to be exceeded if calculated based on the percentage of LTM EBITDA on the date of such refinancing, such percentage of LTM EBITDA restriction shall not be deemed to be exceeded so long as the principal amount of such refinancing Indebtedness does not exceed the principal amount of such Indebtedness being refinanced, plus accrued and unpaid interest, dividends, premiums (including tender premiums), defeasance costs, underwriting discounts, fees, costs and expenses (including original issue discount, upfront fees or similar fees) in connection with such refinancing; and

- (12) the amount of Indebtedness issued at a price that is less than the principal amount thereof will be equal to the amount of the liability in respect thereof determined on the basis of GAAP.

Accrual of interest, accrual of dividends, the accretion of accreted value, the accretion or amortization of original issue discount, the payment of interest in the form of additional Indebtedness, the payment of dividends in the form of additional shares of Preferred Stock or Disqualified Stock or the reclassification of commitments or obligations not treated as Indebtedness due to a change in GAAP, shall in each case be deemed to be a permitted Incurrence of Indebtedness for purposes of the covenant described under this “—Limitation on Indebtedness.”

If at any time an Unrestricted Subsidiary becomes a Restricted Subsidiary, any Indebtedness of such Subsidiary shall be deemed to be Incurred by a Restricted Subsidiary of the Company as of such date (and, if such Indebtedness is not permitted to be Incurred as of such date under the covenant described under this “—Limitation on Indebtedness,” the Company shall be in default of this covenant).

For purposes of determining compliance with any U.S. dollar-denominated restriction on the incurrence of Indebtedness, the U.S. dollar equivalent principal amount of Indebtedness denominated in a foreign currency shall be calculated based on the relevant currency exchange rate in effect on the date such Indebtedness was Incurred, in the case of term debt, or first committed, in the case of revolving credit debt; *provided*, that if such Indebtedness is Incurred to refinance other Indebtedness denominated in a foreign currency, and such refinancing would cause the applicable U.S. dollar-denominated restriction to be exceeded if calculated at the relevant currency exchange rate in effect on the date of such refinancing, such U.S. dollar-denominated restriction shall be deemed not to have been exceeded so long as the principal amount of such refinancing Indebtedness does not exceed (a) the principal amount of such Indebtedness being refinanced plus (b) the aggregate amount of accrued and unpaid interest, dividends, premiums (including tender premiums), defeasance costs, underwriting discounts, fees, costs and expenses (including original issue discount, upfront fees or similar fees) Incurred in connection with such refinancing.

Notwithstanding any other provision of this covenant, the maximum amount of Indebtedness that the Company or a Restricted Subsidiary may Incur pursuant to this covenant shall not be deemed to be exceeded solely as a result of fluctuations in the exchange rate of currencies. The principal amount of any Indebtedness Incurred to refinance other Indebtedness, if Incurred in a different currency from the Indebtedness being refinanced, shall be calculated based on the currency exchange rate applicable to the currencies in which such Refinancing Indebtedness is denominated that is in effect on the date of such refinancing.

The Indenture will not treat (1) unsecured Indebtedness as subordinated or junior to Secured Indebtedness merely because it is unsecured or (2) senior Indebtedness as subordinated or junior to any other senior Indebtedness merely because it has a junior priority with respect to the same collateral or is secured by different collateral or because it is guaranteed by different obligors.



### ***Limitation on Restricted Payments***

The Company will not, and will not permit any of its Restricted Subsidiaries, directly or indirectly, to:

- (1) declare or pay any dividend or make any distribution on or in respect of the Company's or any Restricted Subsidiary's Capital Stock (including, without limitation, any such payment in connection with any merger or consolidation involving the Company or any of its Restricted Subsidiaries) except:
  - (a) dividends, payments or distributions payable in Capital Stock of the Company (other than Disqualified Stock) or in options, warrants or other rights to purchase such Capital Stock of the Company; or
  - (b) dividends, payments or distributions payable to the Company or a Restricted Subsidiary (and, in the case of the Company or any such Restricted Subsidiary making such dividend or distribution, to holders of its Capital Stock other than the Company or another Restricted Subsidiary on no more than a *pro rata* basis);
- (2) purchase, repurchase, redeem, retire or otherwise acquire or retire for value any Capital Stock of the Company or any Parent Entity held by Persons other than the Company or a Restricted Subsidiary;
- (3) purchase, repurchase, redeem, defease or otherwise acquire or retire for value, prior to scheduled maturity, scheduled repayment or scheduled sinking fund payment, any Subordinated Indebtedness (other than (a) any such purchase, repurchase, redemption, defeasance or other acquisition or retirement in anticipation of satisfying a sinking fund obligation, principal installment or final maturity, in each case, due within one year of the date of purchase, repurchase, redemption, defeasance or other acquisition or retirement and (b) any Indebtedness Incurred pursuant to clause (3) of the second paragraph of the covenant described under "—Limitation on Indebtedness"); or
- (4) make any Restricted Investment;

(any such dividend, distribution, payment, purchase, redemption, repurchase, defeasance, other acquisition, retirement or Restricted Investment referred to in clauses (1) through (4) are referred to herein as a "*Restricted Payment*"), if at the time the Company or such Restricted Subsidiary makes such Restricted Payment:

- (a) in the case of a Restricted Payment under clauses (1) and (2) above, any Event of Default shall have occurred and be continuing (or would immediately thereafter result therefrom) or, in the case of a Restricted Payment under clauses (3) and (4) above, any Events of Default described in clauses (1), (2) or (5) thereof shall have occurred and be continuing (or would immediately thereafter result therefrom); or
- (b) the aggregate amount of such Restricted Payment and all other Restricted Payments made subsequent to the Issue Date (and not returned or rescinded) (including Permitted Payments made pursuant to clauses (1) (without duplication) and (10) of the next succeeding paragraph, but excluding all other Restricted Payments made pursuant to the next succeeding paragraph) would exceed the sum of (without duplication):
  - (i) the greater of \$1,545.0 million and 50.0% of LTM EBITDA;
  - (ii) in an amount equal to 50% of the cumulative Consolidated Net Income from August 29, 2022 to the most recently completed fiscal quarter for which financial statements are internally available, calculated on a pro forma basis

(which amount shall be deemed to be zero for each fiscal quarter if the Consolidated Net Income for such fiscal quarter is less than zero);

- (iii) 100% of the aggregate cash, and the fair market value of property or assets or marketable securities, received by the Company or any Restricted Subsidiary from the issue or sale of its Capital Stock or as the result of a merger, amalgamation or consolidation with another Person subsequent to the First Lien Notes Issue Date, or otherwise contributed to the equity (other than through the issuance of Disqualified Stock or Designated Preferred Stock) of the Company or any Restricted Subsidiary subsequent to the First Lien Notes Issue Date (other than (x) Net Cash Proceeds or property or assets or marketable securities received from an issuance or sale of such Capital Stock to a Restricted Subsidiary or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of its employees to the extent funded by the Company or any Restricted Subsidiary or as a result of the contribution or exchange of Notes from the Sponsors, (y) cash or property or assets or marketable securities to the extent that any Restricted Payment has been made from such proceeds in reliance on clause (6) of the next succeeding paragraph and (z) Excluded Contributions);
- (iv) 100% of the aggregate cash, and the fair market value of property or assets or marketable securities, received by the Company or any Restricted Subsidiary from the issuance or sale (other than to the Company or a Restricted Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any Subsidiary of the Company for the benefit of their employees to the extent funded by the Company or any Restricted Subsidiary) by the Company or any Restricted Subsidiary subsequent to the First Lien Notes Issue Date of any Indebtedness, Disqualified Stock or Designated Preferred Stock that has been converted into or exchanged for Capital Stock of the Company (other than Disqualified Stock or Designated Preferred Stock) plus, without duplication, the amount of any cash, and the fair market value of property or assets or marketable securities, received by the Company or any Restricted Subsidiary upon such conversion or exchange;
- (v) 100% of the aggregate amount received in cash and the fair market value, as determined in good faith by the Company, of marketable securities or other property received (or deemed to be received) by means of: (i) the sale or other disposition (other than to the Company or a Restricted Subsidiary) of, or other returns on Investment from, Restricted Investments made by the Company or its Restricted Subsidiaries and repurchases and redemptions of, or cash distributions or cash interest received in respect of, such Restricted Investments from the Company or its Restricted Subsidiaries and repayments of loans or advances, and releases of guarantees, which constitute Restricted Investments by the Company or its Restricted Subsidiaries, in each case after the First Lien Notes Issue Date; or (ii) the sale (other than to the Company or a Restricted Subsidiary) of the stock of an Unrestricted Subsidiary or a dividend, payment or distribution from an Unrestricted Subsidiary (other than to the extent of the amount of the Investment that constituted a Permitted Investment or was made under clause (16) of the next succeeding paragraph and will increase the amount available under the applicable clause of the definition of "Permitted Investment" or clause (16) of the next succeeding paragraph, as the case may be) or a dividend from an Unrestricted Subsidiary after the First Lien Notes Issue Date; and
- (vi) in the case of the redesignation of an Unrestricted Subsidiary as a Restricted Subsidiary or the merger, amalgamation, consolidation, liquidation, winding up

or dissolution of an Unrestricted Subsidiary into the Company or a Restricted Subsidiary or the transfer of all or substantially all of the assets of an Unrestricted Subsidiary to the Company or a Restricted Subsidiary after the First Lien Notes Issue Date, the fair market value of the Investment in such Unrestricted Subsidiary (or the assets transferred), as determined in good faith by the Company, at the time of the redesignation of such Unrestricted Subsidiary as a Restricted Subsidiary or at the time of such merger, amalgamation or consolidation, liquidation, winding up, dissolution or transfer of assets (after taking into consideration any Indebtedness associated with the Unrestricted Subsidiary so designated or merged, amalgamated, consolidated, liquidated, wound up or dissolved or Indebtedness associated with the assets so transferred), other than to the extent of the amount of the Investment that constituted a Permitted Investment or was made under clause (16) of the next succeeding paragraph and will increase the amount available under the applicable clause of the definition of “Permitted Investment” or clause (16) of the next succeeding paragraph, as the case may be.

As of February 28, 2024, the aggregate amount available under the “builder basket” in clause (b) above was approximately \$115.4 million.

The foregoing provisions will not prohibit any of the following (collectively, “*Permitted Payments*”):

- (1) the payment of any dividend or distribution within 60 days after the date of declaration thereof, if at the date of declaration such payment would have complied with the provisions of the Indenture or the redemption, repurchase or retirement of Indebtedness if, at the date of any redemption notice, such payment would have complied with the provisions of the Indenture as if it were and is deemed at such time to be a Restricted Payment at the time of such notice;
- (2) (a) any prepayment, purchase, repurchase, redemption, defeasance, discharge, retirement or other acquisition of Capital Stock, including any accrued and unpaid dividends thereon (“*Treasury Capital Stock*”) or Subordinated Indebtedness made by exchange (including any such exchange pursuant to the exercise of a conversion right or privilege in connection with which cash is paid in lieu of the issuance of fractional shares) for, or out of the proceeds of the substantially concurrent sale of, Capital Stock of the Company or any Parent Entity to the extent contributed to the Company (in each case, other than Disqualified Stock or Designated Preferred Stock) (“*Refunding Capital Stock*”), (b) the declaration and payment of dividends on Treasury Capital Stock out of the proceeds of the substantially concurrent sale or issuance (other than to a Subsidiary of the Company or to an employee stock ownership plan or any trust established by the Company or any of its Subsidiaries) of Refunding Capital Stock and (c) if immediately prior to the retirement of Treasury Capital Stock, the declaration and payment of dividends thereon was permitted under clause (13) of this paragraph, the declaration and payment of dividends on the Refunding Capital Stock (other than Refunding Capital Stock the proceeds of which were used to redeem, repurchase, retire or otherwise acquire any Capital Stock of a Parent Entity) in an aggregate amount per year no greater than the aggregate amount of dividends per annum that were declarable and payable on such Treasury Capital Stock immediately prior to such retirement;
- (3) any prepayment, purchase, repurchase, exchange, redemption, defeasance, discharge or other acquisition or retirement of Subordinated Indebtedness made by exchange for, or out of the proceeds of the substantially concurrent sale of, Refinancing Indebtedness permitted to be Incurred pursuant to the covenant described under “—Limitation on Indebtedness” above;
- (4) any prepayment, purchase, repurchase, exchange, redemption, defeasance, discharge or other acquisition or retirement of Preferred Stock of the Company or a Restricted Subsidiary made by exchange for or out of the proceeds of the substantially concurrent sale of Preferred Stock of the Company or a Restricted Subsidiary, as the case may be, that, in each case, is permitted to be Incurred pursuant to the covenant described under “—Limitation on Indebtedness” above;

- (5) any prepayment, purchase, repurchase, exchange, redemption, defeasance, discharge or other acquisition or retirement of Subordinated Indebtedness or Disqualified Stock or Preferred Stock of a Restricted Subsidiary:
- (a) from Net Available Cash to the extent permitted under “—Limitation on Sales of Assets and Subsidiary Stock” below, but only if the Company shall have first complied with the terms described under “—Limitation on Sales of Assets and Subsidiary Stock” and purchased all Notes tendered pursuant to any offer to repurchase all the Notes required thereby, prior to prepaying, purchasing, repurchasing, redeeming, defeasing, discharging or otherwise acquiring or retiring such Subordinated Indebtedness, Disqualified Stock or Preferred Stock; or
  - (b) to the extent required by the agreement governing such Subordinated Indebtedness, Disqualified Stock or Preferred Stock, following the occurrence of (i) a Change of Control (or other similar event described therein as a “change of control”) or (ii) an Asset Disposition (or other similar event described therein as an “asset disposition” or “asset sale,” but only if the Company shall have first complied with the terms described under “—Change of Control” or “—Limitation on Sales of Assets and Subsidiary Stock,” as applicable and purchased all Notes tendered pursuant to the offer to repurchase all the Notes required thereby, prior to purchasing, repurchasing, redeeming, defeasing or otherwise acquiring or retiring such Subordinated Indebtedness, Disqualified Stock or Preferred Stock; or
  - (c) consisting of Acquired Indebtedness (other than Indebtedness Incurred (A) to provide all or any portion of the funds utilized to consummate the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was otherwise acquired by the Company or a Restricted Subsidiary or (B) otherwise in connection with or contemplation of such acquisition);
- (6) a Restricted Payment to pay for the prepayment, purchase, repurchase, redemption, defeasance, discharge, retirement or other acquisition of Capital Stock of the Company or any Parent Entity held by any future, present or former employee, director, officer, manager, contractor, consultant or advisor (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Company, any of its Subsidiaries or any Parent Entity pursuant to any management equity plan, stock option plan, phantom equity plan or any other management, employee benefit or other compensatory plan or agreement (and any successor plans or arrangements thereto), employment, termination or severance agreement, or any stock subscription or equityholder agreement (including, for the avoidance of doubt, any principal and interest payable on any Indebtedness issued by the Company or any Parent Entity in connection with such prepayment, purchase, repurchase, redemption, defeasance, discharge, retirement or other acquisition), including any Capital Stock rolled over, accelerated or paid out by or to any employee, director, officer, manager, contractor, consultant or advisor (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Company, any of its Subsidiaries or any Parent Entity in connection with any transaction; *provided, however*, that the aggregate Restricted Payments made under this clause do not exceed (x) the greater of \$465.0 million and 15.0% of LTM EBITDA in any calendar year (with unused amounts in any calendar year being carried over to succeeding calendar years) or (y) subsequent to the consummation of an underwritten public Equity Offering of common stock of the Company or any Parent Entity, the greater of \$925.0 million and 30.0% of LTM EBITDA in any calendar year (with unused amounts in any calendar year being carried over to succeeding calendar years); *provided, further*, that such amount in any calendar year may be increased by an amount not to exceed:
- (a) the cash proceeds from the sale of Capital Stock (other than Disqualified Stock or Designated Preferred Stock) of the Company and, to the extent contributed to the capital of the Company (other than through the issuance of Disqualified Stock or Designated Preferred Stock or an Excluded Contribution), Capital Stock of any Parent Entity, in each

case to members of management, directors or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Company, any of its Subsidiaries or any Parent Entity that occurred after the First Lien Notes Issue Date, to the extent the cash proceeds from the sale of such Capital Stock have not otherwise been applied to the payment of Restricted Payments by virtue of clause (b) of the preceding paragraph; plus

- (b) the cash proceeds of key man life insurance policies received by the Company and its Restricted Subsidiaries (or any Parent Entity to the extent contributed to the Company) after the Issue Date; less
- (c) the amount of any Restricted Payments made in previous calendar years pursuant to clauses (a) and (b) of this clause;

and *provided further* that (i) cancellation of Indebtedness owing to the Company or any Restricted Subsidiary from any future, present or former employee, director, officer, manager, contractor, consultant or advisor (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Company or Restricted Subsidiaries or any Parent Entity in connection with a repurchase of Capital Stock of the Company or any Parent Entity and (ii) the repurchase of Capital Stock deemed to occur upon the exercise of options, warrants or similar instruments if such Capital Stock represents all or a portion of the exercise price thereof and payments, in lieu of the issuance of fractional shares of such Capital Stock or in respect of withholding to pay other Taxes payable in connection therewith, in the case of each of clauses (i) and (ii), will not be deemed to constitute a Restricted Payment for purposes of this covenant or any other provision of the Indenture;

- (7) the declaration and payment of dividends on Disqualified Stock or Preferred Stock of a Restricted Subsidiary, Incurred in accordance with the terms of the covenant described under “—Limitation on Indebtedness” above;
- (8) payments made or expected to be made by the Company or any Restricted Subsidiary in respect of withholding or similar Taxes payable in connection with the exercise or vesting of Capital Stock or any other equity award by any future, present or former employee, director, officer, manager, contractor, consultant or advisor (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Company or any Restricted Subsidiary or any Parent Entity and purchases, repurchases, redemptions, defeasances or other acquisitions or retirements of Capital Stock deemed to occur upon the exercise, conversion or exchange of stock options, warrants, equity-based awards or other rights in respect thereof if such Capital Stock represents a portion of the exercise price thereof or payments in respect of withholding or similar Taxes payable upon exercise or vesting thereof;
- (9) dividends, loans, advances or distributions to any Parent Entity or other payments by the Company or any Restricted Subsidiary in amounts equal to (without duplication):
  - (a) the amounts required for any Parent Entity to make payments pursuant to any tax sharing agreement or to pay any Parent Entity Expenses or to pay or distribute any Related Taxes;
  - (b) amounts constituting or to be used for purposes of making payments to the extent specified in clauses (2), (3), (5), (11) and (12) of the second paragraph under “—Limitation on Affiliate Transactions”; and
  - (c) up to the greater of \$30.0 million and 1.0% of LTM EBITDA per calendar year;
- (10) (a) the declaration and payment of dividends on the common stock or common equity interests of the Company or any Parent Entity (and any equivalent declaration and payment of a distribution of any security exchangeable for such common stock or common equity interests to the extent

required by the terms of any such exchangeable securities and any Restricted Payment to any such Parent Entity to fund the payment by such Parent Entity of dividends on such entity's Capital Stock), following a public offering of such common stock or common equity interests (or such exchangeable securities, as applicable), or a SPAC IPO, in an amount in any fiscal year not to exceed the sum of (i) 7% of (x) the amount of net cash proceeds received by or contributed to the Company or any of its Restricted Subsidiaries from any such public offering or (y) in the case of a SPAC IPO, the cash held by the Company or any of its Restricted Subsidiaries following the consummation of the SPAC IPO and (ii) 7% of Market Capitalization; or (b) in lieu of all or a portion of the dividends permitted by clause (a), any prepayment, purchase, repurchase, redemption, defeasance, discharge, retirement or other acquisition of the Company's Capital Stock (and any equivalent declaration and payment of a distribution of any security exchangeable for such common stock or common equity interests to the extent required by the terms of any such exchangeable securities and any Restricted Payment to any such Parent Entity to fund the payment by such Parent Entity of dividends on such entity's Capital Stock) for aggregate consideration that, when taken together with dividends permitted by clause (a), does not exceed the amount contemplated by clause (a);

- (11) (a) payments by the Company, or loans, advances, dividends or distributions to any Parent Entity to make payments, to holders of Capital Stock of the Company or any Parent Entity in lieu of the issuance of fractional shares of such Capital Stock or (b) honoring any conversion request by a holder of convertible Indebtedness and making cash payments in lieu of fractional shares in connection with any such conversion and making payments on convertible Indebtedness in accordance with its terms, in each case, *provided, however*, that any such payment, loan, advance, dividend or distribution shall not be for the purpose of evading any limitation of this covenant or otherwise to facilitate any dividend or other return of capital to the holders of such Capital Stock (as determined in good faith by the Company);
- (12) Restricted Payments that are made (a) in an amount not to exceed the amount of Excluded Contributions or (b) in an amount equal to the amount of net cash proceeds from an asset sale or disposition in respect of property or assets acquired, if the acquisition of such property or assets was financed with Excluded Contributions;
- (13) (i) the declaration and payment of dividends on Designated Preferred Stock of the Company or any of its Restricted Subsidiaries issued after the Issue Date; (ii) the declaration and payment of dividends to a Parent Entity in an amount sufficient to allow the Parent Entity to pay dividends to holders of its Designated Preferred Stock issued after the Issue Date; and (iii) the declaration and payment of dividends on Refunding Capital Stock that is Preferred Stock; *provided, however*, that, in the case of clauses (i) and (ii), the amount of all dividends declared or paid to a Person pursuant to such clauses shall not exceed the cash proceeds received by the Company or the aggregate amount contributed in cash to the equity of the Company (other than through the issuance of Disqualified Stock or an Excluded Contribution of the Company), from the issuance or sale of such Designated Preferred Stock; *provided further*, in the case of clauses (i), (ii) and (iii), that for the most recently ended four fiscal quarters for which consolidated financial statements are available (which may, at the Company's election, be internal financial statements) immediately preceding the date of issuance of such Designated Preferred Stock or declaration of such dividends on such Refunding Capital Stock, after giving effect to such payment on a pro forma basis the Company would be permitted to incur at least \$1.00 of additional Indebtedness pursuant to the test set forth in the first paragraph of the covenant described under "—Limitation on Indebtedness";
- (14) distributions, by dividend or otherwise, or other transfer or disposition of shares of Capital Stock of, or equity interests in, an Unrestricted Subsidiary (or a Restricted Subsidiary that owns one or more Unrestricted Subsidiaries and no other material assets), or Indebtedness owed to the Company or a Restricted Subsidiary by an Unrestricted Subsidiary (or a Restricted Subsidiary that owns one or more Unrestricted Subsidiaries and no other material assets), in each case, other than Unrestricted Subsidiaries, substantially all of the assets of which are cash and Cash Equivalents or proceeds thereof;

- (15) distributions or payments of Securitization Fees, sales contributions and other transfers of Securitization Assets or Receivables Assets and purchases of Securitization Assets or Receivables Assets pursuant to a Securitization Repurchase Obligation, in each case in connection with a Qualified Securitization Financing or Receivables Facility;
- (16) (i) Restricted Payments (including loans or advances) in an aggregate amount outstanding at the time made not to exceed the greater of \$1,545.0 million and 50.0% of LTM EBITDA at such time, and (ii) any Restricted Payments, so long as, immediately after giving pro forma effect to the payment of any such Restricted Payment and the Incurrence of any Indebtedness the net proceeds of which are used to make such Restricted Payment, the Consolidated Total Leverage Ratio shall not be greater than 6.25 to 1.00;
- (17) mandatory redemptions of Disqualified Stock issued as a Restricted Payment or as consideration for a Permitted Investment;
- (18) the redemption, defeasance, repurchase, exchange or other acquisition or retirement of Subordinated Indebtedness of the Company or any Guarantor in an aggregate amount at any one time outstanding taken together with all other redemptions, defeasances, repurchases, exchanges or other acquisitions or retirements of Subordinated Indebtedness made pursuant to this clause (18) not to exceed the greater of (x) \$1,235.0 million and (y) 40.0% of LTM EBITDA at the time of such redemption, defeasance, repurchase, exchange or other acquisition or retirement of Subordinated Indebtedness;
- (19) any Restricted Payment made in connection with the Merger Transactions and any fees, costs and expenses (including all legal, accounting and other professional fees, costs and expenses) related thereto, including Merger Transaction Expenses, or used to fund amounts owed to Affiliates in connection with the Merger Transactions (including dividends to any Parent Entity to permit payment by such Parent Entity of such amounts);
- (20) payments or distributions to dissenting stockholders pursuant to applicable law (including in connection with, or as a result of, exercise of dissenters' or appraisal rights and the settlement of any claims or action (whether actual, contingent or potential)), pursuant to or in connection with a merger, amalgamation, consolidation or transfer of assets that complies with the covenant described under "— Merger and Consolidation";
- (21) Restricted Payments to a Parent Entity to finance Investments that would otherwise be permitted to be made pursuant to this covenant if made by the Company; *provided* that (a) such Restricted Payment shall be made substantially concurrently with the closing of such Investment (other than with respect to any deferred purchase prices or purchase prices due after the closing of such Investment), (b) such Parent Entity shall, promptly following the closing thereof, cause (1) all property acquired (whether assets or Capital Stock) to be contributed to the capital of the Company or one of its Restricted Subsidiaries or (2) the merger or amalgamation of the Person formed or acquired into the Company or one of its Restricted Subsidiaries (to the extent not prohibited by the covenant "— Merger and Consolidation") to consummate such Investment, (c) such Parent Entity and its Affiliates (other than the Company or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Company or a Restricted Subsidiary could have given such consideration or made such payment in compliance with the Indenture, (d) any property received by the Company shall not increase amounts available for Restricted Payments pursuant to clause (b) of the preceding paragraph, except to the extent the fair market value at the time of such receipt of such property exceeds the Restricted Payment made pursuant to this clause and (e) such Investment shall be deemed to be made by the Company or such Restricted Subsidiary pursuant to another provision of this covenant (other than pursuant to clause (12) hereof) or pursuant to the definition of "Permitted Investment" (other than pursuant to clause (12) thereof);

- (22) investments or other Restricted Payments in an aggregate amount not to exceed an amount equal to the sum of Total Leverage Excess Proceeds, Declined Collateral Excess Proceeds and Declined Excess Proceeds; and
- (23) any Restricted Payment made in connection with any Permitted Intercompany Activities, Permitted Tax Restructuring, IPO Reorganization Transactions or related transactions.

For purposes of determining compliance with this covenant, in the event that a Restricted Payment or Investment (or portion thereof) meets the criteria of more than one of the categories of Permitted Payments described in clauses (1) through (23) above, or is permitted pursuant to the first paragraph of this covenant and/or one or more of the clauses contained in the definition of “Permitted Investment,” the Company will be entitled to divide or classify such Restricted Payment or Investment (or portion thereof) on the date of its payment or later divide, classify or reclassify in whole or in part in its sole discretion (based on circumstances existing on the date of such division, classification or reclassification) such Restricted Payment or Investment (or portion thereof) in any manner that complies with this covenant, including as an Investment pursuant to one or more of the clauses contained in the definition of “Permitted Investment.”

The amount of all Restricted Payments (other than cash) shall be the fair market value on the date of such Restricted Payment of the asset(s) or securities proposed to be paid, transferred or issued by the Company or such Restricted Subsidiary, as the case may be, pursuant to such Restricted Payment. The fair market value of any cash Restricted Payment shall be its face amount, and the fair market value of any non-cash Restricted Payment, property or assets other than cash shall be determined conclusively by the Company acting in good faith.

In connection with any commitment, definitive agreement or similar event relating to an Investment, the Company or applicable Restricted Subsidiary may designate such Investment as having occurred on the date of the commitment, definitive agreement or similar event relating thereto (such date, the “*Election Date*”) if, after giving pro forma effect to such Investment and all related transactions in connection therewith and any related pro forma adjustments, the Company or any of its Restricted Subsidiaries would have been permitted to make such Investment on the relevant Election Date in compliance with the Indenture, and any related subsequent actual making of such Investment will be deemed for all purposes under the Indenture to have been made on such Election Date, including for purposes of calculating any ratio, compliance with any test, usage of any baskets hereunder (if applicable) and Consolidated EBITDA and for purposes of determining whether there exists any Default or Event of Default (and all such calculations on and after the Election Date until the termination, expiration, passing, rescission, retraction or rescindment of such commitment, definitive agreement or similar event shall be made on a pro forma basis giving effect thereto and all related transactions in connection therewith).

Unrestricted Subsidiaries may use value transferred from the Company and its Restricted Subsidiaries in a Permitted Investment to purchase or otherwise acquire Indebtedness or Capital Stock of the Company, any Parent Entity or any of the Company’s Restricted Subsidiaries, and to transfer value to the holders of the Capital Stock of the Company or any Restricted Subsidiary or any Parent Entity and to Affiliates thereof, and such purchase, acquisition, or transfer will not be deemed to be a “direct or indirect” action by the Company or its Restricted Subsidiaries.

If the Company or a Restricted Subsidiary makes a Restricted Payment which at the time of the making of such Restricted Payment would in the good faith determination of the Company be permitted under the provisions of the Indenture, such Restricted Payment shall be deemed to have been made in compliance with the Indenture notwithstanding any subsequent adjustments made in good faith to the Company’s financial statements affecting Consolidated Net Income or Consolidated EBITDA of the Company for any period.

For the avoidance of doubt, this covenant shall not restrict the making of, or dividends or other distributions in amounts sufficient to make, any “AHYDO catch-up payment” with respect to any Indebtedness of any Parent Entity, the Company or any of its Restricted Subsidiaries permitted to be incurred under the Indenture.



### ***Limitation on Liens***

The Company will not, and will not permit any Restricted Subsidiary to, create, Incur or suffer to exist any Lien (except Permitted Liens) (each, a “*Subject Lien*”) that secures Obligations under any Indebtedness for borrowed money on any asset or property of the Company or any Restricted Subsidiary, except:

- (1) in the case of any asset or property that constitutes Collateral, for any Subject Lien that expressly has Junior Lien Priority on the Collateral relative to the Notes and the Note Guarantees; and
- (2) in the case of any asset or property that does not constitute Collateral, for any Subject Lien securing any Indebtedness if the Notes (or a Note Guarantee in the case of Subject Liens on assets or property of a Guarantor) are secured equally and ratably with (or on a senior basis to, in the case such Subject Lien secures Subordinated Indebtedness) the Obligations so secured for so long as such Obligations are so secured.

The foregoing shall not apply to Liens securing the Notes (other than any Additional Notes) and the related Note Guarantees.

Any Lien created for the benefit of the Holders of the Notes pursuant to the preceding paragraph may provide by its terms that such Lien shall be automatically and unconditionally released and discharged upon the release and discharge of the Subject Lien that gave rise to the obligation to so secure the Notes and the Note Guarantees.

With respect to any Lien securing Indebtedness that was permitted to secure such Indebtedness at the time of the Incurrence of such Indebtedness, such Lien shall also be permitted to secure any Increased Amount of such Indebtedness. The “*Increased Amount*” of any Indebtedness shall mean any increase in the amount of such Indebtedness in connection with any accrual of interest, the accretion of accreted value, the amortization of original issue discount, the payment of interest in the form of additional Indebtedness with the same terms, accretion of original issue discount or liquidation preference and increases in the amount of Indebtedness outstanding solely as a result of fluctuations in the exchange rate of currencies or increases in the value of property securing Indebtedness.

### ***Limitation on Restrictions on Distributions from Restricted Subsidiaries***

The Company will not, and will not permit any Restricted Subsidiary to, create or otherwise cause or permit to exist or become effective any consensual encumbrance or consensual restriction on the ability of any Restricted Subsidiary to:

- (A) pay dividends or make any other distributions in cash or otherwise on its Capital Stock or pay any Indebtedness or other obligations owed to the Company or any Restricted Subsidiary;
- (B) make any loans or advances to the Company or any Restricted Subsidiary; or
- (C) sell, lease or transfer any of its property or assets to the Company or any Restricted Subsidiary;

*provided* that (x) the priority of any Preferred Stock in receiving dividends or liquidating distributions prior to dividends or liquidating distributions being paid on common stock and (y) the subordination of (including the application of any standstill requirements to) loans or advances made to the Company or any Restricted Subsidiary to other Indebtedness Incurred by the Company or any Restricted Subsidiary shall not be deemed to constitute such an encumbrance or restriction.

The provisions of the preceding paragraph will not prohibit:

- (1) any encumbrance or restriction pursuant to (a) any Credit Facility, (b) the indentures and other documents relating to the First Lien Notes, the Second Lien Notes and the Rollover Citrix Notes or (c) any other agreement or instrument, in each case, in effect at or entered into on the Issue Date;

- (2) any encumbrance or restriction pursuant to the Indenture, the Notes, the Note Guarantees and the Notes Collateral Documents;
- (3) any encumbrance or restriction pursuant to applicable law, rule, regulation or order;
- (4) any encumbrance or restriction pursuant to an agreement or instrument of a Person or relating to any Capital Stock or Indebtedness of a Person, entered into on or before the date on which such Person was acquired by or merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary, or was designated as a Restricted Subsidiary or on which such agreement or instrument is assumed by the Company or any Restricted Subsidiary in connection with an acquisition of assets (other than Capital Stock or Indebtedness Incurred as consideration in, or to provide all or any portion of the funds utilized to consummate, the transaction or series of related transactions pursuant to which such Person became a Restricted Subsidiary or was acquired by the Company or was merged, consolidated or otherwise combined with or into the Company or any Restricted Subsidiary or entered into in contemplation of or in connection with such transaction) and outstanding on such date; *provided* that, for the purposes of this clause, if another Person is the Successor Company, any Subsidiary thereof or agreement or instrument of such Person or any such Subsidiary shall be deemed acquired or assumed by the Company or any Restricted Subsidiary when such Person becomes the Successor Company;
- (5) any encumbrance or restriction:
  - (a) that restricts in a customary manner the subletting, assignment or transfer of any property or asset that is subject to a lease, license or similar contract or agreement, or the assignment or transfer of any lease, license or other contract or agreement;
  - (b) contained in mortgages, pledges, charges or other security agreements permitted under the Indenture or securing Indebtedness of the Company or a Restricted Subsidiary permitted under the Indenture to the extent such encumbrances or restrictions restrict the transfer or encumbrance of the property or assets subject to such mortgages, pledges, charges or other security agreements;
  - (c) contained in any trading, netting, operating, construction, service, supply, purchase, sale or other agreement to which the Company or any of its Restricted Subsidiaries is a party entered into in the ordinary course of business or consistent with past practice or industry norms; *provided* that such agreement prohibits the encumbrance of solely the property or assets of the Company or such Restricted Subsidiary that are subject to such agreement, the payment rights arising thereunder or the proceeds thereof and does not extend to any other asset or property of the Company or such Restricted Subsidiary or the assets or property of another Restricted Subsidiary; or
  - (d) pursuant to customary provisions restricting dispositions of real property interests set forth in any reciprocal easement agreements of the Company or any Restricted Subsidiary;
- (6) any encumbrance or restriction pursuant to Purchase Money Obligations and Finance Lease Obligations permitted under the Indenture, in each case, that impose encumbrances or restrictions on the property so acquired;
- (7) any encumbrance or restriction imposed pursuant to an agreement entered into for the direct or indirect sale or disposition to a Person of all or substantially all the Capital Stock or assets of the Company or any Restricted Subsidiary (or the property or assets that are subject to such restriction) pending the closing of such sale or disposition;

- (8) customary provisions in leases, licenses, shareholder agreements, joint venture agreements and other similar agreements, organizational documents and instruments;
- (9) encumbrances or restrictions arising or existing by reason of applicable law or any applicable rule, regulation or order, or required by any regulatory authority;
- (10) any encumbrance or restriction on cash or other deposits or net worth imposed by customers under agreements entered into in the ordinary course of business or consistent with past practice or industry norms;
- (11) any encumbrance or restriction pursuant to Hedging Obligations or Derivative Transactions;
- (12) other Indebtedness, Disqualified Stock or Preferred Stock of Foreign Subsidiaries permitted to be Incurred or issued subsequent to the Issue Date pursuant to the provisions of the covenant described under “—Limitation on Indebtedness” that impose restrictions solely on the Foreign Subsidiaries party thereto or their Subsidiaries;
- (13) restrictions created in connection with any Qualified Securitization Financing or Receivables Facility that, in the good faith determination of the Company, are necessary or advisable to effect such Securitization Facility or Receivables Facility;
- (14) any encumbrance or restriction arising pursuant to an agreement or instrument relating to any Indebtedness permitted to be incurred subsequent to the Issue Date pursuant to the provisions of the covenant described under “—Limitation on Indebtedness” if the encumbrances and restrictions contained in any such agreement or instrument taken as a whole are not materially less favorable to the Holders than (i) the encumbrances and restrictions contained in the First Lien Credit Agreement, the First Lien Notes Indenture or the Indenture, in each case together with the security documents associated therewith, or (ii) in comparable financings (as determined in good faith by the Company) and where, in the case of clause (ii), either (a) the Company determines at the time of entry into such agreement or instrument that such encumbrances or restrictions will not adversely affect, in any material respect, the Company’s ability to make principal or interest payments on the Notes or (b) such encumbrance or restriction applies only during the continuance of a default in respect of a payment relating to such agreement or instrument;
- (15) any encumbrance or restriction existing by reason of any lien permitted under “—Limitation on Liens”; or
- (16) any encumbrance or restriction pursuant to an agreement or instrument effecting a refinancing of Indebtedness Incurred pursuant to, or that otherwise refinances, an agreement or instrument referred to in clauses (1) to (15) of this paragraph or this clause (an “*Initial Agreement*”) or contained in any amendment, supplement or other modification to an agreement referred to in clauses (1) to (15) of this paragraph or this clause (16); *provided, however*, that the encumbrances and restrictions with respect to such Restricted Subsidiary contained in any such agreement or instrument are no less favorable in any material respect to the Holders taken as a whole than the encumbrances and restrictions contained in the Initial Agreement or Initial Agreements to which such refinancing or amendment, supplement or other modification relates (as determined in good faith by the Company).

***Limitation on Sales of Assets and Subsidiary Stock***

The Company will not, and will not permit any of its Restricted Subsidiaries to, make any Asset Disposition unless:

- (1) the Company or such Restricted Subsidiary, as the case may be, receives consideration (including by way of relief from, or by any other Person assuming responsibility for, any liabilities,

contingent or otherwise) at least equal to the fair market value (such fair market value to be determined on the date of contractually agreeing to such Asset Disposition), as determined in good faith by the Company, of the shares and assets subject to such Asset Disposition (including, for the avoidance of doubt, if such Asset Disposition is a Permitted Asset Swap);

- (2) in any such Asset Disposition, or series of related Asset Dispositions (except to the extent the Asset Disposition is a Permitted Asset Swap), at least 75% of the consideration from such Asset Disposition, together with all other Asset Dispositions since the Issue Date (on a cumulative basis) (including by way of relief from, or by any other Person assuming responsibility for, any liabilities, contingent or otherwise), received by the Company or such Restricted Subsidiary, as the case may be, is in the form of cash or Cash Equivalents; and
- (3) within 24 months from the later of (A) the date of such Asset Disposition and (B) the receipt of the Net Available Cash from such Asset Disposition (as may be extended by an Acceptable Commitment or a Second Commitment as set forth below, the “*Proceeds Application Period*”), an amount equal to the Applicable Percentage of such Net Available Cash (the “*Applicable Proceeds*”) is applied:
  - (a)(I) to the extent such Net Available Cash is from an Asset Disposition of Collateral and the Company or any Restricted Subsidiary, as the case may be, elects (or is required by the terms of any Indebtedness), (i) to prepay, repay or purchase any Indebtedness of a Non-Guarantor Subsidiary (in each case, other than Indebtedness owed to the Company or any Restricted Subsidiary); or (ii) to prepay, repay or purchase the Notes or any other First Lien Obligations, including Indebtedness under the First Lien Credit Agreement, the First Lien Notes and the Rollover Citrix Notes (or, in each case, any Refinancing Indebtedness in respect thereof); *provided* that, to the extent the Company redeems, repays or repurchases such First Lien Obligations (other than the Notes) pursuant to this clause (ii), the Company shall equally and ratably reduce Obligations under the Notes as provided under “— Optional Redemption,” through open-market purchases (to the extent such purchases are at or above 100% of the principal amount thereof) or by making an offer (in accordance with the procedures set forth below for an Asset Disposition Offer) to all Holders to purchase their Notes at 100% of the principal amount thereof, plus the amount of accrued but unpaid interest, if any, on the amount of Notes that would otherwise be prepaid; and
  - (II) to the extent such Net Available Cash is from an Asset Disposition of assets or property that do not constitute Collateral, (w) to reduce, prepay, repay or purchase any Indebtedness secured by a Lien on such asset, (x) to reduce, prepay, repay or purchase Pari Passu Indebtedness, (y) to make an offer (in accordance with the procedures set forth below for an Asset Disposition Offer) to redeem Notes as described under “—Optional Redemption” or purchase Notes through open-market purchases or in privately negotiated transactions, or (z) to reduce, prepay, repay or purchase any Indebtedness of a Non-Guarantor Subsidiary (in each case, other than Indebtedness owed to the Company or any Restricted Subsidiary); and
- (b) to the extent the Company or any Restricted Subsidiary elects, to invest in or commit to invest in Additional Assets (including by means of an investment in Additional Assets by a Restricted Subsidiary equal to the amount of Net Available Cash received by the Company or another Restricted Subsidiary); *provided, however*, that such Additional Assets shall be pledged as Collateral (unless such Additional Assets are Excluded Property and are not pledged to secure any other First Lien Obligations) under the Notes Collateral Documents and in accordance with the Indenture substantially simultaneously with such investment to the extent the assets or property disposed of constituted Collateral; *provided further* that a binding agreement shall be treated as a permitted application of Net Available Cash from the date of such commitment with the good faith expectation that an amount equal to Net Available Cash will be applied to satisfy such

commitment within 180 days of such commitment (an “*Acceptable Commitment*”) and, in the event of any Acceptable Commitment is later cancelled or terminated for any reason before such amount is applied in connection therewith, the Company or such Restricted Subsidiary enters into another Acceptable Commitment (a “*Second Commitment*”) within 180 days of such cancellation or termination; *provided further* that if any Second Commitment is later cancelled or terminated for any reason before such amount is applied, then such Net Available Cash shall constitute Collateral Excess Proceeds or Excess Proceeds, as the case may be; or

- (c) any combination of the foregoing;

*provided* that (1) pending the final application of the amount of any such Applicable Proceeds pursuant to this covenant, the Company or the applicable Restricted Subsidiaries may apply such Applicable Proceeds temporarily to reduce Indebtedness (including under the Credit Facilities) or otherwise apply such Applicable Proceeds in any manner not prohibited by the Indenture, and (2) the Company (or any Restricted Subsidiary, as the case may be) may elect to invest in Additional Assets prior to receiving the Applicable Proceeds attributable to any given Asset Disposition (*provided* that such investment shall be made no earlier than the earliest of notice to the Trustee of the relevant Asset Disposition, execution of a definitive agreement for the relevant Asset Disposition, and consummation of the relevant Asset Disposition) and deem the amount so invested to be applied pursuant to and in accordance with clause (b) above with respect to such Asset Disposition.

Subject to the requirements of the Intercreditor Agreements, if, with respect to any Asset Disposition of Collateral, at the expiration of the Proceeds Application Period with respect to such Asset Disposition, there remains Applicable Proceeds in excess of the greater of \$1,545.0 million and 50.0% of LTM EBITDA (such amount of Applicable Proceeds that are equal to the greater of \$1,545.0 million and 50.0% of LTM EBITDA, “*Declined Collateral Excess Proceeds*,” and such amount of Applicable Proceeds that are in excess of the greater of \$1,545.0 million and 50.0% of LTM EBITDA, “*Collateral Excess Proceeds*”), then subject to the limitations with respect to Foreign Dispositions set forth below, the Company shall make an offer (a “*Collateral Asset Disposition Offer*”) no later than ten Business Days after the expiration of the Proceeds Application Period to all Holders of Notes and, if required by the terms of any other First Lien Obligations, to all holders of such First Lien Obligations, to purchase the maximum principal amount of such Notes or First Lien Obligations, as appropriate, on a pro rata basis, that may be purchased out of such Collateral Excess Proceeds, if any, at an offer price, in the case of the Notes, in cash in an amount equal to 100% of the principal amount thereof (or in the event such other Indebtedness was issued with original issue discount, 100% of the accreted value thereof), plus accrued and unpaid interest, if any (or such lesser price with respect to other First Lien Obligations, if any, as may be provided by the terms of such other Indebtedness), to, but not including, the date fixed for the closing of such offer, in accordance with the procedures set forth in the Indenture and the agreements governing the other First Lien Obligations, as applicable, in minimum denominations of \$2,000 and in integral multiples of \$1,000 in excess thereof. Notices of a Collateral Asset Disposition Offer shall be sent by first class mail or sent electronically, at least 10 days but not more than 60 days before the purchase date to each Holder of the Notes at such Holder’s registered address or otherwise in accordance with the applicable procedures of DTC, with a copy to the Trustee. The Company may satisfy the foregoing obligation with respect to the Applicable Proceeds by making an Collateral Asset Disposition Offer prior to the expiration of the Proceeds Application Period (the “*Collateral Advance Offer*”) with respect to all or a part of the Applicable Proceeds (the “*Collateral Advance Portion*”) in advance of being required to do so by the Indenture.

To the extent that the aggregate amount (or accreted value, as applicable) of Notes and, if applicable, any other First Lien Obligations, as the case may be, validly tendered or otherwise surrendered in connection with a Collateral Asset Disposition Offer made with Collateral Excess Proceeds (or, in the case of a Collateral Advance Offer, the Collateral Advance Portion) is less than the amount offered in a Collateral Asset Disposition Offer, the Company may include any remaining Collateral Excess Proceeds (or, in the case of an Collateral Advance Offer, the Collateral Advance Portion) in Declined Collateral Excess Proceeds, and use such Declined Collateral Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount (or accreted value, as applicable) of the Notes or, if applicable, other First Lien Obligations validly tendered pursuant to any Collateral Asset Disposition Offer exceeds the amount of Collateral Excess Proceeds (or, in the case of a Collateral Advance Offer, the Collateral Advance Portion), the Company shall allocate the Collateral Excess Proceeds among the Notes and other First Lien Obligations to be purchased on a pro rata basis on the basis of the aggregate principal

amount (or accreted value, as applicable) of tendered Notes and other First Lien Obligations; provided that no Notes or other First Lien Obligations will be selected and purchased in an unauthorized denomination. Upon completion of any Collateral Asset Disposition Offer, the amount of Applicable Proceeds and Collateral Excess Proceeds shall be reset at zero.

If, with respect to any Asset Disposition of assets or property that do not constitute Collateral, at the expiration of the Proceeds Application Period with respect to such Asset Disposition, there remains Applicable Proceeds in excess of the greater of \$1,545.0 million and 50.0% of LTM EBITDA (such amount of Applicable Proceeds that are equal to the greater of \$1,545.0 million and 50.0% of LTM EBITDA, “*Declined Excess Proceeds*,” and such amount of Applicable Proceeds that are in excess of the greater of \$1,545.0 million and 50.0% of LTM EBITDA, “*Excess Proceeds*”), then subject to the limitations with respect to Foreign Dispositions set forth below, the Company shall make an offer (an “*Asset Disposition Offer*”) no later than ten Business Days after the expiration of the Proceeds Application Period to all Holders of Notes and, if required by the terms of any Pari Passu Indebtedness, to all holders of such Pari Passu Indebtedness, to purchase the maximum principal amount of such Notes and Pari Passu Indebtedness, as appropriate, on a pro rata basis, that may be purchased out of such Excess Proceeds, if any, at an offer price, in the case of the Notes, in cash in an amount equal to 100% of the principal amount thereof (or in the event such other Indebtedness was issued with original issue discount, 100% of the accreted value thereof), plus accrued and unpaid interest, if any (or such lesser price with respect to Pari Passu Indebtedness, if any, as may be provided by the terms of such other Indebtedness), to, but not including, the date fixed for the closing of such offer, in accordance with the procedures set forth in the Indenture and the agreement governing the Pari Passu Indebtedness, as applicable, in minimum denominations of \$2,000 and in integral multiples of \$1,000 in excess thereof. Notices of an Asset Disposition Offer shall be sent by first class mail or sent electronically, at least 10 days but not more than 60 days before the purchase date to each Holder of the Notes at such Holder’s registered address or otherwise in accordance with the applicable procedures of DTC, with a copy to the Trustee. The Company may satisfy the foregoing obligation with respect to the Applicable Proceeds by making an Asset Disposition Offer prior to the expiration of the Proceeds Application Period (the “*Advance Offer*”) with respect to all or a part of the Applicable Proceeds (the “*Advance Portion*”) in advance of being required to do so by the Indenture.

To the extent that the aggregate amount (or accreted value, as applicable) of Notes and, if applicable, any other Pari Passu Indebtedness validly tendered or otherwise surrendered in connection with an Asset Disposition Offer made with Excess Proceeds (or, in the case of an Advance Offer, the Advance Portion) is less than the amount offered in an Asset Disposition Offer, the Company may include any remaining Excess Proceeds (or, in the case of an Advance Offer, the Advance Portion) in Declined Excess Proceeds, and use such Declined Excess Proceeds for any purpose not otherwise prohibited by the Indenture. If the aggregate principal amount (or accreted value, as applicable) of the Notes or, if applicable, Pari Passu Indebtedness validly tendered pursuant to any Asset Disposition Offer exceeds the amount of Excess Proceeds (or, in the case of an Advance Offer, the Advance Portion), the Company shall allocate the Excess Proceeds among the Notes and Pari Passu Indebtedness to be purchased on a pro rata basis on the basis of the aggregate principal amount (or accreted value, as applicable) of tendered Notes and Pari Passu Indebtedness; provided that no Notes or other Pari Passu Indebtedness will be selected and purchased in an unauthorized denomination. Upon completion of any Asset Disposition Offer, the amount of Applicable Proceeds and Excess Proceeds shall be reset at zero.

Notwithstanding any other provisions of this covenant, (i) to the extent that any of or all the Net Available Cash or Applicable Percentage of any Asset Disposition by a Foreign Subsidiary or a CFC Holding Company (a “*Foreign Disposition*”) is (x) prohibited or delayed by applicable local law, (y) restricted by applicable organizational documents or any agreement or (z) subject to other onerous organizational or administrative impediments from being repatriated to the United States, the portion of such Net Available Cash so affected will not be required to be applied in compliance with this covenant, and such amounts may be retained by the applicable Foreign Subsidiary or CFC Holding Company so long, but, for the first year, only so long, as the applicable local law or regulation, applicable organizational documents or agreements or other impediments will not permit repatriation to the United States (the Company hereby agreeing to use reasonable efforts (as determined in the Company’s reasonable business judgment) to otherwise cause the applicable Foreign Subsidiary or CFC Holding Company to within one year following the date on which the respective payment would otherwise have been required, promptly take all actions reasonably required by the applicable local law or regulation, applicable organizational documents or other impediments to permit such repatriation), and if within one year following the

date on which the respective payment would otherwise have been required such repatriation of any of such affected Net Available Cash is permitted under the applicable local law, applicable organizational impediment or other impediment, such repatriation will be promptly effected and such repatriated Net Available Cash will be promptly (and in any event not later than five (5) Business Days after such repatriation could be made) applied (net of additional Taxes payable or reserved against as a result thereof) (whether or not such repatriation actually occurs) in compliance with this covenant and (ii) to the extent that the Company has determined in good faith that repatriation of, or an obligation to repatriate, any of or all the Net Available Cash of any Foreign Disposition could reasonably have an adverse Tax consequence, which is not *de minimis* (which for the avoidance of doubt, includes, but is not limited to, any prepayment whereby doing so the Company, any Restricted Subsidiary, or any of their respective affiliates and/or direct or indirect equity owners would incur a Tax liability, including receipt of a Tax dividend, deemed dividend pursuant to Code Section 956 or a withholding Tax), the Net Available Cash so affected may be retained by the applicable Foreign Subsidiary or CFC Holding Company and may be used to prepay indebtedness of the Foreign Subsidiaries or invested in the business of the Foreign Subsidiaries. For the avoidance of doubt, nothing in this covenant shall require the Company to cause any amounts to be repatriated to the United States (whether or not such amounts are used in or excluded from the determination of the amount of any mandatory prepayments hereunder). The non-application of any prepayment amounts as a consequence of the foregoing provisions will not, for the avoidance of doubt, constitute a Default or an Event of Default.

For the purposes of clause (2) of the first paragraph of this covenant, the following will be deemed to be cash:

- (1) the assumption by the transferee of Indebtedness or other liabilities, contingent or otherwise, of the Company or a Restricted Subsidiary (other than Subordinated Indebtedness of the Company or a Guarantor) and the release of the Company or such Restricted Subsidiary from all liability on such Indebtedness or other liability in connection with such Asset Disposition;
- (2) securities, notes or other obligations received by the Company or any Restricted Subsidiary of the Company from the transferee that are converted by the Company or such Restricted Subsidiary into cash or Cash Equivalents, or by their terms are required to be satisfied for cash and Cash Equivalents (to the extent of the cash or Cash Equivalents received), in each case, within 180 days following the closing of such Asset Disposition;
- (3) Indebtedness of any Restricted Subsidiary that is no longer a Restricted Subsidiary as a result of such Asset Disposition, to the extent that the Company and each other Restricted Subsidiary are released from any Guarantee of payment of such Indebtedness in connection with such Asset Disposition;
- (4) consideration consisting of Indebtedness of the Company (other than Subordinated Indebtedness) received after the Issue Date from Persons who are not the Company or any Restricted Subsidiary; and
- (5) any Designated Non-Cash Consideration received by the Company or any Restricted Subsidiary in such Asset Dispositions having an aggregate fair market value, taken together with all other Designated Non-Cash Consideration received pursuant to this covenant that is at that time outstanding, not to exceed the greater of \$1,390.0 million and 45.0% of LTM EBITDA (with the fair market value of each item of Designated Non-Cash Consideration being measured at the time received and without giving effect to subsequent changes in value).

To the extent that the provisions of any securities laws or regulations, including Rule 14e-1 under the Exchange Act, conflict with the provisions of the Indenture, the Company will comply with the applicable securities laws, rules and regulations and shall not be deemed to have breached its obligations described in the Indenture by virtue thereof. The Company may rely on any no action letters issued by the SEC indicating that the staff of the SEC will not recommend enforcement action in the event a tender offer satisfies certain conditions.

The provisions of the Indenture relative to the Company's obligation to make an offer to repurchase the Notes as a result of an Asset Disposition may be waived or modified with the written consent of the Holders of a majority in principal amount of the then outstanding Notes.

The First Lien Credit Agreement, the First Lien Notes Indenture and the Second Lien Notes Indenture may prohibit or limit, and future credit agreements or other agreements to which the Company becomes a party may prohibit or limit, the Company from purchasing any Notes pursuant to this covenant. In the event the Company is prohibited from purchasing the Notes, the Company could seek the consent of its lenders to the purchase of the Notes or could attempt to refinance the borrowings that contain such prohibition. If the Company does not obtain such consent or repay such borrowings, it will remain prohibited from purchasing the Notes. In such case, the Company's failure to purchase tendered Notes would constitute an Event of Default under the Indenture.

To the extent that the provisions of the Intercreditor Agreements conflict with the provisions of the Indenture with respect to the application of proceeds of Asset Dispositions, the Company shall not be deemed to have breached its obligations described in the Indenture by virtue of compliance therewith.

### ***Limitation on Affiliate Transactions***

The Company will not, and will not permit any Restricted Subsidiary to, enter into or conduct any transaction (including the purchase, sale, lease or exchange of any property or the rendering of any service) with any Affiliate of the Company (an "*Affiliate Transaction*") involving aggregate value in excess of the greater of \$620.0 million and 20.0% of LTM EBITDA, unless:

- (1) the terms of such Affiliate Transaction taken as a whole are not materially less favorable to the Company or such Restricted Subsidiary, as the case may be, than those that could be obtained in a comparable transaction at the time of such transaction or the execution of the agreement providing for such transaction in arm's length dealings with a Person who is not such an Affiliate; and
- (2) in the event such Affiliate Transaction involves an aggregate value in excess of the greater of \$925.0 million and 30.0% of LTM EBITDA, the terms of such transaction have been approved by a majority of the members of the Board of Directors.

Any Affiliate Transaction shall be deemed to have satisfied the requirements set forth in clause (2) of this paragraph if such Affiliate Transaction is approved by a majority of the Disinterested Directors, if any.

The provisions of the preceding paragraph will not apply to:

- (1) any Restricted Payment or other transaction permitted to be made or undertaken pursuant to the covenant described under "—Limitation on Restricted Payments" (including Permitted Payments) or any Permitted Investment;
- (2) any issuance or sale of Capital Stock other than Disqualified Stock, options, other equity-related interests or other securities, or other payments, awards or grants in cash, securities or otherwise pursuant to, or the funding of, or entering into, or maintenance of, any employment, consulting, collective bargaining or benefit plan, program, agreement or arrangement, related trust or other similar agreement and other compensation arrangements, options, warrants or other rights to purchase Capital Stock of the Company, any Restricted Subsidiary or any Parent Entity, restricted stock plans, long-term incentive plans, stock appreciation rights plans, participation plans or similar employee benefits or consultants' plans (including valuation, health, insurance, deferred compensation, severance, retirement, savings or similar plans, programs or arrangements) or indemnities provided on behalf of officers, employees, directors or consultants approved by the Board of Directors of the Company, in each case in the ordinary course of business or consistent with past practice or industry norms;
- (3) any Management Advances and any waiver or transaction with respect thereto;



- (4) (a) any transaction between or among the Company and any Restricted Subsidiary (or entity that becomes a Restricted Subsidiary as a result of such transaction) or between or among Restricted Subsidiaries and (b) any merger, amalgamation or consolidation with any Parent Entity, *provided* that such Parent Entity shall have no material liabilities and no material assets other than cash, Cash Equivalents and the Capital Stock of the Company and such merger, amalgamation or consolidation is otherwise consummated in compliance with the Indenture;
- (5) the payment of compensation, fees, costs and reimbursement of expenses to, and customary indemnities (including under customary insurance policies) and employee benefit and pension expenses provided on behalf of, directors, officers, consultants or employees (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Company, any Parent Entity or any Restricted Subsidiary (whether directly or indirectly and including through any Controlled Investment Affiliate or Immediate Family Member of such directors, officers or employees);
- (6) the entry into and performance of obligations of the Company or any of its Restricted Subsidiaries under the terms of any transaction arising out of, and any payments pursuant to or for purposes of funding, any agreement or instrument in effect as of or on the Issue Date, as these agreements and instruments may be amended, modified, supplemented, extended, renewed or refinanced from time to time in accordance with the other terms of this covenant or to the extent not more disadvantageous to the Holders in any material respect;
- (7) any transaction effected as part of a Qualified Securitization Financing or Receivables Facility or any disposition or acquisition of Securitization Assets, Receivables Assets or related assets in connection with any Qualified Securitization Financing or Receivables Facility;
- (8) transactions with customers, vendors, clients, joint venture partners, suppliers, contractors, distributors or purchasers or sellers of goods or services, in each case in the ordinary course of business or consistent with past practice or industry norms, which are fair to the Company or the relevant Restricted Subsidiary in the reasonable determination of the Board of Directors or the senior management of the Company or the relevant Restricted Subsidiary, or are on terms no less favorable than those that could reasonably have been obtained at such time from an unaffiliated party;
- (9) any transaction between or among the Company or any Restricted Subsidiary and any Person that is an Affiliate of the Company or an Associate or similar entity solely because the Company or a Restricted Subsidiary or any Affiliate of the Company or a Restricted Subsidiary or any Affiliate of any Permitted Holder owns an equity interest in or otherwise controls such Affiliate, Associate or similar entity;
- (10) issuances, transfers or sales of Capital Stock (other than Disqualified Stock or Designated Preferred Stock) of the Company or options, warrants or other rights to acquire such Capital Stock and the granting of registration and other customary rights (and the performance of the related obligations) in connection therewith or any contribution to capital of the Company or any Restricted Subsidiary;
- (11) (a) payments by the Company or any Restricted Subsidiary (or distributions or dividends by the Company in lieu of such payments) to any Permitted Holder (whether directly or indirectly), including to its affiliates or its designees, of management, consulting, monitoring, refinancing, transaction, advisory, indemnities and other fees, costs and expenses (plus any unpaid management, consulting, monitoring, transaction, advisory, indemnities and other fees, costs and expenses accrued in any prior year) and any exit and termination fees (including any such cash lump sum or present value fee upon the consummation of a corporate event, including an initial public offering) pursuant to any management services or similar agreements or the management services or other relevant provisions in an investor rights agreement, limited partnership agreement, limited liability company agreement or other equityholders' agreement, as the case

may be, between the Equity Investors or certain of the management companies associated with the Equity Investors or their advisors or Affiliates, if applicable, with terms reasonably consistent with the terms of similar agreements entered into by similar financial sponsors and portfolio companies as reasonably determined by the Company or any Parent Entity on behalf of the Company at the time such management or similar agreement is entered into by the Equity Investors and the Company and (b) payments by the Company or any Restricted Subsidiary to any Permitted Holder (whether directly or indirectly, including through any Parent Entity) for financial advisory, financing, underwriting or placement services or in respect of other investment banking activities, including in connection with acquisitions or divestitures, which payments are approved in the case of each of clauses (a) and (b) in the reasonable determination of the Company;

- (12) payment to any Permitted Holder of all out of pocket expenses Incurred by such Permitted Holder in connection with its direct or indirect investment in the Company and its Subsidiaries;
- (13) the Transactions and the payment of all fees, costs and expenses (including all legal, accounting and other professional fees, costs and expenses) related to the Transactions, in each case as disclosed in this offering circular;
- (14) transactions in which the Company or any Restricted Subsidiary, as the case may be, delivers to the Trustee a letter from an Independent Financial Advisor stating that such transaction is fair to the Company or such Restricted Subsidiary from a financial point of view or meets the requirements of clause (1) of the preceding paragraph;
- (15) the existence of, or the performance by the Company or any Restricted Subsidiary of its obligations under the terms of, any equityholders, investor rights or similar agreement (including any registration rights agreement or purchase agreements related thereto) to which it is party as of the Issue Date and any similar agreement that it may enter into thereafter; *provided, however*, that the existence of, or the performance by the Company or any Restricted Subsidiary of its obligations under any future amendment to the equityholders' agreement or under any similar agreement entered into after the Issue Date will only be permitted under this clause to the extent that the terms of any such amendment or new agreement are not otherwise disadvantageous to the Holders in any material respect;
- (16) any purchase by the Company's Affiliates of Indebtedness or Disqualified Stock of the Company or any of their Restricted Subsidiaries the majority of which Indebtedness or Disqualified Stock is purchased by Persons who are not the Company's Affiliates; *provided* that such purchases by the Company's Affiliates are on the same terms as such purchases by such Persons who are not the Company's Affiliates;
- (17) (i) investments by Affiliates in securities or loans of the Company or any of its Restricted Subsidiaries (and payment of reasonable out-of-pocket expenses incurred by such Affiliates in connection therewith) so long as the investment is being offered by the Company or such Restricted Subsidiary generally to other non-affiliated third party investors on the same or more favorable terms and (ii) payments to Affiliates in respect of securities or loans of the Company or any of its Restricted Subsidiaries contemplated in the foregoing subclause (i) or that were acquired from Persons other than the Company and its Restricted Subsidiaries, in each case, in accordance with the terms of such securities or loans;
- (18) payments by the Company (and any Parent Entity) and its Restricted Subsidiaries pursuant to any tax sharing agreements or arrangements or other equity agreements in respect of Related Taxes among the Company (and any such Parent Entity) and its Restricted Subsidiaries on customary terms to the extent attributable to the ownership or operation of the Company and its Subsidiaries;
- (19) payments, Indebtedness and Disqualified Stock (and cancellation of any thereof) of the Company and its Restricted Subsidiaries and Preferred Stock (and cancellation of any thereof) of any Restricted Subsidiary to any future, current or former employee, director, officer, manager or

consultant (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Company, any of its Subsidiaries or any of its direct or indirect parent companies pursuant to any management equity plan or stock option plan or any other management or employee benefit plan or agreement or any stock subscription or shareholder agreement; and any employment agreements, stock option plans and other compensatory arrangements (and any successor plans thereto) and any supplemental executive retirement benefit plans or arrangements with any such employees, directors, officers, managers or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) that are, in each case, approved by the Board of Directors of the Company in good faith;

- (20) any management equity plan, stock option plan, phantom equity plan or any other management, employee benefit or other compensatory plan or agreement (and any successor plans or arrangements thereto), employment, termination or severance agreement, or any stock subscription or equityholder agreement between the Company or its Restricted Subsidiaries and any distributor, employee, director, officer, manager, contractor, consultant or advisor (or their respective Controlled Investment Affiliates or Immediate Family Members) approved by the reasonable determination of the Company or entered into in connection with the Merger Transactions;
- (21) any transition services arrangement, supply arrangement or similar arrangement entered into in connection with or in contemplation of the disposition of assets or equity interests in any Restricted Subsidiary permitted under “—Limitation on Sales of Assets and Subsidiary Stock” or entered into with any Business Successor, in each case, that the Company determines in good faith is either fair to the Company or otherwise on customary terms for such type of arrangements in connection with similar transactions;
- (22) transactions entered into by an Unrestricted Subsidiary with an Affiliate prior to the day such Unrestricted Subsidiary is redesignated as a Restricted Subsidiary as described under the caption “—Designation of Restricted and Unrestricted Subsidiaries” and pledges of Capital Stock of Unrestricted Subsidiaries;
- (23) (i) any lease entered into between the Company or any Restricted Subsidiary, as lessee, and any Affiliate of the Company, as lessor and (ii) any operational services or other arrangement entered into between the Company or any Restricted Subsidiary and any Affiliate of the Company, in each case, which is approved as being on arm’s length terms by the reasonable determination of the Company;
- (24) agreements relating to intellectual property or research and development in the ordinary course of business or consistent with past practice or industry norms;
- (25) payments to or from, and transactions with, any Subsidiary or any joint venture in the ordinary course of business or consistent with past practice or industry norms (including any cash management arrangements or activities related thereto);
- (26) the payment of fees, costs and expenses related to registration rights and indemnities provided to equityholders pursuant to equityholders, investor rights, registration rights or similar agreements;
- (27) transactions undertaken in the ordinary course of business pursuant to membership in a purchasing consortium;
- (28) Permitted Intercompany Activities, Permitted Tax Restructurings, Intercompany License Agreements, IPO Reorganization Transactions and related transactions;
- (29) transactions pursuant to transfer pricing and/or shared services agreements, including, without limitation, advances that are not prohibited by clause (40) of the definition of “Permitted Investments”; and

- (30) any transaction with an Affiliate where the only consideration paid by the Company or any Restricted Subsidiary is Capital Stock (other than Disqualified Stock) of the Company (or Capital Stock of a direct or indirect parent company of the Company).

In addition, if the Company or any of its Restricted Subsidiaries (i) purchases or otherwise acquires assets or properties from a Person which is not an Affiliate, the purchase or acquisition by an Affiliate of the Company of an interest in all or a portion of the assets or properties acquired shall not be deemed an Affiliate Transaction (or cause such purchase or acquisition by the Company or a Restricted Subsidiary to be deemed an Affiliate Transaction) or (ii) sells or otherwise disposes of assets or other properties to a Person who is not an Affiliate, the sale or other disposition by an Affiliate of the Company of an interest in all or a portion of the assets or properties sold shall not be deemed an Affiliate Transaction (or cause such sale or other disposition by the Company or a Restricted Subsidiary to be deemed an Affiliate Transaction).

### ***Designation of Restricted and Unrestricted Subsidiaries***

The Company may designate any Restricted Subsidiary to be an Unrestricted Subsidiary if that designation would not cause an Event of Default described in clauses (1), (2) or (5) thereof. If a Restricted Subsidiary is designated as an Unrestricted Subsidiary, the aggregate fair market value of all outstanding Investments owned by the Company and its Restricted Subsidiaries in the Subsidiary designated as an Unrestricted Subsidiary will be deemed to be an Investment made as of the time of the designation and will reduce the amount available for Restricted Payments under the covenant described above under the caption “—Certain Covenants—Limitation on Restricted Payments” or under one or more clauses of the definition of Permitted Investments, as determined by the Company. That designation will only be permitted if the Investment would be permitted at that time and if the Restricted Subsidiary otherwise meets the definition of an Unrestricted Subsidiary. The Company may redesignate any Unrestricted Subsidiary to be a Restricted Subsidiary if that redesignation would not cause a Default.

Any designation of a Subsidiary of the Company as an Unrestricted Subsidiary will be evidenced to the Trustee by an Officer’s Certificate certifying that such designation complies with the preceding conditions and was permitted by the covenant described above under the caption “—Certain Covenants—Limitation on Restricted Payments.” If, at any time, any Unrestricted Subsidiary would fail to meet the preceding requirements as an Unrestricted Subsidiary, it will thereafter cease to be an Unrestricted Subsidiary for purposes of the Indenture and any Indebtedness of such Subsidiary will be deemed to be incurred by a Restricted Subsidiary of the Company as of such date and, if such Indebtedness is not permitted to be incurred as of such date under the covenant described under the caption “—Certain Covenants—Limitation on Indebtedness,” the Company will be in default of such covenant.

The Company may at any time designate any Unrestricted Subsidiary to be a Restricted Subsidiary of the Company; *provided* that such designation will be deemed to be an incurrence of Indebtedness by a Restricted Subsidiary of the Company of any outstanding Indebtedness of such Unrestricted Subsidiary, and such designation will only be permitted if (1) such Indebtedness is permitted under the covenant described under the caption “—Certain Covenants—Limitation on Indebtedness,” (including pursuant to clause 5(b) of the second paragraph thereof treating such redesignation as an acquisition for the purpose of such clause) calculated on a pro forma basis as if such designation had occurred at the beginning of the applicable reference period; and (2) no Event of Default would be in existence following such designation. Any such designation by the Company shall be evidenced to the Trustee by an Officer’s Certificate certifying that such designation complies with the preceding conditions.

### ***Reports***

Notwithstanding that the Company may not be subject to the reporting requirements of Section 13 or 15(d) of the Exchange Act or otherwise report on an annual and quarterly basis on forms provided for such annual and quarterly reporting pursuant to rules and regulations promulgated by the SEC, from and after the Issue Date, the Company will furnish to the Trustee, within 15 days after the time periods specified below:

- (1) within 120 days after the end of each fiscal year ending after the Issue Date (or if such day is not a Business Day, on the next succeeding Business Day), the financial statements of the Company for such fiscal year prepared in accordance with GAAP, together with a report thereon by the

Company's independent registered public accounting firm, and a "Management's Discussion and Analysis of Financial Condition and Results of Operations" (setting forth in comparative form the figures for and as of the end of the previous fiscal year, commencing with the financial statements for the fiscal year ending on or about November 30, 2024);

- (2) commencing with the fiscal quarter ending June 2, 2024, within 60 days (or 90 days for each of the first three fiscal quarters for which financial statements are required to be delivered pursuant to this clause (2)) after the end of each of the first three fiscal quarters of each fiscal year ending after the Issue Date (or if such day is not a Business Day, on the next succeeding Business Day), the financial statements of the Company for such quarter prepared in accordance with GAAP and a "Management's Discussion and Analysis of Financial Condition and Results of Operations" (setting forth in comparative form the figures for and as of the end of the previous fiscal year); and
- (3) within four Business Days after the occurrence of any of the following events, all current reports that would be required to be filed with the SEC on Form 8-K or any successor or comparable form (if the Company had been a reporting company under Section 15(d) of the Exchange Act); *provided*, that the foregoing shall not obligate the Company to make available (i) any information otherwise required to be included on a Form 8-K regarding the occurrence of any such events if the Company determines in its good faith judgment that such event that would otherwise be required to be disclosed is not material to the Holders of the Notes or the business, assets, operations, financial positions or prospects of the Company and its Restricted Subsidiaries taken as a whole, (ii) a summary of the terms of, any employment or compensatory arrangement, agreement, plan or understanding between the Company (or any of its Subsidiaries) and any director, manager or executive officer of the Company (or any of its Subsidiaries), (iii) copies of any agreements, financial statements or other items that would be required to be filed as exhibits to a current report on Form 8-K or (iv) any trade secrets, privileged or confidential information obtained from another Person and competitively sensitive information:
  - (a) the entry into or termination of material agreements;
  - (b) significant acquisitions or dispositions (which shall only be with respect to acquisitions or dispositions that are significant pursuant to the definition of "Significant Subsidiary");
  - (c) bankruptcy;
  - (d) cross-default under direct material financial obligations;
  - (e) a change in the Company's certifying independent auditor;
  - (f) the appointment or departure of executive officers (with respect to the principal executive officer, president and principal financial officer);
  - (g) non-reliance on previously issued financial statements; and
  - (h) change of control transactions,

in each case, in a manner that complies in all material respects with the requirements specified in such form, except as described above or below and subject to exceptions consistent with the presentation of information in the offering circular; *provided, however*, that the Company shall not be required to provide (i) any information that is not otherwise similar to information currently included in the offering circular, (ii) separate financial statements or other information contemplated by Rule 3-05, Rule 3-09, Rule 3-10, Rule 3-16, Rule 4-08, Rule 13-01 or Rule 13-02 of Regulation S-X, or in each case any successor provisions or any schedules required by Regulation S-X, (iii) information required by Regulation G under the Exchange Act or Item 10, Item 302, Item 402 or Item 601 of Regulation S-K (or any successor provision), (iv) XBRL exhibits, (v) earnings per share information, (vi) information regarding executive compensation and related party disclosure related to SEC Release Nos. 33-8732A,

34-54302A and IC-27444A, and (vii) other information customarily excluded from an offering circular, including any information that is not otherwise of the type and form currently included in the offering circular relating to the Notes. In addition, notwithstanding the foregoing, the Company will not be required to (i) comply with Sections 302, 906 and 404 of the Sarbanes-Oxley Act of 2002, as amended, or (ii) otherwise furnish any information, certificates or reports required by Items 307 or 308 of Regulation S-K. To the extent any such information is not so filed or furnished, as applicable, within the time periods specified above and such information is subsequently filed or furnished, as applicable, the Company will be deemed to have satisfied its obligations with respect thereto at such time and any Default with respect thereto shall be deemed to have been cured; *provided* that such cure shall not otherwise affect the rights of the Holders under “—Events of Default” if Holders of at least 30% in principal amount of the then total outstanding Notes have declared the principal, premium, if any, interest and any other monetary obligations on all the then outstanding Notes to be due and payable immediately and such declaration shall not have been rescinded or cancelled prior to such cure. In addition, to the extent not satisfied by the foregoing, the Company will agree that, for so long as any Notes are outstanding, it will furnish to Holders and to securities analysts and prospective investors, upon their request, the information required to be delivered pursuant to Rule 144A(d)(4) under the Securities Act.

Substantially concurrently with the furnishing of such information to the Trustee pursuant to the immediately preceding paragraph, the Company shall also use its commercially reasonable efforts to post copies of such information required by the immediately preceding paragraph on a website (which may be nonpublic and may be maintained by the Company or a third party) to which access will be given to Holders, prospective investors in the Notes (which prospective investors shall be limited to “qualified institutional buyers” within the meaning of Rule 144A of the Securities Act or non-U.S. persons (as defined in Regulation S under the Securities Act) that certify their status as such to the reasonable satisfaction of the Company), and securities analysts and market making financial institutions that are, in the case of securities analysts and market making financial institutions, reasonably satisfactory to the Company. To the extent the Company determines in good faith that it cannot make such reports available in the manner described in the preceding sentence after the use of its commercially reasonable efforts, the Company shall furnish such reports to the Holders of the Notes, upon their request. The Company may condition the delivery of any such reports to such Holders, prospective investors in the Notes, and securities analysts and market making financial institutions on the agreement of such Persons to (i) treat all such reports (and the information contained therein) and information as confidential, (ii) not use such reports and the information contained therein for any purpose other than their investment or potential investment in the Notes and (iii) not publicly disclose any such reports (and the information contained therein) and information.

The Company will also hold quarterly conference calls for the Holders of Notes, prospective investors in the Notes and securities analysts and market making financial institutions, to discuss financial information for the previous quarter (it being understood that such quarterly conference call may be the same conference call as with the Company’s (or as applicable, any of any Parent Entity’s) equity investors and analysts). The conference call will be following the last day of each fiscal quarter of the Company and not later than 10 Business Days from the time that the Company distributes the financial information as set forth in the third preceding paragraph. No fewer than two days prior to the conference call, the Company will issue a press release or otherwise announce the time and date of such conference call and providing instructions for Holders, securities analysts, prospective investors and market making financial institutions to obtain access to such call.

If the Company has designated any of its Subsidiaries as Unrestricted Subsidiaries and such Unrestricted Subsidiaries hold in the aggregate more than 5.0% of the Total Assets of the Company, then the annual and quarterly financial information required by clauses (1) and (2) of the first paragraph of this covenant will include a reasonably detailed presentation, either on the face of the financial statements or in the footnotes thereto, and in “Management’s Discussion and Analysis of Financial Condition and Results of Operations,” of the financial condition and results of operations of the Company and its Restricted Subsidiaries separate from the financial condition and results of operations of the Unrestricted Subsidiaries of the Company.

The Indenture will permit the Company to satisfy its obligations in this covenant with respect to financial information relating to the Company by furnishing financial information relating to a Parent Entity; *provided* that the same is accompanied by consolidating information that explains in reasonable detail the differences between the information relating to such Parent Entity (and other direct or indirect Parent Entities included in such information, if any), on the one hand, and the information relating to the Company and its Restricted Subsidiaries on a standalone

basis, on the other hand. For the avoidance of doubt, the consolidating information referred to in the proviso in the preceding sentence need not be audited.

Notwithstanding anything to the contrary set forth above, if the Company or any Parent Entity of the Company has furnished the Holders of Notes or filed with the SEC the reports described in the preceding paragraphs with respect to the Company or any Parent Entity, the Company shall be deemed to be in compliance with the provisions of this covenant.

The Trustee shall have no duty to determine whether any filings or postings described above have been made or to review or analyze any reports furnished to it. Delivery of reports, information and documents to the Trustee under the Indenture is for informational purposes only and the information and the Trustee's receipt of such reports shall not constitute actual or constructive notice or knowledge of the information contained therein or determinable therefrom, including the Company's compliance with any of its covenants (as to which the Trustee is entitled to conclusively rely on an Officer's Certificate).

### ***Limitation on Guarantees***

The Company will not permit any of its Wholly Owned Domestic Subsidiaries that are Restricted Subsidiaries (and non-Wholly Owned Domestic Subsidiaries that are Restricted Subsidiaries if such non-Wholly Owned Domestic Subsidiaries guarantee, or are a co-issuer of, other capital markets debt securities of the Company or any Restricted Subsidiary or guarantee all or a portion of, or are a co-borrower under, the First Lien Credit Agreement), other than a Guarantor, a Captive Insurance Subsidiary, a Foreign Subsidiary, a CFC Holding Company or a Securitization Subsidiary, to Guarantee the payment of any Indebtedness of the Company or any Guarantor, unless:

- (1) such Restricted Subsidiary within 60 days executes and delivers a supplemental indenture to the Indenture providing for a Guarantee by such Restricted Subsidiary and joinders to the applicable Notes Collateral Documents or new Notes Collateral Documents, together with any filings and agreements required by the Notes Collateral Documents to create or perfect the security interests for the benefit of the Holders in the Collateral of such Subsidiary, including all actions (if any) required to be taken with respect to such Restricted Subsidiary in order to satisfy the provisions of the Indenture, except that with respect to a guarantee of Indebtedness of the Company or any Guarantor, if such Indebtedness is by its express terms subordinated in right of payment to the Notes or such Guarantor's Note Guarantee, any such guarantee by such Restricted Subsidiary with respect to such Indebtedness shall be subordinated in right of payment to such Guarantee substantially to the same extent as such Indebtedness is subordinated to the Notes or such Guarantor's Guarantee of the Notes; and
- (2) such Restricted Subsidiary waives and will not in any manner whatsoever claim or take the benefit or advantage of, any rights of reimbursement, indemnity or subrogation or any other rights against the Company or any other Restricted Subsidiary as a result of any payment by such Restricted Subsidiary under its Guarantee until payment in full of Obligations under the Indenture.

*provided* that this covenant shall not be applicable (i) to any guarantee of any Restricted Subsidiary that existed at the time such Person became a Restricted Subsidiary and was not incurred in connection with, or in contemplation of, such Person becoming a Restricted Subsidiary, or (ii) in the event that the Guarantee of the Company's obligations under the Notes or the Indenture by such Subsidiary would not be permitted under applicable law.

The Company may elect, in its sole discretion, to cause or allow, as the case may be, any Subsidiary or any of its Parent Entities that is not otherwise required to be a Guarantor to become a Guarantor, in which case, such Subsidiary or Parent Entity shall not be required to comply with the 60-day period described above and such Guarantee may be released at any time in the Company's sole discretion so long as any Indebtedness of such Subsidiary then outstanding could have been incurred by such Subsidiary (either (x) when so incurred or (y) at the time of the release of such Guarantee) assuming such Subsidiary were not a Guarantor at such time.

If any Guarantor becomes an Immaterial Subsidiary, the Company shall have the right, by delivery of a supplemental indenture and joinders to the applicable Notes Collateral Documents or new Notes Collateral Documents, executed by the Company, to the Trustee and the Notes Collateral Agent, to cause such Immaterial Subsidiary to automatically and unconditionally cease to be a Guarantor, subject to the requirement described in the first paragraph above that such Subsidiary shall be required to become a Guarantor if it ceases to be an Immaterial Subsidiary (except that if such Subsidiary has been properly designated as an Unrestricted Subsidiary it shall not be so required to become a Guarantor or execute a supplemental indenture or joinders to the applicable Notes Collateral Documents or new Notes Collateral Documents); *provided* that such Immaterial Subsidiary shall not be permitted to Guarantee the First Lien Credit Agreement or other Indebtedness of the Company or the other Guarantors, unless it again becomes a Guarantor.

### ***Merger, Amalgamation and Consolidation***

#### **The Company**

The Company will not consolidate with or merge or amalgamate with or into or convey, transfer or lease all or substantially all its assets, in one transaction or a series of related transactions to any Person, unless:

- (1) the Company is the surviving Person or the resulting, surviving or transferee Person (the “*Successor Company*”) will be a Person organized and existing under the laws of the United States of America, any State of the United States or the District of Columbia and the Successor Company (if not the Company) will expressly assume, by supplemental indenture and joinders to the applicable Notes Collateral Documents or new Notes Collateral Documents, executed and delivered to the Trustee and the Notes Collateral Agent, all the obligations of the Company under the Notes, the Indenture and the applicable Notes Collateral Documents and if such Successor Company is not a corporation, a co-obligor of the Notes is a corporation organized or existing under such laws;
- (2) immediately after giving effect to such transaction (and treating any Indebtedness that becomes an obligation of the applicable Successor Company or any Subsidiary of the applicable Successor Company as a result of such transaction as having been Incurred by the applicable Successor Company or such Subsidiary at the time of such transaction), none of the Events of Default described in clauses (1), (2) or (5) thereof shall have occurred and be continuing;
- (3) upon execution of an agreement to enter into such transaction, no Event of Default shall have occurred and be continuing, and, immediately after giving pro forma effect to such transaction, either (a) the applicable Successor Company would be able to Incur at least an additional \$1.00 of Indebtedness pursuant to the first paragraph of the covenant described under “—Limitation on Indebtedness” or (b) the Fixed Charge Coverage Ratio of the Company and the Restricted Subsidiaries would not be lower than it was immediately prior to giving effect to such transaction or (c) the Consolidated Total Leverage Ratio of the Company and its Restricted Subsidiaries would not be higher than it was immediately prior to giving effect to such transaction;
- (4) the Company shall have delivered to the Trustee and the Notes Collateral Agent an Officer’s Certificate and an Opinion of Counsel, each stating that such consolidation, merger, amalgamation or transfer and such supplemental indenture (if any) comply with the Indenture and an Opinion of Counsel stating that such supplemental indenture (if any) has been duly authorized, executed and delivered and is a legal, valid and binding agreement enforceable against the Successor Company, *provided* that in giving an Opinion of Counsel, counsel may rely on an Officer’s Certificate as to any matters of fact, including as to satisfaction of clauses (2) and (3) above; and
- (5) to the extent any assets of the Person which is merged or consolidated with or into the Company are assets of the type which would constitute Collateral under the Notes Collateral Documents, the Company or the Successor Company, as applicable, will take such action, if any, as may be reasonably necessary to cause such property and assets to be made subject to the Lien of the applicable Notes Collateral Document in the manner and to the extent required in the Indenture or



the applicable Notes Collateral Document and shall take all reasonably necessary action so that such Lien is perfected to the extent required by the applicable Notes Collateral Documents.

The Successor Company will succeed to, and be substituted for, and may exercise every right and power of, the Company under the Note Documents, and the Company will automatically and unconditionally be released and discharged from its obligations under the Note Documents.

Notwithstanding any other provision of this covenant, (a) the Company may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to a Guarantor, (b) the Company may consolidate or otherwise combine with or merge into an Affiliate that is (i) organized or existing under the laws of the jurisdiction of the Company or the United States of America, any State of the United States or the District of Columbia or (ii) incorporated or organized for the purpose of changing the legal domicile of the Company, reincorporating the Company in another jurisdiction, or changing the legal form of the Company, (c) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to the Company or a Guarantor, (d) any Restricted Subsidiary may consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to any other Restricted Subsidiary and (e) the Company and its Restricted Subsidiaries may complete any Permitted Tax Restructuring; *provided* that, in each case, the resulting, surviving or transferee Person will be a Person organized or existing under the laws of the jurisdiction of the United States of America, any State of the United States or the District of Columbia.

The foregoing provisions (other than the requirements of clause (2) of this section) shall not apply to the creation of a new Subsidiary as a Restricted Subsidiary.

#### The Guarantors

Subject to certain limitations described in the Indenture governing release of a Guarantee upon the sale, disposition or transfer of a Guarantor, no Guarantor may:

- (1) consolidate with or merge or amalgamate with or into any Person, or
- (2) sell, convey, transfer or dispose of, all or substantially all its assets, in one transaction or a series of related transactions, to any Person, or
- (3) permit any Person to merge or amalgamate with or into such Guarantor, unless
  - (A) the other Person is the Company or any Restricted Subsidiary that is a Guarantor or becomes a Guarantor concurrently with the transaction; or
  - (B) (1) either (x) the Company or a Guarantor is the continuing Person or (y) the resulting, surviving or transferee Person expressly assumes all of the obligations of the Guarantor under its Note Guarantee, the Indenture and the applicable Notes Collateral Documents; and (2) immediately after giving effect to the transaction, no Default has occurred and is continuing; or
  - (C) the transaction constitutes a sale or other disposition or transfer (including by way of consolidation, merger or amalgamation) of the Guarantor or the conveyance, transfer, lease, sale or disposition of all or substantially all the assets of the Guarantor (in each case other than to the Company or a Restricted Subsidiary) otherwise not prohibited by the Indenture.

Notwithstanding any other provision of this covenant, any Guarantor may (a) consolidate or otherwise combine with, merge into or transfer all or part of its properties and assets to another Guarantor or the Company, (b) consolidate or otherwise combine with or merge into an Affiliate incorporated or organized for the purpose of changing the legal domicile of the Guarantor, reincorporating the Guarantor in another jurisdiction, or changing the legal form of the Guarantor, (c) convert into a corporation, partnership, limited partnership, limited liability

company or trust organized or existing under the laws of the jurisdiction of organization of such Guarantor, (d) liquidate or dissolve or change its legal form if the Company determines in good faith that such action is in the best interests of the Company and (e) complete any Permitted Tax Restructuring. Notwithstanding anything to the contrary in this covenant, the Company may contribute Capital Stock of any or all of its Subsidiaries to any Guarantor; *provided* that, in each case, the resulting, surviving or transferee Person will be a Person organized or existing under the laws of the jurisdiction of the United States of America, any State of the United States or the District of Columbia.

There is no precise established definition of the phrase “substantially all” under applicable law. Accordingly, in certain circumstances there may be a degree of uncertainty as to whether a particular transaction would involve “all or substantially all” of the property or assets of a Person.

Any reference herein to a merger, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, shall be deemed to apply to a division of or by a limited liability company, limited partnership or trust, or an allocation of assets to a series of a limited liability company, limited partnership or trust (or the unwinding of such a division or allocation), as if it were a merger, consolidation, amalgamation, assignment, sale, disposition or transfer, or similar term, as applicable, to, of or with a separate Person. Any division of a limited liability company, limited partnership or trust shall constitute a separate Person hereunder (and each division of any limited liability company, limited partnership or trust that is a Subsidiary, Restricted Subsidiary, Unrestricted Subsidiary, joint venture or any other like term shall also constitute such a Person or entity).

## Events of Default

Each of the following is an Event of Default under the Indenture:

- (1) default in any payment of interest on any Note when due and payable, continued for 30 days;
- (2) default in the payment of the principal amount of or premium, if any, on any Note issued under the Indenture when due at its Stated Maturity, upon optional redemption, upon required repurchase, upon declaration or otherwise;
- (3) failure by the Company or any Guarantor to comply for 60 days after written notice by the Trustee on behalf of the Holders or by the Holders of at least 30% in aggregate principal amount of the outstanding Notes with any agreement or obligation contained in the Indenture; *provided* that in the case of a failure to comply with the Indenture provisions described under “—Certain Covenants—Reports,” such period of continuance of such default or breach shall be 180 days after written notice described in this clause (3) has been given;
- (4) default under any mortgage, indenture or instrument under which there may be issued or by which there may be secured or evidenced any Indebtedness for money borrowed by the Company or any Significant Subsidiary (or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries) would constitute a Significant Subsidiary) (or the payment of which is Guaranteed by the Company or any Significant Subsidiary (or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries) would constitute a Significant Subsidiary)) other than Indebtedness owed to the Company or a Restricted Subsidiary whether such Indebtedness or Guarantee now exists, or is created after the date hereof, which default:
  - (a) is caused by a failure to pay principal of such Indebtedness, at its stated final maturity (after giving effect to any applicable grace periods) provided in such Indebtedness (“*payment default*”); or
  - (b) results in the acceleration of such Indebtedness prior to its stated final maturity (the “*cross acceleration provision*”);

and, in each case, the principal amount of any such Indebtedness, together with the principal amount of any other such Indebtedness under which there has been a payment default of principal at its stated final maturity (after giving effect to any applicable grace periods) or the maturity of which has been so accelerated, aggregates to the greater of \$1,235.0 million and 40.0% of LTM EBITDA (measured at the date of such non-payment or acceleration) or more at any one time outstanding;

- (5) certain events of bankruptcy, insolvency or court protection of the Company or a Significant Subsidiary or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries), would constitute a Significant Subsidiary (the “*bankruptcy provisions*”);
- (6) failure by the Company or any Significant Subsidiary (or group of Restricted Subsidiaries that, taken together (as of the latest audited consolidated financial statements for the Company and its Restricted Subsidiaries) would constitute a Significant Subsidiary), to pay final judgments aggregating in excess of the greater of \$1,235.0 million and 40.0% of LTM EBITDA (measured at the date of such judgment) other than any judgments covered by indemnities provided by, or insurance policies issued by, reputable and creditworthy companies, which final judgments remain unpaid, undischarged and unstayed for a period of more than 60 days after such judgment becomes final, and in the event such judgment is covered by insurance, an enforcement proceeding has been commenced by any creditor upon such judgment or decree which is not promptly stayed (the “*judgment default provision*”);
- (7) any Guarantee of the Notes by a Significant Subsidiary ceases to be in full force and effect, other than (1) in accordance with the terms of the Indenture, (2) a Guarantor that is a Significant Subsidiary denies or disaffirms its obligations under its Guarantee of the Notes, other than in accordance with the terms thereof or upon release of such Note Guarantee in accordance with the Indenture or (3) in connection with the bankruptcy of a Guarantor, so long as the aggregate assets of such Guarantor and any other Guarantor whose Note Guarantee ceased or ceases to be in full force as a result of a bankruptcy are less than the greater of \$465.0 million and 15.0% of LTM EBITDA (measured at the date of such bankruptcy);
- (8) (i) the Liens created by the Notes Collateral Documents shall at any time not constitute a valid and perfected Lien on any material portion of the Collateral intended to be covered thereby (unless perfection is not required by the Indenture or the Notes Collateral Documents) other than (A) in accordance with the terms of the relevant Notes Collateral Document and the Indenture, (B) the satisfaction in full of all Obligations under the Indenture or (C) any loss of perfection that results from the failure of the Notes Collateral Agent or other applicable Collateral Agent to maintain possession of certificates delivered to it representing securities, instruments or similar items pledged under the Notes Collateral Documents and (ii) such default continues for 30 days after receipt of written notice given by the Trustee or the Holders of not less than 30% in aggregate principal amount of the then outstanding Notes; or
- (9) the Company or any Guarantor that is a Significant Subsidiary (or any group of Guarantors that together (as of the latest consolidated financial statements of the Company for a fiscal quarter end provided as required under “—Reports” would constitute a Significant Subsidiary) shall assert, in any pleading in any court of competent jurisdiction, that any security interest in any Notes Collateral Document is invalid or unenforceable (other than by reason of the satisfaction in full of all obligations under the Indenture and discharge of the Indenture, the release of the Note Guarantee of such Guarantor in accordance with the terms of the Indenture or the release of such security interest in accordance with the terms of the Indenture and the Notes Collateral Documents).

However, a Default under clause (4) or (6) of this paragraph will not constitute an Event of Default until the Trustee or the Holders of at least 30% in principal amount of the outstanding Notes notify the Company of the Default (with a copy to the Trustee, if notice is given by the Holders) and, with respect to clause (6), the Company

does not cure such Default within the time specified in clause (6) of this paragraph after receipt of such notice; *provided* that a notice of Default may not be given with respect to any action taken, and reported publicly or to Holders, more than two years prior to such notice of Default. Any notice of Default, notice of acceleration or instruction to the Trustee and the Notes Collateral Agent, as applicable, to provide a notice of Default, notice of acceleration or take any other action (a “*Noteholder Direction*”) provided by any one or more Holders (each a “*Directing Holder*”) must be accompanied by a written representation from each such Holder delivered to the Company, the Trustee and the Notes Collateral Agent, as applicable, that such Holder is not (or, in the case such Holder is DTC or its nominee, that such Holder is being instructed solely by beneficial owners that are not) Net Short (a “*Position Representation*”), which representation, in the case of a Noteholder Direction relating to the delivery of a notice of Default shall be deemed a continuing representation until the resulting Event of Default is cured or otherwise ceases to exist or the Notes are accelerated. In addition, each Directing Holder is deemed, at the time of providing a Noteholder Direction, to covenant to provide the Company with such other information as the Company may reasonably request from time to time in order to verify the accuracy of such Holder’s Position Representation within five Business Days of request therefor (a “*Verification Covenant*”). In any case in which the Holder is DTC or its nominee, any Position Representation or Verification Covenant required hereunder shall be provided by the beneficial owner of the Notes in lieu of DTC or its nominee and DTC shall be entitled to conclusively rely on such Position Representation and Verification Covenant in delivering its direction to the Trustee or the Notes Collateral Agent, as applicable.

If, following the delivery of a Noteholder Direction, but prior to acceleration of the Notes, the Company determines in good faith that there is a reasonable basis to believe a Directing Holder was, at any relevant time, in breach of its Position Representation and provides to the Trustee and the Notes Collateral Agent, as applicable, an Officer’s Certificate stating that the Company has initiated litigation in a court of competent jurisdiction seeking a determination that such Directing Holder was, at such time, in breach of its Position Representation, and seeking to invalidate any Event of Default or acceleration (or notice thereof) that resulted from the applicable Noteholder Direction, the cure period with respect to such Event of Default shall be automatically stayed and the cure period with respect to such Event of Default shall be automatically reinstituted and any remedy stayed pending a final and non-appealable determination of a court of competent jurisdiction on such matter. If, following the delivery of a Noteholder Direction, but prior to acceleration of the Notes, the Company provides to the Trustee and the Notes Collateral Agent, as applicable, an Officer’s Certificate stating that a Directing Holder failed to satisfy its Verification Covenant, the cure period with respect to such Default shall be automatically stayed and the cure period with respect to any Default or Event of Default that resulted from the applicable Noteholder Direction shall be automatically reinstituted and any remedy stayed pending satisfaction of such Verification Covenant. Any breach of the Position Representation shall result in such Holder’s participation in such Noteholder Direction being disregarded; and, if, without the participation of such Holder, the percentage of Notes held by the remaining Holders that provided such Noteholder Direction would have been insufficient to validly provide such Noteholder Direction, such Noteholder Direction shall be void ab initio (other than any indemnity such Directing Holder may have offered to the Trustee or the Notes Collateral Agent, as applicable), with the effect that such Event of Default shall be deemed never to have occurred, acceleration voided and neither the Trustee nor the Notes Collateral Agent, as applicable, shall be deemed to have received such Noteholder Direction or any notice of such Default or Event of Default.

Notwithstanding anything in the preceding two paragraphs to the contrary, any Noteholder Direction delivered to the Trustee or the Notes Collateral Agent, as applicable, during the pendency of an Event of Default as the result of a bankruptcy or similar proceeding shall not require compliance with the foregoing paragraphs.

For the avoidance of doubt, the Trustee and the Notes Collateral Agent, as applicable, shall be entitled to conclusively rely on any Noteholder Direction delivered to it in accordance with the Indenture and shall have no duty to inquire as to or investigate the accuracy of any Position Representation, enforce compliance with any Verification Covenant, verify any statements in any Officer’s Certificate delivered to it, or otherwise make calculations, investigations or determinations with respect to Derivative Instruments, Net Shorts, Long Derivative Instruments, Short Derivative Instruments or otherwise. Neither the Trustee nor the Notes Collateral Agent, as applicable, shall have any liability to the Company, any Holder or any other Person in acting in good faith on a Noteholder Direction.

If an Event of Default (other than an Event of Default described in clause (5) above with respect to the Company) occurs and is continuing, the Trustee by notice to the Company or the Holders of at least 30% in principal amount of the outstanding Notes by written notice to the Company and the Trustee may declare the principal of and accrued and unpaid interest, if any, on all the Notes to be due and payable. Upon such a declaration, such principal and accrued and unpaid interest, if any, will be due and payable immediately. In the event of a declaration of acceleration of the Notes because an Event of Default described in clause (4) under “—Events of Default” has occurred and is continuing, the declaration of acceleration of the Notes shall be automatically annulled, waived and rescinded if the event of default or payment default triggering such Event of Default pursuant to clause (4) shall be remedied or cured, or waived by the holders of the Indebtedness, or the Indebtedness that gave rise to such Event of Default shall have been discharged in full, in each case, within 30 days after the declaration of acceleration with respect thereto and the annulment of the acceleration of the Notes would not conflict with any judgment or decree of a court of competent jurisdiction.

If an Event of Default described in clause (5) above with respect to the Company occurs and is continuing, the principal of and accrued and unpaid interest, if any, on all the Notes will become and be immediately due and payable without any declaration or other act on the part of the Trustee or any Holders.

The Holders of a majority in principal amount of the outstanding Notes under the Indenture may waive all past or existing Defaults or Events of Default (except with respect to nonpayment of principal or interest which may only be waived with the consent of each affected Holder) and rescind any such acceleration with respect to such Notes and its consequences if rescission would not conflict with any judgment or decree of a court of competent jurisdiction.

The Indenture will provide that (i) if a Default for a failure to report or failure to deliver a required certificate in connection with another default (the “*Initial Default*”) occurs, then at the time such Initial Default is cured, such Default for a failure to report or failure to deliver a required certificate in connection with another default that resulted solely because of that Initial Default will also be cured without any further action and (ii) any Default or Event of Default for the failure to comply with the time periods prescribed in the covenant entitled “—Certain Covenants—Reports” or otherwise to deliver any notice or certificate pursuant to any other provision of this Indenture shall be deemed to be cured upon the delivery of any such report required by such covenant or such notice or certificate, as applicable, even though such delivery is not within the prescribed period specified in the Indenture. Any time period in the Indenture to cure any actual or alleged Default or Event of Default may be extended or stayed by a court of competent jurisdiction to the extent such actual or alleged Default or Event of Default is the subject of litigation.

Neither the Trustee nor the Notes Collateral Agent will be under any obligation to exercise any of the rights or powers under the Indenture at the request or direction of any of the Holders unless such Holders have offered and, if requested, provided to the Trustee and the Notes Collateral Agent, as applicable, indemnity or security satisfactory to the Trustee and the Notes Collateral Agent, as applicable, against any loss, liability or expense. Except to enforce the right to receive payment of principal or interest when due, no Holder may pursue any remedy with respect to the Indenture or the Notes unless:

- (1) such Holder has previously given the Trustee written notice that an Event of Default is continuing;
- (2) Holders of at least 30% in principal amount of the outstanding Notes have requested in writing the Trustee to pursue the remedy;
- (3) such Holders have offered in writing and, if requested, provided to the Trustee security or indemnity satisfactory to the Trustee against any loss, liability or expense;
- (4) the Trustee has not complied with such request within 60 days after the receipt of the written request and the offer of security or indemnity; and

- (5) the Holders of a majority in principal amount of the outstanding Notes have not given the Trustee a written direction that, in the opinion of the Trustee, is inconsistent with such request within such 60-day period.

Subject to certain restrictions, the Holders of a majority in principal amount of the outstanding Notes are given the right to direct the time, method and place of conducting any proceeding for any remedy available to the Trustee and the Notes Collateral Agent, as applicable, or of exercising any trust or power conferred on the Trustee and the Notes Collateral Agent, as applicable. The Indenture will provide that, in the event an Event of Default has occurred and is continuing and is actually known or notified in writing to a responsible officer of the Trustee, the Trustee will be required in the exercise of its powers to use the degree of care that a prudent person would use in the conduct of its own affairs. The Trustee and the Notes Collateral Agent, as applicable, however, may refuse to follow any direction that conflicts with law or the Indenture or that the Trustee determines is unduly prejudicial to the rights of any other Holder or that would involve the Trustee in personal liability (it being understood that the Trustee has no duty to determine if any directed action is prejudicial to any Holder). Prior to taking any action under the Indenture, the Trustee and the Notes Collateral Agent, as applicable, will be entitled to indemnification satisfactory to it against all fees, losses, liabilities and expenses that may be caused by taking or not taking such action.

The Indenture will provide that if a Default occurs and is continuing and the Trustee is informed of such occurrence by the Company, the Trustee must give notice of the Default to the Holders within 60 days after being notified by the Company. Except in the case of a Default in the payment of principal of or interest on any Note, the Trustee may withhold notice if and so long as the Trustee in good faith determines that withholding notice is in the interests of the Holders. The Company is required to deliver to the Trustee, within 120 days after the end of each fiscal year, an Officer's Certificate indicating whether the signers thereof know of any Default that occurred during the previous year. The Company is required to deliver to the Trustee, within 30 days after the occurrence thereof, written notice of any events of which it is aware which would constitute certain Defaults, their status and what action the Company is taking or proposes to take in respect thereof. Neither the Trustee nor the Notes Collateral Agent will be deemed to have knowledge of any Defaults or Events of Default unless written notice of an event, which is in fact a Default, has been delivered to the Trustee or the Notes Collateral Agent, as applicable, at its office specified in the Indenture and such notice references the Notes and the Indenture and states that it is a "Notice of Default".

### **Amendments and Waivers**

Subject to certain exceptions, the Note Documents may be amended, supplemented or otherwise modified with the consent of the Holders of a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes) and, subject to certain exceptions, any default or compliance with any provisions thereof may be waived with the consent of the Holders of a majority in principal amount of the Notes then outstanding (including consents obtained in connection with a purchase of, or tender offer or exchange offer for, such Notes). However, an amendment or waiver may not, with respect to any such Notes held by a non-consenting Holder:

- (1) reduce the principal amount of such Notes whose Holders must consent to an amendment;
- (2) reduce the stated rate of or extend the stated time for payment of interest on any such Note (other than provisions relating to Change of Control and Asset Dispositions);
- (3) reduce the principal of or extend the Stated Maturity of any such Note (other than provisions relating to Change of Control and Asset Dispositions);
- (4) reduce the premium payable upon the redemption of any such Note or change the time at which any such Note may be redeemed, in each case as described above under "—Optional Redemption";
- (5) make any such Note payable in currency other than that stated in such Note;

- (6) impair the contractual right of any Holder to receive payment of principal of and interest on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any such payment on or with respect to such Holder's Notes (and, for the avoidance of doubt, the amendment, supplement or modification in accordance with the terms of the Indenture of the covenants described above under the captions "—Change of Control" and "—Certain Covenants" and clauses (3), (4), (6) and (7) of "—Events of Default" and the related definitions shall be deemed not to impair the contractual right of any Holder to receive payment of principal of and interest on such Holder's Notes on or after the due dates therefor or to institute suit for the enforcement of any such payment on or with respect to such Holder's Note);
- (7) waive a Default or Event of Default with respect to the nonpayment of principal, premium or interest (except pursuant to a rescission of acceleration of the Notes by the Holders of at least a majority in aggregate principal amount of such Notes and a waiver of the payment default that resulted from such acceleration);
- (8) make any change in the amendment or waiver provisions which require the Holders' consent described in this sentence; or
- (9) except as expressly not prohibited by the Indenture, modify the Note Guarantees of any Significant Subsidiary in any manner materially adverse to the Holders.

Notwithstanding the foregoing, without the consent of the Holders of at least 66-2/3% in aggregate principal amount of the Notes then outstanding, no amendment or waiver may (A) make any change in any Notes Collateral Document or the provisions in the Indenture dealing with Collateral or application of trust proceeds of the Collateral with the effect of releasing the Liens on all or substantially all of the Collateral which secure the Obligations in respect of the Notes or (B) change or alter the priority of the Liens securing the Obligations in respect of the Notes, taken as a whole, to the Holders, other than, in each case, as provided under the terms of the Indenture and the Notes Collateral Documents.

Notwithstanding the foregoing, without the consent of any Holder, the Company, the Trustee, the Notes Collateral Agent and the other parties thereto, as applicable, may amend or supplement any Note Documents and the Company may direct the Trustee and the Notes Collateral Agent to enter into an amendment to the Note Documents to:

- (1) cure any ambiguity, omission, mistake, defect, error or inconsistency, conform any provision to this "Description of the Notes," or reduce the minimum denomination of the Notes;
- (2) provide for the assumption by a successor Person of the obligations of the Company or a Guarantor under any Note Document or to comply with the covenant described under "—Certain Covenants—Merger and Consolidation";
- (3) provide for uncertificated Notes in addition to or in place of certificated Notes or to alter the provisions of the Indenture relating to the form of the Notes (including related definitions), *provided* such uncertificated Notes are in registered form within the meaning of Section 163(f) of the Code;
- (4) add to or modify the covenants or provide for a Note Guarantee for the benefit of the Holders or surrender any right or power conferred upon the Company or any Restricted Subsidiary;
- (5) make any change that would provide any additional rights or benefits to the Holders or that does not adversely affect the rights of any Holder in any material respect;
- (6) at the Company's election, comply with any requirement of the SEC in connection with the qualification of the Indenture under the Trust Indenture Act, if such qualification is required;

- (7) make such provisions as necessary (as determined in good faith by the Company) for the issuance of Additional Notes in accordance with the terms of the Indenture;
- (8) provide for any Restricted Subsidiary to provide a Note Guarantee in accordance with the covenant described under “—Certain Covenants—Limitation on Indebtedness,” to add Guarantees with respect to the Notes, to add security to or for the benefit of the Notes, or to confirm and evidence the release, termination, discharge or retaking of any Guarantee or Lien with respect to or securing the Notes when such release, termination, discharge or retaking is provided for under the Indenture;
- (9) evidence and provide for the acceptance and appointment under the Indenture of a successor Trustee or successor Notes Collateral Agent pursuant to the requirements thereof or to provide for the accession by the Trustee or successor Notes Collateral Agent to any Note Document;
- (10) secure the Notes and/or the related Note Guarantees or to add collateral thereto;
- (11) add an obligor or a Guarantor under the Indenture;
- (12) make any amendment to the provisions of the Indenture relating to the transfer and legending of Notes as not prohibited by the Indenture, including, without limitation, to facilitate the issuance and administration of Notes; *provided, however*, that (i) compliance with the Indenture as so amended would not result in Notes being transferred in violation of the Securities Act or any other applicable securities law and (ii) such amendment does not adversely affect the rights of Holders to transfer Notes in any material respect;
- (13) comply with the rules and procedures of any applicable securities depository;
- (14) make any amendment to the provisions of the Indenture, the Note Guarantees and/or the Notes to eliminate the effect of any Accounting Change or in the application thereof as described in the last paragraph of the definition of “GAAP”;
- (15) to mortgage, pledge, hypothecate or grant any other Lien in favor of the Trustee or the Notes Collateral Agent for the benefit of the Holders, as additional security for the payment and performance of all or any portion of the Notes Obligations, in any property or assets, including any which are required to be mortgaged, pledged or hypothecated, or in which a Lien is required to be granted to or for the benefit of the Trustee or the Notes Collateral Agent pursuant to the Indenture, any of the Notes Collateral Documents or otherwise;
- (16) to add Additional First Lien Secured Parties to any Notes Collateral Document;
- (17) to enter into any intercreditor agreement having substantially similar terms with respect to the Holders as those set forth in the First Lien Intercreditor Agreement, taken as a whole, or any joinder thereto or the Junior Lien Intercreditor Agreement, taken as a whole, or any joinder thereto;
- (18) in the case of any Notes Collateral Document, to include therein any legend required to be set forth therein pursuant to the First Lien Intercreditor Agreement or to modify any such legend as required by the First Lien Intercreditor Agreement;
- (19) to provide for the succession of any parties to any Notes Collateral Document (and other amendments that are administrative or ministerial in nature) in connection with an amendment, renewal, extension, substitution, refinancing, restructuring, replacement, supplementing or other modification from time to time of the First Lien Credit Agreement or any other agreement that is not prohibited by the Indenture; or



- (20) to release Collateral from the Lien securing the Notes Obligations when permitted or required by the Indenture or any Notes Collateral Document.

The consent of the Holders is not necessary under the Indenture to approve the particular form of any proposed amendment of any Note Document. It is sufficient if such consent approves the substance of the proposed amendment. A consent to any amendment or waiver under the Indenture by any Holder of Notes given in connection with a tender of such Holder's Notes will not be rendered invalid by such tender.

## Defeasance

The Company at any time may terminate all obligations of the Company and the Guarantors under the Note Documents and have Liens, if any, on the Collateral securing the Notes released ("*legal defeasance*") and cure all then existing Defaults and Events of Default, except for certain obligations, including those respecting the defeasance trust, the rights, powers, trusts, duties, immunities and indemnities of the Trustee and the obligations of the Company in connection therewith and obligations concerning issuing temporary Notes, registrations of Notes, mutilated, destroyed, lost or stolen Notes and the maintenance of an office or agency for payment and money for security payments held in trust.

The Company at any time may terminate the obligations of the Company and the Restricted Subsidiaries under the covenants described under "—Certain Covenants" (other than clauses (1) and (2) of "—Certain Covenants—Merger, Amalgamation and Consolidation") and "—Change of Control" and the default provisions relating to such covenants described under "—Events of Default" above, the operation of the cross-default upon a payment default, the cross acceleration provisions, the bankruptcy provisions with respect to the Company and Significant Subsidiaries, the judgment default provision and the guarantee provision described under "—Events of Default" above and have Liens, if any, on the Collateral securing the Notes released ("*covenant defeasance*").

The Company at its option at any time may exercise its legal defeasance option notwithstanding its prior exercise of its covenant defeasance option. If the Company exercises its legal defeasance option, payment of the Notes may not be accelerated because of an Event of Default with respect to the Notes so long as no Notes are then outstanding. If the Company exercises its covenant defeasance option with respect to the Notes, payment of the Notes may not be accelerated because of an Event of Default specified in clause (3), (4), (5) (with respect only to Significant Subsidiaries), (6), (7), (8) or (9) under "—Events of Default" above.

In order to exercise either defeasance option, the Company (i) must irrevocably deposit in trust (the "*defeasance trust*") with the Trustee cash in U.S. dollars or U.S. Government Obligations or a combination thereof for the payment of principal, premium, if any, and interest on the Notes to redemption or maturity, as the case may be; *provided*, that upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, with any deficit as of the date of redemption (any such amount, the "*Applicable Premium Deficit*") only required to be deposited with the Trustee on or prior to the date of redemption. Any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee at least two Business Days prior to the redemption date that confirms that such Applicable Premium Deficit shall be applied toward such redemption, and (ii) must comply with certain other conditions, including delivery to the Trustee of:

- (1) an Opinion of Counsel in the United States, subject to customary assumptions and exclusions, stating that beneficial owners of the Notes, in their capacity as beneficial owners of the Notes, will not recognize income, gain or loss for U.S. federal income Tax purposes as a result of such deposit and defeasance and will be subject to U.S. federal income Tax on the same amounts and in the same manner and at the same times as would have been the case if such deposit and defeasance had not occurred (and in the case of legal defeasance only, such Opinion of Counsel in the United States must be based on a ruling of the U.S. Internal Revenue Service or change in applicable U.S. federal income Tax law since the issuance of the Notes);
- (2) an Officer's Certificate stating that the deposit was not made by the Company with the intent of defeating, hindering, delaying, defrauding or preferring any creditors of the Company; and

- (3) an Officer's Certificate and an Opinion of Counsel (which Opinion of Counsel may be subject to customary assumptions and exclusions), each stating that all conditions precedent provided for or relating to legal defeasance or covenant defeasance, as the case may be, have been complied with.

### **Satisfaction and Discharge**

The Indenture will be discharged and cease to be of further effect (except as to surviving rights of transfer or exchange of the Notes and indemnification rights of the Trustee and the Notes Collateral Agent, as expressly provided for in the Indenture) as to all Notes and the Liens, if any, on the Collateral securing the Notes will be released when (1) either (a) all the Notes previously authenticated and delivered (other than certain lost, stolen or destroyed Notes and certain Notes for which provision for payment was previously made and thereafter the funds have been released to the Company) have been delivered to the Trustee for cancellation; or (b) all Notes not previously delivered to the Trustee for cancellation (i) have become due and payable, (ii) will become due and payable at their Stated Maturity within one year or (iii) are to be called for redemption within one year under arrangements satisfactory to the Trustee for the giving of notice of redemption by the Trustee in the name, and at the expense, of the Company; (2) the Company has deposited or caused to be deposited with the Trustee, money in U.S. dollars or U.S. Government Obligations, or a combination thereof, as applicable, in an amount sufficient to pay and discharge the entire Indebtedness on the Notes not previously delivered to the Trustee for cancellation, for principal, premium, if any, and interest to the date of deposit (in the case of Notes that have become due and payable), or to the Stated Maturity or redemption date, as the case may be; *provided* that upon any redemption that requires the payment of the Applicable Premium, the amount deposited shall be sufficient for purposes of the Indenture to the extent that an amount is deposited with the Trustee equal to the Applicable Premium calculated as of the date of the notice of redemption, as calculated by the Company or on behalf of the Company by such Person as the Company shall designate, with any Applicable Premium Deficit only required to be deposited with the Trustee on or prior to the date of redemption, and any Applicable Premium Deficit shall be set forth in an Officer's Certificate delivered to the Trustee at least two Business Days prior to the redemption date that confirms that such Applicable Premium Deficit shall be applied toward such redemption; (3) the Company has paid or caused to be paid all other sums payable under the Indenture; and (4) the Company has delivered to the Trustee an Officer's Certificate and an Opinion of Counsel each stating that all conditions precedent under the "—Satisfaction and Discharge" section of the Indenture relating to the satisfaction and discharge of the Indenture have been complied with; *provided* that any such counsel may rely on any Officer's Certificate as to matters of fact (including as to compliance with the foregoing clauses (1), (2) and (3)).

### **No Personal Liability of Directors, Officers, Employees and Shareholders**

No director, officer, employee, incorporator or shareholder of the Company or any of its respective Subsidiaries or Affiliates, as such, shall have any liability for any obligations of the Company under the Note Documents or for any claim based on, in respect of, or by reason of, such obligations or their creation. Each Holder by accepting a Note waives and releases all such liability. The waiver and release are part of the consideration for issuance of the Notes. Such waiver may not be effective to waive liabilities under the U.S. federal securities laws and it is the view of the SEC that such a waiver is against public policy.

### **Concerning the Trustee**

Wilmington Trust, National Association will be appointed as the Trustee and the Notes Collateral Agent under the Indenture. The Indenture will provide that, except during the continuance of an Event of Default actually known or notified in writing to a responsible officer of the Trustee, the Trustee will perform only such duties as are set forth specifically in such Indenture. During the existence of an Event of Default actually known or notified in writing to a responsible officer of the Trustee, the Trustee will exercise such of the rights and powers vested in it under the Indenture and use the same degree of care that a prudent Person would use in conducting its own affairs. The permissive rights of the Trustee to take or refrain from taking any action enumerated in the Indenture will not be construed as an obligation or duty.

The Indenture will impose certain limitations on the rights of the Trustee, should it become a creditor of the Company, to obtain payment of claims in certain cases, or to realize on certain property received in respect of any

such claim as security or otherwise. The Trustee will be permitted to engage in other transactions with the Company and its Affiliates and Subsidiaries.

The Indenture sets out the terms under which the Trustee may retire or be removed, and replaced. Such terms will include, among others, (1) that the Trustee may be removed at any time by the Holders of a majority in principal amount of then outstanding Notes, or may resign at any time by giving written notice to the Company and (2) that if the Trustee at any time (a) has or acquires a conflict of interest that is not eliminated, (b) fails to meet certain minimum limits regarding the aggregate of its capital and surplus or (c) becomes incapable of acting as Trustee or becomes insolvent or bankrupt, then the Company may remove the Trustee, or any Holder who has been a bona fide Holder for not less than 6 months may petition any court for removal of the Trustee and appointment of a successor Trustee.

Any removal or resignation of the Trustee shall not become effective until the acceptance of appointment by the successor Trustee.

The Indenture will contain provisions for the indemnification of the Trustee and the Notes Collateral Agent for any loss, liability, Taxes and expenses incurred without gross negligence or willful misconduct on its part, arising out of or in connection with the acceptance or administration of the Indenture.

## **Notices**

All notices to Holders of Notes will be validly given if electronically delivered or mailed to them at their respective addresses in the register of the Holders of the Notes, if any, maintained by the registrar. For so long as any Notes are represented by global notes, all notices to Holders of the Notes will be delivered to DTC in accordance with the applicable procedures of DTC, delivery of which shall be deemed to satisfy the requirements of this paragraph, which will give such notices to the Holders of book-entry interests.

Each such notice shall be deemed to have been given on the date of such publication or, if published more than once on different dates, on the first date on which publication is made; *provided* that, if notices are mailed, such notice shall be deemed to have been given on the earlier of such publication and the fifth day after being so mailed. Any notice or communication mailed to a Holder shall be mailed to such Person by first-class mail or other equivalent means and shall be sufficiently given to such Person if so mailed within the time prescribed.

Failure to electronically deliver or mail a notice or communication to a Holder or any defect in it shall not affect its sufficiency with respect to other Holders. If a notice or communication is electronically delivered or mailed in the manner provided above, it is duly given, whether or not the addressee receives it. Notices to the Trustee shall be deemed given upon receipt by the Trustee.

## **Governing Law**

The Indenture and the Notes, including any Note Guarantees and the rights and duties of the parties thereunder, shall be governed by and construed in accordance with the laws of the State of New York.

## **Certain Definitions**

*“Acquired Indebtedness”* means with respect to any Person (x) Indebtedness of any other Person or any of its Subsidiaries existing at the time such other Person becomes a Restricted Subsidiary or merges or amalgamates with or into or consolidates or otherwise combines with the Company or any Restricted Subsidiary and (y) Indebtedness secured by a Lien encumbering any asset acquired by such Person. Acquired Indebtedness shall be deemed to have been Incurred, with respect to clause (x) of the preceding sentence, on the date such Person becomes a Restricted Subsidiary or on the date of the relevant merger, amalgamation, consolidation, acquisition or other combination.

*“Additional Assets”* means:

- (1) any property or assets (other than Capital Stock) used or to be used by the Company, a Restricted Subsidiary or otherwise useful in a Similar Business (it being understood that capital expenditures on property or assets already used in a Similar Business or to replace any property or assets that are the subject of such Asset Disposition shall be deemed an investment in Additional Assets);
- (2) the Capital Stock of a Person that is engaged in a Similar Business and becomes a Restricted Subsidiary as a result of the acquisition of such Capital Stock by the Company or a Restricted Subsidiary; or
- (3) Capital Stock constituting a minority interest in any Person that at such time is a Restricted Subsidiary.

*“Additional First Lien Obligations”* means any Indebtedness having Pari Passu Lien Priority relative to the Notes with respect to all or a portion of the Collateral whose Authorized Representative has executed the First Lien Intercreditor Agreement or a joinder thereto.

*“Additional First Lien Secured Parties”* means the holders of any Series of Additional First Lien Obligations and any Authorized Representative with respect thereto and the beneficiaries of the indemnification obligations thereunder.

*“Additional Junior Lien Obligations”* means any Indebtedness having Junior Lien Priority relative to the Notes with respect to all or a portion of the Collateral whose authorized representative has executed the Junior Lien Intercreditor Agreement or a joinder thereto.

*“Affiliate”* of any specified Person means any other Person, directly or indirectly, controlling or controlled by or under direct or indirect common control with such specified Person. For the purposes of this definition, “control” when used with respect to any Person means the power to direct the management and policies of such Person, directly or indirectly, whether through the ownership of voting securities, by contract or otherwise; and the terms “controlling” and “controlled” have meanings correlative to the foregoing.

*“Alternative Currency”* means any currency (other than U.S. dollars) that is a lawful currency (other than U.S. dollars) that is readily available and freely transferable and convertible into U.S. dollars (as determined in good faith by the Company).

*“Applicable Percentage”* means 100%; *provided* that so long as no Event of Default shall have occurred and be continuing or would result therefrom, the Applicable Percentage shall be (1) 50% if, on a pro forma basis after giving effect to such Asset Disposition and the use of proceeds therefrom, including the netting of the proceeds in calculating the Consolidated Total Indebtedness, the Consolidated First Lien Secured Leverage Ratio would be less than or equal to 4.75 to 1.00 but greater than 4.25 to 1.00, or (2) 0.00% if, on a pro forma basis after giving effect to such Asset Disposition and the use of proceeds therefrom, the Consolidated First Lien Secured Leverage Ratio would be less than or equal to 4.25 to 1.00. Any Net Available Cash in respect of an Asset Disposition that does not constitute Applicable Proceeds as a result of the application of this definition shall collectively constitute *“Total Leverage Excess Proceeds.”*

*“Applicable Premium”* means the greater of (A) 1.0% of the principal amount of such Note and (B) on any redemption date, the excess (to the extent positive) of:

- (a) the present value at such redemption date of (i) the redemption price of such Note at , 2027 (such redemption price (expressed in percentage of principal amount) being set forth in the table under “—Optional Redemption” (excluding accrued but unpaid interest, if any)), plus (ii) all required interest payments due on such Note to and including such date set forth in clause (i) (excluding accrued but unpaid interest, if any), computed upon the redemption date using a

discount rate equal to the Applicable Treasury Rate at such redemption date plus 50 basis points; over

- (b) the outstanding principal amount of such Note;

in each case, as calculated by the Company or on behalf of the Company by such Person as the Company shall designate. The Trustee shall have no duty to calculate or verify the calculations of the Applicable Premium.

“*Applicable Treasury Rate*” means the weekly average rounded to the nearest 1/100th of a percentage point (for the most recently completed week for which such information is available as of the date that is two Business Days prior to the redemption date) of the yield to maturity at the time of computation of United States Treasury securities with a constant maturity (as compiled and published in the Federal Reserve Statistical Release H.15 with respect to each applicable day during such week (or, if such statistical release is not so published or available, any publicly available source of similar market data selected by the Company in good faith)) most nearly equal to the period from the redemption date to , 2027; *provided, however*, that if the period from the redemption date to , 2027 is not equal to the constant maturity of a United States Treasury security for which such yield is given, the Applicable Treasury Rate shall be obtained by linear interpolation (calculated to the nearest one-twelfth of a year) from the weekly average yields of United States Treasury securities for which such yields are given, except that if the period from the redemption date to such applicable date is less than one year, the weekly average yield on actually traded United States Treasury securities adjusted to a constant maturity of one year shall be used.

“*Asset Disposition*” means:

- (a) the voluntary sale, conveyance, transfer or other disposition, whether in a single transaction or a series of related transactions, of property or assets of the Company or any of its Restricted Subsidiaries (in each case other than Capital Stock of the Company) (each referred to in this definition as a “*disposition*”); or
- (b) the issuance or sale of Capital Stock of any Restricted Subsidiary (other than Preferred Stock or Disqualified Stock of Restricted Subsidiaries issued in compliance with the covenant described under “—Certain Covenants—Limitation on Indebtedness” or directors’ qualifying shares and shares issued to foreign nationals as required under applicable law), whether in a single transaction or a series of related transactions;

in each case, other than:

- (1) a disposition by the Company or a Restricted Subsidiary to the Company or a Restricted Subsidiary, including pursuant to any Intercompany License Agreement;
- (2) a disposition of cash, Cash Equivalents or Investment Grade Securities, including any marketable securities portfolio owned by the Company and its Subsidiaries on the Issue Date;
- (3) a disposition of inventory, goods or other assets (including Settlement Assets) in the ordinary course of business or consistent with past practice or industry norms or held for sale or no longer used in the ordinary course of business, including any disposition of disposed, abandoned or discontinued operations;
- (4) a disposition of obsolete, worn out, uneconomic, damaged or surplus property, equipment or other assets or property, equipment or other assets that are no longer economically practical or commercially desirable to maintain or used or useful in the business of the Company and its Restricted Subsidiaries whether now or hereafter owned or leased or acquired in connection with an acquisition or used or useful in the conduct of the business of the Company and its Restricted Subsidiaries (including by ceasing to enforce, allowing the lapse, abandonment or invalidation of or discontinuing the use or maintenance of or putting into the public domain any intellectual

property that is, in the reasonable judgment of the Company or the Restricted Subsidiaries, no longer used or useful, or economically practicable to maintain, or in respect of which the Company or any Restricted Subsidiary determines in its reasonable business judgment that such action or inaction is desirable);

- (5) transactions permitted under “—Certain Covenants—Merger, Amalgamation and Consolidation” or a transaction that constitutes a Change of Control;
- (6) an issuance or sale of Capital Stock by a Restricted Subsidiary to the Company or to another Restricted Subsidiary or as part of or pursuant to an equity incentive or compensation plan approved by the Board of Directors;
- (7) any dispositions or issuances of Capital Stock, properties or assets in a single transaction or series of related transactions with a fair market value (as determined in good faith by the Company) of less than the greater of \$465.0 million and 15.0% of LTM EBITDA;
- (8) any Restricted Payment that is permitted to be made, and is made, under the covenant described above under “—Certain Covenants—Limitation on Restricted Payments” and the making of any Permitted Payment or Permitted Investment or, solely for purposes of clause (3) of the first paragraph under “—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock,” asset sales, the proceeds of which are used to make such Restricted Payments or Permitted Investments;
- (9) dispositions, issuances and sales in connection with Permitted Liens, Permitted Intercompany Activities, Permitted Tax Restructuring, IPO Reorganization Transactions and related transactions;
- (10) dispositions of receivables in connection with the compromise, settlement or collection thereof in the ordinary course of business or consistent with past practice or industry norms or in bankruptcy or similar proceedings and exclusive of factoring or similar arrangements;
- (11) conveyances, sales, transfers, licenses, sub-licenses, cross-licenses or other dispositions of intellectual property, software or other general intangibles and licenses, sub-licenses, cross-licenses, leases or subleases of other property, in each case, in the ordinary course of business or consistent with past practice or industry norms or pursuant to a research or development agreement in which the counterparty to such agreement receives a license in the intellectual property or software that results from such agreement;
- (12) the lease, assignment, license, sub-lease or cross-license of any real or personal property in the ordinary course of business;
- (13) foreclosure, condemnation, expropriation, forced disposition or any similar action with respect to any property or other assets;
- (14) the sale, discount or other disposition (with or without recourse, and on customary or commercially reasonable terms and for credit management purposes) of inventory, accounts receivable or notes receivable arising in the ordinary course of business or consistent with past practice or industry norms, or the conversion or exchange of accounts receivable for notes receivable;
- (15) any issuance or sale of Capital Stock in, or Indebtedness or other securities of, an Unrestricted Subsidiary or any other disposition of Capital Stock, Indebtedness or other securities of an Unrestricted Subsidiary or an Immaterial Subsidiary;
- (16) any disposition or issuance of Capital Stock of a Restricted Subsidiary pursuant to an agreement or other obligation with or to a Person (other than the Company or a Restricted Subsidiary) from

whom such Restricted Subsidiary was acquired, or from whom such Restricted Subsidiary acquired its business and assets (having been newly formed in connection with such acquisition), made as part of such acquisition and in each case comprising all or a portion of the consideration in respect of such sale or acquisition;

- (17) (i) dispositions of property to the extent that such property is exchanged for credit against the purchase price of similar replacement property that is promptly purchased, (ii) dispositions of property to the extent that the proceeds of such disposition are promptly applied to the purchase price of such replacement property (which replacement property is actually promptly purchased), and (iii) to the extent allowable under Section 1031 of the Code, any exchange of like property (excluding any boot thereon) for use in a Similar Business;
- (18) any disposition of Securitization Assets or Receivables Assets, or participations therein, in connection with any Qualified Securitization Financing or Receivables Facility not prohibited by the Indenture, or the disposition of an account receivable in connection with the collection or compromise thereof in the ordinary course of business or consistent with past practice or industry norms;
- (19) (i) any financing transaction with respect to property constructed, acquired, leased, renewed, relocated, expanded, maintained, upgraded, replaced, repaired or improved (including any reconstruction, refurbishment, renovation and/or development of real property) by the Company or any Restricted Subsidiary after the Issue Date, including Sale and Leaseback Transactions and asset securitizations, not prohibited by the Indenture and (ii) Sale and Leaseback Transactions;
- (20) sales, transfers or other dispositions of Investments in joint ventures or similar entities to the extent required by, or made pursuant to customary buy/sell arrangements between, the parties to such joint venture set forth in joint venture arrangements and similar binding arrangements;
- (21) any surrender or waiver of contractual rights or the settlement, release, surrender or waiver of contractual, tort, litigation or other claims of any kind;
- (22) the unwinding of any Cash Management Services, Hedging Obligations or Derivative Transactions;
- (23) dispositions of non-core assets;
- (24) transfers of property or assets subject to Casualty Events upon receipt of the net proceeds of such Casualty Event; *provided* that any Cash Equivalents received by the Company or any of its Restricted Subsidiaries in respect of such Casualty Event shall be deemed to be Net Available Cash of an Asset Disposition, and such Net Available Cash shall be applied in accordance with the covenant described under “—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock”;
- (25) any sale of property or assets, if the acquisition of such property or assets was financed with Excluded Contributions and the proceeds of such sale are used to make a Restricted Payment pursuant to clause (10)(b) under the second paragraph of the covenant described under “—Certain Covenants—Limitation on Restricted Payments”;
- (26) the disposition of any assets (including Capital Stock) (i) acquired in a transaction after the Issue Date, which assets are not useful in the core or principal business of the Company and its Restricted Subsidiaries, or (ii) made in connection with the approval of any applicable antitrust authority or otherwise necessary or advisable in the reasonable determination of the Company to consummate any acquisition;

- (27) any sale, transfer or other disposition to affect the formation of any Subsidiary that is a Delaware Divided LLC; *provided* that upon formation of such Delaware Divided LLC, such Delaware Divided LLC shall be a Restricted Subsidiary;
- (28) any disposition of non-revenue producing assets to a Person who is providing services related to such assets, the provision of which have been or are to be outsourced by the Company or any Restricted Subsidiary to such Person;
- (29) dispositions of assets or issuances or sales of Capital Stock of Restricted Subsidiaries having an aggregate fair market value of not more than the greater of \$925.0 million and 30.0% of LTM EBITDA in any fiscal year, which amount, if not fully used in any fiscal year, shall be carried forward to succeeding fiscal years;
- (30) [reserved];
- (31) dispositions of assets or property to the extent required by any governmental authority or otherwise pursuant to any requirements of law;
- (32) dispositions resulting from any casualty or other insured damage to, or any taking under power of eminent domain or by condemnation or similar proceeding of, any property or asset of the Company or any Restricted Subsidiary;
- (33) dispositions, issuances or sales in process, contemplated or made pursuant to binding commitments in effect on the Issue Date;
- (34) forgiveness of indebtedness resulting from equitization of outstanding intercompany Indebtedness; and
- (35) dispositions of assets acquired with or constituting proceeds of Equity Offerings after the Issue Date or which were otherwise contributed to the Company or its Subsidiaries.

In the event that a transaction (or any portion thereof) meets the criteria of a permitted Asset Disposition and would also be a Permitted Investment or an Investment permitted under “—Certain Covenants—Limitation on Restricted Payments,” the Company, in its sole discretion, will be entitled to divide and classify such transaction (or a portion thereof) as an Asset Disposition and/or one or more of the types of Permitted Investments or Investments permitted under “—Certain Covenants—Limitation on Restricted Payments.”

“*Associate*” means (i) any Person engaged in a Similar Business of which the Company or its Restricted Subsidiaries are the legal and beneficial owners of between 20% and 50% of all outstanding Voting Stock and (ii) any joint venture entered into by the Company or any Restricted Subsidiary of the Company.

“*Authorized Representative*” means, at any time, (a) in the case of any First Lien Credit Agreement Obligations or the First Lien Credit Agreement Secured Parties, the First Lien Credit Agreement Collateral Agent, (b) in the case of the First Lien Notes Obligations or the First Lien Notes Secured Parties, the First Lien Notes Collateral Agent, (c) in the case of the Notes Obligations or the Notes Secured Parties, the Notes Collateral Agent, (d) in the case of the Citrix Notes Obligations (as defined in the First Lien Intercreditor Agreement), the Citrix Notes Collateral Agent and (e) in the case of any other Series of Additional First Lien Obligations or Additional First Lien Secured Parties, the applicable representative for such Series named in the First Lien Intercreditor Agreement or in the applicable joinder thereto.

“*Available RP Capacity Amount*” means (i) 100% of the amount of Restricted Payments that may be made at the time of determination pursuant to clause (b) of the first paragraph under the covenant described in “—Certain Covenants—Limitation on Restricted Payments” and clause (16)(i) of the second paragraph under the covenant described in “—Certain Covenants—Limitation on Restricted Payments” plus (ii) 100% of the amount of



Investments that may be made at the time of determination pursuant to clause (22) of the definition of “Permitted Investments.”

“*Board of Directors*” means (i) with respect to the Company or any corporation, the board of directors or managers, as applicable, of the corporation, or any duly authorized committee thereof; (ii) with respect to any partnership, the board of directors or other governing body of the general partner, as applicable, of the partnership or any duly authorized committee thereof; (iii) with respect to a limited liability company, the managing member or members or any duly authorized controlling committee thereof; and (iv) with respect to any other Person, the board or any duly authorized committee of such Person serving a similar function. Whenever any provision requires any action or determination to be made by, or any approval of, a Board of Directors, such action, determination or approval shall be deemed to have been taken or made if approved by a majority of the directors on any such Board of Directors (whether or not such action or approval is taken as part of a formal board meeting or as a formal board approval). Unless the context requires otherwise, Board of Directors means the Board of Directors of the Company.

“*Business Day*” means each day that is not a Saturday, Sunday or other day on which banking institutions in New York, New York, United States or in the jurisdiction of the place of payment are authorized or required by law to close. When the payment of any obligation or the performance of any covenant, duty or obligation is stated to be due or performance required on a day which is not a Business Day, the date of such payment or performance shall extend to the immediately succeeding Business Day and such extension of time shall not be reflected in computing interest or fees, as the case may be.

“*Business Successor*” means (i) any former Subsidiary of the Company and (ii) any Person that, after the Issue Date, has acquired, merged or consolidated with a Subsidiary of the Company (that results in such Subsidiary ceasing to be a Subsidiary of the Company), or acquired (in one transaction or a series of transactions) all or substantially all of the property and assets or business of a Subsidiary or assets constituting a business unit, line of business or division of a Subsidiary of the Company.

“*Capital Stock*” of any Person means any and all shares of, rights to purchase or acquire, warrants, options or depositary receipts for, or other equivalents of or partnership or other interests in (however designated), equity of such Person, including any Preferred Stock, but excluding any debt securities convertible into or exchangeable for such equity.

“*Capitalized Software Expenditures*” means, with respect to any Person for any period, the aggregate amount of all software development costs and expenditures incurred by such Person during such period that have been capitalized in accordance with GAAP and recorded as such on the consolidated balance sheet of such Person.

“*Captive Insurance Subsidiary*” means (i) any Subsidiary of the Company operating for the purpose of (a) insuring the businesses, operations or properties owned or operated by the Parent Entity, the Company or any of its Subsidiaries, including their future, present or former employee, director, officer, manager, contractor, consultant or advisor (or their respective Controlled Investment Affiliates or Immediate Family Members), and related benefits and/or (b) conducting any activities or business incidental thereto (it being understood and agreed that activities which are relevant or appropriate to qualify as an insurance company for U.S. federal or state Tax purposes shall be considered “activities or business incidental thereto”) or (ii) any Subsidiary of any such insurance subsidiary operating for the same purpose described in clause (i) above.

“*Cash Equivalents*” means:

- (1) (a) U.S. dollars, Canadian dollars, Swiss Francs, United Kingdom pounds, Euro or any national currency of any member state of the European Union on the Issue Date; or (b) any other foreign currency held by the Company and the Restricted Subsidiaries in the ordinary course of business;
- (2) securities issued or directly and fully Guaranteed or insured by the United States, Canadian, Swiss or United Kingdom governments, a member state of the European Union or, in each case, or any agency or instrumentality thereof (*provided* that the full faith and credit of such country or such

member state is pledged in support thereof), having maturities of not more than two years from the date of acquisition;

- (3) certificates of deposit, time deposits, eurodollar time deposits, overnight bank deposits or bankers' acceptances having maturities of not more than one year from the date of acquisition thereof issued by any lender or by any bank or trust company (a) whose commercial paper is rated at least "A-2" or the equivalent thereof by S&P or at least "P-2" or the equivalent thereof by Moody's (or if at the time neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization) or (b) (in the event that the bank or trust company does not have commercial paper which is rated) having combined capital and surplus in excess of \$100 million;
- (4) repurchase obligations for underlying securities of the types described in clauses (2), (3) and (7) entered into with any bank meeting the qualifications specified in clause (3) above;
- (5) securities with maturities of one year or less from the date of acquisition backed by standby letters of credit issued by any Person referenced in clause (3) above;
- (6) commercial paper and variable or fixed rate notes issued by a bank meeting the qualifications specified in clause (3) above (or by the parent company thereof) maturing within one year after the date of creation thereof or any commercial paper and variable or fixed rate note issued by, or guaranteed by a corporation rated at least (A) "A-1" or higher by S&P or "P-1" or higher by Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Company) maturing within two years after the date of creation thereof or (B) "A-2" or higher by S&P or "P-2" or higher by Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Company) maturing within one year after the date of creation thereof, or, in each case, if no rating is available in respect of the commercial paper or fixed rate notes, the issue of which has an equivalent rating in respect of its long-term debt;
- (7) marketable short-term money market and similar securities having a rating of at least "P-2" or "A-2" from either S&P or Moody's, respectively (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Company), and in each case maturing within 24 months after the date of creation or acquisition thereof;
- (8) readily marketable direct obligations issued by any state, province, commonwealth or territory of the United States of America, Canada, Switzerland, the United Kingdom, any member state of the European Union or any political subdivision, taxing authority or public instrumentality thereof, in each case, having one of the two highest ratings categories obtainable from either Moody's or S&P (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Company) with maturities of not more than two years from the date of creation or acquisition;
- (9) readily marketable direct obligations issued by any foreign government or any political subdivision, taxing authority or public instrumentality thereof, in each case, having one of the two highest ratings categories obtainable by S&P or Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Company) with maturities of not more than two years from the date of acquisition;
- (10) Investments with average maturities of 12 months or less from the date of acquisition in money market funds rated within the three highest ratings categories by S&P or Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Company);

- (11) with respect to any Foreign Subsidiary: (i) obligations of the national government of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, in each case maturing within one year after the date of investment therein, (ii) certificates of deposit of, bankers' acceptance of, or time deposits with, any commercial bank which is organized and existing under the laws of the country in which such Foreign Subsidiary maintains its chief executive office and principal place of business provided such country is a member of the Organization for Economic Cooperation and Development, and whose short-term commercial paper rating from S&P is at least "A-2" or the equivalent thereof or from Moody's is at least "P-2" or the equivalent thereof (any such bank being an "*Approved Foreign Bank*"), and in each case with maturities of not more than 270 days from the date of acquisition and (iii) the equivalent of demand deposit accounts which are maintained with an Approved Foreign Bank;
- (12) Indebtedness or Preferred Stock issued by Persons with a rating of "BBB-" or higher from S&P or "Baa3" or higher from Moody's (or, if at the time, neither is issuing comparable ratings, then a comparable rating of another Nationally Recognized Statistical Rating Organization selected by the Company) with maturities of 24 months or less from the date of acquisition;
- (13) bills of exchange issued in the United States, Canada, Switzerland, the United Kingdom, a member state of the European Union or Japan eligible for rediscount at the relevant central bank and accepted by a bank (or any dematerialized equivalent);
- (14) investments in money market funds access to which is provided as part of "sweep" accounts maintained with any bank meeting the qualifications specified in clause (3) above;
- (15) investments in industrial development revenue bonds that (i) "re-set" interest rates not less frequently than quarterly, (ii) are entitled to the benefit of a remarketing arrangement with an established broker dealer and (iii) are supported by a direct pay letter of credit covering principal and accrued interest that is issued by any bank meeting the qualifications specified in clause (3) above;
- (16) investments in pooled funds or investment accounts consisting of investments in the nature described in the foregoing clause (15);
- (17) Cash Equivalents or instruments similar to those referred to in clauses (1) through (16) above denominated in Dollars or any Alternative Currency;
- (18) interests in any investment company, money market, enhanced high yield fund or other investment fund which invests 90% or more of its assets in instruments of the types specified in clauses (1) through (17) above; and
- (19) for purposes of clause (2) of the definition of "Asset Disposition," any marketable securities portfolio owned by the Company and its Subsidiaries on the Issue Date.

In the case of Investments by any Foreign Subsidiary that is a Restricted Subsidiary or Investments made in a country outside the United States of America, Cash Equivalents shall also include (i) investments of the type and maturity described in clauses (1) through (9) and clauses (11) through (14) above of foreign obligors, which Investments or obligors (or the parents of such obligors) have ratings described in such clauses or equivalent ratings from comparable foreign rating agencies and (ii) other short-term investments utilized by Foreign Subsidiaries that are Restricted Subsidiaries in accordance with normal investment practices for cash management in investments analogous to the foregoing investments in clauses (1) through (14) and in this paragraph. Notwithstanding the foregoing, Cash Equivalents shall include amounts denominated in currencies other than those set forth in clause (1) above, *provided* that such amounts are converted into any currency listed in clause (1) as promptly as practicable and in any event within 10 Business Days following the receipt of such amounts. For the avoidance of doubt, any

items identified as Cash Equivalents under this definition (other than clause (16) above) will be deemed to be Cash Equivalents for all purposes under the Indenture regardless of the treatment of such items under GAAP.

“*Cash Management Obligations*” means (1) obligations in respect of any overdraft and related liabilities arising from treasury, depository, cash pooling arrangements, electronic fund transfer, treasury services and cash management services, including controlled disbursement services, working capital lines, lines of credit, overdraft facilities, foreign exchange facilities, deposit and other accounts and merchant services, or other cash management arrangements or any automated clearing house arrangements, (2) other obligations in respect of netting or setting off arrangements, credit, debit or purchase card programs, stored value card and similar arrangements and (3) obligations in respect of any other services related, ancillary or complementary to the foregoing (including any overdraft and related liabilities arising from treasury, depository, cash pooling arrangements and cash management services, corporate credit and purchasing cards and related programs or any automated clearing house transfers of funds).

“*Cash Management Services*” means any of the following to the extent not constituting a line of credit (other than an overnight draft facility that is not in default): automated clearing house transactions, treasury, depository, credit or debit card, purchasing card, stored value card, electronic fund transfer services and/or cash management services, including, without limitation, controlled disbursement services, overdraft facilities, foreign exchange facilities, deposit and other accounts and merchant services or other cash management arrangements in the ordinary course of business or consistent with past practice or industry norms.

“*Casualty Event*” means any event that gives rise to the receipt by the Company or any Restricted Subsidiary of any insurance proceeds or condemnation awards in respect of any equipment, assets or real property (including any improvements thereon) to replace or repair such equipment, assets or real property.

“*CFC*” means a Foreign Subsidiary that is a “controlled foreign corporation” (as defined in Section 957(a) of the Code).

“*CFC Holding Company*” means any direct or indirect Domestic Subsidiary of the Company and Guarantors substantially all the assets of which consist (directly or indirectly through disregarded entities or partnerships) of (i)(A) equity interests (including, for this purpose, any debt or other instrument treated as equity for U.S. federal income Tax purposes) in, and/or indebtedness (as determined for U.S. Tax purposes) issued by one or more Foreign Subsidiaries and/or (B) cash and cash equivalents and other assets being held on a temporary basis incidental to the holding of such equity interests or indebtedness or (ii) one or more CFC Holding Companies and/or assets described in clause (i) above.

“*Change of Control*” means:

- (1) the Company becomes aware of (by way of a report or any other filing pursuant to Section 13(d) of the Exchange Act, proxy, vote, written notice or otherwise) any “person” (as such term is used in Sections 13(d) and 14(d) of the Exchange Act as in effect on the Issue Date), other than one or more Permitted Holders or a Parent Entity, that is or becomes the “beneficial owner” (as defined in Rules 13d-3 and 13d-5 of the Exchange Act as in effect on the Issue Date) of more than 50% of the total voting power of the Voting Stock of the Company; *provided* that (x) so long as the Company is a Subsidiary of any Parent Entity, no person shall be deemed to be or become a beneficial owner of more than 50% of the total voting power of the Voting Stock of the Company unless such person shall be or become a beneficial owner of more than 50% of the total voting power of the Voting Stock of such Parent Entity (other than a Parent Entity that is a Subsidiary of another Parent Entity) and (y) any Voting Stock of which any Permitted Holder is the beneficial owner shall not in any case be included in any Voting Stock of which any such person is the beneficial owner; or
- (2) the sale or transfer, in one or a series of related transactions, of all or substantially all of the assets of the Company and its Restricted Subsidiaries, taken as a whole, to a Person (other than the Company or any of its Restricted Subsidiaries or one or more Permitted Holders) and any “person” (as defined in clause (1) above), other than one or more Permitted Holders or any Parent

Entity, is or becomes the “beneficial owner” (as so defined) of more than 50% of the total voting power of the Voting Stock of the transferee Person in such sale or transfer of assets, as the case may be; *provided* that (x) so long as the Company is a Subsidiary of any Parent Entity, no person shall be deemed to be or become a beneficial owner of more than 50% of the total voting power of the Voting Stock of the Company unless such person shall be or become a beneficial owner of more than 50% of the total voting power of the Voting Stock of such Parent Entity (other than a Parent Entity that is a Subsidiary of another Parent Entity) and (y) any Voting Stock of which any Permitted Holder is the beneficial owner shall not in any case be included in any Voting Stock of which any such Person is the beneficial owner;

in the case of each of clauses (1) and (2) above, unless at such time the Permitted Holders, directly or indirectly, by voting power, contract or otherwise have the right to elect or designate a majority of members of the Board of Directors of the Company.

Notwithstanding the preceding or any provision of Section 13d-3 of the Exchange Act, (i) a Person or group shall not be deemed to beneficially own Voting Stock subject to a stock or asset purchase agreement, merger agreement, option agreement, warrant agreement or similar agreement (or voting or option or similar agreement related thereto) until the consummation of the acquisition of the Voting Stock in connection with the transactions contemplated by such agreement, (ii) if any group includes one or more Permitted Holders, the issued and outstanding Voting Stock of the Company owned, directly or indirectly, by any Permitted Holders that are part of such group shall not be treated as being beneficially owned by such group or any other member of such group for purposes of determining whether a Change of Control has occurred, (iii) a Person or group will not be deemed to beneficially own the Voting Stock of another Person as a result of its ownership of Voting Stock or other securities of such other Person’s parent entity (or related contractual rights) unless it owns 50% or more of the total voting power of the Voting Stock entitled to vote for the election of directors of such parent entity having a majority of the aggregate votes on the board of directors (or similar body) of such parent entity, (iv) the right to acquire Voting Stock (so long as such Person does not have the right to direct the voting of the Voting Stock subject to such right) or any veto power in connection with the acquisition or disposition of Voting Stock will not cause a party to be a beneficial owner and (v) any veto or approval rights in respect of certain matters provided to any equityholder in any shareholder agreement, investor rights agreement or other similar agreement shall not constitute voting power for purposes of this definition.

“*Citrix*” means Citrix Systems, Inc.

“*Code*” means the United States Internal Revenue Code of 1986, as amended.

“*Collateral*” means any and all property of the Company or any Guarantor subject (or purported to be subject) to a Lien securing the Notes Obligations, whether now existing or hereafter acquired, other than Excluded Property.

“*Collateral Agent*” means (1) in the case of any First Lien Credit Agreement Obligations, the First Lien Credit Agreement Collateral Agent, (2) in the case of the First Lien Notes Obligations, the First Lien Notes Collateral Agent, (3) in the case of the Citrix Notes Obligations, the Citrix Notes Collateral Agent, (4) in the case of the Notes Obligations, the Notes Collateral Agent and (5) in the case of any Additional First Lien Obligations, the applicable Authorized Representative with respect thereto.

“*Consolidated Depreciation and Amortization Expense*” means, with respect to any Person for any period, the total amount of depreciation and amortization (including, without limitation, amortization of goodwill, software and other intangible assets), all impairment charges, including any bad debt expense and capitalized fees, asset write-offs and/or write-downs, including amortization or write-off of (i) intangible assets and non-cash organization costs, (ii) deferred financing and debt issuance fees, costs and expenses, (iii) capitalized expenditures (including Capitalized Software Expenditures), customer acquisition costs and incentive payments and all internal software development costs, (iv) media development costs, conversion costs and contract acquisition costs, (v) the amortization of original issue discount resulting from the issuance of Indebtedness at less than par, (vi) amortization of favorable or unfavorable lease assets or liabilities and (vii) capitalized fees related to any Qualified Securitization Financing or Receivables Facility, of such Person and its Restricted Subsidiaries for such period on a consolidated

basis and otherwise determined in accordance with GAAP and any write down of assets or asset value carried on the balance sheet.

“*Consolidated EBITDA*” means, with respect to any Person for any period, the Consolidated Net Income of such Person for such period:

- (1) increased (without duplication) by:
  - (a) Fixed Charges of such Person for such period *plus* (w) non-cash rent expense, (x) net payments and losses or any obligations on any Hedging Obligations or other derivative instruments, (y) bank, letter of credit and other financing fees and (z) costs of surety bonds in connection with financing activities, plus amounts excluded from the definition of “Ratio Interest Expense” and any non-cash interest expense, to the extent deducted (and not added back) in computing Consolidated Net Income; *plus*
  - (b) (x) Taxes paid and any provision for Taxes based on income, profits, revenue or capital, including federal, foreign, state, provincial, territorial, local, unitary, excise, property, franchise, value added and similar Taxes (such as, but not limited to, Delaware franchise tax, Pennsylvania capital tax, Texas margin tax and provincial capital taxes paid in Canada) and withholding Taxes (including any future Taxes or other levies which replace or are intended to be in lieu of such Taxes and any penalties, additions to Tax and interest related to such Taxes or arising from Tax examinations, and including pursuant to any tax sharing arrangements or as a result of any intercompany distribution) and similar Taxes of such Person paid or accrued during such period (including in respect of repatriated funds or pursuant to any Tax sharing agreement or arrangement), (y) any distributions made to a Parent Entity with respect to the foregoing, and (z) the net Tax expense associated with any adjustments made pursuant to the definition of “Consolidated Net Income” in each case, to the extent deducted (and not added back) in computing Consolidated Net Income; *plus*
  - (c) Consolidated Depreciation and Amortization Expense of such Person for such period to the extent deducted (and not added back) in computing Consolidated Net Income; *plus*
  - (d) any fees, costs, expenses, charges, accruals, reserves, payments or losses (including rationalization, legal, tax, structuring and other charges) (other than Consolidated Depreciation and Amortization Expense) related to any actual, proposed, contemplated, consummated, anticipated, unsuccessful or attempted transaction, Equity Offering (including any expense relating to enhanced accounting functions or other transaction costs associated with becoming a public company, including Public Company Costs), Permitted Investment, Restricted Payment, acquisition, disposition (including (x) bonuses paid to employees, severance and reorganization costs and expenses in connection with any Permitted Acquisition or other Investment not prohibited by the Indenture, (y) fees, costs and expenses incurred in connection with the de-listing of public targets or compliance with public company requirements in connection with any Permitted Acquisition or other Investment not prohibited by the Indenture, and any Public Company Costs, and (z) to the extent arising in the context of “take private” Permitted Acquisitions or Investments, litigation expenses and settlement amounts), consolidations, restructurings, breakage of any hedging arrangement not prohibited by the Indenture, recapitalization or the incurrence of Indebtedness permitted to be incurred by the Indenture (including a refinancing thereof) (whether or not consummated and whether or not permitted under the Indenture and including any such transaction consummated prior to the Issue Date, and any costs of surety bonds or similar costs incurred in connection with successful or unsuccessful financing activities), including (i) such fees, expenses or charges (including rating agency fees, charges in connection with obtaining and maintaining credit ratings, consulting fees and other related expenses and/or letter of credit or similar fees) related to the offering or incurrence of, or ongoing administration

of, the Notes, the First Lien Notes, the Second Lien Notes, the First Lien Credit Agreement and any other Credit Facilities, any Securitization Fees, the Merger Transactions, including Merger Transaction Expenses, and the Transactions, including Transaction Expenses (in each case, including commissions, discounts, yield, interest expenses and similar fees and charges relating thereto), (ii) any amendment, waiver or other modification of the Notes, the First Lien Notes, the Second Lien Notes, the First Lien Credit Agreement, Receivables Facilities, Securitization Facilities, any other Credit Facilities, any Securitization Fees, any other Indebtedness or any Equity Offering, (iii) equipment leases and/or equipment financings and (iv) the amount of any charge that is actually reimbursed or reimbursable by any third party pursuant to any indemnification or reimbursement provision or similar agreement (including any purchase price adjustment) or insurance, in each case, whether or not consummated, to the extent deducted (and not added back) in computing Consolidated Net Income; *plus*

- (e) the amount of any restructuring charge, accrual, reserve (and adjustments to existing reserves) or expense, integration cost, inventory optimization programs or other business optimization expense or cost (including charges directly related to the implementation of cost-savings initiatives and Tax restructurings) that is deducted (and not added back) in such period in computing Consolidated Net Income, including any costs incurred in connection with acquisitions or divestitures after the Issue Date, any carve out, integration, implementation of new initiatives, business optimization activities, cost savings, cost rationalization programs, operating expense reductions, synergies and/or similar initiatives, any severance, retention, rebranding, signing bonuses, relocation, recruiting and other employee related costs, costs in respect of strategic initiatives and curtailments or modifications to pension and post-retirement employment benefit plans (including any settlement of pension liabilities), charges in connection with a single or one-time event (including, without limitation, in connection with facility openings, pre-openings, closings, reconfigurations and/or consolidations and/or terminations, reconfigurations and/or consolidations of existing lines of business), research and development, contract termination, stock option and other equity-based compensation expenses, any charges, expenses, costs, accruals, reserves, payments, fees or losses of any kind associated with any stock subscription or shareholder agreement or any employee benefit trust, severance costs, modifications to any pension or post-retirement employee benefit plan indemnities and/or any expenses, accruals or reserves, costs related to entry into new markets (including unused warehouse space costs), and new product introductions or sales (including labor costs, scrap costs and lower absorption of costs, including due to decreased productivity and greater inefficiencies), systems development and establishment costs, systems design implementation and/or upgrade, software development, project start-up and new operations, operational and reporting systems, technology initiatives, corporate development and other executive costs, legal and other professional fees and listing fees, any charges, expenses, costs, accruals, reserves, payments, fees or losses of any kind associated with any modification of any pension or post-retirement employee benefit plan, indemnities and expenses, transaction fees and expenses, management fees and expenses, contract termination costs, future lease commitments and costs related to the opening and closure and/or consolidation of facilities (including severance, rent termination, moving and legal costs) and to exiting lines of business and consulting fees incurred with any of the foregoing and (ii) fees, costs and expenses associated with acquisition related litigation and settlement thereof; *plus*
- (f) any other non-cash charges, write-downs, expenses, losses or items reducing Consolidated Net Income for such period including (i) non-cash losses on the sale of assets and any write-offs or write-downs, deferred revenue or impairment charges, (ii) impairment charges, amortization (or write offs) of financing costs (including debt discount, debt issuance costs and commissions and other fees associated with Indebtedness, including the Notes, the First Lien Notes, the Second Lien Notes and

Indebtedness under the First Lien Credit Agreement, and including, for the avoidance of doubt, any unamortized fees, costs and expenses paid in connection therewith) of such Person and its Subsidiaries, (iii) the impact of acquisition method accounting adjustment and any non-cash write-up, write-down or write-off with respect to re-valuing assets and liabilities in connection with the Merger Transactions or any acquisition or other Investment, deferred revenue or any effects of adjustments resulting from the application of purchase accounting, purchase price accounting (including any step-up in inventory and loss of profit on the acquired inventory) and/or (iv) the excess of GAAP rent expense over actual cash rent paid during such period due to the use of straight line rent for GAAP purposes (*provided* that if any such non-cash charge, write-down, expense, loss or item represents an accrual or reserve for potential cash items in any future period, (A) the Company may elect not to add back such non-cash charge, expense or loss in the current period and (B) to the extent the Company elects to add back such non-cash charge, the cash payment in respect thereof in such future period shall be subtracted from Consolidated EBITDA when paid), or other items classified by the Company as special items less other non-cash items of income increasing Consolidated Net Income (excluding any amortization of a prepaid cash item that was paid in a prior period or such non-cash item of income to the extent it represents a receipt of cash in any future period); *plus*

- (g) the amount of pro forma “run rate” cost savings (including cost savings with respect to salary, benefit and other direct savings resulting from workforce reductions and facility, benefit and insurance savings and any savings expected to result from the reduction of a public target’s Public Company Costs), expense reductions, other operating changes, improvements (including, for the avoidance of doubt, “run rate” Consolidated EBITDA attributable to projected increases in revenues or profits), business optimizations, restructuring, actions, cost synergies, other operating improvements (including the entry into material contracts or arrangements), and initiatives and synergies (including, to the extent applicable, from (i) the Merger Transactions, (ii) any acquisition (including the commencement of activities constituting a business) or disposition (including the termination or discontinuance of activities constituting a business), in each case of business entities or of properties or assets constituting a division or line of business (including, without limitation, a product line), asset sale, merger or other business combination, and/or (iii) Investment, operating improvement, expanded operations, expense reduction, restructuring, cost savings initiative, any other operational change and/or any initiative similar to any of the foregoing (including, to the extent applicable, in connection with the Merger Transactions or any restructuring) (including the entry into or renegotiation of any contract and/or other arrangement (including any such contract and/or other arrangement in respect of which binding commitments have been provided)) and/or specified transaction) (it is understood and agreed that “run rate” means the full recurring benefit for a period that is associated with any action taken, committed to be taken or expected to be taken, net of the amount of actual benefits realized during such period from such actions) projected by the Company to result from action either taken or expected to be taken in connection with, and within 24 months following, the date thereof (including from any actions taken in whole or in part prior to such date), which will be added to Consolidated EBITDA as so projected until fully realized and calculated on a pro forma basis as though such cost savings (including cost savings with respect to salary, benefit and other direct savings resulting from workforce reductions and facility, benefit and insurance savings and any savings expected to result from the reduction of a public target’s Public Company Costs), operating expense reductions, other operating changes, improvements, optimizations, restructurings, actions and initiatives, other operating improvements and initiatives and synergies had been realized (or commenced, acquired or created, as applicable) on the first day of such period, net of the amount of actual benefits realized prior to or during such period from such actions; *provided* that the aggregate amount of adjustments to Consolidated EBITDA permitted to be made for any period pursuant to this clause (g) shall not exceed 35.0% of Consolidated EBITDA for



such period (calculated after giving effect to any increase pursuant to this clause (g) and, in any case, excluding from such 35.0% cap (i) any adjustments added pursuant to clauses (o)(ii) or (o)(iv) below and (ii) any adjustments that are taken in compliance with the requirements of Regulation S-X); *plus*

- (h) any costs (including non-cash costs) or expenses incurred by the Company or a Restricted Subsidiary or a Parent Entity pursuant to any management equity plan, stock option plan, phantom equity plan, profits interests or any other management, employee benefit or other compensatory plan or agreement (and any successor plans or arrangements thereto), employment, termination or severance agreement, or any stock subscription or equityholder agreement, and any costs or expenses in connection with the repayment, roll-over, acceleration or payout of Capital Stock held by employees, directors or consultants, to the extent that such costs or expenses are non-cash or otherwise funded with cash proceeds contributed to the capital of the Company or net cash proceeds of an issuance of Capital Stock (other than Disqualified Stock) of the Company; *plus*
- (i) cash receipts (or any netting arrangements resulting in reduced cash expenditures) not included in Consolidated Net Income in any period to the extent non-cash gains relating to such income were deducted in the calculation of Consolidated EBITDA pursuant to clause (2) below for any previous period and not added back; *plus*
- (j) any net loss included in the Consolidated Net Income attributable to non-controlling or minority interests in any non-wholly owned subsidiary or any joint venture; *plus*
- (k) the amount of any expense, charge or deduction that is attributable to any non-controlling and/or minority interest of any third party; *plus*
- (l) (i) unrealized or realized foreign exchange, translation or performance losses relating to foreign currency transactions and foreign exchange adjustments including, without limitation, losses and expenses in connection with, and currency and exchange rate fluctuations and losses or other obligations from, hedging activities or other derivative instruments and related Tax effects determined in accordance with GAAP; *plus*
- (m) with respect to any joint venture, an amount equal to the proportion of those items described in clauses (a), (b) and (d) above relating to such joint venture corresponding to the Company's and its Restricted Subsidiaries' proportionate share of such joint venture's Consolidated Net Income (determined as if such joint venture were a Restricted Subsidiary) to the extent deducted (and not added back) in computing Consolidated Net Income; *plus*
- (n) the amount of any costs, charges or expenses relating to payments made to stock appreciation or similar rights, stock option, restricted stock, phantom equity, profits interests or other interests or rights holders of the Company or any of its Subsidiaries or any Parent Entity in connection with, or as a result of, any distribution being made to equityholders of such Person or any of its Subsidiaries or any Parent Entities, which payments are being made to compensate such holders as though they were equityholders at the time of, and entitled to share in, such distribution; *plus*
- (o) adjustments of the nature or type used in connection with (i) the calculation of "Further Adjusted EBITDA" as set forth in "Summary—Summary Historical Financial Information" contained in the offering circular and other adjustments of a similar nature to the foregoing, (ii) the financial model of the Equity Investors, dated on or about December 24, 2021 (as adjusted on or about January 3, 2022 and on or about January 25, 2022), (iii) the investor presentation in connection with the Notes, (iv) the quality of earnings reports with respect to the Company, dated as of December 29, 2021, March 14, 2022 and June 14, 2022, and (v) any due diligence quality of earnings report from time to

time prepared with respect to the target of an acquisition or Investment any of the “Big Four” accounting firms, any independent registered public accountant of recognized national standing or any other accounting firm or advisor reasonably acceptable to the Company; *plus*

- (p) losses, charges and expenses related to the pre-opening and opening of new locations, and start-up period prior to opening, that are operated, or to be operated, by the Company or any Restricted Subsidiary; *plus*
- (q) rent expense as determined in accordance with GAAP not actually paid in cash during such period (net of rent expense paid in cash during such period over and above rent expense as determined in accordance with GAAP); *plus*
- (r) [reserved]; *plus*
- (s) any non-cash increase in expense resulting from the revaluation of inventory (including any impact of changes to inventory valuation policy methods including changes in capitalization of variances) or other inventory adjustments; *plus*
- (t) (1) the net increase (which, for the avoidance of doubt, shall not be negative), if any, of the difference between: (i) the deferred revenue of such Person and its Restricted Subsidiaries, as of the last day of such period (the “*Determination Date*”) and (ii) the deferred revenue of such Person and its Restricted Subsidiaries as of the date that is 12 months prior to the Determination Date, and (2) without duplication of any adjustment pursuant to clause (1), the net adjustment for the annualized full-year gross profit contribution from new customer contracts signed during the 12 months prior to the Determination Date; *plus*
- (u) [reserved]; *plus*
- (v) any fees, costs, expenses or charges related to or recorded in cost of sales to recognize cost on a last-in-first-out basis; *plus*
- (w) to the extent not otherwise included in calculating Consolidated Net Income, the amount of any distribution received by such Person from any Unrestricted Subsidiary; *plus*
- (x) to the extent not otherwise included in the determination of Consolidated Net Income for such period, the amount of any proceeds of any business interruption insurance policy (whether or not then received so long as such Person in good faith expects to receive such proceeds); *plus*
- (y) unbilled amounts executed in connection with promotional contracts (or any similar promotion) running for a period of six months or less during such six-month (or lesser) period; and
- (2) decreased (without duplication) by non-cash gains increasing Consolidated Net Income of such Person for such period, excluding any non-cash gains to the extent they represent the reversal of an accrual or reserve for a potential cash item that reduced Consolidated EBITDA in any prior period.

“*Consolidated First Lien Secured Leverage Ratio*” means, as of any date of determination, the ratio of (x) Consolidated Total Indebtedness secured by a Lien on all or a material portion of the Collateral as of such date

(other than Indebtedness secured by the Collateral with a Junior Lien Priority relative to the Notes and the Note Guarantees) to (y) LTM EBITDA.

“*Consolidated Net Income*” means, with respect to any Person for any period, the net income (loss) of such Person and its Restricted Subsidiaries for such period determined on a consolidated basis in accordance with GAAP and before any reduction in respect of Preferred Stock dividends; *provided, however*, that there will not be included in such Consolidated Net Income:

- (1) any net income (loss) of any Person if such Person is not a Restricted Subsidiary (including any net income (loss) from investments recorded in such Person under the equity method of accounting), except that the Company’s equity in the net income of any such Person for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed (or to the extent converted into cash or Cash Equivalents) or that (as determined by the Company in its reasonable discretion) could have been distributed by such Person during such period to the Company or a Restricted Subsidiary as a dividend or other distribution or return on investment;
- (2) solely for the purpose of determining the amount available for Restricted Payments under clause (b)(ii) of the first paragraph of the covenant described under “—Certain Covenants— Limitation on Restricted Payments,” any net income (loss) of any Restricted Subsidiary (other than the Guarantors) if such Subsidiary is subject to restrictions, directly or indirectly, on the payment of dividends or the making of distributions by such Restricted Subsidiary, directly or indirectly, to the Company or a Guarantor by operation of the terms of such Restricted Subsidiary’s articles, charter or any agreement, instrument, judgment, decree, order, statute or governmental rule or regulation applicable to such Restricted Subsidiary or its stockholders (other than (a) restrictions that have been waived or otherwise released (or such Person reasonably believes such restriction could be waived or released and is using commercially reasonable efforts to pursue such waiver or release), (b) restrictions pursuant to the First Lien Credit Agreement, the Notes, the Indenture, the First Lien Notes, the First Lien Notes Indenture, the Second Lien Notes, the Second Lien Notes Indenture or other similar indebtedness and (c) restrictions specified in clause (14)(i) of the second paragraph of the covenant described under “—Certain Covenants—Limitation on Restrictions on Distributions from Restricted Subsidiaries”), except that the Company’s equity in the net income of any such Restricted Subsidiary for such period will be included in such Consolidated Net Income up to the aggregate amount of cash or Cash Equivalents actually distributed (or to the extent converted, or having the ability to be converted, into cash or Cash Equivalents) or that could have been distributed by such Restricted Subsidiary during such period to the Company or another Restricted Subsidiary as a dividend or other distribution (subject, in the case of a dividend to another Restricted Subsidiary, to the limitation contained in this clause);
- (3) any gain, charge or loss in connection with (a) facilities no longer used or useful in the conduct of the business of the Company or its Restricted Subsidiaries, abandoned, transferred, closed, disposed, divested or discontinued asset, property, operation or discontinued operation (other than at the option of such Person, any gain, charge or loss relating to any asset, property or operation held for sale or pending the divestiture and/or termination thereof), (b) any disposal, abandonment or discontinuance of disposed, abandoned, transferred, closed, disposed, divested or discontinued assets, properties or operations (other than at the option of such Person, any gain, charge or loss relating to any asset, property or operation held for sale or pending the divestiture and/or termination thereof), (c) attributable to asset dispositions (including asset retirement costs) or of returned surplus assets, abandonments, sales or other dispositions of any asset (including pursuant to any Sale and Leaseback Transaction) or the designation of an Unrestricted Subsidiary other than in the ordinary course of business and (d) any facility that has been closed during such period;
- (4) (a) any extraordinary, exceptional, unusual, infrequently occurring or nonrecurring loss, charge or expense, Merger Transaction Expenses, Transaction Expenses, Public Company Costs, restructuring and duplicative running costs, restructuring charges or reserves (whether or not classified as restructuring expense on the consolidated financial statements), relocation costs, start-

up or initial costs, slotting fees (including in connection with the buyout of existing merchandise), new fixture freight costs, initial testing and registration costs in new markets, the cost of feasibility studies, travel costs for employees engaged in activities relating to any or all of the foregoing and the allocation of general and administrative support in connection with any and all of the foregoing, integration and facilities' or bases' opening costs, facility consolidation and closing costs, severance costs and expenses, one-time charges (including compensation charges), payments made pursuant to the terms of change in control agreements that the Company or a Subsidiary or a Parent Entity had entered into with employees of the Company, a Subsidiary or a Parent Entity, costs relating to pre-opening, opening and conversion costs for facilities, losses, costs or cost inefficiencies related to project terminations, facility or property disruptions or shutdowns (including due to work stoppages, natural disasters and epidemics), signing, retention and completion bonuses (including management bonus pools), recruiting costs, costs incurred in connection with any strategic, cost savings initiatives, cost rationalization programs, operating improvements, expense reductions, synergies or similar initiatives or programs, transition costs, entry into, renegotiation of, ramp up for performance of or termination of any contract or other arrangement, litigation and arbitration fees, costs and charges, expenses in connection with one-time rate changes, costs incurred with acquisitions, investments and dispositions (including travel and out-of-pocket costs, human resources costs (including relocation bonuses), litigation and arbitration costs, charges, fees and expenses (including settlements, fines, judgments or orders), management transition costs, advertising costs, losses associated with temporary decreases in work volume and expenses related to maintain underutilized personnel) and product, software or intellectual property development, platform optimization, other business optimization expenses or reserves (including costs and expenses relating to business optimization programs and new systems design, update or establishment and costs or reserves associated with improvements to IT and accounting functions), retention charges (including charges or expenses in respect of incentive plans), system establishment costs and implementation costs) and operating expenses attributable to the implementation of strategic or cost-savings initiatives, and curtailments or modifications to pension and post-retirement employee benefit plans (including any settlement of pension liabilities and charges resulting from changes in estimates, valuations and judgments) and professional, legal, accounting, consulting, marketing and other service costs, expenses or fees incurred with any of the foregoing and (b) any charge, expense, cost, accrual or reserve attributable to and/or payment of any legal settlement, fine, judgment or order;

- (5) at the election of the Company with respect to any quarterly period, (a) the cumulative effect (including charges, accruals, expenses and reserves) of a change (effected through cumulative effect adjustment or retroactive application) in law, regulation or accounting principles and changes as a result of the adoption, implementation or modification of accounting policies, including the adoption or implementation of last-in-first-out basis accounting standards (except that, if such Person determines in good faith that the cumulative effects thereof are not material to the interests of the Holders of the Notes, the effects of any change, adoption or modification of any such principles or policies may be included in any subsequent period after the fiscal quarter in which such change, adoption or modification was made), (b) subject to the last paragraph of the definition of "GAAP," the cumulative effect of a change in, or any change resulting from the adoption or modification of, accounting principles, policies, practices and changes made in such period in accordance with GAAP which affect Consolidated Net Income (including any impact resulting from an election by the Company to apply IFRS or other Accounting Changes), except that, if such Person determines in good faith that the effects thereof are not material to the interests of Holders, the effects of any change, adoption or modification of any such principles, policies, practices or changes may be included in any subsequent period after the fiscal quarter in which such change, adoption or modification was made, and (c) any costs, charges, losses, fees or expenses in connection with the implementation or tracking of such changes or modifications specified in the foregoing clauses (a) and (b), in each case as reasonably determined by the Company;
- (6) (a) any equity-based or non-cash compensation or similar charge, cost or expense or reduction of revenue, including any such charge, cost, expense or reduction arising from any grant of stock,

stock appreciation or similar rights, stock options, restricted stock, phantom equity, profits interests or other interests, or other rights or equity- or equity-based incentive programs (“*equity incentives*”), any income (loss) associated with the equity incentives or other long-term incentive compensation plans (including under deferred compensation arrangements of the Company or any Parent Entity or Subsidiary and any positive investment income with respect to funded deferred compensation account balances), roll-over, acceleration or payout of Capital Stock by employees, directors, officers, managers, contractors, consultants, advisors or business partners (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Company or any Parent Entity or Subsidiary, and any cash awards granted to employees of the Company and its Subsidiaries in replacement for forfeited awards, (b) any non-cash losses attributable to deferred compensation plans or trusts or realized in such period in connection with adjustments to any employee benefit plan due to changes in estimates, actuarial assumptions, valuations, studies or judgments, (c) non-cash compensation expense resulting from the application of Accounting Standards Codification Topic 718, Compensation—Stock Compensation or Accounting Standards Codification Topics 505-50 Equity-Based Payments to Non-Employees (or any successor provision or other financial accounting standard having a similar result or effect), and (d) any net pension or post-employment benefit costs representing amortization of unrecognized prior service costs, actuarial losses, amortization of such amounts arising in prior periods, amortization of the unrecognized obligation (and loss or cost) existing at the date of initial application of Statement of Financial Accounting Standards No. 87, 106 and 112 (or any successor provision or other financial accounting standard having a similar result or effect), and any other item of a similar nature;

- (7) (i) any write-off or amortization made of any deferred financing cost and/or premium paid and (ii) any income (loss) from or charge attributable to the extinguishment, conversion or cancellation of Indebtedness, Hedging Obligations or other derivative instruments (including deferred financing costs written off, premiums paid or other expenses incurred) and the termination of any associated hedging agreements;
- (8) any unrealized or realized gains or losses, and the impact of any revaluation, with respect to any Hedging Obligations, embedded derivatives or other derivative transactions other than, in each case, unrealized gains or losses with respect to Hedging Obligations or other derivatives which are accounted for on a hedge accounting basis (which, for the avoidance of doubt, shall be included in net income); *provided* that, for the avoidance of doubt, realized gains or losses in respect of Hedging Obligations or other derivatives entered into for nonspeculative purposes shall be included in net income; and
- (9) any fees, losses, costs, expenses or charges incurred during such period (including any transaction, retention bonus or similar payment), or any amortization thereof for such period, in connection with (a) any acquisition, recapitalization, Investment, Asset Disposition, disposition, issuance or repayment of Indebtedness (including such fees, expense or charges related to the offering, issuance and rating of the Notes, other securities and any Credit Facilities), issuance of Capital Stock, refinancing transaction or amendment or modification of any debt instrument (including any amendment or other modification of the Notes, other securities and any Credit Facilities), in each case, including the Merger Transactions, the Transactions, any such transaction consummated prior to, on or after the Issue Date and any such transaction undertaken but not completed, and any charges or nonrecurring merger costs incurred during such period as a result of any such transaction, in each case whether or not successful (including, for the avoidance of doubt, the effects of expensing all transaction-related expenses in accordance with Accounting Standards Codification Topic 805— Business Combinations (or any successor provision or other financial accounting standard having a similar result or effect) and any adjustments resulting from the application of Accounting Standards Codification Topic 460—Guarantees (or any successor provision or other financial accounting standard having a similar result or effect) or any related pronouncements) and (b) complying with the requirements under, or making elections permitted by, the documentation governing any Indebtedness;

- (10) any unrealized or realized gain or loss resulting in such period from currency translation increases or decreases or transaction gains or losses, including those related to currency remeasurements of Indebtedness (including any net loss or gain resulting from Hedging Obligations for currency risk or any other currency related risk), intercompany loans, accounts receivables, accounts payable, intercompany balances, other balance sheet items, Hedging Obligations or other obligations of the Company or any Restricted Subsidiary owing to the Company or any Restricted Subsidiary and any other realized or unrealized foreign exchange gains or losses relating to the translation of assets and liabilities denominated in foreign currencies;
- (11) any unrealized or realized income (loss) or non-cash expense attributable to movement in mark-to-market valuation of foreign currencies, Indebtedness or derivative instruments pursuant to GAAP;
- (12) effects of adjustments (including the effects of such adjustments pushed down to such Person and its Restricted Subsidiaries) in such Person's consolidated financial statements pursuant to GAAP (including those required or permitted by Accounting Standards Codification Topic 805—Business Combinations and Accounting Standards Codification 350—Intangibles—Goodwill and Other (or any successor provision or other financial accounting standard having a similar result or effect)) and related pronouncements, including in the inventory (including any impact of changes to inventory valuation policy methods, including changes in capitalization of variances), property and equipment, rights fee arrangements, software, loans, leases, goodwill, intangible assets, in-process research and development, deferred revenue (including deferred costs related thereto and deferred rent), advanced billing and debt line items thereof, resulting from the application of acquisition method accounting, recapitalization accounting or purchase accounting, as the case may be, in relation to the Merger Transactions or any consummated acquisition (by merger, consolidation, amalgamation or otherwise), joint venture investment or other Investment or the amortization or write-off or writedown of any amounts thereof;
- (13) any impairment charge, write-off or write-down, including impairment charges, write-offs or write-downs related to intangible assets, long-lived assets, goodwill, investments in debt or equity securities (including any losses with respect to the foregoing in bankruptcy, insolvency or similar proceedings) and investments recorded using the equity method or as a result of a change in law or regulation, in connection with any disposition of assets and the amortization of intangibles arising pursuant to GAAP;
- (14) (a) charges, accruals and reserves (including contingent liabilities) that are established, adjusted or incurred in connection with the Merger Transactions or within 18 months after the closing of any other acquisition, Investment or disposition that are so required to be established, adjusted or incurred as a result of such acquisition or disposition in accordance with GAAP, or changes as a result of adoption or modification of accounting policies, (b) charges, accruals, expenses and reserves as a result of any change in, or the adoption or modification of accounting principles and/or policies, and (c) earn-out, non-compete and contingent consideration obligations (including to the extent accounted for as bonuses, compensation or otherwise (and including deferred performance incentives in connection with any acquisition (by merger, consolidation, amalgamation or otherwise), joint venture investment or other Investment whether or not a service component is required from the transferor or its related party)) and adjustments thereof and purchase price adjustments;
- (15) any income (loss) related to any realized or unrealized gains and losses resulting from Hedging Obligations or embedded derivatives that require similar accounting treatment (including embedded derivatives in customer contracts), and any other derivative instrument pursuant to the application of Accounting Standards Codification Topic 815—Derivatives and Hedging (or any successor provision or other financial accounting standard having a similar result or effect) and its related pronouncements or mark to market movement of non-U.S. currencies, Indebtedness, derivatives instruments or other financial instruments pursuant to GAAP, including Accounting Standards Codification Topic 825— Financial Instruments (or any successor provision or other

financial accounting standard having a similar result or effect) or an alternative basis of accounting applied in lieu of GAAP;

- (16) any non-cash expenses, accruals or reserves related to adjustments to historical Tax exposures and any deferred Tax expense associated with Tax deductions or net operating losses arising as a result of the Merger Transactions, or the release of any valuation allowances related to such item;
- (17) the amount of (x) Board of Director (or equivalent thereof) fees, management, monitoring, consulting, refinancing, transaction, advisory and other fees (including reimbursements, exit and termination fees) and indemnities, costs and expenses paid or accrued in such period to (or on behalf of) an Equity Investor or otherwise to any member of the Board of Directors (or the equivalent thereof) of the Company, any of its Subsidiaries, any Parent Entity, any Permitted Holder or any Affiliate of a Permitted Holder, and (y) payments made to option holders of the Company or any Parent Entity in connection with, or as a result of, any distribution being made to equityholders of such Person or its Parent Entity, which payments are being made to compensate such option holders as though they were equityholders at the time of, and entitled to share in, such distribution, including any cash consideration for any repurchase of equity;
- (18) the amount of loss or discount on sale of Securitization Assets, Receivables Assets and related assets in connection with a Qualified Securitization Financing or Receivables Facility or other receivables sales transactions;
- (19) (i) payments to third parties in respect of research and development, including amounts paid upon signing, success, completion and other milestones and other progress payments, to the extent expensed, (ii) at the election of the Company with respect to any quarterly period, effects of adjustments to accruals and reserves during a period relating to any change in the methodology of calculating reserves for returns, rebates and other chargebacks (including government program rebates), and (iii) at the election of the Company with respect to any quarterly period, an amount equal to the net change in deferred revenue at the end of such period from the deferred revenue at the end of the previous period;
- (20) the amount of (A) any charge to the extent that a corresponding amount is received in cash by such Person from a Person other than such Person or any Restricted Subsidiary of such Person under any agreement providing for reimbursement of such charge or (B) any charge with respect to any liability or casualty event, business interruption or any product recall, (i) so long as such Person has submitted in good faith, and reasonably expects to receive payment in connection with, a claim for reimbursement of such amounts under its relevant insurance policy or (ii) to the extent such charge is covered by insurance proceeds received in cash during such period (it being understood that if the amount received in cash under any such agreement in any period exceeds the amount of any charge paid during such period such excess amounts received may be carried forward and applied against any charge in any future period);
- (21) any non-cash (and, with respect to clause (ii), cash) charge (including any implementation charge) (other than any write-down of current assets) (including non-cash compensation expense and any amount representing any non-cash adjustment) required by the application of (i) FASB Statement No. 144, (ii) FASB Statement No. 141R, (iii) FASB Statement No. 142 and (iv) Accounting Standards Update No. 2014-09, *Revenue from Contracts with Customers*;
- (22) any cash or non-cash charge required by the application of FASB Statement No. 141R to be expensed by such Person and/or any Restricted Subsidiary during the applicable period; and
- (23) (i) any one-time cumulative effect adjustment resulting from any change in accounting for revenue required by Accounting Standards Codification Topic 606 or any successor provision or other financial accounting standard having a similar result or effect ("*ASC 606*") and/or (ii) any charge, non-cash losses, fees, costs, expenses incurred in connection with the adoption, implementation or application of ASC 606.

In addition, to the extent not already excluded (or included, as applicable) in the Consolidated Net Income of such Person and its Restricted Subsidiaries, notwithstanding anything to the contrary in the foregoing, Consolidated Net Income shall be increased by the amount of: (i) any expenses, charges or losses that are reimbursed by indemnification or other reimbursement provisions in connection with any investment or any sale, conveyance, transfer or other disposition of assets permitted hereunder, or, so long as the Company has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed within 365 days of the date of such evidence (net of any amount so added back in a prior period to the extent not so reimbursed within the applicable 365-day period) and (ii) to the extent covered by insurance (including business interruption insurance) and actually reimbursed, or, so long as the Company has made a determination that there exists reasonable evidence that such amount will in fact be reimbursed by the insurer and only to the extent that such amount is in fact reimbursed within 365 days of the date of such evidence (net of any amount so added back in a prior period to the extent not so reimbursed within the applicable 365-day period), expenses, charges or losses with respect to liability or Casualty Events or business interruption. Consolidated Net Income shall be reduced by the amount of Permitted Tax Distributions actually made to any Parent Entity of such Person in respect of such period in accordance with clause 9(a) of the second paragraph of the covenant described under “—Certain Covenants— Limitation on Restricted Payments,” as though such amounts had been paid as Taxes directly by such Person for such periods.

“*Consolidated Secured Leverage Ratio*” means, as of any date of determination, the ratio of (x) Consolidated Total Indebtedness secured by a Lien on all or a material portion of the Collateral as of such date to (y) LTM EBITDA.

“*Consolidated Total Indebtedness*” means, as of any date of determination, an amount equal to (a) the aggregate principal amount of outstanding Indebtedness for borrowed money *plus* (b) the unreimbursed drawings under letters of credit of the Company and its Restricted Subsidiaries that remain unreimbursed for three Business Days on such date (*provided* that any unreimbursed amount under commercial letters of credit shall not be counted as Consolidated Total Indebtedness until five Business Days after such amount is drawn), *minus* (c) the aggregate amount of cash and Cash Equivalents of the Company and its Restricted Subsidiaries as of such date of determination (*provided* that the cash proceeds of any proposed incurrence of Indebtedness shall not be included in this clause (c) for purposes of calculating the Consolidated Total Leverage Ratio, Consolidated First Lien Secured Leverage Ratio or the Consolidated Secured Leverage Ratio, as applicable), with such pro forma adjustments as are consistent with the pro forma adjustments set forth in the definition of “Fixed Charge Coverage Ratio.” Consolidated Total Indebtedness shall exclude Indebtedness with respect to Cash Management Obligations, intercompany Indebtedness, Subordinated Indebtedness, Disqualified Stock and Preferred Stock of Restricted Subsidiaries and Indebtedness outstanding under the First Lien Credit Agreement or any other revolving facility that was used to finance working capital needs of the Company and its Restricted Subsidiaries (as determined by the Company in good faith) as of such date, Indebtedness in respect of any Receivables Facility, Securitization Facility, Purchase Money Obligations, Finance Lease Obligations, Hedging Obligations, the principal amount of any Indebtedness with respect to which an irrevocable deposit of necessary funds for the payment, redemption or satisfaction of such Indebtedness has been made or obligations in respect of surety bonds, performance bonds and similar instruments.

“*Consolidated Total Leverage Ratio*” means, as of any date of determination, the ratio of (x) Consolidated Total Indebtedness as of such date to (y) LTM EBITDA.

“*Contingent Obligations*” means, with respect to any Person, any obligation of such Person guaranteeing in any manner, whether directly or indirectly, any operating lease, dividend or other obligation that does not constitute Indebtedness (“*primary obligations*”) of any other Person (the “*primary obligor*”), including any obligation of such Person, whether or not contingent:

- (1) to purchase any such primary obligation or any property constituting direct or indirect security therefor;
- (2) to advance or supply funds:
  - (a) for the purchase or payment of any such primary obligation; or



- (b) to maintain the working capital or equity capital of the primary obligor or otherwise to maintain the net worth or solvency of the primary obligor; or
- (3) to purchase property, securities or services primarily for the purpose of assuring the owner of any such primary obligation of the ability of the primary obligor to make payment of such primary obligation against loss in respect thereof.

“*Controlled Investment Affiliate*” means, as to any Person, any other Person, which directly or indirectly is in control of, is controlled by, or is under common control with such Person and is organized by such Person (or any Person controlling such Person) primarily for making direct or indirect equity or debt investments in the Company and/or other companies.

“*Controlling Collateral Agent*” means (a) until the earlier of (x) the Discharge of First Lien Credit Agreement Obligations and (y) the Non-Controlling Authorized Representative Enforcement Date, the First Lien Credit Agreement Collateral Agent and (b) thereafter, the Major Non-Controlling Authorized Representative.

“*Controlling Secured Parties*” means, with respect to any First Lien Shared Collateral, (a) at any time when the First Lien Credit Agreement Collateral Agent is the Controlling Collateral Agent, the First Lien Credit Agreement Secured Parties and (b) at any other time, the Series of First Lien Secured Parties whose Authorized Representative is the Major Non-Controlling Authorized Representative.

“*Credit Facility*” means, with respect to the Company or any of its Subsidiaries, one or more debt facilities (including the First Lien Credit Agreement), indentures or other arrangements, commercial paper facilities and overdraft facilities with banks, other financial institutions or investors providing for revolving credit loans, term loans, notes, receivables financing (including through the sale of receivables to such institutions or to special purpose entities formed to borrow from such institutions against such receivables), letters of credit or other Indebtedness, in each case, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time (and whether in whole or in part and whether or not with the original administrative agent and lenders or another administrative agent or agents or other banks or institutions and whether provided under the original First Lien Credit Agreement or one or more other credit or other agreements, indentures, financing agreements or otherwise) and in each case including all agreements, instruments and documents executed and delivered pursuant to or in connection with the foregoing (including any notes and letters of credit issued pursuant thereto and any Guarantee and collateral agreement, patent and trademark security agreement, mortgages or letter of credit applications and other Guarantees, pledges, agreements, security agreements and collateral documents). Without limiting the generality of the foregoing, the term “Credit Facility” shall include any agreement or instrument (i) changing the maturity of any Indebtedness Incurred thereunder or contemplated thereby, (ii) adding Subsidiaries of the Company as additional borrowers or guarantors thereunder, (iii) increasing the amount of Indebtedness Incurred thereunder or available to be borrowed thereunder or (iv) otherwise altering the terms and conditions thereof.

“*Default*” means any event that is, or with the passage of time or the giving of notice or both would be, an Event of Default; *provided* that any Default that results solely from the taking of an action that would have been permitted but for the continuation of a previous Default will be deemed to be cured if such previous Default is cured prior to becoming an Event of Default.

“*Delaware Divided LLC*” means any Delaware LLC which has been formed upon the consummation of a Delaware LLC Division.

“*Delaware LLC*” means any limited liability company organized or formed under the laws of the State of Delaware.

“*Delaware LLC Division*” means the statutory division of any Delaware LLC into two or more Delaware LLCs pursuant to Section 18-217 of the Delaware Limited Liability Company Act.

“*Derivative Instrument*” with respect to a Person, means any contract, instrument or other right to receive payment or delivery of cash or other assets to which such Person or any Affiliate of such Person that is acting in concert with such Person in connection with such Person’s investment in the Notes (other than a Screened Affiliate) is a party (whether or not requiring further performance by such Person), the value and/or cash flows of which (or any material portion thereof) are materially affected by the value and/or performance of the Notes and/or the creditworthiness of the Company and/or any one or more of the Guarantors (the “*Performance References*”).

“*Derivative Transaction*” shall mean (a) any interest-rate transaction, including any interest-rate swap, basis swap, forward rate agreement, interest rate option (including a cap, collar or floor), and any other instrument linked to interest rates that gives rise to similar credit risks (including when-issued securities and forward deposits accepted), (b) any exchange-rate transaction, including any cross-currency interest-rate swap, any forward foreign-exchange contract, any currency option, and any other instrument linked to exchange rates that gives rise to similar credit risks, (c) any equity derivative transaction, including any equity-linked swap, any equity-linked option, any forward equity-linked contract, and any other instrument linked to equities that gives rise to similar credit risk and (d) any commodity (including precious metal) derivative transaction, including any commodity-linked swap, any commodity-linked option, any forward commodity-linked contract, and any other instrument linked to commodities that gives rise to similar credit risks; *provided*, that no phantom stock or similar plan providing for payments only on account of services provided by current or former directors, officers, employees, members of management, managers or consultants of the Company, any of its Parent Entities or any of its Subsidiaries shall be a Derivative Transaction.

“*Designated Non-Cash Consideration*” means the fair market value (as determined in good faith by the Company) of non-cash consideration received by the Company or one of its Restricted Subsidiaries in connection with an Asset Disposition that is so designated as Designated Non-Cash Consideration pursuant to an Officer’s Certificate, setting forth the basis of such valuation, less the amount of cash or Cash Equivalents received in connection with a subsequent payment, redemption, retirement, sale or other disposition of such Designated Non-Cash Consideration. A particular item of Designated Non-Cash Consideration will no longer be considered to be outstanding when and to the extent it has been paid, redeemed or otherwise retired or sold or otherwise disposed of in compliance with the covenant described under “—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock.”

“*Designated Preferred Stock*” means Preferred Stock of the Company or a Parent Entity (other than Disqualified Stock) that is issued for cash (other than to the Company or a Subsidiary of the Company or an employee stock ownership plan or trust established by the Company or any such Subsidiary for the benefit of their employees to the extent funded by the Company or such Subsidiary) and that is designated as “Designated Preferred Stock” pursuant to an Officer’s Certificate of the Company at or prior to the issuance thereof, the Net Cash Proceeds of which are excluded from the calculation set forth in clause (b)(iii) of the first paragraph of the covenant described under “—Certain Covenants—Limitation on Restricted Payments.”

“*Discharge*” means, with respect to any First Lien Shared Collateral, any First Lien - Junior Lien Shared Collateral and any Series of First Lien Obligations, the date on which (i) such Series of First Lien Obligations have been paid in full in cash (other than any contingent obligations), (ii) any letters of credit issued pursuant to documentation governing such Series of First Lien Obligations shall either have expired or have been terminated (or have been (x) collateralized or back-stopped by a letter of credit or otherwise in a manner reasonably satisfactory to the relevant First Lien Secured Party who issued such letter of credit or (y) deemed reissued under another agreement in a manner reasonably acceptable to the Authorized Representative for such Series of First Lien Obligations and the relevant First Lien Secured Party who issued such letter of credit) and (iii) all commitments under such Series of First Lien Obligations have terminated. The term “*discharged*” shall have a corresponding meaning.

“*Discharge of First Lien Credit Agreement Obligations*” means, with respect to any First Lien Shared Collateral, the Discharge of the First Lien Credit Agreement Obligations with respect to such First Lien Shared Collateral; *provided*, that the Discharge of First Lien Credit Agreement Obligations shall not be deemed to have occurred in connection with a Refinancing of such First Lien Credit Agreement Obligations with Additional First Lien Obligations secured by such First Lien Shared Collateral under a document which has been designated in

writing by the Company as the “First Lien Credit Agreement” for purposes of the First Lien Intercreditor Agreement.

“*Disinterested Director*” means, with respect to any Affiliate Transaction, a member of the Board of Directors of the Company having no material direct or indirect financial interest in or with respect to such Affiliate Transaction. A member of the Board of Directors of the Company shall be deemed not to have such a financial interest by reason of such member’s holding Capital Stock of the Company or any options, warrants or other rights in respect of such Capital Stock.

“*Disqualified Stock*” means, with respect to any Person, any Capital Stock of such Person which by its terms (or by the terms of any security into which it is convertible or for which it is exchangeable) or upon the happening of any event:

- (1) matures or is mandatorily redeemable for cash or in exchange for Indebtedness pursuant to a sinking fund obligation or otherwise; or
- (2) is or may become (in accordance with its terms) upon the occurrence of certain events or otherwise redeemable or repurchasable for cash or in exchange for Indebtedness at the option of the holder of the Capital Stock in whole or in part,

in each case on or prior to the earlier of (a) the Stated Maturity of the Notes or (b) the date on which there are no Notes outstanding; *provided, however*, that (i) only the portion of Capital Stock which so matures or is mandatorily redeemable, is so convertible or exchangeable or is so redeemable at the option of the holder thereof prior to such date will be deemed to be Disqualified Stock and (ii) any Capital Stock that would constitute Disqualified Stock solely because the holders thereof have the right to require the Company to repurchase such Capital Stock upon the occurrence of a change of control or asset sale (howsoever defined or referred to) shall not constitute Disqualified Stock if any such redemption or repurchase obligation is subject to compliance by the relevant Person with the covenant described under “—Certain Covenants—Limitation on Restricted Payments”; *provided, however*, that if such Capital Stock is issued to any future, current or former employee, director, officer, manager or consultant (or their respective Controlled Investment Affiliates or Immediate Family Members (excluding the Permitted Holders (but not excluding any future, current or former employee, director, officer, manager or consultant)) or Immediate Family Members), of the Company, any of its Subsidiaries, any Parent Entity or any other entity in which the Company or a Restricted Subsidiary has an Investment and is designated in good faith as an “affiliate” by the Board of Directors of the Company (or the compensation committee thereof) or any other plan for the benefit of current, former or future employees (or their respective Controlled Investment Affiliates or Immediate Family Members) of the Company or its Subsidiaries or by any such plan to such employees (or their respective Controlled Investment Affiliates or Immediate Family Members), such Capital Stock shall not constitute Disqualified Stock solely because it may be required to be repurchased by the Company or its Subsidiaries in order to satisfy applicable statutory or regulatory obligations.

“*Dollars*” or “\$” means the lawful currency of the United States of America.

“*Domestic Subsidiary*” means, with respect to any Person, any Restricted Subsidiary of such Person other than a Foreign Subsidiary.

“*DTC*” means The Depository Trust Company or any successor securities clearing agency.

“*Elliott Sponsor*” means Elliott Investment Management L.P.

“*Equity Investors*” means (a) the Sponsors and their respective Controlled Investment Affiliates and their respective limited partners and (b) other investors in the Company and/or its Parent Entities arranged by and/or designated by the Sponsors, including but not limited to Management Stockholders and/or former equityholders, in the case of this clause (b) (other than in respect of Management Stockholders and/or former equityholders) on or prior to the First Lien Notes Issue Date.

*“Equity Offering”* means a sale of Capital Stock (other than through the issuance of Disqualified Stock or Designated Preferred Stock or through an Excluded Contribution) other than (a) offerings registered on Form S-8 (or any successor form) under the Securities Act or any similar offering in other jurisdictions or other securities of the Company or any Parent Entity and (b) issuances of Capital Stock to any Subsidiary of the Company.

*“Euro”* means the single currency of participating member states of the economic and monetary union as contemplated in the Treaty on European Union.

*“Exchange Act”* means the U.S. Securities Exchange Act of 1934, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

*“Excluded Contribution”* means Net Cash Proceeds or property or assets received by the Company or any Restricted Subsidiary as capital contributions to the equity (other than through the issuance of Disqualified Stock or Designated Preferred Stock) of the Company or such Restricted Subsidiary after the Issue Date or from the issuance or sale (other than to the Company or a Restricted Subsidiary) of Capital Stock (other than Disqualified Stock or Designated Preferred Stock) of the Company or such Restricted Subsidiary (other than as a result of the contribution or exchange of Notes from the Sponsors).

*“Excluded U.S. Subsidiary”* shall mean (a) any Domestic Subsidiary of a Foreign Subsidiary or (b) any CFC Holding Company.

*“fair market value”* means, with respect to any asset or liability, the fair market value as determined by the Company in good faith, whose determination shall be conclusive.

*“Finance Lease Obligations”* means any lease of property, real or personal, the obligations of the lessee in respect of which are required to be classified and accounted for as a financing lease (and not, for the avoidance of doubt, as an operating lease or failed sale and leaseback transaction) on the balance sheet of such lessee for financial reporting purposes in accordance with GAAP prior to the adoption of Accounting Standards Update No. 2016-02, Leases (Topic 842) by the Financial Accounting Standards Board. The Stated Maturity of any Finance Lease Obligation shall be the date of the last payment of rent or any other amount due under the related lease. The amount of Indebtedness represented by such obligation will be the capitalized amount of such obligation at the time any determination thereof is to be made as determined on the basis of GAAP, and the Stated Maturity thereof will be the date of the last payment of rent or any other amount due under such lease prior to the first date such lease may be terminated without penalty.

*“First Lien - Junior Lien Shared Collateral”* means, at any time, collateral in which the holders of at least one Series of First Lien Obligations and at least one Series of Junior Lien Obligations (or their respective representatives or agents on behalf of such holders) hold a valid and perfected security interest at such time. If more than one Series each of First Lien Obligations and Junior Lien Obligations are outstanding at any time and the holders of less than all Series of First Lien Obligations and Junior Lien Obligations hold a valid and perfected security interest in any collateral at such time, then such collateral shall constitute First Lien - Junior Lien Shared Collateral for those Series of First Lien Obligations and Junior Lien Obligations that hold a valid and perfected security interest in such collateral at such time and shall not constitute First Lien - Junior Lien Shared Collateral for any Series who does not have a valid and perfected security interest in such collateral at such time.

*“First Lien Credit Agreement”* means the Credit Agreement, dated September 30, 2022, by and among the Company and Picard Parent, Inc., as borrowers, Cloud Software Group Holdings, Inc., as Holdings, the other borrowers and guarantors from time to time party thereto, Bank of America, N.A., as administrative agent and collateral agent, and each lender from time to time party thereto, together with the related documents thereto (including the revolving loans thereunder, any letters of credit and reimbursement obligations related thereto, any Guarantees and security documents), as amended, extended, renewed, restated, refunded, replaced, refinanced, supplemented, modified or otherwise changed (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time, and any one or more agreements (and related documents) governing Indebtedness, including indentures, incurred to refinance, substitute, supplement, replace or add to (including increasing the amount available for borrowing or adding or removing any Person as a borrower, issuer or guarantor thereunder, in whole or in part), the borrowings and commitments then outstanding or permitted

to be outstanding under such First Lien Credit Agreement or one or more successors to the First Lien Credit Agreement or one or more new credit agreements.

*“First Lien Credit Agreement Administrative Agent”* means Bank of America, N.A., in its capacity as the administrative agent for the First Lien Credit Agreement Secured Parties, together with its successors and permitted assigns under the First Lien Credit Agreement.

*“First Lien Credit Agreement Collateral Agent”* means Bank of America, N.A., in its capacity as the collateral agent for the First Lien Credit Agreement Secured Parties, together with its successors and permitted assigns under the First Lien Credit Agreement.

*“First Lien Credit Agreement Obligations”* means the “Secured Obligations” as defined in the First Lien Credit Agreement.

*“First Lien Credit Agreement Secured Parties”* means “Secured Parties” as defined in the First Lien Credit Agreement.

*“First Lien Documents”* means the indentures, credit agreements, guarantee agreements and collateral agreements governing any Series of First Lien Obligations.

*“First Lien Intercreditor Agreement”* means that certain First Lien Intercreditor Agreement, dated September 30, 2022, by and among, *inter alios*, the Company, the other grantors party thereto, the First Lien Credit Agreement Administrative Agent, the First Lien Credit Agreement Collateral Agent, the First Lien Notes Collateral Agent, the Citrix Notes Collateral Agent and each additional Authorized Representative from time to time party thereto, as amended, restated, replaced, supplemented, modified or otherwise changed (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time.

*“First Lien Notes”* means the Company’s 6.50% senior secured notes due 2029.

*“First Lien Notes Collateral Agent”* means Wilmington Trust, National Association, as collateral agent for the holders of the First Lien Notes Obligations under the First Lien Notes Collateral Documents and any successor pursuant to the provisions of the First Lien Notes Indenture and the First Lien Notes Collateral Documents.

*“First Lien Notes Collateral Documents”* means, collectively, the First Lien Intercreditor Agreement, the Junior Lien Intercreditor Agreement, any other intercreditor agreements entered into from time to time by the First Lien Notes Collateral Agent, the First Lien Notes Security Agreement and the supplements thereto and each other instrument and document pursuant to which the Company or a guarantor grants (or purports to grant) a Lien on any Collateral as security for payment of the First Lien Notes Obligations (including, without limitation, financing statements under the UCC of relevant states applicable to the Collateral).

*“First Lien Notes Indenture”* means the Indenture, dated September 30, 2022, by and among the Company, the guarantors party thereto, the First Lien Notes Trustee and the First Lien Notes Collateral Agent.

*“First Lien Notes Issue Date”* means September 30, 2022.

*“First Lien Notes Obligations”* means Obligations in respect of the First Lien Notes and the Guarantees thereof, the First Lien Notes Indenture and the First Lien Notes Collateral Documents.

*“First Lien Notes Secured Parties”* means the First Lien Notes Trustee, the First Lien Notes Collateral Agent and the holders of the First Lien Notes.

*“First Lien Notes Security Agreement”* means the Notes Collateral Agreement, dated September 30, 2022, among the Company, the other grantors party thereto and the First Lien Notes Collateral Agent, as it may be amended, supplemented, restated, replaced or otherwise modified from time to time pursuant to the First Lien Notes Indenture.

“*First Lien Notes Trustee*” means Wilmington Trust, National Association, as trustee for the holders of the First Lien Notes Obligations under the First Lien Notes Indenture and any successor pursuant to the provisions of the First Lien Notes Indenture.

“*First Lien Obligations*” means, collectively, (a) the First Lien Credit Agreement Obligations, (b) the First Lien Notes Obligations, (c) the Notes Obligations, (d) the Citrix Notes Obligations and (e) each other Series of Additional First Lien Obligations.

“*First Lien Representative*” means any Authorized Representative of any holders of First Lien Obligations, which representative is named as such in the Junior Lien Intercreditor Agreement or any joinder thereto.

“*First Lien Secured Parties*” means (a) the First Lien Credit Agreement Secured Parties, (b) the First Lien Notes Secured Parties, (c) the Notes Secured Parties, (d) the Citrix Notes Secured Parties (as defined in the First Lien Intercreditor Agreement) and (e) the Additional First Lien Secured Parties with respect to each other Series of Additional First Lien Obligations.

“*First Lien Shared Collateral*” means, at any time, collateral in which the holders of two or more Series of First Lien Obligations (or their respective representatives or agents on behalf of such holders) hold a valid and perfected security interest at such time. If more than two Series of First Lien Obligations are outstanding at any time and the holders of less than all Series of First Lien Obligations hold a valid and perfected security interest in any such collateral at such time, then such collateral shall constitute First Lien Shared Collateral for those Series of First Lien Obligations that hold a valid and perfected security interest in such collateral at such time and shall not constitute First Lien Shared Collateral for any Series who does not have a valid and perfected security interest in such collateral at such time.

“*Fitch*” means Fitch Ratings, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“*Fixed Charge Coverage Ratio*” means, with respect to any Person on any determination date, the ratio of Consolidated EBITDA of such Person for the most recent four consecutive fiscal quarters ending immediately prior to such determination date (the “*reference period*”) for which consolidated financial statements are available (which, at the election of the Company, may be internal consolidated financial statements) to the Fixed Charges of such Person for the reference period. In the event that the Company or any Restricted Subsidiary incurs, assumes, guarantees, redeems, defeases, retires or extinguishes any Indebtedness (other than Indebtedness incurred under any revolving credit facility unless such Indebtedness has been permanently repaid and has not been replaced), has caused any Reserved Indebtedness Amount to be deemed to be incurred during such period or issues or redeems Disqualified Stock or Preferred Stock subsequent to the commencement of the reference period but prior to or simultaneously with the event for which the calculation of the Fixed Charge Coverage Ratio is made (the “*Fixed Charge Coverage Ratio Calculation Date*”), then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect to such incurrence, deemed incurrence, assumption, guarantee, redemption, defeasance, retirement or extinguishment of Indebtedness, or such issuance or redemption of Disqualified Stock or Preferred Stock, as if the same had occurred at the beginning of the applicable four-quarter period.

Notwithstanding anything to the contrary herein, in the event an item of Indebtedness (or any portion thereof) is incurred or issued, any Lien is incurred or other transaction is undertaken in reliance on any ratio based exceptions, thresholds and baskets, such ratio(s) shall be calculated with respect to such incurrence, issuance or other transaction without giving effect to amounts being utilized under any other exceptions, thresholds or baskets (other than ratio based baskets) on the same date. Each item of Indebtedness that is incurred or issued, each Lien incurred and each other transaction undertaken will be deemed to have been incurred, issued or taken first, to the extent available, pursuant to the relevant ratio based test.

Notwithstanding anything to the contrary herein, in the event an item of Indebtedness (or any portion thereof) is incurred or issued, any Lien is incurred or other transaction is undertaken in reliance on any ratio based exceptions, thresholds and baskets, such ratio(s) shall be calculated without regard to the incurrence of any Indebtedness under any revolving facility or letter of credit facility immediately prior to or in connection therewith

or the incurrence of any indebtedness to fund any OID or upfront fees to be paid in connection with the incurrence of such Indebtedness on reliance of such ratio based exception.

The Indenture shall provide that any calculation or measure that is determined with reference to the Company's financial statements (including Consolidated EBITDA, Ratio Interest Expense, Consolidated Net Income, Fixed Charges, Fixed Charge Coverage Ratio, Consolidated First Lien Secured Leverage Ratio, Consolidated Secured Leverage Ratio and Consolidated Total Leverage Ratio) may be determined with reference to the financial statements of a Parent Entity instead, so long as such Parent Entity does not hold any material assets other than, directly or indirectly, the Capital Stock of the Company.

For purposes of making the computation referred to above, any Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, operational changes, business expansions and disposed or discontinued operations that have been made by the Company or any of its Restricted Subsidiaries, during the reference period or subsequent to the reference period and on or prior to or simultaneously with the Fixed Charge Coverage Ratio Calculation Date shall be calculated on a pro forma basis assuming that all such Investments, acquisitions, dispositions, mergers, amalgamations, consolidations, operational changes, business expansions and disposed or discontinued operations (and the change in any associated fixed charge obligations and the change in Consolidated EBITDA resulting therefrom) had occurred on the first day of the reference period. If since the beginning of such period any Person that subsequently became a Restricted Subsidiary or was merged or amalgamated with or into the Company or any of its Restricted Subsidiaries since the beginning of such period shall have made any Investment, acquisition, disposition, merger, amalgamation, consolidation, operational change, business expansion, or disposed or discontinued operation that would have required adjustment pursuant to this definition, then the Fixed Charge Coverage Ratio shall be calculated giving pro forma effect thereto for such period as if such Investment, acquisition, disposition, merger, amalgamation, consolidation or disposed operation had occurred at the beginning of the reference period.

For purposes of this definition, whenever pro forma effect is to be given to a transaction (including the Transactions), the pro forma calculations shall be made in good faith by a responsible financial or chief accounting officer of the Company (and may include, for the avoidance of doubt, cost savings, operating expenses reductions and synergies resulting from such transactions which is being given pro forma effect). If any Indebtedness bears a floating rate of interest and is being given pro forma effect, the interest on such Indebtedness shall be calculated as if the rate in effect on the Fixed Charge Coverage Ratio Calculation Date had been the applicable rate for the entire reference period (taking into account any Hedging Obligations applicable to such Indebtedness). Interest on a Finance Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by a responsible financial or accounting officer of the Company to be the rate of interest implicit in such Finance Lease Obligation in accordance with GAAP. For purposes of making the computation referred to above, interest on any Indebtedness under a revolving credit facility computed with a pro forma basis shall be computed based upon the average daily balance of such Indebtedness during the reference period except as set forth in the first paragraph of this definition. Interest on Indebtedness that may optionally be determined at an interest rate based upon a factor of a prime or similar rate, a eurocurrency interbank offered rate, or other rate, shall be determined to have been based upon the rate actually chosen, or if none, then based upon such optional rate chosen as the Company may designate.

*"Fixed Charges"* means, with respect to any Person for any period, the sum of:

- (1) Ratio Interest Expense of such Person for such period;
- (2) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Preferred Stock of any Restricted Subsidiary of such Person during such period; and
- (3) all cash dividends or other distributions paid (excluding items eliminated in consolidation) on any series of Disqualified Stock during this period.

*"Foreign Subsidiary"* means, with respect to any Person, any Subsidiary of such Person that is not organized or existing under the laws of the United States, any state thereof or the District of Columbia and any Subsidiary of such Subsidiary.

“GAAP” means generally accepted accounting principles in the United States of America set forth in the opinions and pronouncements of the Accounting Principles Board of the American Institute of Certified Public Accountants and statements and pronouncements of the Financial Accounting Standards Board or in such other statements by such other entity as have been approved by a significant segment of the accounting profession, which are in effect from time to time; *provided* that all terms of an accounting or financial nature used in the Indenture shall be construed, and all computations of amounts and ratios referred to in the Indenture shall be made, (a) without giving effect to any election under Accounting Standards Codification Topic 825—Financial Instruments, or any successor thereto or comparable accounting principle (including pursuant to the Accounting Standards Codification), to value any Indebtedness of the Company or any Subsidiary at “fair value,” as defined therein and (b) such that the amount of any Indebtedness under GAAP with respect to Finance Lease Obligations shall be determined in accordance with the definition of Finance Lease Obligations. At any time after the Issue Date, the Company may elect to apply IFRS accounting principles in lieu of GAAP and, upon any such election, references herein to GAAP shall thereafter be construed to mean IFRS (except as otherwise provided in the Indenture); *provided* that any such election, once made, shall be irrevocable; *provided, further*, that any calculation or determination in the Indenture that requires the application of GAAP for periods that include fiscal quarters ended prior to the Company’s election to apply IFRS shall remain as previously calculated or determined in accordance with GAAP. The Company shall give notice of any such election made in accordance with this definition to the Trustee. For the avoidance of doubt, solely making an election (without any other action) referred to in this definition will not be treated as an incurrence of Indebtedness.

If there occurs or has occurred a change in IFRS or GAAP, as the case may be, or if the Company implements a change in, or there is a change resulting from the adoption or modification of, accounting principles, policies or practices in accordance with GAAP, and such change would cause a change in the method of calculation of any standards, terms or measures used in the Indenture (an “Accounting Change”), then the Company may elect that such standards, terms or measures shall be calculated as if such Accounting Change had not occurred.

“Guarantee” means, any obligation, contingent or otherwise, of any Person directly or indirectly guaranteeing any Indebtedness of any other Person, including any such obligation, direct or indirect, contingent or otherwise, of such Person:

- (1) to purchase or pay (or advance or supply funds for the purchase or payment of) such Indebtedness of such other Person (whether arising by virtue of partnership arrangements, or by agreements to keep-well, to purchase assets, goods, securities or services, to take-or-pay or to maintain financial statement conditions or otherwise); or
- (2) entered into primarily for purposes of assuring in any other manner the obligee of such Indebtedness of the payment thereof or to protect such obligee against loss in respect thereof (in whole or in part),

*provided, however*, that the term “Guarantee” will not include (x) endorsements for collection or deposit in the ordinary course of business or consistent with past practice or industry norms and (y) standard contractual indemnities or product warranties provided in the ordinary course of business, and *provided further* that the amount of any Guarantee shall be deemed to be the lower of (i) an amount equal to the stated or determinable amount of the primary obligation in respect of which such Guarantee is made and (ii) the maximum amount for which such guaranteeing Person may be liable pursuant to the terms of the instrument embodying such Guarantee or, if such Guarantee is not an unconditional guarantee of the entire amount of the primary obligation and such maximum amount is not stated or determinable, the amount of such guaranteeing Person’s maximum reasonably anticipated liability in respect thereof as determined by such Person in good faith. The term “Guarantee” used as a verb has a corresponding meaning.

“Guarantor” means any Restricted Subsidiary that Guarantees the Notes, until such Note Guarantee is released in accordance with the terms of the Indenture.

“Hedging Obligations” means, with respect to any Person, the obligations of such Person under any interest rate swap agreement, interest rate cap agreement, interest rate collar agreement, commodity swap agreement, commodity cap agreement, commodity collar agreement, foreign exchange contracts, currency swap agreement or



similar agreement providing for the transfer or mitigation of interest rate, commodity price or currency risks either generally or under specific contingencies.

“*Holder*” means each Person in whose name the Notes are registered on the registrar’s books, which shall initially be the nominee of DTC.

“*Holding Company*” means any Person so long as such Person directly or indirectly holds 100% of the total voting power of the Voting Stock of the Company, and at the time such Person acquired such voting power, no Person and no group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act, or any successor provision), including any such group acting for the purpose of acquiring, holding or disposing of securities (within the meaning of Rule 13d-5(b)(1) under the Exchange Act) (other than any Permitted Holder), shall have beneficial ownership (within the meaning of Rule 13d-3 under the Exchange Act, or any successor provision), directly or indirectly, of more than 50% of the total voting power of the Voting Stock of such Person.

“*IFRS*” means the international financial reporting standards as issued by the International Accounting Standards Board as in effect from time to time.

“*Immaterial Subsidiary*” means, at any date of determination, any combination of Restricted Subsidiaries of the Company, the contribution to Consolidated EBITDA of which, on an aggregated basis, does not exceed 15.00% of Consolidated EBITDA for the most recently ended four fiscal quarter period (including, at the election of the Company, based on internally available financial statements), in each case, measured at the end of the most recent fiscal period for which internal financial statements are available and revenues on a pro forma basis giving effect to any acquisitions or dispositions of companies, division or lines of business since such balance sheet date or the start of such four quarter period, as applicable, and on or prior to the date of acquisition of such Subsidiary.

“*Immediate Family Members*” means, with respect to any individual, such individual’s child, stepchild, grandchild or more remote descendant, parent, stepparent, grandparent, spouse, former spouse, qualified domestic partner, sibling, mother-in-law, father-in-law, son-in-law and daughter-in-law (including adoptive relationships, the estate of such individual and such other individuals above) and any trust, partnership or other bona fide estate-planning vehicle the only beneficiaries of which are any of the foregoing individuals or any private foundation or fund that is controlled by any of the foregoing individuals or any donor-advised fund of which any such individual is the donor.

“*Incur*” means issue, create, assume, enter into any Guarantee of, incur, extend or otherwise become liable for; *provided, however*, that any Indebtedness or Capital Stock of a Person existing at the time such Person becomes a Restricted Subsidiary (whether by merger, amalgamation, consolidation, acquisition or otherwise) will be deemed to be Incurred by such Restricted Subsidiary at the time it becomes a Restricted Subsidiary and the terms “*Incurred*” and “*Incurrence*” have meanings correlative to the foregoing and any Indebtedness pursuant to any revolving credit or similar facility shall only be “*Incurred*” at the time any funds are borrowed thereunder.

“*Indebtedness*” means, with respect to any Person on any date of determination (without duplication):

- (1) the principal of Indebtedness of such Person for borrowed money;
- (2) the principal of obligations of such Person evidenced by bonds, debentures, notes or other similar instruments;
- (3) all reimbursement obligations of such Person in respect of letters of credit, bankers’ acceptances or other similar instruments (the amount of such obligations being equal at any time to the aggregate then undrawn and unexpired amount of such letters of credit or other instruments plus the aggregate amount of drawings thereunder that have not been reimbursed) (except to the extent such reimbursement obligations relate to trade payables and such obligations are satisfied within 30 days of Incurrence);

- (4) the principal component of all obligations of such Person to pay the deferred and unpaid purchase price of property (except trade payables or similar obligations to trade creditors), which purchase price is due more than one year after the date of placing such property in service or taking final delivery and title thereto;
- (5) Finance Lease Obligations of such Person;
- (6) the principal component of all obligations, or liquidation preference, of such Person with respect to any Disqualified Stock or, with respect to any Restricted Subsidiary, any Preferred Stock (but excluding, in each case, any accrued dividends);
- (7) the principal component of all Indebtedness of other Persons secured by a Lien on any asset of such Person, whether or not such Indebtedness is assumed by such Person; *provided, however*, that the amount of such Indebtedness will be the lesser of (a) the fair market value of such asset at such date of determination (as determined in good faith by the Company) and (b) the amount of such Indebtedness of such other Persons;
- (8) Guarantees by such Person of the principal component of Indebtedness of the type referred to in clauses (1), (2), (3), (4), (5) and (9) of other Persons to the extent Guaranteed by such Person; and
- (9) to the extent not otherwise included in this definition, net obligations of such Person under Hedging Obligations (the amount of any such obligations to be equal at any time to the net payments under such agreement or arrangement giving rise to such obligation that would be payable by such Person at the termination of such agreement or arrangement);

with respect to clauses (1), (2), (4) and (5) above, if and to the extent that any of the foregoing Indebtedness (other than letters of credit and Hedging Obligations) would appear as a liability upon a balance sheet (excluding the footnotes thereto) of such Person prepared in accordance with GAAP; provided, that Indebtedness of any Parent Entity appearing upon the balance sheet of the Company solely by reason of push-down accounting under GAAP shall be excluded.

The term “Indebtedness” shall not include any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under GAAP, any prepayments of deposits received from clients or customers in the ordinary course of business or consistent with past practice or industry norms, or obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) Incurred prior to the Issue Date or in the ordinary course of business or consistent with past practice or industry norms.

The amount of Indebtedness of any Person at any time in the case of a revolving credit or similar facility shall be the total amount of funds borrowed and then outstanding. The amount of any Indebtedness outstanding as of any date shall be (a) the accreted value thereof in the case of any Indebtedness issued with original issue discount and (b) the principal amount of Indebtedness, or liquidation preference thereof, in the case of any other Indebtedness. Indebtedness shall be calculated without giving effect to the effects of Topic No. 815 and related interpretations to the extent such effects would otherwise increase or decrease an amount of Indebtedness for any purpose under the Indenture as a result of accounting for any embedded derivatives created by the terms of such Indebtedness.

Notwithstanding the above provisions, in no event shall the following constitute Indebtedness:

- (i) Contingent Obligations Incurred in the ordinary course of business or consistent with past practice or industry norms, other than Guarantees or other assumptions of Indebtedness;
- (ii) Obligations under or in respect of Qualified Securitization Financings or Receivables Facilities;
- (iii) Cash Management Services;

- (iv) any lease, concession or license of property (or Guarantee thereof) which would be considered an operating lease under GAAP or any prepayments of deposits received from clients or customers in the ordinary course of business or consistent with past practice or industry norms;
- (v) obligations under any license, permit or other approval (or Guarantees given in respect of such obligations) incurred prior to the Issue Date or in the ordinary course of business or consistent with past practice or industry norms;
- (vi) in connection with the purchase by the Company or any Restricted Subsidiary of any business, any post-closing payment adjustments to which the seller may become entitled to the extent such payment is determined by a final closing balance sheet or such payment depends on the performance of such business after the closing; *provided, however*, that, at the time of closing, the amount of any such payment is not determinable and, to the extent such payment thereafter becomes fixed and determined, the amount is paid in a timely manner;
- (vii) for the avoidance of doubt, any obligations in respect of workers' compensation claims, early retirement or termination obligations, pension fund obligations or contributions or similar claims, obligations or contributions or social security or wage Taxes;
- (viii) Indebtedness of any Parent Entity appearing on the balance sheet of the Company solely by reason of push down accounting under GAAP;
- (ix) Capital Stock (other than Disqualified Stock); or
- (x) amounts owed to dissenting stockholders in connection with, or as a result of, their exercise of appraisal rights and the settlement of any claims or action (whether actual, contingent or potential) with respect thereto (including any accrued interest).

*"Independent Financial Advisor"* means an accounting, appraisal, investment banking firm or consultant to Persons engaged in Similar Businesses of nationally recognized standing; *provided, however*, that such firm or appraiser is not an Affiliate of the Company.

*"Intercompany License Agreement"* means any cost sharing agreement, commission or royalty agreement, license or sublicense agreement, distribution agreement, services agreement, intellectual property rights transfer agreement, any related agreements or similar agreements, in each case where all parties to such agreement are one or more of the Company or a Restricted Subsidiary.

*"Intercreditor Agreements"* means the First Lien Intercreditor Agreement, the Junior Lien Intercreditor Agreement and any other intercreditor agreements entered into from time to time.

*"Investment"* means, with respect to any Person, all investments by such Person in other Persons (including Affiliates) in the form of advances, loans or other extensions of credit (other than advances or extensions of credit to customers, suppliers, directors, officers or employees of any Person in the ordinary course of business or consistent with past practice or industry norms, and excluding any debt or extension of credit represented by a bank deposit other than a time deposit) or capital contribution to (by means of any transfer of cash or other property to others or any payment for property or services for the account or use of others), or the Incurrence of a Guarantee of any obligation of, or any purchase or acquisition of Capital Stock, Indebtedness or other similar instruments issued by, such other Persons and all other items that are or would be classified as investments on a balance sheet prepared on the basis of GAAP; *provided, however*, that endorsements of negotiable instruments and documents in the ordinary course of business or consistent with past practice or industry norms will not be deemed to be an Investment. If the Company or any Restricted Subsidiary issues, sells or otherwise disposes of any Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any Investment by the Company or any Restricted Subsidiary in such Person remaining after giving effect thereto will be deemed to be a new Investment at such time.

For purposes of “—Certain Covenants—Limitation on Restricted Payments” and “—Designation of Restricted and Unrestricted Subsidiaries”:

- (1) “*Investment*” will include the portion (proportionate to the Company’s equity interest in a Restricted Subsidiary to be designated as an Unrestricted Subsidiary) of the fair market value of the net assets of such Restricted Subsidiary of the Company at the time that such Restricted Subsidiary is designated an Unrestricted Subsidiary; *provided, however*, that upon a redesignation of such Subsidiary as a Restricted Subsidiary, the Company will be deemed to continue to have a permanent “Investment” in an Unrestricted Subsidiary in an amount (if positive) equal to (a) the Company’s “Investment” in such Subsidiary at the time of such redesignation less (b) the portion (proportionate to the Company’s equity interest in such Subsidiary) of the fair market value of the net assets (as determined by the Company) of such Subsidiary at the time that such Subsidiary is so re-designated a Restricted Subsidiary;
- (2) any property transferred to or from an Unrestricted Subsidiary will be valued at its fair market value at the time of such transfer, in each case as determined in good faith by the Company; and
- (3) if the Company or any Restricted Subsidiary issues, sells or otherwise disposes of Capital Stock of a Person that is a Restricted Subsidiary such that, after giving effect thereto, such Person is no longer a Restricted Subsidiary, any investment by the Company or any Restricted Subsidiary in such Person remaining after giving effect thereto shall not be deemed to be an Investment at such time.

The amount of any Investment outstanding at any time shall be the original cost of such Investment, reduced by any dividend, distribution, interest payment, return of capital, disposition, repayment or other amount received in cash and Cash Equivalents by the Company or a Restricted Subsidiary in respect of such Investment to the extent such amounts do not increase any other baskets under the Indenture.

“*Investment Grade Securities*” means:

- (1) securities issued or directly and fully Guaranteed or insured by the United States, Canadian, Swiss or United Kingdom government or any agency or instrumentality thereof (other than Cash Equivalents);
- (2) securities issued or directly and fully guaranteed or insured by a member of the European Union, or any agency or instrumentality thereof (other than Cash Equivalents);
- (3) debt securities or debt instruments with a rating of “A-” or higher from S&P or “A3” or higher by Moody’s or the equivalent of such rating by such rating organization or, if no rating of Moody’s or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization, but excluding any debt securities or instruments constituting loans or advances among the Company and its Subsidiaries; and
- (4) investments in any fund that invests all or substantially all of its assets in investments of the type described in clauses (1), (2) and (3) above which fund may also hold cash and Cash Equivalents pending investment or distribution.

“*Investment Grade Status*” shall occur when the Notes receive two of the following:

- (1) a rating of “BBB-” or higher from S&P;
- (2) a rating of “Baa3” or higher from Moody’s; or
- (3) a rating of “BBB-” or higher from Fitch,

or the equivalent of such rating by either any rating organization or, if no rating of Moody's or S&P then exists, the equivalent of such rating by any other Nationally Recognized Statistical Ratings Organization.

*"IPO Listco"* means a wholly owned Subsidiary of a Holding Company formed in contemplation of any Qualified IPO to become an IPO Entity.

*"IPO Reorganization Transactions"* means transactions taken in connection with and reasonably related to consummating a Qualified IPO, in each case, whether or not consummated.

*"Issue Date"* means                   , 2024.

*"Junior Enforcement Date"* has the meaning set forth under *"—Security for the Notes—Junior Lien Intercreditor Agreement."*

*"Junior Lien Collateral Agent"* means a Junior Lien Representative for the holders of any initial Junior Lien Obligations (including the Second Lien Notes Collateral Agent).

*"Junior Lien Documents"* means the credit and security documents governing the Junior Lien Obligations, including, without limitation, the related Junior Lien Security Documents and the Junior Lien Intercreditor Agreement.

*"Junior Lien Intercreditor Agreement"* means that certain First Lien/Second Lien Intercreditor Agreement, dated September 30, 2022, by and among, *inter alios*, the Company, the other grantors party thereto, the First Lien Credit Agreement Administrative Agent, the First Lien Credit Agreement Collateral Agent, the First Lien Notes Collateral Agent, the Citrix Notes Collateral Agent, the Second Lien Notes Collateral Agent and each additional authorized representative from time to time party thereto, as amended, restated, replaced, supplemented, modified or otherwise.

*"Junior Lien Obligations"* means any Obligations (including the Second Lien Notes Obligations and each other Series of Additional Junior Lien Obligations) with respect to Indebtedness permitted to be incurred under the Indenture, which is by its terms intended to be secured by the Collateral with a Junior Lien Priority relative to the Notes; *provided* such Lien is permitted to be incurred under the Indenture; *provided, further*, that the holders of such Indebtedness or their Junior Lien Representative shall become party to the Junior Lien Intercreditor Agreement and any other applicable intercreditor agreements.

*"Junior Lien Priority"* means Indebtedness that is secured by a Lien that is junior in priority to the Liens on the Collateral securing the Notes and the Note Guarantees and subject to the Intercreditor Agreements on a basis that is no more favorable to the holders of such Indebtedness than the provisions described in the Junior Lien Intercreditor Agreement applicable to the holders of Junior Lien Obligations.

*"Junior Lien Representative"* means any authorized representative of any holders of Junior Lien Obligations, which representative is named as such in the Junior Lien Intercreditor Agreement or any joinder thereto.

*"Junior Lien Secured Parties"* means any holders from time to time of any Junior Lien Obligations (including the Second Lien Notes Obligations and any Additional Junior Lien Obligations), each Junior Lien Collateral Agent and each other Junior Lien Representative.

*"Junior Lien Security Agreement"* means any security agreement (including the Second Lien Notes Security Agreement) covering a portion of the Collateral to be entered into by the Company, the Guarantors and a Junior Lien Representative.

*"Junior Lien Security Documents"* means, collectively, the Junior Lien Intercreditor Agreement, any Junior Lien Security Agreement (including the Second Lien Notes Security Agreement), other security agreements relating to the Collateral and the mortgages and instruments filed and recorded in appropriate jurisdictions to preserve and

protect the Liens on the Collateral (including, without limitation, financing statements under the Uniform Commercial Code of the relevant states), in each case, relating to any Junior Lien Obligations, as amended, amended and restated, modified, renewed or replaced from time to time.

“*LCT Election*” has the meaning set forth in the covenant described under “—Certain Covenants—Limitation on Indebtedness.”

“*LCT Test Date*” has the meaning set forth in the covenant described under “—Certain Covenants—Limitation on Indebtedness.”

“*Lien*” means with respect to any asset, any mortgage, pledge, hypothecation, assignment by way of security, deposit arrangement, encumbrance, lien (statutory or other), charge, or preference, priority or other security interest or preferential arrangement of any kind or nature whatsoever (including any conditional sale or other title retention agreement, any easement, right of way or other encumbrance on title to real property, and any Finance Lease Obligations having substantially the same economic effect as any of the foregoing), in each case, in the nature of security over any assets; provided, that in no event shall an operating lease in and of itself be deemed to constitute a Lien.

“*Limited Condition Transaction*” means (1) any Investment or acquisition (whether by merger, amalgamation, consolidation or other business combination or the acquisition of Capital Stock or otherwise and which may include, for the avoidance of doubt, a transaction that may constitute a Change of Control), (2) any redemption, repurchase, defeasance, satisfaction and discharge or repayment of Indebtedness, Disqualified Stock or Preferred Stock, (3) any Restricted Payment; (4) any asset sale or a disposition excluded from the definition of “Asset Disposition” and (5) a “Change of Control.”

“*Long Derivative Instrument*” means a Derivative Instrument (i) the value of which generally increases, and/or the payment or delivery obligations under which generally decrease, with positive changes to the Performance References and/or (ii) the value of which generally decreases, and/or the payment or delivery obligations under which generally increase, with negative changes to the Performance References.

“*LTM EBITDA*” means Consolidated EBITDA of the Company measured for the period of the most recent four consecutive fiscal quarters ending prior to the date of such determination for which internal consolidated financial statements of the Company are available, in each case with such pro forma adjustments giving effect to such Indebtedness, acquisition or Investment, as applicable, since the start of such four quarter period and as are consistent with the pro forma adjustments set forth in the definition of “Fixed Charge Coverage Ratio.”

“*Management Advances*” means loans or advances made to, or Guarantees with respect to loans or advances made to, directors, officers, employees or consultants (or their respective Controlled Investment Affiliates or Immediate Family Members) of any Parent Entity, the Company or any Restricted Subsidiary:

- (1) (a) in respect of travel, entertainment, relocation or moving related expenses, payroll advances and other analogous or similar expenses or payroll expenses, in each case Incurred in the ordinary course of business or consistent with past practice or industry norms or (b) for purposes of funding any such person’s purchase of Capital Stock (or similar obligations) of the Company, its Subsidiaries or any Parent Entity with (in the case of this sub-clause (b)) the approval of the Board of Directors;
- (2) in respect of relocation or moving related expenses, payroll advances and other analogous or similar expenses or payroll expenses, in each case Incurred in connection with any closing or consolidation of any facility or office; or
- (3) not exceeding the greater of \$310.0 million and 10.0% of LTM EBITDA in the aggregate outstanding at the time of Incurrence.

“*Management Stockholders*” means the members of management of the Company (or any Parent Entity) or its Subsidiaries who are holders of Capital Stock of the Company or of any Parent Entity on the First Lien Notes Issue Date or became holders of such Capital Stock in connection with the Merger Transactions.

“*Market Capitalization*” means an amount equal to (i) the total number of issued and outstanding shares of common Capital Stock of the Company or any Parent Entity on the date of the declaration of a Restricted Payment permitted pursuant to clause (10) of the second paragraph under “—Certain Covenants—Limitation on Restricted Payments” multiplied by (ii) the arithmetic mean of the closing prices per share of such common Capital Stock on the principal securities exchange on which such common Capital Stock are traded for the 30 consecutive trading days immediately preceding the date of declaration of such Restricted Payment.

“*Merger*” means the transactions contemplated by the Merger Agreement and other related transactions.

“*Merger Agreement*” means that certain Agreement and Plan of Merger, dated January 31, 2022, by and among Citrix, Picard Parent, Inc., Picard Merger Sub, Inc. and, for certain limited purposes detailed in the Merger Agreement, the Company, as amended from time to time.

“*Merger Transaction Expenses*” means any fees, costs and expenses (including all legal, accounting and other professional fees, costs and expenses) incurred or paid by the Company or any Restricted Subsidiary associated or in connection with the Merger Transactions, including any fees, costs and expenses associated with payments or distributions to dissenting stockholders (including in connection with, or as a result of, exercise of dissenters’ or appraisal rights and the settlement of any claims or action (whether actual, contingent or potential) with respect thereto).

“*Merger Transactions*” means the financing and consummation of the Merger, any transactions directly or indirectly related to the consummation of the Merger (including the issuance of the First Lien Notes, the borrowing under the First Lien Credit Agreement, the borrowing under the Second Lien Bridge Credit Agreement, the issuance of the Second Lien Notes and the consummation of the Series A Preferred Stock offering), the repayment of existing indebtedness, the payment of fees, expenses and premiums incurred in connection with the foregoing and other related transactions and use of proceeds.

“*Moody’s*” means Moody’s Investors Service, Inc. or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“*Nationally Recognized Statistical Rating Organization*” means a nationally recognized statistical rating organization within the meaning of Rule 436 under the Securities Act.

“*Net Available Cash*” from an Asset Disposition means cash payments received (including any cash payments received by way of deferred payment of principal pursuant to a note or installment receivable or otherwise and net proceeds from the sale or other disposition of any securities received as consideration, but only as and when received, but excluding any other consideration received in the form of assumption by the acquiring person of Indebtedness or other obligations relating to the properties or assets that are the subject of such Asset Disposition or received in any other non-cash form) therefrom, in each case net of:

- (1) all legal, accounting, investment banking, title and recording Tax expenses, commissions and other fees and expenses Incurred, and all Taxes paid, reasonably estimated to be actually payable or accrued as a liability under GAAP (including, for the avoidance of doubt, any income, withholding and other Taxes payable as a result of the distribution of such proceeds to the Company or any of its Subsidiaries, transfer Taxes, deed or mortgage recording Taxes and Taxes that would be payable in connection with any deemed or actual repatriation of such proceeds and any Tax sharing arrangements), as a consequence of such Asset Disposition, including distributions for Related Taxes;

- (2) all payments made on any Indebtedness which is secured by any assets subject to such Asset Disposition, in accordance with the terms of any Lien upon such assets, or which by applicable law be repaid out of the proceeds from such Asset Disposition;
- (3) all distributions and other payments required to be made to minority interest holders (other than any Parent Entity, the Company or any of its respective Subsidiaries) in Subsidiaries or joint ventures as a result of such Asset Disposition;
- (4) the deduction of appropriate amounts required to be provided by the seller as a reserve, on the basis of GAAP, against any liabilities associated with the assets disposed of in such Asset Disposition and retained by the Company or any Restricted Subsidiary after such Asset Disposition; and
- (5) any funded escrow established pursuant to the documents evidencing such sale or disposition to secure and indemnification obligation on adjustments to the purchase price associated with any such Asset Disposition.

“*Net Cash Proceeds*,” with respect to any issuance or sale of Capital Stock, means the cash proceeds of such issuance or sale net of attorneys’ fees, accountants’ fees, underwriters’ or placement agents’ fees, listing fees, discounts or commissions and brokerage, consultant and other fees and charges actually Incurred in connection with such issuance or sale and net of Taxes paid or reasonably estimated to be actually payable as a result of such issuance or sale (including, for the avoidance of doubt, any income, withholding and other Taxes payable as a result of the distribution of such proceeds to the Company or any of its Subsidiaries, transfer taxes, deed or mortgage recording Taxes and Taxes that would be payable in connection with any deemed or actual repatriation of such proceeds and any Tax sharing arrangements, and including distributions for Related Taxes).

“*Net Short*” means, with respect to a Holder or beneficial owner, as of a date of determination, either (i) the value of its Short Derivative Instruments exceeds the sum of the (x) the value of its Notes plus (y) the value of its Long Derivative Instruments as of such date of determination or (ii) it is reasonably expected that such would have been the case were a Failure to Pay or Bankruptcy Credit Event (each as defined in the 2014 ISDA Credit Derivatives Definitions) to have occurred with respect to the Company or any Guarantor immediately prior to such date of determination.

“*Non-Controlling Authorized Representative*” means at any time with respect to any First Lien Shared Collateral, any Authorized Representative that is not the Controlling Collateral Agent at such time with respect to such First Lien Shared Collateral.

“*Non-Controlling Authorized Representative Enforcement Date*” has the meaning set forth under “Security—First Lien Intercreditor Agreement.”

“*Non-Controlling Collateral Agent*” means, at any time with respect to any First Lien Shared Collateral, any Collateral Agent that is not the Controlling Collateral Agent at such time with respect to such First Lien Shared Collateral.

“*Non-Controlling Secured Parties*” means, with respect to any First Lien Shared Collateral, the First Lien Secured Parties which are not Controlling Secured Parties with respect to such First Lien Shared Collateral.

“*Non-Guarantor Subsidiary*” means any Restricted Subsidiary of the Company that is not a Guarantor.

“*Note Documents*” means the Notes (including Additional Notes), the Note Guarantees, the Notes Collateral Documents and the Indenture.

“*Notes Collateral Agent*” means Wilmington Trust, National Association, as collateral agent for the holders of the Notes Obligations under the Notes Collateral Documents and any successor pursuant to the provisions of the Indenture and the Notes Collateral Documents.



“*Notes Collateral Documents*” means, collectively, the First Lien Intercreditor Agreement, the Junior Lien Intercreditor Agreement, any other intercreditor agreements entered into from time to time by the Notes Collateral Agent, the Notes Security Agreement and the supplements thereto and each other instrument and document pursuant to which the Company or a Guarantor grants (or purports to grant) a Lien on any Collateral as security for payment of the Notes Obligations (including, without limitation, financing statements under the UCC of relevant states applicable to the Collateral).

“*Notes Obligations*” means Obligations in respect of the Notes and the Note Guarantees thereof, the Indenture and the Notes Collateral Documents.

“*Notes Secured Parties*” means the Trustee, the Notes Collateral Agent and the Holders of the Notes.

“*Notes Security Agreement*” means that certain Notes Collateral Agreement, dated as of the Issue Date, among the Company, the Guarantors and the Notes Collateral Agent, as it may be amended, supplemented, restated, replaced or otherwise modified from time to time pursuant to the Indenture.

“*Obligations*” means any principal, interest (including interest accruing on or after the filing of any petition in bankruptcy or for reorganization relating to the Company or any Guarantor whether or not a claim for Post-Petition Interest is allowed in such proceedings), penalties, fees, indemnifications, reimbursements (including, without limitation, reimbursement obligations with respect to letters of credit and bankers’ acceptances), damages and other liabilities payable under the documentation governing any Indebtedness.

“*Officer*” means, with respect to any Person, (1) the Chairman of the Board of Directors, the Chief Executive Officer, the President, the Chief Financial Officer, any Vice President, the Treasurer, any Managing Director or the Secretary (a) of such Person or (b) if such Person is owned or managed by a single entity, of such entity, or (2) any other individual designated as an “Officer” for the purposes of the Indenture by the Board of Directors of such Person.

“*Officer’s Certificate*” means, with respect to any Person, a certificate signed by one Officer of such Person.

“*Opinion of Counsel*” means a written opinion from legal counsel who is reasonably satisfactory to the Trustee. The counsel may be an employee of or counsel to the Company or its Subsidiaries.

“*Parent Entity*” means any, direct or indirect, parent of the Company.

“*Parent Entity Expenses*” means:

- (1) costs (including all professional fees and expenses) Incurred by any Parent Entity in connection with reporting obligations under or otherwise Incurred in connection with compliance with applicable laws, rules or regulations of any governmental, regulatory or self-regulatory body or stock exchange, the Indenture or any other agreement or instrument relating to the Notes, the related Note Guarantees or any other Indebtedness of the Company or any Restricted Subsidiary, including in respect of any reports filed or delivered with respect to the Securities Act, Exchange Act or the respective rules and regulations promulgated thereunder;
- (2) customary salary, bonus, severance, indemnity, insurance (including premiums therefor) and other benefits payable to any employee, director, officer, manager, contractor, consultant or advisor of any Parent Entity or other Persons under its articles, charter, by-laws, partnership agreement or other organizational documents or pursuant to written agreements with any such Person to the extent relating to the Company and its Subsidiaries;
- (3) obligations of any Parent Entity in respect of director and officer insurance (including premiums therefor) to the extent relating to the Company and its Subsidiaries;

- (4) (x) general corporate operating and overhead fees, costs and expenses, (including all legal, accounting and other professional fees, costs and expenses) and, following the first public offering of the Company's Capital Stock or the Capital Stock of any Parent Entity, listing fees and other costs and expenses attributable to being a publicly traded company of any Parent Entity and (y) other operational expenses of any Parent Entity related to the ownership or operation of the business of the Company or any of its Restricted Subsidiaries;
- (5) expenses Incurred by any Parent Entity in connection with any offering, sale, conversion or exchange of Capital Stock or Indebtedness (whether or not successful) and (ii) any related compensation paid to employees, directors, officers, managers, contractors, consultants or advisors (or their respective Controlled Investment Affiliates or Immediate Family Members) of such Parent Entity;
- (6) amounts payable pursuant to any management services or similar agreements or the management services provisions in an investor rights agreement or other equityholders' agreement in effect on the Issue Date (including any amendment thereto or replacement thereof so long as any such amendment or replacement is not materially disadvantageous in the reasonable determination of the Company to the Holders when taken as a whole, as compared to the management services or similar agreements as in effect immediately prior to such amendment or replacement), solely to the extent such amounts are not paid directly by the Company or its Subsidiaries; and
- (7) amounts to finance Investments that would otherwise be permitted to be made pursuant to the covenant described above under "—Certain Covenants—Limitation on Restricted Payments" if made by the Company; provided, that (A) such Restricted Payment shall be made substantially concurrently with the closing of such Investment, (B) such direct or indirect parent company shall, immediately following the closing thereof, cause (1) all property acquired (whether assets or Capital Stock) to be contributed to the capital of the Company or one of its Restricted Subsidiaries or (2) the merger, consolidation or amalgamation of the Person formed or acquired into the Company or one of its Restricted Subsidiaries (to the extent not prohibited by the covenant described under the caption "—Certain Covenants— Merger, Amalgamation and Consolidation" above) in order to consummate such Investment, (C) such direct or indirect parent company and its Affiliates (other than the Company or a Restricted Subsidiary) receives no consideration or other payment in connection with such transaction except to the extent the Company or a Restricted Subsidiary could have given such consideration or made such payment in compliance with the Indenture and such consideration or other payment is included as a Restricted Payment under the Indenture, (D) any property received by the Company shall not increase amounts available for Restricted Payments pursuant to clause (b) of the first paragraph of the covenant described under the caption "—Certain Covenants—Limitation on Restricted Payments" and (E) such Investment shall be deemed to be made by the Company or such Restricted Subsidiary pursuant to another provision of such covenant or pursuant to the definition of "Permitted Investment."

*"Pari Passu Indebtedness"* means Indebtedness of the Company which ranks equally in right of payment to the Notes or of any Guarantor if such Indebtedness ranks equally in right of payment to the Guarantees of the Notes.

*"Pari Passu Lien Priority"* means, relative to specified Indebtedness, having equal Lien priority on specified Collateral and, in the case of Indebtedness having Pari Passu Lien Priority relative to the Notes, subject to the First Lien Intercreditor Agreement.

*"Paying Agent"* means any Person authorized by the Company to pay the principal of (and premium, if any) or interest on any Note on behalf of the Company.

*"Permitted Acquisition"* shall mean any transaction or series of related transactions by the Company or any of its Restricted Subsidiaries for (a) the direct or indirect acquisition of all or substantially all of the property of any Person, or of any assets constituting a line of business, business unit, division or product line (including research and development and related assets in respect of any product) of any Person; (b) the acquisition (including by merger or consolidation) of the equity interests (other than director qualifying shares) of any Person that becomes a Restricted

Subsidiary after giving effect to such transaction or is designated an Unrestricted Subsidiary pursuant to the terms hereof; or (c) a merger or consolidation or any other combination with any Person (so long as, if the Company or a Guarantor is a party to such merger, consolidation or other combination, the Company or such Guarantor, as applicable (including for the avoidance of doubt, any such Person that becomes a Guarantor upon the consummation of such merger, consolidation or other combination), is the surviving entity), in each case that is not prohibited under the Indenture.

*“Permitted Asset Swap”* means the concurrent purchase and sale or exchange of assets used or useful in a Similar Business or a combination of such assets and cash, Cash Equivalents between the Company or any of its Restricted Subsidiaries and another Person; *provided* that any cash or Cash Equivalents received in excess of the value of any cash or Cash Equivalents sold or exchanged must be applied in accordance with the covenant described under *“—Certain Covenants—Limitation on Sales of Assets and Subsidiary Stock.”*

*“Permitted Holders”* means, collectively, (i) the Equity Investors, (ii) the Management Stockholders (including any Management Stockholders holding Capital Stock through an equityholding vehicle), (iii) any Person who is acting solely as an underwriter in connection with a public or private offering of Capital Stock of any Parent Entity or the Company, acting in such capacity, (iv) any group (within the meaning of Section 13(d)(3) or Section 14(d)(2) of the Exchange Act or any successor provision) of which any of the foregoing, any Holding Company, Permitted Plan or any Person or group that becomes a Permitted Holder specified in the last sentence of this definition are members and any member of such group; *provided* that, in the case of such group and without giving effect to the existence of such group or any other group, Persons referred to in subclauses (i) through (iii), collectively, have beneficial ownership of more than 50% of the total voting power of the Voting Stock of the Company or any Parent Entity held by such group, (v) any Holding Company and (vi) any Permitted Plan. Any Person or group whose acquisition of beneficial ownership constitutes a Change of Control in respect of which a Change of Control Offer is made or waived in accordance with the requirements of the Indenture, will thereafter, together with its Affiliates, constitute an additional Permitted Holder.

*“Permitted Intercompany Activities”* means any transactions (A) between or among the Company and its Restricted Subsidiaries that are entered into in the ordinary course of business or consistent with past practice or industry norms of the Company and its Restricted Subsidiaries and, in the reasonable determination of the Company are necessary or advisable in connection with the ownership or operation of the business of the Company and its Restricted Subsidiaries, including (i) payroll, cash management, purchasing, insurance and hedging arrangements; (ii) management, technology and licensing arrangements; and (iii) customary loyalty and rewards programs; (B) between or among the Company, its Restricted Subsidiaries and any Captive Insurance Subsidiary.

*“Permitted Investment”* means (in each case, by the Company or any of its Restricted Subsidiaries):

- (1) Investments in (a) a Restricted Subsidiary (including the Capital Stock of, or guarantees of obligations of, a Restricted Subsidiary) or the Company or (b) a Person (including the Capital Stock of any such Person) that will, upon the making of such Investment, become a Restricted Subsidiary;
- (2) Investments in another Person if such Person is engaged, directly or through entities that will be Restricted Subsidiaries, in any Similar Business and as a result of such Investment such other Person, in one transaction or a series of transactions, is merged, amalgamated, consolidated or otherwise combined with or into, or transfers or conveys all or substantially all its assets (or such division, business unit, product line or business) to, or is liquidated into, the Company or a Restricted Subsidiary, and any Investment held by such Person; *provided* that such Investment was not acquired by such Person in contemplation of such acquisition, merger, amalgamation, consolidation, combination, transfer or conveyance;
- (3) Investments in cash, Cash Equivalents or Investment Grade Securities;
- (4) Investments in receivables owing to the Company or any Restricted Subsidiary created or acquired in the ordinary course of business or consistent with past practice or industry norms;

- (5) Investments in payroll, travel and similar advances to cover matters that are expected at the time of such advances ultimately to be treated as expenses for accounting purposes and that are made in the ordinary course of business or consistent with past practice or industry norms;
- (6) Management Advances;
- (7) Investments received in settlement, compromise or resolution of debts created in the ordinary course of business or consistent with past practice or industry norms and owing to the Company or any Restricted Subsidiary or in exchange for any other Investment or accounts receivable, endorsements for collection or deposit held by the Company or any such Restricted Subsidiary, or as a result of foreclosure, perfection or enforcement of any Lien, or in satisfaction of judgments or pursuant to any plan of reorganization or similar arrangement including upon the bankruptcy or insolvency of a debtor or litigation, arbitration or other disputes or otherwise with respect to any secured Investment or other transfer of title with respect to any secured Investment in default;
- (8) Investments made as a result of the receipt of promissory notes or other non-cash consideration (including earn-outs) from a sale or other disposition of property or assets, including an Asset Disposition;
- (9) Investments (a) existing or pursuant to binding commitments, agreements or arrangements in effect on the Issue Date and any modification, replacement, renewal, reinvestment or extension thereof; provided that the amount of any such Investment may not be increased except (i) as required by the terms of such Investment or binding commitment as in existence on the Issue Date (including in respect of any unused commitment), plus any accrued but unpaid interest (including any accretion of interest, original issue discount or the issuance of pay-in-kind securities) and premium payable by the terms of such Indebtedness thereon and fees and expenses associated therewith as of the Issue Date or (ii) as otherwise permitted under the Indenture and (b) made after the Issue Date in joint ventures of the Company or any of its Restricted Subsidiaries existing on the Issue Date;
- (10) Hedging Obligations, which transactions or obligations are Incurred in compliance with “—Certain Covenants—Limitation on Indebtedness,” other Derivative Transactions or similar arrangements (including in connection with the termination or unwinding thereof);
- (11) pledges or deposits with respect to leases or utilities provided to third parties in the ordinary course of business or Liens otherwise described in the definition of “Permitted Liens” or made in connection with Liens permitted under the covenant described under “—Certain Covenants—Limitation on Liens”;
- (12) any Investment to the extent made using Capital Stock of the Company (other than Disqualified Stock) or Capital Stock of any Parent Entity as consideration;
- (13) any transaction to the extent constituting an Investment that is permitted and made in accordance with the provisions of the second paragraph of the covenant described under “—Certain Covenants—Limitation on Affiliate Transactions” (except those described in clauses (1), (3), (6), (7), (8), (9), (12) and (14) of that paragraph);
- (14) Investments consisting of (i) purchases or other acquisitions of inventory, supplies, materials, equipment and similar assets or (ii) licenses, sublicenses, cross-licenses, leases, subleases, assignments, contributions or other Investments of intellectual property or other intangibles or services in the ordinary course of business pursuant to any joint development, joint venture or marketing arrangements with other Persons or any Intercompany License Agreement and any other Investments made in connection therewith;

- (15) (i) Guarantees of Indebtedness not prohibited by the covenant described under “—Certain Covenants— Limitation on Indebtedness” and (other than with respect to Indebtedness) guarantees, keepwells and similar arrangements in the ordinary course of business, and (ii) performance guarantees and Contingent Obligations with respect to obligations that are not prohibited by the Indenture;
- (16) Investments consisting of earnest money deposits required in connection with a purchase agreement, or letter of intent, or other acquisitions to the extent not otherwise prohibited by the Indenture;
- (17) Investments of a Restricted Subsidiary acquired after the Issue Date or of an entity merged or amalgamated into the Company or merged or amalgamated into or consolidated with a Restricted Subsidiary after the Issue Date to the extent that such Investments were not made in contemplation of or in connection with such acquisition, merger, amalgamation or consolidation and were in existence on the date of such acquisition, merger, amalgamation or consolidation;
- (18) (i) Investments in deposit and investment accounts (including, for the avoidance of doubt, eurocurrency investment accounts) opened in the ordinary course of business with financial institutions and (ii) any Investment in any Subsidiary or any joint venture in the ordinary course of business or consistent with past practice or industry norms (including any cash management arrangements, cash pooling arrangements, intercompany loans or activities related thereto);
- (19) Investments consisting of licensing or contribution of intellectual property pursuant to joint marketing arrangements with other Persons;
- (20) contributions to a “rabbi” trust for the benefit of employees or other grantor trust subject to claims of creditors in the case of a bankruptcy of the Company;
- (21) Investments in joint ventures and similar entities having an aggregate fair market value, when taken together with all other Investments made pursuant to this clause that are at that time outstanding, not to exceed the greater of \$1,695.0 million and 55.0% of LTM EBITDA at the time of such Investment (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments received by the Company or a Restricted Subsidiary (without duplication for purposes of the covenant described in the section entitled “— Certain Covenants — Limitation on Restricted Payments” of any amounts applied pursuant to clause (b) of the first paragraph of such covenant) with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value; *provided, however*, that if any Investment pursuant to this clause is made in any Person that is not the Company or a Restricted Subsidiary at the date of the making of such Investment and such person becomes the Company or a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) above and shall cease to have been made pursuant to this clause;
- (22) additional Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause that are at that time outstanding, not to exceed the greater of \$1,545.0 million and 50.0% of LTM EBITDA (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments (without duplication for purposes of the covenant described in the section entitled “— Certain Covenants—Limitation on Restricted Payments” of any amounts applied pursuant to clause (b) of the first paragraph of such covenant) with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value; *provided, however*, that if any Investment pursuant to this clause is made in any Person that is not

the Company or a Restricted Subsidiary at the date of the making of such Investment and such Person becomes the Company or a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) above and shall cease to have been made pursuant to this clause;

- (23) any Investment in a Similar Business having an aggregate fair market value, taken together with all other Investments made pursuant to this clause that are at that time outstanding, not to exceed the greater of \$1,850.0 million and 60.0% of LTM EBITDA (with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such Investments (without duplication for purposes of the covenant described in the section entitled “—Certain Covenants—Limitation on Restricted Payments” of any amounts applied pursuant to clause (b) of the first paragraph of such covenant) with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value; *provided, however*, that if any Investment pursuant to this clause is made in any Person that is not the Company or a Restricted Subsidiary at the date of the making of such Investment and such Person becomes the Company or a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) or (2) above and shall cease to have been made pursuant to this clause;
- (24) (i) Investments arising in connection with a Qualified Securitization Financing or Receivables Facility and (ii) distributions or payments of Securitization Fees and purchases of Securitization Assets or Receivables Assets in connection with a Qualified Securitization Financing or Receivables Facility;
- (25) Investments in connection with the Merger Transactions;
- (26) redemptions or repurchases of the Notes, the First Lien Notes, the Second Lien Notes or the Rollover Citrix Notes and loans or securities issued under Credit Facilities;
- (27) Investments by an Unrestricted Subsidiary entered into prior to the day such Unrestricted Subsidiary is redesignated as a Restricted Subsidiary as described under the caption “—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries”;
- (28) guaranty and indemnification obligations arising in connection with surety bonds issued in the ordinary course of business or consistent with past practice or industry norms;
- (29) Investments (a) consisting of purchases and acquisitions of assets or services in the ordinary course of business or consistent with past practice or industry norms, (b) made in the ordinary course of business or consistent with past practice or industry norms in connection with obtaining, maintaining or renewing client, franchisee and customer contracts and loans or (c) advances, loans, extensions of credit (including the creation of receivables) or prepayments made to, and guarantees with respect to obligations of, franchisees, distributors, suppliers, lessors, licensors and licensees in the ordinary course of business or consistent with past practice or industry norms;
- (30) Investments in prepaid expenses, negotiable instruments held for collection and lease, utility and workers compensation, performance and similar deposits entered into as a result of the operations of the business in the ordinary course of business or consistent with past practice or industry norms;
- (31) Investments consisting of UCC Article 3 endorsements for collection or deposit and Article 4 trade arrangements with customers (or any comparable or similar provisions in other applicable jurisdictions) in the ordinary course of business or consistent with past practice or industry norms;

- (32) any Investment by any Captive Insurance Subsidiary in connection with the provision of insurance to the Company or any Subsidiaries, which Investment is made in the ordinary course of business or consistent with past practice of such Captive Insurance Subsidiary, or by reason of applicable law, rule, regulation or order, or that is required or approved by any regulatory authority having jurisdiction over such Captive Insurance Subsidiary or its business, as applicable;
- (33) non-cash Investments in connection with Tax planning and reorganization activities, and Investments in connection with any Permitted Intercompany Activities, Permitted Tax Restructuring, IPO Reorganization Transactions and related transactions;
- (34) Investments to the extent constituting the reinvestment of the net cash proceeds arising from any Asset Disposition (or other disposition) or Casualty Events to repair, replace or restore any property in respect of which such net cash proceeds were paid or to reinvest in other fixed or capital assets or assets that are otherwise used or useful in the business of the Company and its Restricted Subsidiaries and are owned by the Company or a Restricted Subsidiary;
- (35) any other Investment so long as, immediately after giving pro forma effect to the Investment and the incurrence of any Indebtedness the net proceeds of which are used to make such Investment, the Consolidated Total Leverage Ratio shall not be greater than 6.75 to 1.00;
- (36) Investments having an aggregate fair market value, taken together with all other Investments made pursuant to this clause (36) that are at that time outstanding, not to exceed the Available RP Capacity Amount (determined on the date such Investment is made, with the fair market value of each Investment being measured at the time made and without giving effect to subsequent changes in value), plus the amount of any returns (including dividends, payments, interest, distributions, returns of principal, profits on sale, repayments, income and similar amounts) in respect of such investments; *provided, however*, that if any Investment pursuant to this clause (36) is made in any Person that is not a Restricted Subsidiary of the Company at the date of the making of such Investment and such Person becomes a Restricted Subsidiary of the Company at the date of the making of such Investment and such Person becomes a Restricted Subsidiary after such date, such Investment shall thereafter be deemed to have been made pursuant to clause (1) above and shall cease to have been made pursuant to this clause (36);
- (37) Investments in Unrestricted Subsidiaries in an aggregate amount not to exceed the greater of \$925.0 million and 30.0% of LTM EBITDA;
- (38) leases and subleases of real or personal property;
- (39) (i) Investments resulting from the exercise of drag-along rights, put rights, call rights or similar rights under joint venture or similar documents and (ii) acquisitions of Capital Stock from minority investors; *provided* that the aggregate Investments made under this clause (ii) will not exceed an amount equal to 15% of the equity value of the Company (as determined by an independent third party);
- (40) loans and the granting of credit in connection with any banking or treasury activities (including any investments in Cash Equivalents);
- (41) loans and the granting of credit arising in connection with the ordinary course provision of shared or outsourced services between the Company or any of its Restricted Subsidiaries in an aggregate amount outstanding at any time not to exceed the greater of \$620.0 million and 20.0% of LTM EBITDA;
- (42) Investments made in connection with facilities or arrangements permitted pursuant to clause 25(ii) of the second paragraph of the covenant described under “—Certain Covenants— Limitation on Indebtedness”;

- (43) Investments arising in connection with the equitization of outstanding intercompany Indebtedness to the extent the incurrence of such Indebtedness is not prohibited by the covenant described under “—Certain Covenants— Limitation on Indebtedness”; and
- (44) Investments to the extent that payment for such Investments is made in an amount equal to the proceeds of any Subordinated Shareholder Loan.

“*Permitted Liens*” means, with respect to any Person:

- (1) Liens on assets or property of a Restricted Subsidiary that is not a Guarantor securing Indebtedness and other Obligations of any Restricted Subsidiary that is not a Guarantor;
- (2) pledges, deposits or Liens (a) in connection with workmen’s compensation laws, payroll Taxes, unemployment insurance laws, employers’ health Tax and other social security laws or similar legislation or other insurance related obligations (including in respect of deductibles, self-insured retention amounts and premiums and adjustments thereto), (b) securing liability, reimbursement or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees or similar instruments) for the benefit of insurance carriers under insurance or self-insurance arrangements or otherwise supporting the payments of items set forth in the foregoing clause (a), or (c) in connection with bids, tenders, completion guarantees, contracts, leases, utilities, licenses, public or statutory obligations, or to secure the performance of bids, trade contracts, government contracts and leases, statutory obligations, surety, stay, indemnity, warranty, release, judgment, customs, appeal, performance bonds, guarantees of government contracts, return of money bonds, bankers’ acceptance facilities and obligations of a similar nature (including those to secure health, safety and environmental obligations), and obligations in respect of letters of credit, bank guarantees or similar instruments that have been posted to support the same, or as security for import or customs duties or for the payment of rent, or other obligations of like nature, in each case incurred in the ordinary course of business or consistent with past practice or industry norms;
- (3) Liens with respect to outstanding motor vehicle fines and Liens imposed by requirements of law, including carriers’, warehousemen’s, mechanics’, landlords’, suppliers’, materialmen’s, repairmen’s, architects’, construction contractors’ or other similar Liens, in each case for amounts not overdue for a period of more than 60 days or, if more than 60 days overdue, that are unfiled and no other action has been taken to enforce such Liens or that are being contested in good faith by appropriate proceedings;
- (4) Liens for Taxes (i) that are not overdue for a period of more than 30 days or not yet payable or subject to penalties for nonpayment or that are being contested in good faith by appropriate proceedings; *provided* that appropriate reserves required pursuant to GAAP (or other applicable accounting principles) have been made in respect thereof or (ii) that would not reasonably be expected to have a material adverse effect;
- (5) encumbrances, charges, ground leases, easements (including reciprocal easement agreements), survey exceptions, restrictions, encroachments, protrusions, by-law, regulation, zoning restrictions or reservations of, or rights of others for, licenses, rights of way, servitudes, sewers, electric lines, drains, telegraph, telephone and cable television lines and other similar purposes, or zoning, building codes or other restrictions (including minor defects and irregularities in title and similar encumbrances) as to the use of real properties, exceptions on title policies insuring Liens granted on any mortgaged properties or any other collateral or Liens incidental to the conduct of the business of such Person or to the ownership of its properties, including servicing agreements, development agreements, site plan agreements, subdivision agreements, facilities sharing agreements, cost sharing agreements and other similar agreements, charges or encumbrances, which do not in the aggregate materially interfere with the ordinary course conduct of the business of the Company and its Restricted Subsidiaries, taken as a whole;



- (6) Liens (a) securing Hedging Obligations, Derivative Transactions, Cash Management Obligations and the costs thereof; (b) that are rights of set-off, rights of pledge or other bankers' Liens (i) relating to treasury, depository and cash management services or any automated clearing house transfers of funds in the ordinary course of business or consistent with past practice or industry norms, (ii) relating to pooled deposit or sweep accounts to permit satisfaction of overdraft or similar obligations incurred in the ordinary course of business of the Company or any Subsidiary or consistent with past practice or industry norms or (iii) relating to purchase orders and other agreements entered into with customers of the Company or any Restricted Subsidiary in the ordinary course of business or consistent with past practice or industry norms; (c) on cash accounts securing Indebtedness and other Obligations permitted to be incurred under clause (8)(f) of the second paragraph of the covenant described under "—Certain Covenants— Limitation on Indebtedness" with financial institutions; (d) encumbering reasonable customary initial deposits and margin deposits and similar Liens attaching to commodity trading accounts or other brokerage accounts incurred in the ordinary course of business or consistent with past practice or industry norms and not for speculative purposes; and (e) (i) of a collecting bank arising under Section 4-210 of the UCC or any comparable or successor provision on items in the course of collection and (ii) in favor of a banking or other financial institution or electronic payment service providers arising as a matter of law encumbering deposits (including the right of set-off) arising in the ordinary course of business in connection with the maintenance of such accounts and (iii) arising under customary general terms and conditions of the account bank in relation to any bank account maintained with such bank and attaching only to such account and the products and proceeds thereof, which Liens, in any event, do not secure any Indebtedness;
- (7) leases, licenses, subleases and sublicenses of assets (including real property, intellectual property, software and other technology rights), in each case that are entered into in the ordinary course of business or consistent with past practice or industry norms or, with respect to intellectual property, software and other technology rights, that are not material to the conduct of the business of the Company and its Restricted Subsidiaries, taken as a whole;
- (8) Liens securing or otherwise arising out of judgments, decrees, attachments, orders or awards not giving rise to an Event of Default under clause (6) under "— Events of Default";
- (9) Liens (a) securing Finance Lease Obligations, Purchase Money Obligations, Indebtedness arising out of Sale and Leaseback Transactions or securing the payment of all or a part of the purchase price of, or securing Indebtedness or other Obligations incurred to finance or refinance the acquisition, improvement or construction of, assets or property acquired or constructed in the ordinary course of business; *provided* that (i) the aggregate principal amount of Indebtedness secured by such Liens is otherwise permitted to be incurred under the Indenture and (ii) any such Liens may not extend to any assets or property of the Company or any Restricted Subsidiary other than assets and property affixed or appurtenant thereto and accessions, additions, improvements, proceeds, dividends or distributions thereof, including after-acquired property that is (A) affixed or incorporated into the property or assets covered by such Lien, (B) after-acquired property or assets subject to a Lien securing such Indebtedness, the terms of which Indebtedness require or include a pledge of after-acquired property or assets, (C) the proceeds and products thereof and (D) the Capital Stock of any Person holding the assets above and (b) any interest or title of a lessor, sublessor, franchisor, licensor, sublicensor, licensee or sublicensee or secured by a lessor's, sublessor's, franchisor's, licensor's, sublicensor's, licensee's or sublicensee's interest under any lease, sublease, license or sublicense not prohibited by the Indenture;
- (10) Liens arising from UCC financing statements, including precautionary financing statements (or similar filings) regarding operating leases or consignments entered into by the Company and its Restricted Subsidiaries;
- (11) Liens existing on the Issue Date (excluding Liens securing obligations under the First Lien Credit Agreement), including any Liens securing any Refinancing Indebtedness of any Indebtedness secured by such Liens;

- (12) Liens on property, other assets or shares of stock of a Person at the time such Person becomes a Subsidiary (or at the time the Company or a Subsidiary acquires such property, other assets or shares of stock, including any acquisition by means of a merger, amalgamation, consolidation or other business combination transaction with or into the Company or any Restricted Subsidiary); *provided, however*, that such Liens are not created in anticipation of such other Person becoming a Subsidiary (or such acquisition of such property, other assets or stock); *provided, further*, that such Liens are limited to all or part of the same property, other assets or stock (plus property and assets affixed or appurtenant thereto and additions, improvements, accessions, proceeds, dividends or distributions thereof, including after-acquired property that is (i) affixed or incorporated into the property or assets covered by such Lien, (ii) after-acquired property or assets subject to a Lien securing such Indebtedness, the terms of which Indebtedness require or include a pledge of after-acquired property or assets and (iii) the proceeds and products thereof) that secured (or, under the written arrangements under which such Liens arose, could secure) the Obligations relating to any Indebtedness or other obligations to which such Liens relate;
- (13) Liens securing Obligations relating to any Indebtedness or other obligations of the Company or a Restricted Subsidiary owing to the Company or another Restricted Subsidiary, or Liens in favor of the Company, any Restricted Subsidiary, any Guarantor or the Trustee;
- (14) Liens securing Refinancing Indebtedness incurred to refinance Indebtedness that was previously so secured, and permitted to be secured under the Indenture; *provided* that any such Lien is limited to all or part of the same property or assets (plus property and assets affixed or appurtenant thereto and additions, improvements, accessions, proceeds, dividends or distributions thereof, including after-acquired property that is (i) affixed or incorporated into the property or assets covered by such Lien, (ii) after-acquired property or assets subject to a Lien securing such Indebtedness, the terms of which Indebtedness require or include a pledge of after-acquired property or assets and (iii) the proceeds and products thereof) that secured (or, under the written arrangements under which the original Lien arose, could secure) the Obligations relating to the Indebtedness or other obligations being refinanced or is in respect of property or assets that is or could be the security for or subject to a Permitted Lien hereunder;
- (15) (a) mortgages, liens, security interests, restrictions, encumbrances or any other matters of record that have been placed by any government, statutory or regulatory authority, developer, landlord or other third party on property over which the Company or any Restricted Subsidiary has easement rights or on any leased property and subordination or similar arrangements relating thereto and (b) any condemnation or eminent domain proceedings affecting any real property;
- (16) any encumbrance or restriction (including put and call arrangements) with respect to Capital Stock of any joint venture securing financing arrangement, joint venture or similar arrangement pursuant to any joint venture securing financing agreement, joint venture or similar agreement;
- (17) Liens on property or assets under construction (and related rights) in favor of a contractor or developer or arising from progress or partial payments by a third party relating to such property or assets;
- (18) Liens arising out of conditional sale, title retention, hire purchase, consignment or similar arrangements for the sale or purchase of goods entered into in the ordinary course of business or consistent with past practice or industry norms;
- (19) Liens securing Indebtedness and other Obligations in respect of (a) Credit Facilities, including any letter of credit facility relating thereto, under clauses (1)(X)(I), (II) and (III)(i) of the second paragraph of the covenant described under “—Certain Covenants—Limitation on Indebtedness” and (b) obligations of the Company or any Subsidiary in respect of any Cash Management Obligation or Hedging Obligation provided by any lender party to any Credit Facility or Affiliate of such lender (or any Person that was a lender or an Affiliate of a lender at the time the applicable

agreements in respect of such Cash Management Obligation or Hedging Obligation were entered into);

- (20) Liens securing Indebtedness and other Obligations under clause (5) of the second paragraph of the covenant described under “—Certain Covenants—Limitation on Indebtedness”;
- (21) Liens securing Indebtedness and other Obligations under clause (4)(b), (8)(d), (11), (17), (22) or (25)(ii) (provided that, in the case of clause (11), such Liens cover only the assets of such Subsidiary or other Non-Guarantor Subsidiaries) of the second paragraph of the covenant described under “—Certain Covenants—Limitation on Indebtedness”;
- (22) Liens securing Indebtedness and other Obligations of any Non-Guarantor Subsidiary covering only assets of such Subsidiary or other Non-Guarantor Subsidiaries;
- (23) Liens on Capital Stock or other securities or assets of any Unrestricted Subsidiary;
- (24) Liens deemed to exist in connection with Investments permitted under clause (4) of the definition of “Cash Equivalents”;
- (25) Liens on (i) goods the purchase price of which is financed by a documentary letter of credit issued for the account of the Company or any Subsidiary or Liens on bills of lading, drafts or other documents of title arising by operation of law or pursuant to the standard terms of agreements relating to letters of credit, bank guarantees and other similar instruments and (ii) specific items of inventory or other goods and proceeds of any Person securing such Person’s obligations in respect of bankers’ acceptances or documentary letters of credit issued or created for the account of such Person to facilitate the purchase, shipment or storage of such inventory or other goods *provided* that any such Liens attach only to the goods and inventory covered thereby and proceeds thereof;
- (26) Liens on vehicles or equipment of the Company or any Restricted Subsidiary in the ordinary course of business or consistent with past practice or industry norms;
- (27) Liens on assets or securities deemed to arise in connection with and solely as a result of the execution, delivery or performance of contracts to sell such assets or securities if such sale is otherwise not prohibited by the Indenture;
- (28) (a) Liens on insurance policies and the proceeds thereof securing the financing of the premiums with respect thereto, and (b) Liens, pledges, deposits made or other security provided to secure liabilities to, or indemnification obligations of (including obligations in respect of letters of credit or bank guarantees for the benefits of), insurance carriers in the ordinary course of business or consistent with past practice or industry norms;
- (29) Liens solely on any cash earnest money deposits made in connection with any letter of intent or purchase agreement permitted under the Indenture;
- (30) Liens (i) on cash advances or escrow deposits in favor of the seller of any property to be acquired in an Investment permitted under the Indenture to be applied against the purchase price for such Investment or otherwise in connection with any escrow arrangements with respect to any such Investment (including any letter of intent or purchase agreement with respect to such Investment), and (ii) consisting of an agreement to sell, transfer, lease or otherwise dispose of any property in an asset sale, in each case, solely to the extent such Investment or sale, transfer, lease or other disposition, as the case may be, would have been permitted on the date of the creation of such Lien;
- (31) Liens securing Indebtedness and other Obligations in an aggregate principal amount not to exceed the greater of (a) \$3,085.0 million and (b) 100.0% of LTM EBITDA at the time incurred;

- (32) Liens then existing with respect to assets of an Unrestricted Subsidiary on the day such Unrestricted Subsidiary is redesignated as a Restricted Subsidiary as described under “—Certain Covenants—Designation of Restricted and Unrestricted Subsidiaries”; *provided* that such Liens do not extend to any assets other than those of such Unrestricted Subsidiary;
- (33) Liens securing Indebtedness and other Obligations permitted under the covenant described under “—Certain Covenants—Limitation on Indebtedness”; *provided* that with respect to Liens securing Indebtedness or other Obligations permitted under this clause, at the time of incurrence and after giving pro forma effect thereto, the Consolidated First Lien Secured Leverage Ratio is equal to or less than 5.25 to 1.00; *provided, further*, that for purposes of determining the amount that may be Incurred under this clause, all such Indebtedness and other Obligations Incurred shall be deemed to be included in clause (x) of the definition of “Consolidated First Lien Secured Leverage Ratio”;
- (34) Liens deemed to exist in connection with Investments in repurchase agreements permitted the covenant described under “—Certain Covenants—Limitation on Indebtedness”; *provided* that such Liens do not extend to any assets other than those that are the subject of such repurchase agreement;
- (35) Liens arising in connection with a Qualified Securitization Financing or a Receivables Facility;
- (36) Settlement Liens;
- (37) rights of recapture of unused real property in favor of the seller of such property set forth in customary purchase agreements and related arrangements with any government, statutory or regulatory authority;
- (38) the rights reserved to or vested in any Person or government, statutory or regulatory authority by the terms of any lease, license, franchise, grant or permit held by the Company or any Restricted Subsidiary or by a statutory provision, to terminate any such lease, license, franchise, grant or permit, or to require annual or periodic payments as a condition to the continuance thereof;
- (39) restrictive covenants affecting the use to which real property may be put and Liens or covenants restricting or prohibiting access to or from lands abutting on controlled access highways or covenants affecting the use to which lands may be put; *provided* that such Liens or covenants do not interfere with the ordinary conduct of the business of the Company or any Restricted Subsidiary;
- (40) Liens on property, assets or Permitted Investments used to defease or to satisfy or discharge Indebtedness; *provided* that such defeasance, satisfaction or discharge is not prohibited by the Indenture;
- (41) Liens relating to escrow arrangements securing Indebtedness, including (i) Liens on escrowed proceeds from the issuance of Indebtedness for the benefit of the related holders of debt securities or other Indebtedness (or the underwriters, arrangers, trustee or collateral agent thereof) and (ii) Liens on cash or Cash Equivalents set aside at the time of the incurrence of any Indebtedness, in either case to the extent such cash or Cash Equivalents prefund the payment of interest or premium or discount on such Indebtedness (or any costs related to the issuance of such Indebtedness) and are held in an escrow account or similar arrangement to be applied for such purpose;
- (42) Liens securing any Notes (other than any Additional Notes issued following the Issue Date) and the related Note Guarantees;
- (43) Liens on assets securing any Indebtedness owed to any Captive Insurance Subsidiary by the Company or any Restricted Subsidiary;

- (44) Liens arising in connection with any Permitted Intercompany Activities, Permitted Tax Restructuring and related transactions;
- (45) [reserved];
- (46) [reserved];
- (47) Liens on equity interests deemed to exist in connection with any options, put and call arrangements, rights of first refusal and similar rights relating to Investments in Persons that are not Restricted Subsidiaries of the Company;
- (48) restrictions on dispositions of assets to be disposed of pursuant to merger agreements, stock or asset purchase agreements and similar agreements;
- (49) Liens on cash and Cash Equivalents to secure Indebtedness permitted under clauses (6) and (8) of the second paragraph of the covenant described under “—Certain Covenants—Limitation on Indebtedness” (or, in each case of the foregoing, similar obligations whether or not constituting Indebtedness); and
- (50) Liens arising in connection with rights of dissenting equityholders pursuant to applicable law in respect of any acquisition or in connection with, or as a result of, their exercise of appraisal rights and the settlement of any claims or actions (whether actual, contingent or potential) with respect thereto (including any accrued interest).

In the event that a Permitted Lien meets the criteria of more than one of the types of Permitted Liens (at the time of incurrence or at a later date), the Company in its sole discretion may divide, classify or from time to time reclassify all or any portion of such Permitted Lien in any manner that complies with the Indenture and such Permitted Lien shall be treated as having been made pursuant only to the clause or clauses of the definition of “Permitted Liens” to which such Permitted Lien has been classified or reclassified.

“*Permitted Plan*” means any employee benefits plan of the Company or any of its Affiliates and any Person acting in its capacity as trustee, agent or other fiduciary or administrator of any such plan.

“*Permitted Tax Distribution*” means:

- (a) for any taxable period (or portion thereof) for which the Company is a member (or is an entity treated as disregarded from a member) of a group filing a consolidated, group, affiliate, unitary, combined or similar Tax return with any Parent Entity (a “*Tax Group*”), any distributions to fund any income or similar Taxes in an amount not less than the greater of (A) any income or similar Taxes that the Company and its Subsidiaries would have been required to pay on a separate company basis or on a consolidated basis calculated as if the Company and its Subsidiaries had paid Tax on a consolidated, combined, group, affiliated, unitary or similar basis on behalf of a consolidated, combined, affiliated, unitary or similar group consisting only of the Company and its Subsidiaries and (B) any consolidated, combined or similar income Taxes of such Tax Group that would be due and payable by any Parent Entity for such taxable period, calculated as if Wrangler Topco, LLC and its Subsidiaries were not members of such Tax Group;
- (b) without duplication of amounts described in (a), for any taxable year (or portion thereof) ending after the Issue Date for which the Company is treated as a disregarded entity (other than a disregarded entity described in (a) above), partnership, or other flow-through entity for federal, state, provincial, territorial, and/or local income Tax purposes, distributions to the Company’s direct owner(s) to fund any income or similar Tax liability of such owner(s) (or, if a direct owner is a pass-through entity, of the indirect owner(s)) for such taxable year (or portion thereof) attributable to the operations and activities of the Company and its direct and indirect Subsidiaries, in an aggregate amount not to exceed the product of (x) the highest combined marginal federal and

applicable state, provincial, territorial, and/or local statutory income Tax rate (after taking into account the deductibility of U.S. state and local income Tax for U.S. federal income Tax purposes) and (y) the taxable income of the Company for such taxable year (or portion thereof); or

- (c) the aggregate amount of consolidated, combined, unitary or similar group Tax liabilities attributable to the income of any Parent Entity and/or any of its Subsidiaries,

*provided*, that, distributions made pursuant to (a) or (b) above shall be solely to the extent that such amount of income or similar Taxes are attributable to the income of the Company and its Restricted Subsidiaries and, to the extent of the amount actually received from its Unrestricted Subsidiaries, the amounts required to pay such Taxes to the extent attributable to the income of such Unrestricted Subsidiaries.

*“Permitted Tax Restructuring”* means any reorganizations, restructuring and other activities related to Tax planning or Tax reorganization (as determined by the Company in good faith) so long as such Permitted Tax Restructuring does not cause material adverse Tax consequences to the Holders of the Notes.

*“Person”* means any individual, corporation, partnership, joint venture, association, joint-stock company, trust, unincorporated organization, limited liability company, government or any agency or political subdivision thereof or any other entity.

*“Post-Petition Interest”* means any interest or entitlement to fees or expenses or other charges that accrue after the commencement of any bankruptcy or insolvency proceeding, whether or not allowed or allowable as a claim in any such bankruptcy or insolvency proceeding.

*“Preferred Stock,”* as applied to the Capital Stock of any Person, means Capital Stock of any class or classes (however designated) which is preferred as to the payment of dividends or as to the distribution of assets upon any voluntary or involuntary liquidation or dissolution of such Person, over shares of Capital Stock of any other class of such Person.

*“Public Company Costs”* means, as to any Person, costs associated with, or in anticipation of, or preparation for, compliance with the requirements of the Sarbanes-Oxley Act of 2002 and the rules and regulations promulgated in connection therewith and costs relating to compliance with the provisions of the Securities Act and the Exchange Act or any other comparable body of laws, rules or regulations, as companies with listed equity, directors’ compensation, fees and expense reimbursement, costs relating to enhanced accounting functions and investor relations, shareholder meetings and reports to shareholders, directors’ and officers’ insurance and other executive costs, legal and other professional fees, and listing fees, in each case to the extent arising solely by virtue of the listing of such Person’s equity securities on a national securities exchange or issuance of public debt securities.

*“Purchase Money Obligations”* means any Indebtedness Incurred to finance or refinance the acquisition, leasing, expansion, construction, installation, replacement, repair or improvement of property (real or personal), equipment or assets (including Capital Stock), and whether acquired through the direct acquisition of such property or assets, or the acquisition of the Capital Stock of any Person owning such property or assets, or otherwise.

*“Qualified IPO”* means any transaction or series of transactions, including a SPAC IPO, that results in, or following which, any common equity interests of the Company, any Parent Entity, any SPAC IPO Entity (or its successor by merger, amalgamation or other combination) or any IPO Listco that the Company will distribute to its Parent Entity in connection with a Qualified IPO (an *“IPO Entity”*) being publicly traded on any United States national securities exchange or over-the-counter market, or any analogous exchange or market in Canada, the United Kingdom or the European Union.

*“Qualified Securitization Financing”* means any Securitization Facility that meets the following conditions: (i) the Board of Directors shall have determined in good faith that such Securitization Facility (including financing terms, covenants, termination events and other provisions) is in the aggregate economically fair and reasonable to the Company and its Restricted Subsidiaries, (ii) all sales of Securitization Assets and related assets by the Company

or any Restricted Subsidiary to the Securitization Subsidiary or any other Person are made for fair consideration (as determined in good faith by the Company) and (iii) the financing terms, covenants, termination events and other provisions thereof shall be fair and reasonable terms (as determined in good faith by the Company) and may include Standard Securitization Undertakings.

“*Ratio Interest Expense*” means, with respect to any Person for any period, (a) the total interest expense of such Person and its Restricted Subsidiaries on a consolidated basis with respect to any Indebtedness included in the Consolidated Total Indebtedness and payable in cash for such period, whether paid or accrued and whether or not capitalized, giving effect to any payments made or received from interest rate hedge agreements, excluding for the avoidance of doubt, (A) amortization, expensing or write-off of deferred financing fees, amendment and consent fees, debt issuance costs, debt discount or premium, terminated Hedging Obligations and other commissions, fees and expenses, discounted liabilities, original issue discount and any other amounts of non-cash interest and, adjusted to the extent included, to exclude any refunds or similar credits received in connection with the purchasing or procurement of goods or services under any purchasing card or similar program, (B) any expense arising from any bridge, arrangement, structuring, commitment, agency, consent and/or other financing fee (including fees and expenses associated with the Merger Transactions and any acquisitions after the Issue Date and annual agency or similar fees), (C) any expense resulting from the discounting of Indebtedness in connection with the application of recapitalization accounting or, if applicable, acquisition accounting, (D) any fee or expense associated with any Asset Disposition, acquisition, investment or issuance of Capital Stock or Indebtedness (in each case, whether or not consummated), (E) any cost associated with obtaining, or breakage costs in respect of, any hedge agreement or other derivative instrument other than any interest rate hedge agreement or interest rate derivative instrument with respect to Indebtedness, (F) any penalty and/or interest relating to Taxes, (G) commissions, discounts, yield and other fees and charges (including any interest expense) relating to any Receivables Facility or Qualified Securitization Financing, (H) for the avoidance of doubt, any non-cash interest expense attributable to any movement in the mark to market valuation of any obligation under any hedge agreement or any other derivative instrument and/or any payment obligation arising under any hedge agreement or derivative instrument other than any interest rate hedge agreement or interest rate derivative instrument with respect to Indebtedness, (I) any additional interest or liquidated damages owing pursuant to any registration rights obligations, (J) accretion or accrual of discounted liabilities other than Indebtedness, (K) any accretion of accrued interest on discounted liabilities and any prepayment, make-whole or breakage premium, penalty or cost and (L) any lease, rental or other expense in connection with non-Finance Lease Obligations *minus* (b) interest income payable in cash for such period.

For purposes of this definition, interest on a Finance Lease Obligation shall be deemed to accrue at an interest rate reasonably determined by such Person to be the rate of interest implicit in such Finance Lease Obligation in accordance with GAAP.

“*Receivables Assets*” means (a) any accounts receivable owed to the Company or a Restricted Subsidiary subject to a Receivables Facility and the proceeds thereof and (b) all collateral securing such accounts receivable, all contracts and contract rights, guarantees or other obligations in respect of such accounts receivable, all records with respect to such accounts receivable and any other assets customarily transferred together with accounts receivable in connection with a non-recourse accounts receivable factoring arrangement.

“*Receivables Facility*” means an arrangement between the Company or a Subsidiary and a commercial bank, an asset based lender or other financial institution or an Affiliate thereof pursuant to which (a) the Company or such Subsidiary, as applicable, sells (directly or indirectly) to such commercial bank, asset based lender or other financial institution (or such Affiliate) Receivables Assets and (b) the obligations of the Company or such Restricted Subsidiary, as applicable, thereunder are non-recourse (except for Securitization Repurchase Obligations) to the Company and such Subsidiary and (c) the financing terms, covenants, termination events and other provisions thereof shall be on market terms (as determined in good faith by the Company) and may include Standard Securitization Undertakings, and shall include any guaranty in respect of such arrangements.

“*refinance*” means refinance, refund, replace, renew, repay, modify, restate, defer, substitute, supplement, reissue, resell, extend or increase (including pursuant to any defeasance or discharge mechanism) and the terms “*refinances*,” “*refinanced*” and “*refinancing*” as used for any purpose in the Indenture shall have a correlative meaning.

“*Refinancing Indebtedness*” means Indebtedness that is Incurred to refund, refinance, replace, exchange, renew, repay or extend (including pursuant to any defeasance or discharge mechanism) any Indebtedness existing on the Issue Date or Incurred in compliance with the Indenture (including Indebtedness of the Company that refinances Indebtedness of any Restricted Subsidiary and Indebtedness of any Restricted Subsidiary that refinances Indebtedness of the Company or another Restricted Subsidiary) including Indebtedness that refinances Refinancing Indebtedness; *provided, however*, that:

- (1) to the extent such Refinancing Indebtedness refinances Subordinated Indebtedness, Disqualified Stock or Preferred Stock, such Refinancing Indebtedness is Subordinated Indebtedness, Disqualified Stock or Preferred Stock, respectively, and, in the case of Subordinated Indebtedness, is subordinated to the Notes on terms at least as favorable to the Holders as those contained in the documentation governing the Indebtedness being refinanced;
- (2) Refinancing Indebtedness shall not include:
  - (i) Indebtedness, Disqualified Stock or Preferred Stock of a Subsidiary of the Company that is not the Company or a Guarantor that refinances Indebtedness, Disqualified Stock or Preferred Stock of the Company or a Guarantor; or
  - (ii) Indebtedness, Disqualified Stock or Preferred Stock of the Company or a Restricted Subsidiary that refinances Indebtedness, Disqualified Stock or Preferred Stock of an Unrestricted Subsidiary; and
- (3) such Refinancing Indebtedness has an aggregate principal amount (or if Incurred with original issue discount, an aggregate issue price) that is equal to or less than the aggregate principal amount (or if Incurred with original issue discount, the aggregate accreted value) then outstanding (plus fees and expenses, including any premium and defeasance costs) under the Indebtedness being refinanced.

Refinancing Indebtedness in respect of any Credit Facility or any other Indebtedness may be Incurred from time to time after the termination, discharge or repayment of any such Credit Facility or other Indebtedness.

“*Related Taxes*” means:

- (1) any Taxes, including sales, use, transfer, rental, *ad valorem*, value added, stamp, property, consumption, franchise, license, capital, registration, business, customs, net worth, gross receipts, excise, occupancy, intangibles or similar Taxes and other similar fees and expenses (other than (x) Taxes measured by income and (y) withholding Taxes) by any Parent Entity by virtue of its:
  - (a) being organized or having Capital Stock outstanding (but not by virtue of owning stock or other equity interests of any corporation or other entity other than, directly or indirectly, the Company or any of the Company’s Subsidiaries) or otherwise maintaining its existence or good standing under applicable law;
  - (b) being a holding company parent, directly or indirectly, of the Company or any of the Company’s Subsidiaries;
  - (c) receiving dividends from or other distributions in respect of the Capital Stock of, directly or indirectly, the Company or any of the Company’s Subsidiaries; or
  - (d) having made any payment in respect to any of the items for which the Company is permitted to make payments to any Parent Entity pursuant to “—Certain Covenants—Limitation on Restricted Payments”;
- (2) any Permitted Tax Distribution; or



- (3) any payments made or expected to be made in respect of withholding or similar Taxes payable by any future, present or former officers, directors, employees, members of management, managers or consultants of the Company, any subsidiary of the Company or Parent Entity or any of their respective Immediate Family Members.

“*Reserved Indebtedness Amount*” has the meaning set forth in the covenant described under the caption “—Certain Covenants—Limitation on Indebtedness.”

“*Restricted Investment*” means any Investment other than a Permitted Investment.

“*Restricted Subsidiary*” means any Subsidiary of the Company other than an Unrestricted Subsidiary.

“*Rollover Citrix Notes*” means Citrix’s 4.500% Senior Notes due 2027.

“*S&P*” means S&P Global Ratings, a division of S&P Global Inc., or any of its successors or assigns that is a Nationally Recognized Statistical Rating Organization.

“*Sale and Leaseback Transaction*” means any arrangement providing for the leasing by the Company or any of its Restricted Subsidiaries of any real or tangible personal property, which property has been or is to be sold or transferred by the Company or such Restricted Subsidiary to a third Person in contemplation of such leasing.

“*Screened Affiliate*” means any Affiliate of a Holder (i) that makes investment decisions independently from such Holder and any other Affiliate of such Holder that is not a Screened Affiliate, (ii) that has in place customary information screens between it and such Holder and any other Affiliate of such Holder that is not a Screened Affiliate and such screens prohibit the sharing of information with respect to the Company or its Subsidiaries, (iii) whose investment policies are not directed by such Holder or any other Affiliate of such Holder that is acting in concert with such Holder in connection with its investment in the Notes, and (iv) whose investment decisions are not influenced by the investment decisions of such Holder or any other Affiliate of such Holder that is acting in concert with such Holders in connection with its investment in the Notes.

“*SEC*” means the U.S. Securities and Exchange Commission or any successor thereto.

“*Second Lien Bridge Credit Agreement*” means the Second Lien Bridge Credit Agreement, dated September 30, 2022, by and among the Company and Picard Parent, Inc., as borrowers, Cloud Software Group Holdings, Inc., as Holdings, the other borrowers and guarantors from time to time party thereto, Goldman Sachs Bank USA, as administrative agent and collateral agent, and each lender from time to time party thereto, together with the related documents thereto (including the revolving loans thereunder, any letters of credit and reimbursement obligations related thereto, any Guarantees and security documents), as amended, extended, renewed, restated, refunded, replaced, refinanced, supplemented, modified or otherwise changed (in whole or in part, and without limitation as to amount, terms, conditions, covenants and other provisions) from time to time, and any one or more agreements (and related documents) governing Indebtedness, including indentures, incurred to refinance, substitute, supplement, replace or add to (including increasing the amount available for borrowing or adding or removing any Person as a borrower, issuer or guarantor thereunder, in whole or in part), the borrowings and commitments then outstanding or permitted to be outstanding under such Second Lien Bridge Credit Agreement or one or more successors to the Second Lien Bridge Credit Agreement or one or more new credit agreements.

“*Second Lien Notes*” means the Company’s 9.00% senior secured second lien notes due 2029.

“*Second Lien Notes Collateral Agent*” means Wilmington Trust, National Association, as collateral agent for the holders of the Second Lien Notes Obligations under the Second Lien Notes Collateral Documents and any successor pursuant to the provisions of the Second Lien Notes Indenture and the Second Lien Notes Collateral Documents.

“*Second Lien Notes Collateral Documents*” means, collectively, the Junior Lien Intercreditor Agreement, any other intercreditor agreements entered into from time to time by the Second Lien Notes Collateral Agent, the

Second Lien Notes Security Agreement and the supplements thereto and each other instrument and document pursuant to which the Company or a guarantor grants (or purports to grant) a Lien on any Collateral as security for payment of the Second Lien Notes Obligations (including, without limitation, financing statements under the UCC of relevant states applicable to the Collateral).

“*Second Lien Notes Indenture*” means the Indenture, dated April 10, 2023, by and among the Company, the guarantors party thereto, the Second Lien Notes Trustee and the Second Lien Notes Collateral Agent.

“*Second Lien Notes Obligations*” means Obligations in respect of the Second Lien Notes and the Guarantees thereof, the Second Lien Notes Indenture and the Second Lien Notes Collateral Documents.

“*Second Lien Notes Security Agreement*” means the Notes Collateral Agreement, dated April 10, 2023, among the Company, the other grantors party thereto and the Second Lien Notes Collateral Agent, as it may be amended, supplemented, restated, replaced or otherwise modified from time to time pursuant to the Second Lien Notes Indenture.

“*Second Lien Notes Trustee*” means Wilmington Trust, National Association, as trustee for the holders of the Second Lien Notes Obligations under the Second Lien Notes Indenture and any successor pursuant to the provisions of the Second Lien Notes Indenture.

“*Secured Indebtedness*” means any Indebtedness secured by a Lien.

“*Securities Act*” means the Securities Act of 1933, as amended, and the rules and regulations of the SEC promulgated thereunder, as amended.

“*Securitization Asset*” means (a) any accounts receivable, mortgage receivables, loan receivables, royalty, franchise fee, license fee, patent or other revenue streams and other rights to payment or related assets and the proceeds thereof and (b) all collateral securing such receivable or asset, all contracts and contract rights, guarantees or other obligations in respect of such receivable or asset, lockbox accounts and records with respect to such account or asset and any other assets customarily transferred (or in respect of which security interests are customarily granted) together with accounts or assets in connection with a securitization, factoring or receivable sale transaction.

“*Securitization Facility*” means any of one or more securitization, financing, factoring or sales transactions, as amended, supplemented, modified, extended, renewed, restated or refunded from time to time, pursuant to which the Company or any of the Restricted Subsidiaries sells, transfers, pledges or otherwise conveys any Securitization Assets (whether now existing or arising in the future) to a Securitization Subsidiary or any other Person.

“*Securitization Fees*” means distributions or payments made directly or by means of discounts with respect to any Securitization Asset or Receivables Asset or participation interest therein issued or sold in connection with, and other fees, expenses and charges (including commissions, yield, interest expense and fees and expenses of legal counsel) paid in connection with, any Qualified Securitization Financing or Receivables Facility.

“*Securitization Repurchase Obligation*” means any obligation of a seller of Securitization Assets or Receivables Assets in a Qualified Securitization Financing or a Receivables Facility to repurchase or otherwise make payments with respect to Securitization Assets arising as a result of a breach of a representation, warranty or covenant or otherwise, including as a result of a receivable or portion thereof becoming subject to any asserted defense, dispute, offset or counterclaim of any kind as a result of any action taken by, any failure to take action by or any other event relating to the seller.

“*Securitization Subsidiary*” means any Subsidiary of the Company in each case formed for the purpose of and that solely engages in one or more Qualified Securitization Financings or Receivables Facilities and other activities reasonably related thereto or another Person formed for this purpose.

“*Series*” means (a) with respect to the First Lien Secured Parties, each of (i) the First Lien Credit Agreement Secured Parties (in their capacities as such), (ii) the First Lien Notes Secured Parties (in their capacities

as such), (iii) the Notes Secured Parties (in their capacities as such) and (iv) the Additional First Lien Secured Parties (in their capacities as such) that become subject to the First Lien Intercreditor Agreement that are represented by a common Authorized Representative (in its capacity as such for such Additional First Lien Secured Parties), (b) with respect to any First Lien Obligations, each of (i) the First Lien Credit Agreement Obligations, (ii) the First Lien Notes Obligations, (iii) the Notes Obligations and (iv) the Additional First Lien Obligations incurred after the Issue Date, the holders of which are to be represented by a common Authorized Representative (in its capacity as such for such Additional First Lien Obligations) under the First Lien Intercreditor Agreement and (c) with respect to any Junior Lien Obligations, each of (i) the Second Lien Notes Obligations and (ii) the Additional Junior Lien Obligations incurred after the Issue Date.

“*Series A Preferred Stock*” means the series A preferred stock, par value \$0.001 per share, of Picard Holdco, Inc. issued on the First Lien Notes Issue Date, as amended, restated, modified, renewed, refunded, replaced, restructured, refinanced, repaid, increased or extended in whole or in part from time to time.

“*Settlement*” means the transfer of cash or other property with respect to any credit or debit card charge, check or other instrument, electronic funds transfer, or other type of paper-based or electronic payment, transfer, or charge transaction for which a Person acts as a processor, remitter, funds recipient or funds transmitter in the ordinary course of its business.

“*Settlement Asset*” means any cash, receivable or other property, including a Settlement Receivable, due or conveyed to a Person in consideration for a Settlement made or arranged, or to be made or arranged, by such Person or an Affiliate of such Person.

“*Settlement Indebtedness*” means any payment or reimbursement obligation in respect of a Settlement Payment.

“*Settlement Lien*” means any Lien relating to any Settlement or Settlement Indebtedness (and may include, for the avoidance of doubt, the grant of a Lien in or other assignment of a Settlement Asset in consideration of a Settlement Payment, Liens securing intraday and overnight overdraft and automated clearing house exposure, and similar Liens).

“*Settlement Payment*” means the transfer, or contractual undertaking (including by automated clearing house transaction) to effect a transfer, of cash or other property to effect a Settlement.

“*Settlement Receivable*” means any general intangible, payment intangible, or instrument representing or reflecting an obligation to make payments to or for the benefit of a Person in consideration for a Settlement made or arranged, or to be made or arranged, by such Person.

“*Short Derivative Instrument*” means a Derivative Instrument (i) the value of which generally decreases, and/or the payment or delivery obligations under which generally increase, with positive changes to the Performance References and/or (ii) the value of which generally increases, and/or the payment or delivery obligations under which generally decrease, with negative changes to the Performance References.

“*Significant Subsidiary*” means any Restricted Subsidiary that would be a “significant subsidiary” as defined in Article 1, Rule 1-02(w)(2) of Regulation S-X, promulgated pursuant to the Securities Act, as such regulation is in effect on the Issue Date.

“*Similar Business*” means (a) any businesses, services or activities engaged in by the Company or any of its Subsidiaries or any Associates on the Issue Date, (b) any businesses, services and activities engaged in by the Company or any of its Subsidiaries or any Associates that are related, complementary, incidental, ancillary or similar to any of the foregoing or are extensions or developments of any thereof, and (c) a Person conducting a business, service or activity specified in clauses (a) and (b), and any Subsidiary thereof. For the avoidance of doubt, any Person that invests in or owns Capital Stock or Indebtedness of another Person that is engaged in a Similar Business shall be deemed to be engaged in a Similar Business.

“*SPAC IPO*” means the acquisition, purchase, merger, amalgamation or other combination of the Company or any Parent Entity, by, or with, a publicly traded special purpose acquisition company or targeted acquisition company or any entity similar to the foregoing (a “*SPAC IPO Entity*”) that results in any common equity interests of the Company, any Parent Entity, or any direct or indirect parent entity of such SPAC IPO Entity (or its successor by merger, amalgamation or other combination) being publicly traded on any United States national securities exchange or over-the-counter market, or any analogous exchange or market in Canada, the United Kingdom or the European Union.

“*Sponsor*” means collectively and individually, as the context may require, the Vista Sponsor, the Elliott Sponsor, and their respective Controlled Investment Affiliates, and “*Sponsors*” shall mean all of the foregoing collectively.

“*Standard Securitization Undertakings*” means representations, warranties, covenants, guarantees and indemnities entered into by the Company or any Subsidiary of the Company which the Company has determined in good faith to be customary in a Securitization Facility or Receivables Facility, including those relating to the servicing of the assets of a Securitization Subsidiary, it being understood that any Securitization Repurchase Obligation shall be deemed to be a Standard Securitization Undertaking or, in the case of a Receivables Facility, a non-credit related recourse accounts receivable factoring arrangement.

“*Stated Maturity*” means, with respect to any security, the date specified in such security as the fixed date on which the payment of principal of such security is due and payable, including pursuant to any mandatory redemption provision, but shall not include any contingent obligations to repay, redeem or repurchase any such principal prior to the date originally scheduled for the payment thereof.

“*Subordinated Indebtedness*” means, with respect to any person, any Indebtedness (whether outstanding on the Issue Date or thereafter Incurred) which is expressly subordinated in right of payment to the Notes pursuant to a written agreement.

“*Subordinated Shareholder Loan*” means any Indebtedness of the Company or any Guarantor owing to any Permitted Holder; *provided* that such Indebtedness shall be subordinated in right of payment to the Obligations of the Company or such Guarantor.

“*Subsidiary*” means, with respect to any Person any corporation, partnership, limited liability company, association, joint venture or other business entity of which more than 50% of the total voting power of stock or other ownership interests entitled (without regard to the occurrence of any contingency) to vote in the election of the Person or Persons (whether directors, trustees or other Persons performing similar functions) having the power to direct or cause the direction of the management and policies thereof is at the time owned or controlled, directly or indirectly, by such Person or one or more of the other subsidiaries of such Person or a combination thereof, in each case to the extent the relevant entity’s financial results are required to be included in such Person’s consolidated financial statements under GAAP; *provided* that in determining the percentage of ownership interests of any Person controlled by another Person, no ownership interests in the nature of a “qualifying share” of the former Person shall be deemed to be outstanding.

“*Taxes*” means all present and future taxes, levies, imposts, deductions, duties, assessments, fees and withholdings (including backup withholding) and any charges of a similar nature (however denominated and including any interest, additions to tax or penalties applicable thereto) that are imposed by any governmental authority or other taxing authority.

“*Total Assets*” means, as of any date, the total consolidated assets of the Company and its Restricted Subsidiaries on a consolidated basis, as shown on the most recent consolidated balance sheet of the Company and its Restricted Subsidiaries, determined on a pro forma basis in a manner consistent with the pro forma basis contained in the definition of Fixed Charge Coverage Ratio.

“*Transaction Expenses*” means any fees or expenses incurred or paid by the Company or any Restricted Subsidiary in connection with the Transactions.

“*Transactions*” means the issuance of the Notes, the repayment of existing indebtedness and other related transactions and use of proceeds, in each case, as described in this offering circular.

“*Trust Indenture Act*” means the Trust Indenture Act of 1939, as amended.

“*Trustee*” means Wilmington Trust, National Association, as trustee under the Indenture, together with its successors and assigns.

“*UCC*” means the Uniform Commercial Code as in effect from time to time in the State of New York; provided, however, that at any time, if by reason of mandatory provisions of law, any or all of the perfection or priority of a collateral agent’s security interest in any item or portion of the collateral is governed by the Uniform Commercial Code as in effect in a jurisdiction other than the State of New York, the term “UCC” shall mean the Uniform Commercial Code as in effect, at such time, in such other jurisdiction for purposes of the provisions hereof relating to such perfection or priority and for purposes of definitions relating to such provisions.

“*Unrestricted Subsidiary*” means:

- (1) any Subsidiary (other than the Company or any direct or indirect parent entity of the Company) of the Company that at the time of determination is an Unrestricted Subsidiary (as designated by the Company in the manner provided below); and
- (2) any Subsidiary of an Unrestricted Subsidiary.

The Company may designate any Subsidiary of the Company, respectively (including any newly acquired or newly formed Subsidiary or a Person becoming a Subsidiary through merger, consolidation or other business combination transaction, or Investment therein), to be an Unrestricted Subsidiary only if at the time of such designation:

- (1) such Subsidiary or any of its Subsidiaries does not own any Capital Stock or Indebtedness of, or own or hold any Lien on any property of, the Company or any other Subsidiary of the Company which is not a Subsidiary of the Subsidiary to be so designated or otherwise an Unrestricted Subsidiary; and
- (2) such designation and the Investment of the Company in such Subsidiary complies with “—Certain Covenants—Limitation on Restricted Payments.”

“*Unsecured Finance Lease Obligations*” means Finance Lease Obligations not secured by a Lien and any other lease obligation that is not required to be accounted for as a financing or capital lease on both the balance sheet and the income statement for financial reporting purposes in accordance with GAAP. For the avoidance of doubt, an operating lease shall be considered an Unsecured Finance Lease Obligation.

“*Unsecured Finance Leases*” means all leases underlying Unsecured Finance Lease Obligations.

“*U.S. Government Obligations*” means securities that are (1) direct obligations of the United States of America for the timely payment of which its full faith and credit is pledged or (2) obligations of a Person controlled or supervised by and acting as an agency or instrumentality of the United States of America the timely payment of which is unconditionally Guaranteed as a full faith and credit obligation of the United States of America, which, in either case, are not callable or redeemable at the option of the issuers thereof, and shall also include a depositary receipt issued by a bank (as defined in Section 3(a)(2) of the Securities Act), as custodian with respect to any such U.S. Government Obligations or a specific payment of principal of or interest on any such U.S. Government Obligations held by such custodian for the account of the holder of such depositary receipt, *provided* that (except as required by law) such custodian is not authorized to make any deduction from the amount payable to the holder of such depositary receipt from any amount received by the custodian in respect of the U.S. Government Obligations or the specific payment of principal of or interest on the U.S. Government Obligations evidenced by such depositary receipt.

*“Vista Sponsor”* means Vista Equity Partners Management, LLC.

*“Voting Stock”* of a Person means all classes of Capital Stock of such Person then outstanding and normally entitled to vote in the election of directors.

*“Wholly Owned Domestic Subsidiary”* means a Domestic Subsidiary of the Company, all of the Capital Stock of which is owned by the Company or any Guarantor.

## **BOOK ENTRY, DELIVERY AND FORM**

The Notes are being offered and sold to persons reasonably believed to be QIBs in reliance on Rule 144A (“Rule 144A Notes”). The Notes also may be offered and sold to persons other than U.S. persons in offshore transactions in reliance on Regulation S (“Regulation S Notes”). Except as set forth below, the Notes will be issued as global notes in registered form in minimum denominations of \$2,000 and integral multiples of \$1,000 in excess thereof. Notes will be issued at the closing of this offering only against payment in immediately available funds.

Rule 144A Notes initially will be represented by one or more global notes in registered form without interest coupons (collectively, the “Rule 144A Global Notes”). Regulation S Notes initially will be represented by one or more temporary global notes in registered form without interest coupons (collectively, the “Regulation S Global Notes”). In connection with the transfer or resale of Notes after the issue date by an owner of a beneficial interest in either a Rule 144A Global Note or a Regulation S Global Note to an institutional accredited investor other than in an offshore transaction in accordance with Rule 904 under the Securities Act (any Notes held by institutional accredited investors, the “IAI Notes”), such beneficial interest may be exchanged for interests in one or more global notes in registered form without interest coupons (collectively, the “IAI Global Notes” and, together with the Rule 144A Global Notes and the Regulation S Global Notes, the “Global Notes”).

Through and including the 40th day after the later of the commencement of this offering and the closing of this offering (such period through and including such 40th day, the “Distribution Compliance Period”), beneficial interests in the Regulation S Global Notes may be held only through Euroclear Bank S.A./N.V., as operator of the Euroclear System (“Euroclear”), and Clearstream Banking, S.A. (“Clearstream”) (as indirect participants in DTC), unless transferred to a person that takes delivery through a Rule 144A Global Note or an IAI Global Note in accordance with the certification requirements described below under “Exchanges Among Global Notes.”

Global Notes will be deposited upon issuance with the applicable Trustee as custodian for DTC, in the continental United States, and registered in the name of DTC or its nominee, in each case for credit to an account of a direct or indirect participant in DTC as described below. Beneficial interests in the Rule 144A Global Notes and IAI Global Notes may not be exchanged for beneficial interests in the Regulation S Global Notes at any time except in the limited circumstances described below. See “—Exchanges Among Global Notes.” Except as set forth below, the Global Notes may be transferred, in whole and not in part, only to another nominee of DTC or to a successor of DTC or its nominee. Beneficial interests in the Global Notes may not be exchanged for definitive notes in registered certificated form (“Certificated Notes”) except in the limited circumstances described below. Except in the limited circumstances described below, owners of beneficial interests in Global Notes will not be entitled to receive physical delivery of notes in certificated form. See “—Exchange of Global Notes for Certificated Notes.”

Rule 144A Notes (including beneficial interests in the Rule 144A Global Notes) and IAI Notes (including beneficial interests in the IAI Global Notes) will be subject to certain restrictions on transfer and will bear restrictive legends as described under “Transfer Restrictions.” Regulation S Notes will be subject to certain restrictions on transfer and will also bear the legend as described under the section entitled “Transfer Restrictions.” In addition, transfers of beneficial interests in Global Notes will be subject to the applicable rules and procedures of DTC and its direct or indirect participants (including, if applicable, those of Euroclear and Clearstream), which may change from time to time.

### **Depository Procedures**

The following description of the operations and procedures of DTC, Euroclear and Clearstream is provided solely as a matter of convenience. These operations and procedures are solely within the control of the respective settlement systems and are subject to changes by them. We take no responsibility for these operations and procedures and urge investors to contact the system or their participants directly to discuss these matters.

DTC has advised us that it is a limited-purpose trust company organized under the laws of the State of New York, a “banking organization” within the meaning of the New York Banking Law, a member of the Federal Reserve System, a “clearing corporation” within the meaning of the New York Uniform Commercial Code and a “clearing agency” registered pursuant to the provisions of Section 17A of the Exchange Act. DTC was created to hold securities for its participating organizations (collectively, the “Participants”) and to facilitate the clearance and

settlement of transactions in those securities between the Participants through electronic book-entry changes in accounts of its Participants. The Participants include securities brokers and dealers (including the initial purchasers), banks, trust companies, clearing corporations and certain other organizations. Access to DTC's system is also available to other entities such as banks, brokers, dealers and trust companies that clear through or maintain a custodial relationship with a Participant, either directly or indirectly (collectively, the "Indirect Participants"). Persons who are not Participants may beneficially own securities held by or on behalf of DTC only through the Participants or the Indirect Participants. The ownership interests in, and transfers of ownership interests in, each security held by or on behalf of DTC are recorded on the records of the Participants and Indirect Participants.

DTC has also advised us that, pursuant to procedures established by it:

- (1) upon deposit of the Global Notes, DTC will credit the accounts of Participants designated by the initial purchasers with portions of the principal amount of the Global Notes; and
- (2) ownership of these interests in Global Notes will be shown on, and the transfer of ownership of these interests will be effected only through, records maintained by DTC (with respect to the Participants) or by the Participants and the Indirect Participants (with respect to other owners of beneficial interests in Global Notes).

Investors in the Rule 144A Global Notes or the IAI Global Notes who are Participants may hold their interests therein directly through DTC. Investors in the Rule 144A Global Notes or the IAI Global Notes who are not Participants may hold their interests therein indirectly through organizations (including Euroclear and Clearstream) that are Participants. Investors in the Regulation S Global Notes must initially hold their interests therein through Euroclear or Clearstream, if they are participants in those systems, or indirectly through organizations that are participants. After the expiration of the Distribution Compliance Period (but not earlier), investors may also hold interests in Regulation S Global Notes through Participants in the DTC system other than Euroclear and Clearstream. Euroclear and Clearstream will hold interests in Regulation S Global Notes on behalf of their participants through customers' securities accounts in their respective names on the books of their respective depositories, which in turn hold such interests in customers' securities accounts in the depositories' names on the books of DTC. All interests in a Global Note, including those held through Euroclear or Clearstream, may be subject to the procedures and requirements of DTC. Those interests held through Euroclear or Clearstream may also be subject to the procedures and requirements of such systems. The laws of some states require that certain persons take physical delivery in definitive form of securities that they own. Consequently, the ability to transfer beneficial interests in a Global Note to such persons will be limited to that extent. Because DTC can act only on behalf of Participants, which in turn act on behalf of Indirect Participants, the ability of a person having beneficial interests in a Global Note to pledge those interests to Persons that do not participate in the DTC system, or otherwise take actions in respect of those interests, may be affected by the lack of a physical certificate evidencing those interests.

Except as described below, owners of an interest in the Global Notes will not have Notes registered in their names, will not receive physical delivery of Certificated Notes and will not be considered the registered owners or "Holders" thereof under the indenture that will govern the Notes for any purpose.

Payments in respect of the principal of, and interest and premium, if any, on, a Global Note registered in the name of DTC or its nominee will be payable to DTC in its capacity as the registered Holder under the indenture that will govern the Notes. Under the terms of the indenture that will govern the Notes, the Issuer and the applicable Trustee will treat the persons in whose names Notes, including Global Notes, are registered as the owners of such Notes for the purpose of receiving payments and for all other purposes. Consequently, none of the Issuer, the Trustee or any agent of the Issuer or the Trustee has or will have any responsibility or liability for:

- (1) any aspect of DTC's records or any Participant's or Indirect Participant's records relating to or payments made on account of beneficial ownership interests in the Global Notes or for maintaining, supervising or reviewing any of DTC's records or any Participant's or Indirect Participant's records relating to the beneficial ownership interests in Global Notes; or
- (2) any other matter relating to the actions and practices of DTC or any of its Participants or Indirect Participants.



DTC has advised us that its current practice, upon receipt of any payment in respect of securities such as the Notes (including principal and interest), is to credit the accounts of the relevant Participants with the payment on the payment date unless DTC has reason to believe it will not receive payment on that payment date. Each relevant Participant is credited with an amount proportionate to its beneficial ownership of an interest in the principal amount of the relevant security as shown on the records of DTC. Payments by the Participants and the Indirect Participants to the beneficial owners of Notes will be governed by standing instructions and customary practices and will be the responsibility of the Participants or the Indirect Participants and will not be the responsibility of DTC, the Trustee or the Issuer. Neither the Issuer nor the Trustee will be liable for any delay by DTC or any of its Participants in identifying the beneficial owners of any Notes, and the Issuer and the Trustee may conclusively rely on and will be protected in relying on instructions from DTC or its nominee for all purposes.

Subject to the transfer restrictions set forth under “Transfer Restrictions,” transfers between the Participants in DTC will be effected in accordance with DTC’s procedures, and will be settled in same-day funds, and transfers between participants in Euroclear and Clearstream will be effected in accordance with their respective rules and operating procedures.

Subject to compliance with the transfer restrictions applicable to the Notes described herein, cross-market transfers between the Participants, on the one hand, and Euroclear or Clearstream participants, on the other hand, will be effected through DTC in accordance with DTC’s rules on behalf of Euroclear or Clearstream, as the case may be, by their respective depository; however, such cross-market transactions will require delivery of instructions to Euroclear or Clearstream, as the case may be, by the counterparty in such system in accordance with the rules and procedures and within the established deadlines (Brussels time) of such system. Euroclear or Clearstream, as the case may be, will, if the transaction meets its settlement requirements, deliver instructions to its respective depository to take action to effect final settlement on its behalf by delivering or receiving interests in the relevant Global Note from DTC, and making or receiving payment in accordance with normal procedures for same-day funds settlement applicable to or from DTC, as applicable. Euroclear participants and Clearstream participants may not deliver instructions directly to the depositories for Euroclear or Clearstream.

DTC has advised us that it will take any action permitted to be taken by a Holder of Notes only at the direction of one or more Participants to whose account DTC has credited the interests in the Global Notes and only in respect of the portion of the aggregate principal amount of the Notes as to which that Participant or those Participants has or have given the relevant direction. However, if there is an Event of Default (as defined in the “Description of Notes”) under the Notes, DTC reserves the right to exchange the Global Notes for legended notes in certificated form, and to distribute those notes to its Participants. Although DTC, Euroclear and Clearstream have agreed to the foregoing procedures in order to facilitate transfers of interests in the Global Notes among Participants, they are under no obligation to perform or continue to perform those procedures, and may discontinue or change those procedures at any time.

Neither the Issuer nor the Trustee nor any of their respective agents will have any responsibility for the performance by DTC, Euroclear, Clearstream or their respective Participants or Indirect Participants of their respective obligations under the rules and procedures governing their operations.

### **Exchange of Global Notes for Certificated Notes**

A Global Note is exchangeable for a Certificated Note if:

- DTC (a) notifies us that it is unwilling or unable to continue as depository for the applicable Global Notes or (b) has ceased to be a clearing agency registered under the Exchange Act and, in each case, a successor depository is not appointed;
- we, at our option, notify the Trustee in writing that we elect to cause the issuance of Certificated Notes; provided that, in no event shall Regulation S Global Notes be exchanged for Certificated Notes prior to (a) the expiration of the Distribution Compliance Period and (b) the receipt of any certificates required under the provisions of Regulation S; or

- there has occurred and is continuing a Default or Event of Default with respect to the Notes.

In addition, beneficial interests in a Global Note may be exchanged for Certificated Notes upon prior written notice given to the Issuer and the Registrar by or on behalf of DTC in accordance with the indenture that will govern the Notes. In all cases, Certificated Notes delivered in exchange for any Global Note or beneficial interests in Global Notes will be registered in the names, and issued in any approved denominations, requested by or on behalf of the depository (in accordance with its customary procedures) and will bear the applicable restrictive legend referred to in “Transfer Restrictions,” unless that legend is not required by applicable law.

### **Exchange of Certificated Notes for Global Notes**

If Certificated Notes are issued in the future, they will not be exchangeable for beneficial interests in any Global Note unless the transferor first delivers to the Issuer and the Registrar a written certificate (in the form provided in the indenture that will govern the Notes) to the effect that the transfer will comply with the appropriate transfer restrictions applicable to the Notes being transferred. See “Transfer Restrictions.”

### **Exchanges Among Global Notes**

Beneficial interests in an IAI Global Note or, prior to the expiration of the Distribution Compliance Period, beneficial interests in a Regulation S Global Note may be exchanged for beneficial interests in a Rule 144A Global Note only if:

- the exchange occurs in connection with a transfer of the Notes pursuant to Rule 144A; and
- the transferor first delivers to the Issuer and the Registrar a written certificate (in the form provided in the indenture that will govern the Notes) to the effect that the Notes are being transferred:
- to a person who (i) the transferor reasonably believes to be a QIB within the meaning of Rule 144A and (ii) is purchasing for its own account or the account of a QIB in a transaction meeting the requirements of Rule 144A; and
- in accordance with all applicable securities laws of the states of the United States and other jurisdictions.

Beneficial interests in a Rule 144A Global Note or, prior to the expiration of the Distribution Compliance Period, a Regulation S Global Note may be exchanged for beneficial interests in an IAI Global Note only if:

- the transferee is an institutional “accredited investor” within the meaning of Rule 501(a)(1), (2), (3), (7), (8) or (9) under the Securities Act that is acquiring such interest for its own account, or for the account of such an institutional “accredited investor,” for investment purposes and not with a view to, or for offer or sale in connection with, any distribution in violation of the Securities Act; and
- if required by the indenture that will govern the Notes, the transferor first delivers an opinion of counsel, certifications, and/or other information satisfactory to us or the registrar, as applicable

Beneficial interests in a Rule 144A Global Note or an IAI Global Note may be transferred to a person who takes delivery in the form of an interest in the Regulation S Global Note, whether before or after the expiration of the Distribution Compliance Period, only if the transferor first delivers to the Issuer and the Registrar a written certificate (in the form provided in the indenture that will govern the Notes) to the effect that the transfer is being made in accordance with Rule 903 or Rule 904 of Regulation S or Rule 144 (if available) and that, if such transfer occurs prior to the expiration of the Distribution Compliance Period, the interest transferred will be held immediately thereafter through Euroclear or Clearstream.

Transfers involving exchanges of beneficial interests between a Regulation S Global Note and a Rule 144A Global Note will be effected in DTC by means of an instruction originated by the Participant through the DTC Deposit/Withdraw at Custodian system. Accordingly, in connection with any such transfer, appropriate adjustments

will be made to reflect the changes in the principal amounts of the Regulation S Global Note and the Rule 144A Global Note, as applicable. Any beneficial interest in one of the Global Notes that is transferred to a Person who takes delivery in the form of an interest in the other Global Note will, upon transfer, cease to be an interest in the original Global Note and will become an interest in the other Global Note and, accordingly, will thereafter be subject to all transfer restrictions and other procedures applicable to beneficial interest in the other Global Note for so long as it remains such an interest. The policies and practices of DTC may prohibit transfers of beneficial interests in the Regulation S Global Note prior to the expiration of the Distribution Compliance Period.

### **Same Day Settlement and Payment**

We will make payments in respect of Notes represented by Global Notes, including payments of principal, premium, if any, and interest, by wire transfer of immediately available funds to the accounts specified by DTC or its nominee. We will make all payments of principal of and premium, if any, and interest on Certificated Notes by wire transfer of immediately available funds to the accounts specified by the Holders of the Certificated Notes or, if no account is specified, by mailing a check to each Holder's registered address. See "Description of the Notes—Principal, Maturity and Interest". Notes represented by Global Notes are expected to be eligible to trade in DTC's Same-Day Funds Settlement System, and any permitted secondary market trading activity in Notes represented by Global Notes will, therefore, be required by DTC to be settled in immediately available funds. We expect that secondary trading in any Certificated Notes will also be settled in immediately available funds. Because of time zone differences, the securities account of a Euroclear or Clearstream participant purchasing an interest in a Global Note from a Participant will be credited, and any such crediting will be reported to the relevant Euroclear or Clearstream participant, during the securities settlement processing day (which must be a business day for Euroclear and Clearstream) immediately following the settlement date of DTC. DTC has advised us that cash received in Euroclear or Clearstream as a result of sales of interests in a Global Note by or through a Euroclear or Clearstream participant to a Participant will be received with value on the settlement date of DTC but will be available in the relevant Euroclear or Clearstream cash account only as of the business day for Euroclear or Clearstream following DTC's settlement date.

## CERTAIN UNITED STATES FEDERAL INCOME TAX CONSIDERATIONS

The following is a summary of certain U.S. federal income tax considerations relating to the purchase, ownership and disposition of the Notes by U.S. Holders and non-U.S. Holders (each as defined below). This summary is general in nature and does not discuss all aspects of U.S. federal income taxation that may be relevant to a holder of Notes in light of its particular circumstances. In addition, this summary does not describe any tax consequences arising under the laws of any state, local or non-U.S. jurisdiction and does not consider any aspects of U.S. federal tax law other than income taxation (such as estate and gift taxation).

This summary is based on the provisions of the U.S. Internal Revenue Code of 1986, as amended (the “Code”), the Treasury regulations promulgated thereunder, judicial authority, published administrative positions of the Internal Revenue Service (the “IRS”) and other applicable authorities, all as in effect on the date of this offering circular. Changes in such authorities or new interpretations thereof may have retroactive effect and could significantly affect the U.S. federal income tax considerations discussed below. We have not sought any ruling from the IRS with respect to the statements made and the conclusions reached in the following summary, and there can be no assurance that the IRS or a court will agree with our statements and conclusions or that a court would not sustain any challenge by the IRS in the event of litigation.

This summary deals only with beneficial owners of Notes that purchase the Notes for cash in this offering at their “issue price” (the first price at which a substantial amount of the Notes is sold for money to investors, not including bond houses, brokers or similar persons or organizations acting in the capacity of underwriters, placement agents or wholesalers) and that will hold the Notes as “capital assets” within the meaning of Section 1221 of the Code (generally, property held for investment). This summary is general in nature and does not address state, local, non-U.S., estate, gift or other non-income tax consequences, or special tax accounting rules under Section 451(b) of the Code or the alternative minimum tax. In addition, this summary does not address tax considerations applicable to investors that may be subject to special tax rules, such as:

- banks and other financial institutions;
- dealers or traders in securities;
- brokers;
- traders that have elected mark-to-market tax accounting treatment;
- retirement plans and other tax-deferred accounts;
- tax-exempt entities;
- S corporations, partnerships or other pass through entities for U.S. federal income tax purposes or investors in such entities;
- insurance companies;
- real estate investment trusts;
- regulated investment companies;
- non-U.S. trusts or estates with U.S. beneficiaries;
- U.S. persons whose functional currency is not the U.S. dollar;
- investors that hold the Notes as part of a straddle, synthetic security or conversion transaction;

- controlled foreign corporations;
- passive foreign investment companies;
- corporations that accumulate earnings to avoid U.S. federal income tax;
- U.S. Holders who hold Notes through non-U.S. brokers or other non-U.S. intermediaries; and
- former citizens or residents of the United States subject to Section 877 of the Code.

In the case of a holder of the Notes that is classified as a partnership for U.S. federal income tax purposes, the tax treatment of the Notes to the partnership or a partner in the partnership generally will depend upon the tax status of the partner and the activities of the partner and the partnership. If you are a partner in a partnership considering an investment in the Notes, then you should consult your tax advisors.

The following summary is for informational purposes only and is not a substitute for careful tax planning and advice. Investors considering the purchase of Notes should consult their tax advisors with respect to the application of the U.S. federal income tax laws to their particular situations, as well as any tax consequences arising under any other U.S. federal tax laws or the laws of any state, local or non-U.S. taxing jurisdiction or under any applicable tax treaty.

### **Effect of Certain Contingencies**

We may be required to pay amounts in addition to the stated principal amount of and stated interest on the Notes (e.g., upon a change in control as described in “Description of the Notes—Change of Control”). Although the issue is not free from doubt, we believe and intend to take the position that the possibility of payment of such additional amounts does not result in the Notes being treated as contingent payment debt instruments under applicable Treasury regulations. This position will be based in part on our determination that, as of the date of the issuance of the Notes, the possibility that such additional amounts will have to be paid, in the aggregate, is a remote or incidental contingency within the meaning of applicable Treasury regulations.

Our determination that these contingencies are, in the aggregate, remote or incidental is binding on a beneficial owner, unless such beneficial owner explicitly discloses to the IRS on its tax return for the year during which it acquires the Notes that it is taking a different position. However, our position is not binding on the IRS. If the IRS takes a position contrary to that described above, then the Notes may be treated as contingent payment debt instruments and a beneficial owner subject to U.S. federal income taxation may be required to accrue interest income on the Notes at a rate in excess of yield on the Notes in the absence of these contingencies based upon a “comparable yield”. The “comparable yield” is the yield at which we would issue a fixed rate debt instrument with no contingent payments, but with terms and conditions similar to those of the Notes. In addition, any gain on the sale, exchange, redemption, retirement or other taxable disposition of the Notes would be recharacterized as ordinary income. Holders of Notes should consult their tax advisors regarding the tax consequences of the Notes being treated as contingent payment debt instruments. The remainder of this discussion assumes that the Notes will not be treated as contingent payment debt instruments.

### **U.S. Holders**

The following is a summary of certain U.S. federal income tax considerations if you are a U.S. Holder. For purposes of this summary, the term “U.S. Holder” means a beneficial owner of a Note that is, for U.S. federal income tax purposes:

- an individual who is a citizen or resident of the United States;
- a corporation organized under the laws of the United States, any state thereof or the District of Columbia;
- an estate, the income of which is subject to U.S. federal income taxation regardless of its source; or

- a trust, if (i) a court within the United States is able to exercise primary jurisdiction over its administration and one or more U.S. persons have the authority to control all of its substantial decisions, or (ii) a valid election is in place under applicable Treasury regulations to treat such trust as a domestic trust.

#### *Stated Interest*

Stated interest on a Note will be included in the gross income of a U.S. Holder as ordinary income at the time that such interest is accrued or received, in accordance with the U.S. Holder's regular method of accounting for U.S. federal income tax purposes.

#### *Original Issue Discount*

It is expected that the Notes will be issued to investors in this offering for a price equal to the stated principal amount set forth on the cover page of this document. If, contrary to current expectations, the stated principal amount of the Notes exceeds their issue price (as defined above) by an amount greater than or equal to a statutorily-defined de minimis threshold (generally, 1/4 of 1% of the principal amount of the Notes, multiplied by the number of complete years to maturity from their original issue date), then the Notes will be considered to be issued with OID for United States federal income tax purposes. The amount of OID on a Note generally is equal to the excess of the Note's stated principal amount over its issue price. If the Notes are issued with OID, a U.S. Holder of a Note (i) generally will be required to include the OID on a Note in gross income (as ordinary interest income) as such OID accrues, on a constant yield basis over the term of the Note, in advance of the receipt of the cash attributable to such OID and regardless of its regular method of accounting for United States federal income tax purposes, but (ii) generally will not be required to recognize any additional income upon the receipt of any cash payment on the Note that is attributable to previously accrued OID that has been included in such U.S. Holder's income.

The amount of OID includible in income by a U.S. Holder for a taxable year will be the sum of the daily portions of OID with respect to the Note for each day during that taxable year on which the U.S. Holder holds such Note. The daily portion is determined by allocating to each day in an "accrual period" a pro rata portion of the OID allocable to that accrual period. The "accrual period" of a Note may be of any length and may vary in length over the term of the Note, provided that each accrual period is no longer than one year and each scheduled payment of principal or interest occurs either on the first or last day of an accrual period. The OID allocable to any accrual period will equal (a) the product of the "adjusted issue price" of the note as of the beginning of such accrual period and the note's yield to maturity (adjusted for the length of the period) less (b) the stated interest allocable to the accrual period. The "adjusted issue price" of a note as of the beginning of any accrual period will equal its issue price, increased by previously accrued OID.

#### *Sale, Exchange, Redemption, Retirement or Other Taxable Disposition of a Note*

Upon the sale, exchange, redemption, retirement or other taxable disposition of a Note, a U.S. Holder generally will recognize gain or loss equal to the difference, if any, between (i) the amount realized upon the disposition and (ii) the holder's adjusted tax basis in the Note. The amount realized will be equal to the sum of the amount of cash and the fair market value of any property received in exchange for the Note, less any portion allocable to any accrued and unpaid stated interest, which portion will be taxed as ordinary interest income (as described above under "—Stated Interest") to the extent not previously so taxed. A U.S. Holder's adjusted tax basis in a Note generally will equal the cost of the Note to such holder, increased by any OID included in income by such U.S. Holder with respect to such Note. Any such gain or loss generally will be capital gain or loss, and will be long-term capital gain or loss if the U.S. Holder has held the Note for more than one year. In general, long-term capital gains of a non-corporate U.S. Holder are taxed at lower rates than those applicable to ordinary income. The deductibility of capital losses is subject to limitations. U.S. Holders should consult their own tax advisors as to the deductibility of capital losses in their particular circumstances.

#### *Medicare Tax*

A 3.8% tax is imposed on certain U.S. Holders who are individuals, estates or trusts on the lesser of (1) the U.S. Holder's "net investment income" (or undistributed "net investment income" in the case of a trust or estate) for

the relevant taxable year and (2) the excess of the U.S. Holder's modified adjusted gross income for the taxable year over a certain threshold (which in the case of individuals will be between \$125,000 and \$250,000, depending on the individual's circumstances). A U.S. Holder's net investment income will generally include its interest income (including any OID) and its net gains from the disposition of Notes, unless such interest income or net gains are derived in the ordinary course of the conduct of a trade or business (other than a trade or business that consists of certain passive or trading activities). If you are a U.S. Holder that is an individual, estate or trust, you are urged to consult your tax advisor regarding the applicability of the Medicare tax to a U.S. Holder's income and gains in respect of your investment in the Notes.

### *Information Reporting and Backup Withholding*

In general, applicable payors must report certain information to the IRS with respect to payments of stated interest, accruals of OID, and payments of the proceeds of the sale or other taxable disposition (including upon a retirement or redemption) of a Note, to certain U.S. Holders. The payor (which may be us or an intermediate payor) may be required to impose backup withholding, currently at a rate of 24%, if (i) the payee fails to furnish a taxpayer identification number ("TIN") to the payor or to otherwise establish an exemption from backup withholding; (ii) the IRS notifies the payor that the TIN furnished by the payee is incorrect; (iii) there has been a notified payee underreporting described in section 3406(c) of the Code; or (iv) the payee has not certified under penalties of perjury that it has furnished a correct TIN and that the IRS has not notified the payee that it is subject to backup withholding under the Code. Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a U.S. Holder will generally be allowed as a credit against that U.S. Holder's U.S. federal income tax liability, if any, and may entitle the U.S. Holder to a refund, provided that the required information is timely furnished to the IRS.

### **Non-U.S. Holders**

The following is a summary of certain U.S. federal income tax considerations if you are a non-U.S. Holder. For purposes of this summary, the term "non-U.S. Holder" means a beneficial owner of a Note that is, for U.S. federal income tax purposes:

- a nonresident alien individual;
- a foreign corporation; or
- a foreign estate or trust.

The following discussion assumes that no item of income, gain, deduction or loss derived by a non-U.S. Holder in respect of the Notes at any time is effectively connected with the conduct of a U.S. trade or business. Non-U.S. Holders with any item of income, gain, deduction or loss in respect of the Notes that is effectively connected with the conduct of a U.S. trade or business should consult their tax advisors regarding the U.S. federal income tax and branch profits tax consequences of investing in the Notes.

### *Payment of Interest*

Subject to the discussions below of backup withholding and FATCA (as defined below), interest (including any OID) paid on a Note by us or any paying agent to a non-U.S. Holder will be exempt from U.S. federal income tax and withholding, provided that:

- the non-U.S. Holder does not, actually or constructively, own 10% or more of the total combined voting power of all classes of our voting stock and is not a controlled foreign corporation related to us, actually or constructively; and
- either (a) the non-U.S. Holder provides its name and address on a properly executed and applicable IRS Form W-8 delivered to the applicable withholding agent, and certifies, under penalties of perjury, that it is

not a U.S. person as defined under the Code, or (b) the non-U.S. Holder holds its Notes through certain intermediaries and satisfies the certification requirements under applicable Treasury regulations.

If a non-U.S. Holder cannot satisfy the requirements described above, payments of interest (including any OID) made to such non-U.S. Holder on the Notes generally will be subject to U.S. federal withholding tax at the rate of 30%, unless it provides the applicable withholding agent with a properly executed and applicable IRS Form W-8 (or suitable substitute form) establishing an exemption from or reduction in the withholding tax under the benefit of an applicable tax treaty.

#### *Sale, Exchange, Redemption, Retirement or Other Taxable Disposition of a Note*

Subject to the discussions below of backup withholding and FATCA, a non-U.S. Holder generally will not be subject to U.S. federal income tax or withholding tax on any gain realized on a sale, exchange, redemption, retirement or other taxable disposition of a Note (other than in respect of any amount representing accrued but unpaid interest (including any OID) on the Note, which is subject to the rules discussed above under “—Payment of Interest”), unless the non-U.S. Holder is an individual who is present in the United States for 183 days or more during the taxable year of the disposition of a Note and certain other requirements are met, in which case such non-U.S. Holder generally will be subject to U.S. federal income tax at a flat rate of 30% (unless a lower applicable tax treaty rate applies) on any such non-U.S. Holder’s net U.S.-source gain.

#### *Information Reporting and Backup Withholding*

The amount of interest (including OID) paid to a non-U.S. Holder and the amount of tax, if any, withheld from such payment generally must be reported annually to the non-U.S. Holder and to the IRS. The IRS may make this information available to other parties under the provisions of an applicable income tax treaty which may include the tax authorities in the country in which the non-U.S. Holder is resident.

Provided that a non-U.S. Holder has complied with certain reporting procedures (usually satisfied by providing a properly executed and applicable IRS Form W-8) or otherwise establishes an exemption, the non-U.S. Holder generally will not be subject to backup withholding with respect to interest payments on a Note. Certain rules relating to information reporting requirements and backup withholding with respect to the payment of proceeds from the disposition (including a redemption or retirement) of a Note are generally as follows:

- if the proceeds are paid to or through the U.S. office of a broker, a non-U.S. Holder generally will be subject to backup withholding and information reporting unless the non-U.S. Holder certifies under penalties of perjury that it is not a U.S. person (usually on a properly executed and applicable IRS Form W-8) or otherwise establishes an exemption;
- if the proceeds are paid to or through a non-U.S. office of a broker that is a U.S. person or that has certain specified U.S. connections, a non-U.S. Holder generally will be subject to information reporting (but generally not backup withholding) unless the non U.S. Holder certifies under penalties of perjury that it is not a U.S. person (usually on a properly executed and applicable IRS Form W-8) or otherwise establishes an exemption; and
- if the proceeds are paid to or through a non-U.S. office of a broker that is not a U.S. person and does not have certain specified U.S. connections, a non-U.S. Holder generally will not be subject to backup withholding or information reporting.

Backup withholding is not an additional tax. Any amounts withheld under the backup withholding rules from a payment to a non-U.S. Holder will generally be allowed as a credit against the non-U.S. Holder’s U.S. federal income tax liability, if any, and may entitle the holder to a refund, provided that the required information is timely furnished to the IRS.



## **Foreign Account Tax Compliance**

Sections 1471 through 1474 of the Code and Treasury regulations thereunder (“FATCA”) generally impose U.S. federal withholding tax of 30% on interest income (including any OID) paid on a Note and, subject to proposed Treasury regulations discussed below, on the gross proceeds of a disposition of a Note paid to (i) a foreign financial institution (whether such foreign financial institution is the beneficial owner or an intermediary), unless such institution enters into an agreement with the U.S. government to collect and provide to the U.S. tax authorities substantial information regarding U.S. account holders of such institution (which would include certain equity and debt holders of such institution, as well as certain account holders that are foreign entities with U.S. owners), and (ii) a foreign entity that is not a financial institution (whether such foreign entity is the beneficial owner or an intermediary), unless such entity provides the withholding agent with a certification identifying the substantial U.S. owners of the entity, which generally include any U.S. person who directly or indirectly owns more than 10% of the entity. An intergovernmental agreement between the U.S. and the applicable foreign country, or future Treasury regulations or other guidance, may modify these requirements.

Proposed Treasury regulations issued in December 2018 eliminate potential FATCA withholding on the gross proceeds of a disposition of a Note. The proposed Treasury regulations provide that taxpayers may rely upon such proposal until final Treasury regulations are issued.

We will not pay additional amounts or “gross up” payments to holders of Notes as a result of any taxes or withholding imposed under FATCA. Under certain circumstances, a non-U.S. Holder may be eligible for a refund or credit of such tax or withholding. Investors are encouraged to consult with their own tax advisors regarding the implications of this legislation on their investment in our Notes.

## **CERTAIN ERISA CONSIDERATIONS**

The following is a summary of certain considerations associated with the acquisition and holding of the Notes by (i) employee benefit plans that are subject to Title I of the U.S. Employee Retirement Income Security Act of 1974, as amended (“ERISA”), (ii) plans, individual retirement accounts (“IRAs”) and other arrangements that are subject to Section 4975 of the Code, (iii) entities and accounts whose underlying assets are considered to include “plan assets” of any such plan, account or arrangement described in clause (i) or (ii) pursuant to 29 C.F.R. Section 2510.3-101, as modified by Section 3(42) of ERISA, or otherwise, or (iv) any other plan, account or arrangement that is subject to any other U.S. or non-U.S. federal, state, local or other laws or regulations that are similar to the fiduciary responsibility or prohibited transaction provisions of Title I of ERISA or Section 4975 of the Code (collectively, “Similar Laws” and each of the foregoing described in clause (i), (ii), (iii) and (iv) referred to herein as a “Plan”).

### **General Fiduciary Matters**

ERISA and the Code impose certain duties on persons who are fiduciaries of a Plan subject to Title I of ERISA or Section 4975 of the Code (an “ERISA Plan”) and prohibit certain transactions involving the assets of an ERISA Plan and its fiduciaries or other interested parties. Under ERISA and the Code, any person who exercises any discretionary authority or control over the administration of such an ERISA Plan or the management or disposition of the assets of such an ERISA Plan, or who renders investment advice for a fee or other compensation (direct or indirect) to such an ERISA Plan or has authority or responsibility to do so, is generally considered to be a fiduciary of the ERISA Plan.

Any Plan fiduciary that proposes to cause a Plan to purchase the Notes should consult with its counsel regarding the potential applicability of the fiduciary responsibility and prohibited transaction provisions of Title I of ERISA and Section 4975 of the Code and provisions of any Similar Law to such an investment, and to confirm that the acquisition and holding of the Notes will not constitute or result in a non-exempt prohibited transaction or any other violation of an applicable requirement of ERISA, the Code or any Similar Law or whether an exemption would be applicable to such acquisition and holding. In addition, in considering an investment in the Notes of a portion of the assets of any Plan, a Plan fiduciary should determine whether the investment is in accordance with the documents and instruments governing the Plan and the applicable provisions of ERISA, the Code or any Similar Law relating to a fiduciary’s duties to the Plan including, without limitation, the prudence, diversification, delegation of control and prohibited transaction provisions of ERISA, the Code and any other applicable Similar Laws.

Each Plan should also consider the fact that none of Issuer, the initial purchasers, any Guarantors or any of their respective affiliates (collectively, the “Transaction Parties”) is acting, or will act, as a fiduciary to any Plan with respect to the decision to purchase or hold the Notes. The Transaction Parties are not undertaking to provide any investment advice, including in a fiduciary capacity, with respect to the decision to purchase or hold the Notes. All communications, correspondence and materials from the Transaction Parties with respect to the Notes are intended to be general in nature and are not directed at any specific purchaser of the Notes, and do not constitute advice regarding the advisability of investment in the Notes for any specific purchaser. The decision to purchase and hold the Notes must be made solely by each prospective Plan purchaser on an arm’s length basis.

### **Prohibited Transaction Issues**

Section 406 of ERISA and Section 4975 of the Code prohibit ERISA Plans from engaging in specified transactions involving “plan assets” (including “plan assets” that are not subject to ERISA but which are subject to Section 4975 of the Code, such as IRAs or an entity deemed to hold the assets of such plans) with persons or entities who are “parties in interest,” within the meaning of Section 3(14) of ERISA, or “disqualified persons,” within the meaning of Section 4975 of the Code, unless an exemption is available. Those sections further prohibit a fiduciary from engaging in transactions in which a conflict of interest is deemed present. The fiduciary of an ERISA Plan that proposes to purchase and hold any Notes should consider, among other things, whether such purchase and holding may involve (i) the direct or indirect extension of credit between an ERISA Plan and a party in interest or a disqualified person, (ii) the sale or exchange of any property between an ERISA Plan and a party in interest or a disqualified person, or (iii) the transfer to, or use by or for the benefit of, a party in interest or disqualified person, of

any ERISA Plan assets. Such parties in interest or disqualified persons could include, without limitation, the Issuer, the initial purchasers or certain of their respective affiliates. A party in interest or disqualified person (including a fiduciary) who engages in a non-exempt prohibited transaction may be subject to excise taxes and other penalties and liabilities under ERISA and/or the Code. In addition, a fiduciary of the ERISA Plan that engages in such a non-exempt prohibited transaction may be subject to penalties and liabilities under ERISA and the Code. The acquisition and/or holding of the Notes by an ERISA Plan with respect to which an Issuer, an initial purchaser or a Guarantor is considered a party in interest or a disqualified person may constitute or result in a direct or indirect prohibited transaction in violation of Section 406 of ERISA and/or Section 4975 of the Code, unless the Notes are acquired and held in accordance with an applicable statutory, class or individual prohibited transaction exemption.

In this regard, the U.S. Department of Labor has issued prohibited transaction class exemptions (“PTCEs”) that may provide exemptive relief for direct or indirect prohibited transactions resulting from the acquisition and/or holding of the Notes. These class exemptions include, without limitation, PTCE 75-1 respecting specified transactions involving employee benefit plans and broker-dealers, reporting dealers and banks, PTCE 84-14 respecting transactions determined by independent qualified professional asset managers, PTCE 90-1 respecting insurance company pooled separate accounts, PTCE 91-38 respecting bank collective investment funds, PTCE 95-60 respecting life insurance company general accounts and PTCE 96-23 respecting transactions determined by in-house asset managers. In addition to the foregoing, Section 408(b)(17) of ERISA and Section 4975(d)(20) of the Code provide relief for certain transactions between an ERISA Plan and a person that is a party in interest and/or a disqualified person (other than a fiduciary or an affiliate that (directly or indirectly) has or exercises any discretionary authority or control or render any investment advice with respect to the assets of any ERISA Plan) solely by reason of providing services to the ERISA Plan or by relationship to a service provider, provided that the ERISA Plan pays no more and receives no less than adequate consideration in connection with the transaction. These exemptions do not, however, provide relief from the self-dealing prohibitions under ERISA and the Code. It should also be noted that even if the conditions specified in one or more of these exemptions are met, the scope of relief provided by these exemptions may not necessarily cover all acts that might be construed as prohibited transactions. Therefore, the fiduciary of an ERISA Plan that is considering acquiring and/or holding the Notes in reliance on any of these, or any other, exemptions should carefully review the exemption and consult with its counsel to confirm that it is applicable. There can be no assurance that all of the conditions of any such exemptions will be satisfied with respect to transactions involving the Notes.

Some Plans, including governmental plans, non-U.S. plans and certain church plans, while not subject to the fiduciary responsibility provisions or prohibited transaction provisions of ERISA or Section 4975 of the Code, may nevertheless be subject to Similar Laws which may affect their investment in the Notes. Any fiduciary of a governmental, non-U.S. or such a church plan considering an investment in the Notes should consult with its counsel before purchasing Notes to consider the applicable fiduciary standards and to determine the need for, and, if necessary, the availability of, any exemptive relief under any applicable Similar Laws.

Because of the foregoing, the Notes should not be purchased or held by any person investing “plan assets” of any Plan, unless such purchase or holding will not constitute or result in a non-exempt prohibited transaction under ERISA and the Code or violation of any applicable Similar Laws.

The foregoing discussion is general in nature and is not intended to be all-inclusive nor should it be construed as legal advice. Due to the complexity of these rules and the penalties that may be imposed upon persons involved in non-exempt prohibited transactions, it is particularly important that fiduciaries or other persons considering purchasing or holding the Notes on behalf of, or with the assets of, any Plan, consult with their counsel regarding the potential applicability of ERISA, Section 4975 of the Code and any Similar Laws to such investment and whether an exemption would be applicable to the purchase and holding of the Notes.

Purchasers of the Notes have the exclusive responsibility for ensuring that their purchase and holding of the Notes complies with the fiduciary responsibility rules of ERISA and does not violate the prohibited transaction rules of ERISA or the Code or provisions of any applicable Similar Laws. We make no representation as to whether an investment in the Notes is appropriate for Plans in general or whether such investment is appropriate for any particular Plan. Neither this discussion nor anything in this offering circular is or is intended to be investment advice directed at any potential purchaser that is a Plan or at such purchasers generally.

**Representation**

Accordingly, by the acquisition and/or holding of a Note, or any interest in a Note, each purchaser and subsequent transferee will be deemed to have represented and warranted that either (i) such purchaser or subsequent transferee is not acquiring or holding the Notes for or on behalf of, and no portion of the assets used by such purchaser or transferee to acquire or hold the Note, or any interest therein, constitutes assets of, any Plan or (ii) the acquisition, holding and subsequent disposition of the Note by such purchaser or transferee will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Laws.

## TRANSFER RESTRICTIONS

The Notes have not been and will not be registered under the Securities Act or any other applicable securities laws and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons (as such terms are defined in Regulation S) except pursuant to an exemption from, or in a transaction not subject to, the registration requirements of the Securities Act and such other securities laws. Accordingly, the Notes are being offered only (a) to persons reasonably believed to be QIBs (as defined in Rule 144A) in reliance on the exemption from the registration requirements of the Securities Act provided by Rule 144A and (b) outside the United States, to persons other than U.S. persons, in offshore transactions in reliance upon Regulation S.

Each purchaser of the Notes, by its acceptance thereof, will be deemed to have acknowledged, represented to and agreed as follows (terms used in this paragraph that are defined in Rule 144A or Regulation S are used herein as defined therein):

- (1) The purchaser (A) (i) is a QIB, (ii) is aware that the sale to it is being made in reliance on Rule 144A and (iii) is acquiring the Notes for its own account or for the account of a QIB, (B) is not a U.S. person and is purchasing the Notes in an offshore transaction pursuant to Regulation S or (C) in the case of resale by parties other than the initial purchasers, (i) is an institutional “accredited investor” (as defined in Rule 501(a)(1), (2), (3), (7), (8) and (9) of Regulation D under the Securities Act) and (ii) is purchasing for its own account or for the account of another institutional “accredited investor,” in each case in a minimum principal amount of \$250,000.
- (2) The purchaser understands that the Notes are being offered in a transaction not involving any public offering in the United States within the meaning of the Securities Act, that the Notes have not been and will not be registered under the Securities Act and that (A) if in the future it decides to offer, resell, pledge or otherwise transfer any of the Notes such Notes may be offered, resold, pledged or otherwise transferred only (i) to us, (ii) in the United States to a person who the seller reasonably believes is a QIB in a transaction meeting the requirements of Rule 144A, (iii) to an institutional “accredited investor” (as defined in Rule 501(a)(1), (2), (3), (7), (8) and (9) of Regulation D under the Securities Act) that is not a QIB that is purchasing for its own account or for the account of another institutional investor, in each case in a minimum principal amount of \$250,000, (iv) outside the United States in a transaction complying with the provisions of Rule 904 under the Securities Act, (v) pursuant to an exemption from registration under the Securities Act provided by Rule 144 (if available), or (vi) pursuant to an effective registration statement under the Securities Act, in each of cases through (vi) in accordance with any applicable securities laws of any state of the United States, and that (B) the purchaser will, and each subsequent holder is required to, notify any subsequent purchaser of the Notes from it of the resale restrictions referred to in (A) above.
- (3) The purchaser acknowledges that neither we, the initial purchasers nor any person representing us or the initial purchasers have made any representation to it with respect to us or the offering or sale of any Notes, other than the information contained in this offering circular, which has been delivered to it. It represents that it is relying only on this offering circular in making its investment decision with respect to the Notes. It has had access to such financial and other information concerning us and the Notes as it has deemed necessary in connection with its decision to purchase any of the Notes, including an opportunity to ask questions of, and request information from, us and the initial purchasers. It acknowledges that the initial purchasers have not made any representation or warranty as to the accuracy or completeness of any information provided, including the information contained in this offering circular.
- (4) The purchaser understands that the Notes will, until the expiration of the applicable holding period with respect to the Notes set forth in Rule 144 of the Securities Act, unless otherwise agreed by us and the holder thereof, bear a legend substantially to the following effect (the “Restricted Notes Legend”):

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION EXEMPT FROM REGISTRATION UNDER THE UNITED STATES SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND THIS NOTE MAY NOT BE OFFERED, SOLD OR OTHERWISE TRANSFERRED IN THE ABSENCE OF SUCH REGISTRATION OR AN APPLICABLE EXEMPTION THEREFROM. EACH PURCHASER OF THIS NOTE IS HEREBY NOTIFIED THAT THE SELLER OF THIS NOTE MAY BE RELYING ON THE EXEMPTION FROM THE PROVISIONS OF SECTION 5 OF THE SECURITIES ACT PROVIDED BY RULE 144A THEREUNDER.

THE HOLDER OF THIS NOTE AGREES FOR THE BENEFIT OF THE COMPANY THAT (A) THE HOLDER WILL NOT WITHIN [ONE YEAR — FOR NOTES ISSUED PURSUANT TO RULE 144A][40 DAYS — FOR NOTES ISSUED IN OFFSHORE TRANSACTIONS PURSUANT TO REGULATION S] AFTER THE LATEST OF THE DATE OF THE ORIGINAL ISSUANCE OF THIS NOTE, THE DATE OF THE ORIGINAL ISSUANCE OF ANY ADDITIONAL NOTES AND THE DATE ON WHICH THE COMPANY OR ANY OF ITS AFFILIATES OWNED THIS NOTE, OFFER, RESELL, PLEDGE OR OTHERWISE TRANSFER THIS NOTE EXCEPT (I) TO THE COMPANY, (II) IN THE UNITED STATES TO A PERSON WHOM THE SELLER REASONABLY BELIEVES IS A QUALIFIED INSTITUTIONAL BUYER (AS DEFINED IN RULE 144A UNDER THE SECURITIES ACT) IN A TRANSACTION MEETING THE REQUIREMENTS OF RULE 144A, (III) TO AN INSTITUTIONAL “ACCREDITED INVESTOR” WITHIN THE MEANING OF RULE 501(a) (1), (2), (3), (7), (8) AND (9) UNDER THE SECURITIES ACT THAT IS AN INSTITUTIONAL INVESTOR ACQUIRING THE NOTE FOR ITS OWN ACCOUNT OR FOR THE ACCOUNT OF SUCH AN INSTITUTIONAL ACCREDITED INVESTOR, IN EACH CASE IN A MINIMUM PRINCIPAL AMOUNT OF \$250,000, (IV) OUTSIDE THE UNITED STATES IN AN OFFSHORE TRANSACTION IN ACCORDANCE WITH RULE 904 UNDER THE SECURITIES ACT, (V) PURSUANT TO AN EXEMPTION FROM REGISTRATION UNDER THE SECURITIES ACT PROVIDED BY RULE 144 THEREUNDER (IF AVAILABLE) OR (VI) PURSUANT TO AN EFFECTIVE REGISTRATION STATEMENT UNDER THE SECURITIES ACT, IN EACH OF CASES (I) THROUGH (VI) IN ACCORDANCE WITH ANY APPLICABLE SECURITIES LAWS OF ANY STATE OF THE UNITED STATES, AND (B) THE HOLDER WILL, AND EACH SUBSEQUENT HOLDER IS REQUIRED TO, NOTIFY ANY PURCHASER OF THIS NOTE FROM IT OF THE RESALE RESTRICTIONS REFERRED TO HEREIN.

Each purchaser of Notes offered in reliance on Regulation S will be deemed to have represented and agreed that it is not a U.S. person and is purchasing such Notes in an offshore transaction (as such terms are defined in Regulation S) pursuant to Regulation S and understands that such Notes will, unless otherwise agreed by us and the holder thereof, bear a legend substantially to the following effect (the “Regulation S Legend”):

THIS NOTE (OR ITS PREDECESSOR) WAS ORIGINALLY ISSUED IN A TRANSACTION ORIGINALLY EXEMPT FROM REGISTRATION UNDER THE U.S. SECURITIES ACT OF 1933, AS AMENDED (THE “SECURITIES ACT”), AND MAY NOT BE TRANSFERRED IN THE UNITED STATES OR TO, OR FOR THE ACCOUNT OR BENEFIT OF, ANY U.S. PERSON EXCEPT PURSUANT TO AN AVAILABLE EXEMPTION FROM THE REGISTRATION REQUIREMENTS OF THE SECURITIES ACT AND ALL APPLICABLE STATE SECURITIES LAWS. TERMS USED ABOVE HAVE THE MEANINGS GIVEN TO THEM IN REGULATION S UNDER THE SECURITIES ACT.

Notes bearing the Restricted Notes Legend may be exchanged for Notes not bearing the Restricted Notes Legend but bearing the Regulation S Legend upon certification by the transferor in the form set forth in the indenture that will govern the Notes that the transfer of any such restricted note has been made in accordance with Rule 904 under the Securities Act. We understand that under current market practices settlement of the transfer of any such Note may be effected through the facilities of DTC, but that prior to the 40th day after the latest of the commencement of this offering and the last original issue date of the Notes, any such transfer may only occur through the facilities of Euroclear and/or Clearstream. See the section entitled “Book-Entry Settlement and Clearance.”

- (5) Each purchaser and subsequent transferee of the Notes will be deemed to have represented and agreed that either (i) such purchaser or subsequent transferee is not acquiring or holding the Notes for or on behalf of, and no portion of the assets used by such purchaser or transferee to acquire or hold the Notes, or any interest therein, constitutes assets of, any Plan or (ii) the acquisition, holding and subsequent disposition of the Note by such purchaser or transferee will not constitute or result in a non-exempt prohibited transaction under Section 406 of ERISA or Section 4975 of the Code or a violation under any applicable Similar Laws.
- (6) Each purchaser acknowledges that we, the initial purchasers and others will rely upon the truth and accuracy of the foregoing acknowledgments, representations, warranties and agreements and agrees that if any of the acknowledgments, representations, warranties and agreements deemed to have been made by its purchase of the Notes are no longer accurate, it shall promptly notify us and the initial purchasers. If it is acquiring any Notes as a fiduciary or agent for one or more investor accounts, it represents that it has sole investment discretion with respect to each such investor account and that it has full power to make the foregoing acknowledgments, representations and agreements on behalf of each such investor account.

## PLAN OF DISTRIBUTION

Under the terms and conditions contained in a purchase agreement dated the date of this offering circular, with UBS Securities LLC as representative of the several initial purchasers of the Notes, we have agreed to sell to the initial purchasers, and each of the initial purchasers has agreed, severally and not jointly, to purchase from us, the following principal amounts of Notes set forth opposite their names below.

Initial Purchaser	Principal Amount of Notes
UBS Securities LLC .....	\$
BofA Securities, Inc. ....	\$
Goldman Sachs & Co. LLC.....	\$
Barclays Capital Inc. ....	\$
Citigroup Global Markets Inc.....	\$
Deutsche Bank Securities Inc. ....	\$
KKR Capital Markets LLC .....	\$
Mizuho Securities USA LLC .....	\$
Morgan Stanley & Co. LLC .....	\$
RBC Capital Markets, LLC .....	\$
Jefferies LLC .....	\$
BMO Capital Markets Corp. ....	\$
Macquarie Capital (USA) Inc.....	\$
BNP Paribas Securities Corp. ....	\$
Guggenheim Securities, LLC .....	\$
HSBC Securities (USA) Inc. ....	\$
Nomura Securities International, Inc. ....	\$
Truist Securities, Inc.....	\$
Wells Fargo Securities, LLC .....	\$
KeyBanc Capital Markets Inc.....	\$
MUFG Securities Americas Inc. ....	\$
Scotia Capital (USA) Inc.....	\$
SG Americas Securities, LLC .....	\$
Stifel Nicolaus and Company, Incorporated.....	\$
SPC Capital Markets LLC .....	\$
TD Securities (USA) LLC.....	\$
Fifth Third Securities, Inc.....	\$
ING Financial Markets LLC .....	\$
Intesa Sanpaolo S.p.A.....	\$
Natixis Securities Americas LLC .....	\$
Santander US Capital Markets LLC .....	\$
U.S. Bancorp Investments Inc. ....	\$
 Total.....	 \$ 1,000,000,000

The purchase agreement provides that the initial purchasers are obligated to purchase all of the Notes if any are purchased. The offering of the Notes by the initial purchasers is subject to receipt and acceptance and subject to the initial purchasers' right to reject any order in whole or in part. The purchase agreement also provides that, if an



initial purchaser defaults with respect to its obligations to purchase the Notes, the purchase commitments of the non-defaulting initial purchasers with respect to the Notes may be increased or, in some cases, the offering with respect to the Notes may be terminated.

We have agreed that, for a period of 60 days after the date of this offering circular, we will not, directly or indirectly, take any of the following actions with respect to any debt securities issued or guaranteed by the Issuer or the Guarantors or any securities convertible into or exchangeable or exercisable for any of its debt securities (“Lock-Up Securities”): (i) offer, sell, issue, contract to sell, pledge or otherwise dispose of Lock-Up Securities, (ii) offer, sell, issue, contract to sell, contract to purchase or grant any option, right or warrant to purchase Lock-Up Securities, (iii) enter into any swap, hedge or any other agreement that transfers, in whole or in part, the economic consequences of ownership of Lock-Up Securities, (iv) establish or increase a put equivalent position or liquidate or decrease a call equivalent position in Lock-Up Securities within the meaning of Section 16 of the Exchange Act or (v) file with the SEC a registration statement under the Securities Act relating to Lock-Up Securities or publicly disclose the intention to take any such action, without the prior written consent of the representative.

The initial purchasers propose to offer the Notes initially at the relevant offering price on the cover page of this offering memorandum. After the initial offering, the offering price may be changed. The initial purchasers may offer and sell notes through certain of their affiliates. In addition, one or more of the initial purchasers may not be U.S.-registered broker-dealers. All sales of the Notes in the United States will be made by or through U.S.-registered broker-dealers, which may include such affiliates of one or more of the initial purchasers.

The Notes have not been registered under the Securities Act and may not be offered or sold within the United States or to, or for the account or benefit of, U.S. persons except to persons reasonably believed to be QIBs in reliance on Rule 144A and to persons in offshore transactions in reliance on Regulation S. Each of the initial purchasers has agreed that, except as permitted by the purchase agreement, it will not offer, sell or deliver the Notes (i) as part of its distribution at any time or (ii) otherwise until 40 days after the later of the commencement of the offering and the closing date of the offering, within the United States or to, or for the account or benefit of, U.S. persons, and it will have sent to each broker/dealer to which it sells Notes in reliance on Regulation S during such 40-day period, a confirmation or other notice detailing the restrictions on offers and sales of the Notes within the United States or to, or for the account or benefit of, U.S. persons. Terms used in this paragraph have the meanings given to them by Regulation S. Resales of the Notes are restricted as described under “Transfer Restrictions.”

We expect that delivery of the Notes will be made to investors on or about \_\_\_\_\_, 2024, which will be the \_\_\_\_\_ business day following the date of this offering circular (such settlement being referred to as “T+ \_\_\_\_\_”). Under Rule 15c6-1 under the Exchange Act, trades in the secondary market are required to settle in two business days, unless the parties to any such trade expressly agree otherwise. Accordingly, purchasers who wish to trade Notes prior to the second business day before the delivery of the Notes hereunder will be required, by virtue of the fact that the Notes initially settle in T+ \_\_\_\_\_, to specify an alternate settlement arrangement at the time of any such trade to prevent a failed settlement. Purchasers of the Notes who wish to trade the Notes hereunder during such period should consult their advisors.

In addition, until 40 days after the commencement of the offering, an offer or sale of Notes within the United States by a broker/dealer (whether or not it is participating in the offering), may violate the registration requirements of the Securities Act if such offer or sale is made otherwise than pursuant to Rule 144A, or another exemption from registration under the Securities Act.

The Issuer and the guarantors party thereto have agreed to indemnify the initial purchasers against liabilities, including liabilities under the Securities Act, or to contribute to payments which they may be required to make in that respect.

The Notes constitute a new issue of securities for which there currently is no market. Certain initial purchasers have advised us that they intend to make a market in the Notes as permitted by applicable law. They are not obligated, however, to make a market in the Notes and any market-making may be discontinued at any time at their sole discretion. Accordingly, no assurance can be given as to the development or liquidity of any market for the Notes. If an active trading market for the Notes does not develop, the market price and liquidity of the Notes may be adversely affected. If the Notes are traded, they may trade at a discount from their initial offering price, depending

on prevailing interest rates, the market for similar securities, our operating performance and financial condition, general economic conditions and other factors.

The initial purchasers may engage in over-allotment, stabilizing transactions, covering transactions and penalty bids in accordance with Regulation M under the Exchange Act.

- Over-allotment involves sales in excess of the offering size, which creates a short position for the initial purchasers.
- Stabilizing transactions permit bids to purchase the underlying security so long as the stabilizing bids do not exceed a specified maximum.
- Covering transactions involve purchases of the Notes in the open market after the distribution has been completed in order to cover short positions.
- Penalty bids permit the initial purchasers to reclaim a selling concession from a broker/dealer when the Notes originally sold by such broker/dealer are purchased in a stabilizing or covering transaction to cover short positions.

The initial purchasers and their respective affiliates are full-service financial institutions, and in the ordinary course of their respective businesses, the initial purchasers and certain of their respective affiliates have in the past and may in the future engage in investment banking or other transactions of a financial nature with Cloud Software and its affiliates, including the provision of certain advisory services and the making of loans to Cloud Software and its affiliates, for which they have received or may receive customary compensation. Certain of the initial purchasers and/or their affiliates act as joint lead arrangers, joint bookrunners and/or lenders under our Senior Secured Credit Facilities and receive customary fees for performing those services. In particular, certain of the initial purchasers or their respective affiliates act as agents and/or lenders under our Senior Secured Credit Facilities and, as a result, certain of the initial purchasers or their affiliates may receive a portion of the net proceeds from this offering, and/or customary compensation for acting in such capacities. See “Use of Proceeds” for more information.

In addition, certain of the initial purchasers or their respective affiliates may be now or in the future be party to certain of our hedging arrangements. In addition, in the ordinary course of their business activities, the initial purchasers and their affiliates may make or hold a broad array of investments and actively trade debt and equity securities (or related derivative securities) and financial instruments (including bank loans) for their own account and for the accounts of their customers. Such investments and securities activities may involve securities and/or instruments of ours or our affiliates. If any of the initial purchasers or their affiliates have a lending relationship with us, certain of those initial purchasers or their affiliates routinely hedge, and certain other of those initial purchasers or their affiliates may hedge, their credit exposure to us consistent with their customary risk management policies. Typically, such initial purchasers and their affiliates would hedge such exposure by entering into transactions which consist of either the purchase of credit default swaps or the creation of short positions in our securities, including potentially the Notes. Any such credit default swaps or short positions could adversely affect future trading prices of the Notes. The initial purchasers and their affiliates may also make investment recommendations and/or publish or express independent research views in respect of such securities or financial instruments and may hold, or recommend to clients that they acquire, long and/or short positions in such securities and instruments. For purposes of this paragraph, the term “affiliate” includes parent companies.

#### **Notice to Canadian Residents**

The Notes may be sold in Canada only to purchasers purchasing, or deemed to be purchasing, as principal that are accredited investors, as defined in National Instrument 45-106 Prospectus Exemptions or subsection 73.3(1) of the Securities Act (Ontario), and are permitted clients, as defined in National Instrument 31-103 Registration Requirements, Exemptions and Ongoing Registrant Obligations. Any resale of the Notes must be made in accordance with an exemption from, or in a transaction not subject to, the prospectus requirements of applicable securities laws.

Securities legislation in certain provinces or territories of Canada may provide a purchaser with remedies for rescission or damages if this offering circular (including any amendment thereto) contains a misrepresentation, provided that the remedies for rescission or damages are exercised by the purchaser within the time limit prescribed by the securities legislation of the purchaser's province or territory. The purchaser should refer to any applicable provisions of the securities legislation of the purchaser's province or territory for particulars of these rights or consult with a legal advisor.

Pursuant to section 3A.3 (or, in the case of securities issued or guaranteed by the government of a non-Canadian jurisdiction, section 3A.4) of National Instrument 33-105 Underwriting Conflicts (NI 33-105), the initial purchasers are not required to comply with the disclosure requirements of NI 33-105 regarding initial purchaser conflicts of interest in connection with this offering.

### **Notice to Prospective Investors in the European Economic Area**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the European Economic Area (the "EEA"). For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client as defined in point (11) of Article 4(1) of Directive 2014/65/EU (as amended, "MiFID II"); (ii) a customer within the meaning of Directive (EU) 2016/97, where that customer would not qualify as a professional client as defined in point (10) of Article 4(1) of MiFID II; or (iii) not a "qualified investor" as defined in Regulation (EU) 2017/1129 (as amended, the "Prospectus Regulation").

Consequently no key information document required by Regulation (EU) No. 1286/2014 (as amended, the "PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the EEA has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the EEA may be unlawful under the PRIIPs Regulation.

This offering circular has been prepared on the basis that any offer of the Notes in any member state of the EEA will be made pursuant to an exemption under the Prospectus Regulation from the requirement to publish a prospectus for offer of the Notes. This offering circular is not to be considered a prospectus for the purposes of the Prospectus Regulation and any relevant implementing measure in each member state of the EEA.

### **United Kingdom**

The Notes are not intended to be offered, sold or otherwise made available to and should not be offered, sold or otherwise made available to any retail investor in the United Kingdom. For these purposes, a retail investor means a person who is one (or more) of: (i) a retail client, as defined in point (8) of Article 2 of Regulation (EU) No. 2017/565 as it forms part of domestic law by virtue of the European Union (Withdrawal) Act 2018 (the "EUWA"); or (ii) a customer within the meaning of the provisions of the Financial Services and Markets Act 2000 (as amended, the "FSMA") and any rules or regulations made under the FSMA to implement Directive (EU) 2016/97, where that customer would not qualify as a professional client, as defined in point (8) of Article 2(1) of Regulation (EU) No. 600/2014 as it forms part of domestic law by virtue of the EUWA; or (iii) not a "qualified investor" as defined in Article 2 of Regulation (EU) No. 2017/1129 as it forms part of domestic law by virtue of the EUWA (the "UK Prospectus Regulation").

Consequently no key information document required by Regulation (EU) No. 1286/2014 as it forms part of domestic law by virtue of the EUWA (the "UK PRIIPs Regulation") for offering or selling the Notes or otherwise making them available to retail investors in the UK has been prepared and therefore offering or selling the Notes or otherwise making them available to any retail investor in the UK may be lawful under the UK PRIIPs Regulation. This offering circular has been prepared on the basis that any offer of the Notes in the United Kingdom will be made pursuant to an exemption under the UK Prospectus Regulation and FSMA from a requirement to publish a prospectus for offers of securities. This offering circular is not a prospectus for purposes of the UK Prospectus Regulation or the FSMA.

In the United Kingdom, this offering circular is being distributed only to and is directed only at (i) persons who are “investment professionals” falling within Article 19(5) of the Financial Services and Markets Act 2000 (Financial Promotion) Order 2005 (as amended, the “Order”), (ii) high net worth companies, unincorporated associations and other bodies within the categories described in Article 49(2)(a) to (d) of the Order and (iii) any other persons to whom an invitation or inducement to engage in investment activity (within the meaning of Section 21 of the FSMA) in connection with the issue or sale of the Notes may otherwise lawfully be communicated or caused to be communicated (all such persons together being referred to as “relevant persons”). Any person who is not a relevant person should not act or rely on this offering circular or any of its contents. Any investment or investment activity to which this offering circular relates is available only to relevant persons and will be engaged in only with relevant persons.

## Switzerland

This offering circular is not intended to constitute an offer or solicitation to purchase or invest in the Notes. The Notes may not be publicly offered, directly or indirectly, in Switzerland within the meaning of the Swiss Financial Services Act (“FinSA”) and no application has or will be made to admit the Notes to trading on any trading venue (exchange or multilateral trading facility) in Switzerland. Neither this offering circular nor any other offering or marketing material relating to the Notes constitutes a prospectus pursuant to the FinSA, and neither this offering circular nor any other offering or marketing material relating to the Notes may be publicly distributed or otherwise made publicly available in Switzerland.

## France

Neither this offering circular nor any other offering material relating to the Notes described in this offering circular has been submitted to the clearance procedures of the *Autorités Marchés Financiers* or of the competent authority of another member state of the European Economic Area and notified to the *Autorités Marchés Financiers*. The Notes have not been offered or sold and will not be offered or sold, directly or indirectly, to the public in France. Neither this offering circular nor any other offering material relating to the Notes has been or will be:

- released, issued, distributed or caused to be released, issued or distributed to the public in France; or
- used in connection with any offer for subscription or sale of the Notes to the public in France.
- such offers, sales and distributions will be made in France only:
- to qualified investors (*investisseurs qualifiés*) and/or to a restricted circle of investors (*cercle restreint d'investisseurs*), in each case investing for their own account, all as defined in, and in accordance with, articles L.411-2, D.411-1, D.411-2, D.734-1, D.744-1, D.754-1 and D.764-1 of the French Code monétaire et financier;
- to investment services providers authorized to engage in portfolio management on behalf of third parties; or
- in a transaction that, in accordance with article L.411-2-II-1°-or-2°-or 3° of the French Code monétaire et financier and article 211-2 of the General Regulations (*Règlement Général*) of the Autorité des Marchés Financiers, does not constitute a public offer (*appel public à l'épargne*).

The Notes may be resold directly or indirectly, only in compliance with articles L.411-1, L.411-2, L.412-1 and L.621-8 through L.621-8-3 of the French *Code monétaire et financier*.

## Hong Kong

The Notes may not be offered or sold in Hong Kong by means of any document other than (i) in circumstances which do not constitute an offer to the public within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong), or (ii) to “professional investors” within the meaning of the Securities and Futures

Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder, or (iii) in other circumstances which do not result in the document being a “prospectus” within the meaning of the Companies Ordinance (Cap. 32, Laws of Hong Kong) and no advertisement, invitation or document relating to the Notes may be issued or may be in the possession of any person for the purpose of issue (in each case whether in Hong Kong or elsewhere), which is directed at, or the contents of which are likely to be accessed or read by, the public in Hong Kong (except if permitted to do so under the laws of Hong Kong) other than with respect to Notes which are or are intended to be disposed of only to persons outside Hong Kong or only to “professional investors” within the meaning of the Securities and Futures Ordinance (Cap. 571, Laws of Hong Kong) and any rules made thereunder.

## **Singapore**

This offering circular has not been registered as a prospectus with the Monetary Authority of Singapore. Accordingly, each initial purchaser has not offered or sold any Notes or caused the Notes to be made the subject of an invitation for subscription or purchase and will not offer or sell any Notes or cause the Notes to be made the subject of an invitation for subscription or purchase, and has not circulated or distributed, nor will it circulate or distribute, this offering circular or any other document or material in connection with the offer or sale, or invitation for subscription or purchase, of the Notes, whether directly or indirectly, to any person in Singapore other than (i) to an institutional investor (as defined in Section 4A of the Securities and Futures Act 2001 of Singapore, as modified or amended from time to time (the “SFA”)) pursuant to Section 274 of the SFA or (ii) to an accredited investor (as defined in Section 4A of the SFA) pursuant to and in accordance with the conditions specified in Section 275 of the SFA.

Singapore Securities and Futures Act Product Classification—Solely for the purposes of the Issuer’s obligations pursuant to Sections 309B(1)(a) and 309B(1)(c) of the SFA, the Issuer has determined, and hereby notifies all relevant persons (as defined in Section 309A of the SFA) that the Notes are a “prescribed capital markets product” (as defined in the Securities and Futures (Capital Markets Products) Regulations 2018) and an Excluded Investment Product (as defined in MAS Notice SFA 04-N12: Notice on the Sale of Investment Products and MAS Notice FAA-N16: Notice on Recommendations on Investment Products).

## **Japan**

The Notes have not been and will not be registered under the Financial Instruments and Exchange Law of Japan (the “Financial Instruments and Exchange Law”) and each initial purchaser has agreed that it will not offer or sell any Notes, directly or indirectly, in Japan or to, or for the benefit of, any resident of Japan (which term as used herein means any person resident in Japan, including any corporation or other entity organized under the laws of Japan), or to others for re-offering or resale, directly or indirectly, in Japan or to a resident of Japan, except pursuant to an exemption from the registration requirements of, and otherwise in compliance with, the Financial Instruments and Exchange Law and any other applicable laws, regulations and ministerial guidelines of Japan.

## **Republic of Italy**

The offering of the Notes has not been registered with the *Commissione Nazionale per le Società e la Borsa* (“CONSOB”) pursuant to Italian securities legislation. Each initial purchaser has represented and agreed that any offer, sale or delivery of the Notes or distribution of copies of this offering circular or any other document relating to the Notes in the Republic of Italy will be effected in accordance with the Prospectus Regulation, all Italian securities, tax and exchange control and other applicable laws and regulation.

Accordingly, no Notes may be offered, sold or delivered, nor may copies of this offering circular or of any other document relating to the Notes be distributed in the Republic of Italy, except:

- (a) to qualified investors (*investitori qualificati*) as defined in Article 2 of the Prospectus Regulation and in Article 100 of Legislative Decree No. 58 of 24 February 1998; or
- (b) in any other circumstances which are exempted from the rules on public offerings pursuant to Article 1 of the Prospectus Regulation and any other applicable Italian laws and regulations.

Any such offer, sale or delivery of the Notes or distribution of copies of this offering circular or any other document relating to the Notes in the Republic of Italy under paragraphs (a) or (b) above must be:

- i. made by an investment firm, bank or financial intermediary permitted to conduct such activities in the Republic of Italy in accordance with Legislative Decree No. 58 of 24 February 1998, CONSOB Regulation No. 20307 of 15 February 2018 and Legislative Decree No. 385 of 1 September 1993 (in each case as amended from time to time) and any other applicable laws and regulations;
- ii. in compliance with Article 129 of Legislative Decree No. 385 of 1 September 1993, as amended from time to time, pursuant to which the Bank of Italy may request information on the issue or the offer of securities in the Republic of Italy and the relevant implementing guidelines of the Bank of Italy issued on 25 August 2015 (as amended on 10 August 2016 and on 2 November 2020 and as further amended from time to time); and
- iii. in compliance with any other applicable laws and regulations or requirement imposed by CONSOB, the Bank of Italy and/or any other Italian authority.

## **LEGAL MATTERS**

The validity of the Notes offered hereby will be passed upon for us by Kirkland & Ellis LLP, New York, New York. Certain legal matters in connection with the offering of the Notes will be passed upon for the initial purchasers by Davis Polk & Wardwell LLP, New York, New York.

## **INDEPENDENT PUBLIC ACCOUNTING FIRM**

The consolidated financial statements of Cloud Software Group Holdings, Inc. as of November 30, 2023 and 2022 and for each of the three years in the period ended November 30, 2023 included in this offering circular have been audited by Deloitte & Touche LLP, an independent auditor, as stated in their report appearing herein.

## **WHERE YOU CAN FIND ADDITIONAL INFORMATION**

This offering circular contains summaries of certain agreements that we have entered into or will enter into in connection with this offering, such as the indenture that will govern the Notes. The descriptions contained in this offering circular of these agreements do not purport to be complete and are subject to, or qualified in their entirety by reference to, the definitive agreements. Copies of the definitive agreements will be made available without charge to you in response to a written request to us.



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## **INDEPENDENT AUDITOR'S REPORT**

To the Board of Directors and Stockholders of Cloud Software Group Holdings, Inc.

### **Opinion**

We have audited the consolidated financial statements of Cloud Software Group Holdings, Inc. and subsidiaries (the "Company"), which comprise the consolidated balance sheets as of November 30, 2023 and 2022, and the related consolidated statements of operations, comprehensive loss, stockholders'/member's equity, and cash flows for each of the three years in the period ended November 30, 2023, and the related notes to the consolidated financial statements (collectively referred to as the "financial statements").

In our opinion, the accompanying financial statements present fairly, in all material respects, the financial position of the Company as of November 30, 2023 and 2022, and the results of its operations and its cash flows for each of the three years in the period ended November 30, 2023 in accordance with accounting principles generally accepted in the United States of America.

### **Basis for Opinion**

We conducted our audits in accordance with auditing standards generally accepted in the United States of America (GAAS). Our responsibilities under those standards are further described in the Auditor's Responsibilities for the Audit of the Financial Statements section of our report. We are required to be independent of the Company and to meet our other ethical responsibilities, in accordance with the relevant ethical requirements relating to our audits. We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

### **Responsibilities of Management for the Financial Statements**

Management is responsible for the preparation and fair presentation of the financial statements in accordance with accounting principles generally accepted in the United States of America, and for the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to fraud or error.

In preparing the financial statements, management is required to evaluate whether there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for one year after the date that the financial statements are available to be issued.

### **Auditor's Responsibilities for the Audit of the Financial Statements**

Our objectives are to obtain reasonable assurance about whether the financial statements as a whole are free from material misstatement, whether due to fraud or error, and to issue an auditor's report that includes our opinion. Reasonable assurance is a high level of assurance but is not absolute assurance and therefore is not a guarantee that an audit conducted in accordance with GAAS will always detect a material misstatement when it exists. The risk of not detecting a material misstatement resulting from fraud is higher than for one resulting from error, as fraud may involve collusion, forgery, intentional omissions, misrepresentations, or the override of internal control. Misstatements are considered material if there is a substantial likelihood that, individually or in the aggregate, they would influence the judgment made by a reasonable user based on the financial statements.

In performing an audit in accordance with GAAS, we:

- Exercise professional judgment and maintain professional skepticism throughout the audit.
- Identify and assess the risks of material misstatement of the financial statements, whether due to fraud or error, and design and perform audit procedures responsive to those risks. Such procedures include examining, on a test basis, evidence regarding the amounts and disclosures in the financial statements.

- Obtain an understanding of internal control relevant to the audit in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the Company's internal control. Accordingly, no such opinion is expressed.
- Evaluate the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluate the overall presentation of the financial statements.
- Conclude whether, in our judgment, there are conditions or events, considered in the aggregate, that raise substantial doubt about the Company's ability to continue as a going concern for a reasonable period of time.

We are required to communicate with those charged with governance regarding, among other matters, the planned scope and timing of the audit, significant audit findings, and certain internal control-related matters that we identified during the audit.

*Deloitte & Touche LLP*

March 8, 2024

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**

**CONSOLIDATED BALANCE SHEETS**

(In thousands, except for share and par value per share data)

	<b>November 30,</b>	
	<b>2023</b>	<b>2022</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents .....	\$ 427,142	\$ 701,576
Accounts receivable, net of allowances of \$20,299 and \$13,056, respectively .....	823,429	686,439
Inventory .....	13,763	21,402
Prepaid expenses and other current assets .....	523,883	440,858
Total current assets .....	1,788,217	1,850,275
Property and equipment, net .....	79,515	132,534
Goodwill .....	9,138,923	9,094,011
Acquired intangible assets, net .....	9,667,809	11,842,974
Long-term deferred income tax assets .....	111,155	426,633
Other assets .....	450,175	400,395
Total assets .....	<u>\$ 21,235,794</u>	<u>\$ 23,746,822</u>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable .....	\$ 50,112	\$ 119,788
Accrued liabilities .....	1,105,966	1,045,312
Unearned revenue .....	1,526,107	1,549,140
Current portion of long-term debt .....	83,945	53,034
Total current liabilities .....	2,766,130	2,767,274
Long-term unearned revenue .....	269,807	308,678
Long-term deferred income tax liabilities .....	816,341	1,788,925
Long-term income tax liabilities .....	230,262	211,077
Other long-term liabilities .....	222,542	293,774
Long-term debt, less current portion .....	15,305,305	14,367,880
Total liabilities .....	19,610,387	19,737,608
Commitments and contingencies (Note 12) .....		
Stockholders' equity:		
Common stock, \$0.001 par value per share, 1,000 shares authorized, issued and outstanding as of November 30, 2023 and November 30, 2022 .....	—	—
Additional paid in capital .....	4,246,071	5,403,378
Accumulated other comprehensive income (loss) .....	8,847	(10,654)
Accumulated deficit .....	(2,629,511)	(1,383,510)
Total stockholders' equity .....	1,625,407	4,009,214
Total liabilities and stockholders equity .....	<u>\$ 21,235,794</u>	<u>\$ 23,746,822</u>

See accompanying Notes to Consolidated Financial Statements

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**

**CONSOLIDATED STATEMENTS OF OPERATIONS**

(In thousands)

	<b>Year Ended November 30,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Revenue:			
Software .....	\$ 3,151,109	\$ 1,002,527	\$ 563,112
Maintenance and service .....	1,342,318	729,528	593,388
Total revenue .....	<u>4,493,427</u>	<u>1,732,055</u>	<u>1,156,500</u>
Cost of revenue:			
Software .....	1,507,014	324,655	64,419
Maintenance and service .....	358,512	180,511	147,878
Total cost of revenue .....	<u>1,865,526</u>	<u>505,166</u>	<u>212,297</u>
Gross profit .....	2,627,901	1,226,889	944,203
Operating expenses:			
Research and development .....	682,563	298,065	177,840
Sales and marketing .....	649,934	469,114	271,430
General and administrative .....	352,377	186,464	65,416
Amortization of acquired intangible assets .....	920,659	280,828	149,826
Acquisition related and other costs .....	12,369	90,174	29,471
Restructuring charges .....	215,243	105,874	125,932
Total operating expenses .....	<u>2,833,145</u>	<u>1,430,519</u>	<u>819,915</u>
(Loss) income from operations .....	(205,244)	(203,630)	124,288
Interest expense, net <sup>(1)</sup> .....	(1,353,555)	(318,165)	(145,117)
Other expense, net .....	(84,432)	(16,665)	(3,359)
Loss before benefit from income taxes .....	(1,643,231)	(538,460)	(24,188)
Benefit from income taxes .....	(397,230)	(176,467)	(14,387)
Net loss .....	<u>\$ (1,246,001)</u>	<u>\$ (361,993)</u>	<u>\$ (9,801)</u>

- (1) Includes change in fair value and net settlement of interest rate swaps as follows: a gain of \$57.6 million for the year ended November 30, 2023, a gain of \$67.3 million for the year ended November 30, 2022, and a net gain of \$13.1 million for the year ended November 30, 2021. See Note 5 for more information.

See accompanying Notes to Consolidated Financial Statements

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**

**CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

(In thousands)

	<b>Year Ended November 30,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Net loss.....	\$ (1,246,001)	\$ (361,993)	\$ (9,801)
Other comprehensive income (loss):			
Cumulative translation adjustment, net of tax .....	20,268	(16,768)	(8,571)
Cash flow hedges:			
Change in unrealized (loss) gain.....	4,416	5,183	—
Less: net gain reclassified from accumulated other			
comprehensive loss into income .....	(5,183)	—	—
Net change, net of tax .....	(767)	5,183	—
Other comprehensive income (loss), net of tax .....	19,501	(11,585)	(8,571)
Comprehensive loss.....	<u>\$ (1,226,500)</u>	<u>\$ (373,578)</u>	<u>\$ (18,372)</u>

See accompanying Notes to Consolidated Financial Statements

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**

**CONSOLIDATED STATEMENTS OF STOCKHOLDERS'/MEMBER'S EQUITY**

(In thousands, except share amounts)

		<b>Common Stock</b>		<b>Additional</b>	<b>Accumulated</b>		<b>Total</b>
	<b>Member's</b>	<b>Shares</b>	<b>Amount</b>	<b>Paid-in</b>	<b>Other</b>	<b>Accumulated</b>	<b>Stockhold-</b>
	<b>Interest</b>			<b>Capital</b>	<b>Comprehen-</b>	<b>Deficit</b>	<b>ers'/</b>
					<b>sive Income</b>		<b>Member's</b>
					<b>(Loss)</b>		<b>Equity</b>
<b>Balances, November 30, 2020</b>	\$1,660,000	—	\$ —	\$ —	\$ 9,502	\$ (1,001,742)	\$ 667,760
Other comprehensive loss, net of tax .....	—	—	—	—	(8,571)	—	(8,571)
Net loss .....	—	—	—	—	—	(9,801)	(9,801)
<b>Balances, November 30, 2021</b>	1,660,000	—	—	—	931	(1,011,543)	649,388
Recapitalizations and contributions from Picard Holdco, Inc. ....	(1,660,000)	1,000	—	5,364,624	—	(9,974)	3,694,650
Stock-based compensation .	—	—	—	38,754	—	—	38,754
Other comprehensive loss, net of tax .....	—	—	—	—	(11,585)	—	(11,585)
Net loss .....	—	—	—	—	—	(361,993)	(361,993)
<b>Balances, November 30, 2022</b>	\$ —	1,000	\$ —	\$ 5,403,378	\$ (10,654)	\$ (1,383,510)	\$ 4,009,214
Contributions from Picard Holdco, Inc. ....	—	—	—	3,736	—	—	3,736
Stock-based compensation .	—	—	—	36,486	—	—	36,486
Dividends paid to Picard Holdco, Inc. ....	—	—	—	(1,197,529)	—	—	(1,197,529)
Other comprehensive income, net of tax .....	—	—	—	—	19,501	—	19,501
Net loss .....	—	—	—	—	—	(1,246,001)	(1,246,001)
<b>Balances, November 30, 2023</b>	\$ —	1,000	\$ —	\$ 4,246,071	\$ 8,847	\$ (2,629,511)	\$ 1,625,407

See accompanying Notes to Consolidated Financial Statements

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS**

(In thousands)

	<b>Year Ended November 30,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Operating activities:</b>			
Net loss.....	\$(1,246,001)	\$ (361,993)	\$ (9,801)
Adjustments to reconcile net loss to net cash provided by operating activities:			
Depreciation and amortization of property and equipment.....	59,330	21,691	23,351
Amortization of acquired intangible assets.....	2,157,759	506,217	173,402
Amortization of debt discount and debt issuance costs .....	92,157	19,924	6,214
Deferred income tax ...	(536,320)	(207,875)	(43,906)
Stock-based compensation.....	36,486	38,754	—
Loss on extinguishment of debt.....	12,030	24,584	2,180
Remeasurement loss on foreign currency denominated loan....	26,478	21,237	—
Other non-cash adjustments, net.....	31,834	6,763	(212)
Changes in assets and liabilities, net of effects of acquisitions:			
Accounts receivable .....	(142,816)	122,962	36,228
Prepaid expenses and other assets.....	(187,894)	(754,640)	(139,097)
Accounts payable ..	(70,770)	(10,259)	(2,731)
Accrued liabilities and other long-term liabilities.....	(80,090)	848,630	102,714
Unearned revenue . .....	(61,786)	(180,851)	(27,160)
Net cash provided by operating activities .....	<u>90,397</u>	<u>95,144</u>	<u>121,182</u>
<b>Investing activities:</b>			
Acquisitions, net of cash acquired .....	—	(14,262,046)	(531,231)
Loan to related party settled (provided).....	—	75,000	(75,000)
Net proceeds from sale of building.....	4,519	200	950
Purchases of property and equipment .....	(12,333)	(12,780)	(15,880)
Net cash used in investing activities .....	<u>(7,814)</u>	<u>(14,199,626)</u>	<u>(621,161)</u>
<b>Financing activities:</b>			
Proceeds from issuance of credit agreements and notes, net of debt discount and issuance costs.....	5,003,204	14,273,154	110,000
Extinguishment and repurchase of debt.....	(4,109,016)	(3,085,278)	(110,000)
Principal payments on debt.....	(57,803)	(18,685)	(24,636)
Proceeds from line of credit.....	—	—	120,000
Payments on line of credit .....	—	(60,000)	(60,000)
Dividends paid to Picard Holdco, Inc. ....	(1,197,529)	—	—
Contribution from Picard Holdco, Inc. ....	—	3,565,974	—
Net cash provided by (used in) financing activities .....	<u>(361,144)</u>	<u>14,675,165</u>	<u>35,364</u>
Effect of foreign exchange rate changes on cash, cash equivalents, and restricted cash .....	2,632	(4,067)	(2,615)
Net increase (decrease) in cash, cash equivalents, and restricted cash.....	(275,929)	566,616	(467,230)
Cash, cash equivalents, and restricted cash at beginning of period.....	716,760	150,144	617,374
Cash, cash equivalents, and restricted cash at end of period .....	<u>\$ 440,831</u>	<u>\$ 716,760</u>	<u>\$ 150,144</u>



**CLOUD SOFTWARE GROUP HOLDINGS, INC.**

**CONSOLIDATED STATEMENTS OF CASH FLOWS—(Continued)**

(In thousands)

	<b>Year Ended November 30,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
<b>Reconciliation of cash, cash equivalents, and restricted cash to consolidated balance sheets:</b>			
Cash and cash equivalents .....	\$ 427,142	\$ 701,576	\$ 134,954
Restricted cash included in other assets.....	13,689	15,184	15,190
Total cash, cash equivalents, and restricted cash .....	<u>\$ 440,831</u>	<u>\$ 716,760</u>	<u>\$ 150,144</u>
<b>Supplemental disclosures of cash flow information:</b>			
Interest paid .....	<u>\$ 1,259,500</u>	<u>\$ 142,956</u>	<u>\$ 147,261</u>
Income taxes paid .....	<u>\$ 156,629</u>	<u>\$ 38,006</u>	<u>\$ 20,297</u>
<b>Supplemental disclosure of non-cash investing activities:</b>			
Unpaid purchases of property and equipment.....	<u>\$ 708</u>	<u>\$ 187</u>	<u>\$ 3,705</u>
Non-cash merger consideration related to business combinations.....	<u>\$ —</u>	<u>\$ 237,751</u>	<u>\$ —</u>
Goodwill adjustments relating to the Merger .....	<u>\$ 41,708</u>	<u>\$ —</u>	<u>\$ —</u>
<b>Supplemental disclosure of non-cash financing activities:</b>			
Contribution from Picard Holdco, Inc. ....	<u>\$ 3,736</u>	<u>\$ 138,650</u>	<u>\$ —</u>
<b>Supplemental cash flow information related to leases was as follows:</b>			
Cash paid for amounts included in the measurement of lease liabilities .....	<u>\$ 93,353</u>	<u>\$ 55,738</u>	<u>\$ —</u>
Right-of-use assets obtained in exchange for lease obligations.....	<u>\$ 12,212</u>	<u>\$ 9,671</u>	<u>\$ —</u>
Right-of-use assets from acquisitions .....	<u>\$ —</u>	<u>\$ 77,079</u>	<u>\$ —</u>

See accompanying Notes to Consolidated Financial Statements

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS**

**1. BASIS OF PRESENTATION**

*The Company*

Cloud Software Group Holdings, Inc. (also referred to herein as “Holdings”) is a Delaware corporation that is the sole shareholder of Cloud Software Group, Inc. (f/k/a TIBCO Software Inc.), a Delaware corporation (“Cloud Software Group”). Holdings has no significant assets or operations other than the ownership of Cloud Software Group. Holdings is owned by Picard Holdco, Inc. (“Holdco”), a Delaware corporation. The common stock of Holdco is owned by certain affiliates of Vista Equity Partners Management, LLC (“VEP”) and Evergreen Coast Capital Corp. (“Evergreen”), an affiliate of Elliott Investment Management L.P. (“Elliott”). Both VEP and Elliott are private investment firms. The Series A Preferred Stock of Holdco is held by certain other investors. Holdings (i) has no liabilities other than those incidental to its ownership of the equity interests in Cloud Software Group, and (ii) has no assets other than its ownership of all of the equity interests of Cloud Software Group. As a result, there are no material differences between the historical financial data of Holdings and the historical financial data relating to Cloud Software Group. References to “the Company”, “us”, “we”, or “our” in these consolidated financial statements refer to the consolidated operations of Holdings and its subsidiaries.

Prior to the merger with Citrix Systems, Inc. (“Citrix”) on September 30, 2022 (the “Merger”), we implemented a plan to create a new organization structure. Balboa Intermediate Holdings LLC (“Intermediate Holdings”) was a Delaware limited liability company, the sole shareholder of Cloud Software Group, and the previous reporting entity for the group. Intermediate Holdings had no significant assets or operations other than the ownership of Cloud Software Group. Intermediate Holdings was owned by Balboa Holdings LP (“Balboa Holdings LP”), a Delaware limited partnership that was owned by certain affiliates of VEP. Intermediate Holdings distributed their ownership shares of Cloud Software Group to Balboa Holdings LP.

On January 28, 2022, Holdco and Holdings were formed under Balboa Holdings LP. Cloud Software Group contemporaneously formed Picard Parent, Inc., a Delaware corporation (“Parent”). Parent then formed Picard Merger Sub, Inc., a Delaware corporation (“Merger Sub”). The aforementioned entities were formed for the sole purpose of consummating the Merger.

On February 10, 2022, Elliott formed Elliott Alto Aggregator L.P., a Delaware limited partnership (“Aggregator LP”) that ultimately represents their ownership in Holdco.

On September 30, 2022, the Merger and related transactions and reorganization were executed, with Holdings becoming the sole shareholder of Cloud Software Group and its subsidiaries, which includes Parent, the sole shareholder of Citrix. As a result of the reorganization, Holdings became the reporting entity from Intermediate Holdings. On December 1, 2022, TIBCO Software Inc. changed its name to Cloud Software Group, Inc. Refer to Note 4 for additional information on the Merger.

Cloud Software Group is a leading provider of mission-critical solutions to enterprise organizations around the world. We were created by the combination of Citrix and TIBCO, two leading global enterprise-focused software businesses. The combination has created a portfolio of brands under the management of Cloud Software Group which we believe positions us to become one of the world’s leading software providers capable of providing comprehensive, secure and optimized infrastructure for enterprise application and data management. Our collective capabilities help our customers advance their hybrid cloud information technology (“IT”) strategies and meet the needs of the modern enterprise. This combination of Citrix’s and TIBCO’s product portfolios allows us to offer solutions to address organizations’ most complex use-cases, serve as a centralized vendor for senior IT buyers within large enterprises and leverage an array of go-to-market (“GTM”) capabilities for our buyer and customer bases. We have realized significant operational improvements and expect to pursue additional opportunities in the near-term to drive cost savings and long-term operating efficiencies. We also believe that our management team’s track record of identifying, executing and integrating acquisitions positions Cloud Software Group to capitalize on further enterprise software market consolidation. Some of our key brands include Citrix, TIBCO and NetScaler amongst others.

Citrix is a leading provider of infrastructure for secure hybrid work through virtual desktop infrastructure (“VDI”) and desktop-as-a-service (“DaaS”) with global software development teams and core technologies that

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

represent a differentiated solution for customers. Citrix supports today's remote and hybrid work environment with a broad range of features and functionalities that tie together the myriad of applications that reside within enterprises. Citrix provides secure access to employees, helps minimize distractions and improve focus, enabling them to do their best work, elevating employee productivity and employee engagement, and improving an enterprise's security profile. Further, Citrix delivers a unified and secure offering with single sign-on access to all the applications and content employees use in one unified platform. For administrators, Citrix enables proactive management of security threats in complex, distributed, hybrid, multi-cloud and multi-device environments, and it empowers administrators to deliver applications to end users more securely than operating them natively. Capabilities offered as part of the Citrix platform include Virtual Apps, Desktops and Analytics solutions.

TIBCO is a global leader in enterprise data management, with a fully integrated business intelligence and analytics platform that utilizes high-end enterprise application integration and master data management ("MDM"). TIBCO provides critical data integration components in a company's operating infrastructure, covering a variety of durable industry verticals. TIBCO's solutions enable its customers to connect, unify and predict business outcomes, helping customers solve complex data-driven challenges.

NetScaler, another of our key brands, has a long history as the application delivery controller of choice for Fortune 500 companies who rely on it for both employee-facing and customer-facing applications. Today, NetScaler is a line of networking technology, which includes application delivery, applications insights, and application security to help enterprises efficiently consolidate their application delivery and security infrastructure. Following the strategic review and change in GTM strategy, many of the products previously offered under the Citrix App Delivery & Security product line now go to market within the NetScaler product line.

***Financial Statement Preparation***

The consolidated financial statements have been prepared in conformity with accounting principles generally accepted in the United States ("U.S. GAAP").

***Fiscal Year***

The Company operates and reports using a fiscal year ending on November 30. We refer to the fiscal years ended November 30, 2023, 2022, and 2021, as our fiscal years 2023, 2022, and 2021, respectively.

**2. Summary of Significant Accounting Policies**

***Principles of Consolidation***

The consolidated financial statements include the accounts of Holdings and our wholly-owned subsidiaries. All intercompany accounts and transactions have been eliminated in consolidation.

***Use of Estimates***

The preparation of the consolidated financial statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets and liabilities, disclosure of contingent assets and liabilities at the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Actual results could differ from those estimates. We believe that the estimates, assumptions and judgments involved in revenue recognition, allowances for doubtful accounts and reserves, purchase price allocation of business combinations, restructuring liabilities and charges, legal contingencies, valuation of common stock and related stock-based compensation, right-of-use ("ROU") assets, carrying value of goodwill, intangible assets and long-lived assets, deferred sales commissions including the period of benefit of customer acquisition costs, and accounting for income taxes, including the valuation of deferred tax assets and liabilities, among others, have the greatest potential impact on the consolidated financial statements.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

***Revenue Recognition***

We deliver our solutions through direct sales channels, independent software vendors, distributors, and value-added resellers. Key sources of revenue include:

- Subscription revenue: consists of sale of software, rights to unspecified future products and maintenance, and includes revenue from (i) term-based licenses and related support for a variety of on-premise offerings and (ii) hosted software as a service (“SaaS”) licenses. Subscription offerings deliver the products, updates, and upgrades through the term of the agreement for a single fee and are available through on-premise or cloud deployment models.
- Product and license revenue: includes software products sold as perpetual and term-based licenses, with optional maintenance, and to a lesser extent, the sale of hardware products. Licenses are usually sold through product license agreements in case of smaller deployments and enterprise agreements for larger scale deployment with multiple products. License agreements typically include maintenance, which is charged in addition to the license fee. Subscription revenue and product and license revenue are presented together as software revenue on our Consolidated Statements of Operations.
- Maintenance revenue: consists of fees for providing software updates on a when-and-if available basis and technical support for software products. Maintenance contracts provide customers with rights to unspecified software product upgrades, maintenance releases and patches released during the term of the support and include online access to technical content, as well as online and telephone access to technical support personnel, and are usually priced as a percentage of the net on-premise license fees.
- Professional services revenue: consists primarily of revenue received for assisting with the implementation of software, on-site support, training, and other consulting services to deploy, architect, integrate, upgrade, and secure our customer’s investments in their applications and infrastructure technologies. Many customers who license our software also enter into separate professional services arrangements with us. Maintenance revenue and professional services revenue are presented together as services and maintenance revenue in our Consolidated Statements of Operations.

Revenue is recognized upon transfer of control of promised products and services to customers in an amount that reflects the consideration we expect to receive in exchange for those products or services. We enter into contracts that can include various combinations of products and services, which are generally capable of being distinct and accounted for as separate performance obligations. If the consideration promised in a contract includes a variable amount, for example, price concessions, overage fees, contingent fees or service level penalties, we include an estimate of the amount we expect to receive for the total transaction price, if it is probable that a significant reversal of cumulative revenue recognized will not occur, when the uncertainty related to the variable consideration is subsequently resolved. Pursuant to Accounting Standards Codification (“ASC”) 606, *Revenue from Contracts with Customers*, we determine the amount of revenue to be recognized through the application of the following steps:

- Identification of the contract, or contracts with a customer;
- Identification of the performance obligations in the contract;
- Determination of the transaction price;
- Allocation of the transaction price to the performance obligations in the contract; and
- Recognition of revenue when, or as, a performance obligation is satisfied.

We determine we have a contract with a customer when the contract is approved, each party’s rights regarding the products or services to be transferred can be identified, and the payment terms for the products or services can be identified. We determine whether the customer has the ability and intent to pay, and if the contract

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

has commercial substance. Standard payment terms vary, including based on the country in which the contract is executed, but are generally between 30 and 60 days. Payment terms provide customers with a simplified purchasing experience aligned with the industry and are not intended to secure financing for either party. We assess collectability at the onset of the arrangement, primarily based on the customer's creditworthiness and collection history. We do not offer right of return or retrospective price protection to any of our customers. At contract inception, we evaluate whether two or more contracts should be combined and accounted for as a single contract. Our contracts do not contain warranties that give rise to separate performance obligations.

For contracts with multiple performance obligations, we allocate the contract's transaction price to each performance obligation using the relative standalone selling price ("SSP") of each distinct product or service in the contract. The transaction price is allocated to the separate performance obligations on a relative standalone selling price basis for those performance obligations with stable observable prices and the residual method is applied for any performance obligation with highly variable pricing. We apply judgment to determine whether promised products or services are capable of being distinct within the context of the contract. If these criteria are not met, the promised products or services are combined with other products or services and accounted for as a combined performance obligation. Revenue is then recognized either at a point in time or over time depending on our evaluation of when the customer obtained control of the promised products or services. This evaluation requires significant judgment and the decision to combine a group of contracts or separate the combined or single contract into multiple performance obligations could change the amount of revenue recorded in a given period.

In addition, we have developed assumptions that required judgment to determine the SSP for each performance obligation identified in the contract. We determine the SSP for a product or service by considering multiple factors including, but not limited to, geographies, market conditions, product life cycles, competitive landscape, internal costs, gross margin objectives, purchase volumes and pricing practices. We review the SSP for each of our performance obligations on a periodic basis and update it, when appropriate, to ensure that the practices employed reflect our recent pricing experience and maximize the use of observable data. When a contract includes an option for a customer to purchase additional products or services at a stated price, we evaluate whether the option provides a material right and if so, allocate a portion of the transaction price to such right based on SSP.

Subscription revenue related to on-premise term license agreements includes software licenses, rights to unspecified future products and maintenance. Subscription revenue relating to the software license performance obligation is recognized upfront when we transfer control of the license to the customer while the revenue relating to the maintenance and related rights to unspecified future products, is recognized ratably over the term of the subscription. The control of the software license is considered to be transferred upon delivery to the customer or the subscription start date, whichever is later. Subscription revenue for SaaS offerings is recognized ratably over the term of the agreement. Invoices are generally issued when products are made available to a customer for new transactions and in advance of the subscription period for renewals. Billing terms are generally annual with standard payment terms.

License revenue is generally recognized upfront at the point in time when the software is made available to the customer. Provided all other revenue criteria are met, the upfront, minimum, non-refundable license fees from original equipment manufacturer ("OEM") customers are recognized upon delivery, and on-going royalty fees are recognized based on OEM units shipped. Revenue on shipments to resellers is recognized when all revenue criteria are met and is recorded net of any consideration payable to the resellers. Invoices are generally issued when products are made available to the customer and follow standard payment terms.

Maintenance revenue is recognized ratably over the term of the agreement. Invoices are issued annually in advance. Payments received in advance of services performed are recorded as unearned revenue in the Consolidated Balance Sheets.

Professional services revenue consists primarily of revenue received for assisting with the implementation of software, on-site support, training, and other consulting services. Many customers who license the software also enter into separate professional services arrangements with us. Judgment is involved in determining whether the separate consulting agreements need to be considered together with software products to be combined and accounted for as a single contract. If contracts are determined to be economically linked, the total transaction price across the contracts are allocated across the various performance obligations. Substantially all of the professional services

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

arrangements are billed on a time and materials basis and, accordingly, are recognized as the services are performed. Contracts with fixed or not-to-exceed fees are recognized on a proportional performance model based on actual services performed. If there is significant uncertainty about the project completion or receipt of payment for professional services, revenue is deferred until the uncertainty is sufficiently resolved. Work performed and expenses incurred in advance of invoicing are recorded as unbilled receivables. These amounts are billed subsequent to when the work was performed. Training revenue is recognized as training services are delivered. Payments received in advance of consulting or training services performed are deferred and recognized when the related services are performed.

We have included the appropriate disclosures by applying the following practical expedients in the application of ASC 606:

- We exclude from revenue the taxes assessed by a governmental authority that are both imposed on and concurrent with a specific revenue-producing transaction, and are collected from customers;
- If at contract inception we expect that the period between performance and customer payment will be one year or less, we do not adjust the promised amount of consideration for the effects of a significant financing component; and
- We expense contract acquisition costs when the asset that would have resulted from capitalizing such costs would have been amortized in one year or less.

***Contract Balances***

The timing of revenue recognition, billings, and cash collections results in billed accounts receivable, contract assets, and customer advances and liabilities (deferred revenue and contract liabilities) on the Consolidated Balance Sheets. Contract assets relate to our right to consideration for products delivered or services completed and recognized as revenue and are transferred to billed accounts receivable when the rights become unconditional and invoices are issued to the customer. Contract assets are included as a component of prepaid expenses and other current assets or other assets in our Consolidated Balance Sheets depending on whether they are classified as current or noncurrent. We evaluate contract assets for impairment whenever changes in events or changes in circumstances indicate that the carrying amount of such asset may not be recoverable. There were no impairment losses incurred for any of the years ended November 30, 2023, 2022, or 2021.

Unearned revenue consists of amounts from subscription and service and maintenance revenue contracts that have not been recognized as revenue because the delivery of promised products and services has not yet occurred. Unearned revenue will be recognized as revenue when the performance obligations are satisfied or the contingency relating to revenue recognition has been resolved. Unearned revenue is classified as either current or noncurrent based on the timing of when we expect to recognize revenue and disclosed as such on our Consolidated Balance Sheets.

These contract assets and liabilities are reported on a net contract-by-contract basis at the end of each reporting period.

***Deferred Sales Commissions***

We recognize an asset for the incremental costs of obtaining a contract with a customer if we expect the benefit of those costs to be longer than one year. We have determined that certain sales incentive programs meet the requirements to be capitalized. Commissions for such contracts are generally deferred and amortized on a straight-line basis over a period of benefit that we estimate to be five years. We determine the period of benefit by taking into consideration the historical and expected durations of our customer contracts, the expected useful lives of our technologies, and other factors. Amortization of deferred sales commissions is included as a component of Sales and marketing expenses in our Consolidated Statements of Operations while the unamortized portion of the deferred sales commissions are included as a component of Prepaid expenses and other current assets or other assets in our Consolidated Balance Sheets depending on whether they are classified as current or noncurrent.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

***Fair Value of Financial Instruments***

The fair values of our financial instruments, including accounts receivable, accounts payable and accrued liabilities, do not materially differ from their carrying amounts due to their short maturities. The fair values of our derivative instruments are detailed further in Note 5.

The fair value of our debt is based on market quotes and are classified within Level 2 of the fair value hierarchy. See Note 9 for further details on our debt agreements.

***Concentration of Credit Risk***

Our cash, cash equivalents and accounts receivable are potentially subject to concentration of credit risk. Cash and cash equivalents are deposited with financial institutions or invested in security issuers that management believes are creditworthy. The Company maintains deposits with financial institutions in amounts above federally insured limits. We perform ongoing credit evaluations of customers' financial condition and, generally, require no collateral from customers. We maintain an allowance for doubtful accounts receivable based on various factors, including review of credit profiles of customers, contractual terms and conditions, current economic trends, and historical payment experience.

No customer accounted for more than 10% of total revenue during the years ended November 30, 2023, 2022, and 2021. We had no customers that had a balance in excess of 10% of our net accounts receivable as of November 30, 2023, 2022, and 2021.

***Cash and Cash Equivalents***

We consider all highly liquid investment securities with original maturities of 90 days or less at the date of purchase to be cash equivalents.

***Inventory***

Inventories are stated at the lower of cost or net realizable value on a standard cost basis, which approximates actual cost. The Company's inventories consist of components and finished goods as of November 30, 2023 and 2022.

***Prepaid expenses***

Prepaid expenses represent cash paid in advance for various software or cloud subscriptions, insurance policies and corporate taxes. Prepaid expenses are included within the prepaid expenses and other current assets in our Consolidated Balance Sheets and totaled \$96.4 million and \$105.5 million as of November 30, 2023 and 2022, respectively.

***Property and Equipment, net***

Property and equipment are stated at cost, net of accumulated depreciation and amortization. These assets are depreciated or amortized using the straight-line method over their estimated useful lives as follows:

Buildings	10-30 years
Computers and equipment	3-5 years
Software	2-5 years
Furniture and fixtures	3-5 years
Facilities improvements	Shorter of the lease term or 10 years

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

***Leases***

We determine if an arrangement is a lease at its inception. Operating lease liabilities are recognized at the lease commencement date based on the present value of lease payments over the lease term. We use our incremental borrowing rate in determining the present value of future payments. Right-of-use (“ROU”) assets related to our 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, Accounting Standard Codification ASC 420, “*Exit or Disposal Cost Obligations*” (ASC 420) liabilities, and accrued rent. Our lease terms that are used in determining our operating lease liabilities at lease inception may include options to extend or terminate the leases when it is reasonably certain that we will exercise such options. We amortize our ROU assets as operating lease expense generally on a straight-line basis over the lease term and classify both the lease amortization and imputed interest as operating expenses. We have lease agreements with lease and non-lease components, and in such cases, we generally account for the components as a single lease component.

ROU assets related to our operating leases are included in Other assets, short-term operating lease liabilities are included in Accrued liabilities, and long-term operating lease liabilities are included in Other long-term liabilities in our Consolidated Balance Sheets. Cash flow movements related to our lease activities are included in Prepaid expenses and other current assets, Accrued liabilities and Other long-term liabilities as presented in net cash provided by operating activities in our Consolidated Statements of Cash Flows for the year ended November 30, 2023 and 2022. See Note 16 for more information regarding our leases.

We review leases for impairment when events or changes in circumstances indicate the carrying amount may not be recoverable. The evaluation is performed at the lowest level of identifiable cash flows independent of other assets. We measure recoverability of these assets by comparing the carrying amounts to the future undiscounted cash flows that the assets or the asset group are expected to generate. Refer to Note 16 for more details.

We also sublease certain office space to third-parties. Our subleases consist of office space which was vacated as part of restructuring activities.

***Goodwill***

Goodwill and intangible assets with indefinite useful lives are not amortized and are tested for impairment at least annually, in circumstances such as a change in reporting units, or whenever there are indications that their carrying value may be impaired.

Goodwill represents the excess of the purchase price of an acquired enterprise over the fair value of the identifiable assets acquired and liabilities assumed. We apply Financial Accounting Standards Board (“FASB”) ASC 350 “*Intangibles - Goodwill and Other*” and perform an annual goodwill impairment test during the fourth quarter of our fiscal year and more frequently if an event or circumstances indicate that an impairment may have occurred. For the purposes of testing for impairment, we have determined that we have five reporting units.

To assess if goodwill is impaired, we first perform a qualitative assessment to determine whether quantitative impairment testing is necessary. If, as a result of the qualitative assessment, we consider it more-likely-than-not that the fair value of a reporting unit is less than its carrying amount, a quantitative impairment test is performed. This includes comparing the fair value of the reporting unit with its carrying value and, in a second step, the measuring of such impairment.

The identification and measurement of goodwill impairment involves the estimation of the fair value. The estimate of the fair value, based on the best information available as of the date of the assessment, is subjective and requires judgment, including management assumptions about expected future revenue and earnings forecasts and discount rates, changes in the overall economy and other factors. We perform our annual impairment test at September 30 of each fiscal year. To date, no impairment has been recorded in the consolidated financial statements. Historically, we assessed the recoverability of our goodwill as of the last day of our fourth quarter. In fiscal year 2023, we changed the date of our annual goodwill impairment assessment to September 30 to better align with our



**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

strategic business planning process and allow for operational expediency. The Company believes this change does not represent a material change to a method of applying an accounting principle. This voluntary change in accounting principle, applied prospectively, is preferable as it aligns the annual goodwill impairment test date more closely with our internal budgeting process and did not delay, accelerate or avoid an impairment of our goodwill.

***Impairment of Long-Lived Assets***

Acquired intangible assets with finite useful lives are carried at cost, less accumulated amortization. Amortization is computed over the estimated useful lives of the respective assets. We evaluate the recoverability of long-lived assets, which includes amortizable intangible and tangible assets, in accordance with authoritative guidance on accounting for the impairment or disposal of long-lived assets. We evaluate long-lived assets, other than goodwill, for impairment whenever events or changes in circumstances indicate that the carrying value of these assets may not be recoverable. If the carrying value of the net asset group exceeds the undiscounted net cash flows to be generated from the use of the asset group, then we perform the second step of the impairment test in order to measure fair value and to determine the impairment. We also evaluate the estimated remaining useful lives of intangible assets and other long-lived assets to assess whether a revision to the remaining periods of amortization is required. No long-lived assets impairment losses were incurred in the periods presented.

***Business Combinations***

Under the accounting guidance for business combinations, we recognize separately from goodwill the assets acquired and liabilities assumed at their fair values (except for revenue contracts acquired, which are recognized in accordance with our revenue recognition policy) as of the date of the acquisition. Goodwill as of the acquisition date is measured as the excess of consideration transferred over the net of the acquisition date values of the assets acquired and the liabilities assumed. None of the goodwill recorded in connection with the acquisitions executed through the acquisition of an entity's stock is deductible for income tax purposes.

While we use our best estimates and assumptions as a part of the purchase price allocation process to accurately value assets acquired and liabilities assumed at the business combination date, estimates and assumptions are inherently uncertain and subject to refinement. As a result, during the preliminary purchase price allocation period, which may be up to one year from the business combination date, we may record adjustments to the assets acquired and liabilities assumed, with the corresponding offset to goodwill. Subsequent to the preliminary purchase price allocation period, we record adjustments to assets acquired or liabilities assumed in operating results in the period in which the adjustments were determined.

The total purchase price allocated to the tangible assets acquired is assigned based on the fair values (except for revenue contracts acquired, which are recognized in accordance with our revenue recognition policy) as of the acquisition date. The fair value assigned to identifiable intangible assets acquired is determined on an income approach, using either the profit allocation method, the relief-from-royalty method, or the multi-period excess earnings method. Under the profit allocation method, we estimate the value of an asset by capitalizing the profit saved due to our owning the asset, rather than paying a royalty for its use. Under the relief-from-royalty method, we estimate the value of an asset by capitalizing the royalties saved because the company owns the asset. We generally use the profit allocation method or the relief-from-royalty method to value acquired trade names and developed technology intangible assets. Under the multi-period excess earnings method, we estimate the value of an asset based on the present value of the incremental after-tax cash flows (excess earnings) attributable solely to the intangible asset over its remaining economic life. We generally use this approach to value acquired customer relationships and maintenance agreement intangible assets.

Intangible assets acquired are amortized on a straight-line basis over their estimated useful lives, which approximate the pattern in which the economic benefits of the intangible assets are consumed, as follows:

Existing technologies	4-7 years
Maintenance contracts and related customer relationships	1-11 years
Customer base (subscriber and license customer agreements, and related relationships)	2-10 years

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

Trademarks

4-10 years

***Acquisition Related and Other Costs***

Acquisition related and other costs consist of expenses incurred after the issuance of a definitive term sheet for a particular transaction (whether or not such transaction is ultimately completed, remains in-process or is not completed) and include legal, banker, accounting and other advisory fees of third parties and severance costs for employees of the acquired company that are terminated within 90 days of the acquisition date.

***Income Taxes***

Cloud Software Group Holdings, Inc., a corporation owned by Picard Holdco, Inc., holds interests in Cloud Software Group, Inc. which are subject to federal and state income taxes.

We make certain estimates and judgments in determining income tax expense for financial statement purposes. These estimates and judgments occur in the calculation of certain tax assets and liabilities, which arise from differences in the timing of recognition of revenue and expense for tax and financial statement purposes.

As part of the process of preparing our Consolidated Financial Statements, we are required to estimate income taxes in each of the jurisdictions in which we operate. This process involves estimating current tax exposures, if any, under the most recent tax laws and assessing temporary differences resulting from differing treatment of items for tax and accounting purposes. These differences result in current taxes payable and deferred tax assets and liabilities, which are included in the Consolidated Balance Sheets.

We account for uncertain tax issues pursuant to authoritative guidance based on a two-step approach to recognize and measure 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 upon audit, whether or not under audit, including contemplated resolution of any related appeals or litigation processes. If the first step is met, the second step is to measure the tax benefit as the largest amount that is more than 50% likely to be sustained upon ultimate settlement. We adjust reserves for our uncertain tax positions due to changing facts and circumstances, such as the closing of a tax audit, or refinement of estimates due to new information. To the extent that the final outcome of these matters is different than the amounts recorded, such differences will impact our tax provision in our Consolidated Statements of Operations in the period in which such determination is made.

We assess the likelihood that we will be able to realize our deferred tax assets and consider all available evidence, both positive and negative, including historical levels of income, expectations and risks associated with estimates of future taxable income and ongoing prudent and feasible tax planning strategies in assessing the need for a valuation allowance. If there is a change in our ability to realize our deferred tax assets, our tax provision would increase in the period in which we determine that it is more likely than not that we cannot realize our deferred tax assets.

***Foreign Currencies***

We have certain foreign subsidiaries that use the local currency of their respective countries as their functional currency. Assets and liabilities of these subsidiaries are translated into U.S. dollars at exchange rates as of the balance sheet date. Income and expense items are translated at average exchange rates for the period. Cumulative translation adjustments are included as a component of Accumulated other comprehensive income (loss) in Stockholders'/Members' Equity. Foreign currency exchange gains and losses, derived from monetary assets and liabilities stated in a currency other than the functional currency, including transactions denominated in the local currencies of foreign operations with the U.S. dollar as their functional currency, are recorded in the Consolidated Statements of Operations as part of Other expense, net. We recorded a foreign exchange loss of \$79.5 million, \$17.1 million, and \$5.1 million for the years ended November 30, 2023, 2022, and 2021, respectively.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

***Derivative and Hedging Activities***

We enter into forward contracts with financial institutions to manage currency exposure related to net monetary assets and liabilities denominated in foreign currencies, and these forward contracts are generally settled within twelve months from trade dates. The gains and losses on these derivative instruments are intended to offset the impact of foreign exchange rate changes on the underlying foreign currency-denominated assets and liabilities subject to remeasurement and transaction exposures, and therefore, these forward contracts do not subject us to material balance sheet risk. From time to time, we may use interest rate swaps or other instruments to manage our interest rate exposure and reduce the impact of future interest rate changes. We do not enter into derivative financial instruments for speculative purposes.

In accordance with the authoritative guidance, we record derivatives at fair value as either assets or liabilities on our Consolidated Balance Sheets. For derivatives that are designated as and qualify as cash flow hedges, the unrealized gain or loss on the derivative instrument is reported as a component of Accumulated other comprehensive income (loss) and reclassified into earnings as Operating expenses, when the hedged transaction affects earnings. Derivatives not designated as hedging instruments are adjusted to fair value through earnings as Other expense, net, or Interest expense, net, in the period during which changes in fair value occur.

***Capitalized Software Development Costs***

Capitalization of software development costs begins when a product's technological feasibility has been established. We define technological feasibility as the establishment of a working model, which typically occurs when beta testing commences. To date, the period between achieving technological feasibility and the general availability of our software products has been insignificant. Accordingly, software development costs have been expensed as incurred, with the exception of costs related to software acquired, developed, or modified solely for internal use.

Costs related to software acquired, developed, or modified solely for internal use, with no substantive plans to market such software at the time of development, are evaluated for capitalization. Costs incurred during the preliminary planning and evaluation stage of the project and during the post-implementation operational stage are expensed as incurred. Costs incurred during the application development stage of the project are capitalized. These costs are included in Property and equipment, net on the Consolidated Balance Sheets and are amortized on a straight-line basis over the useful life of the software.

***Stock-Based Compensation***

Certain employees and non-employees have been granted awards with service based vesting and/or performance conditions. We account for such awards in accordance with ASC 718, "*Compensation - Stock Compensation*". Accordingly, stock-based compensation cost is based on the fair value of the award at the grant date. The grant date fair value of service based awards is amortized over the requisite service period on a straight-line basis. We also grant certain awards that have performance-based vesting conditions. Compensation expense for performance awards is recognized over the period from the date the performance conditions are determined to be probable of occurring through the date the applicable conditions are expected to be met. If the performance conditions are not considered probable of being achieved, no expense is recognized. The Company accounts for forfeitures as they occur. See Note 15 for further information regarding the Company's stock-based compensation plans.

***Advertising Expense***

Advertising costs are expensed as incurred and are charged to Sales and marketing expense and totaled approximately \$4.0 million, \$11.6 million, and \$9.0 million for the years ended November 30, 2023, 2022, and 2021, respectively.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

***Recently Adopted Accounting Pronouncements***

In December 2019, the FASB issued ASU 2019-12, “*Simplifying the Accounting for Income Taxes*”. The guidance enhances and simplifies various aspects of the income tax accounting guidance in Accounting Standards Codification ASC 740, “*Income Taxes*” (ASC 740), including requirements related to hybrid tax regimes, the tax basis step-up in goodwill obtained in a transaction that is not a business combination, the intraperiod tax allocation exception to the incremental approach, the year-to-date loss limitation in interim-period tax accounting, and interim-period accounting for enacted changes in tax law. This standard is effective for fiscal years beginning after December 15, 2021, and interim periods within fiscal years beginning after December 15, 2022. We adopted this ASU on December 1, 2022, which did not have a material impact to our consolidated financial statements.

In January 2017, the FASB issued ASU 2017-04, “*Simplifying the Test for Goodwill Impairment*”. This ASU simplifies the subsequent measurement of goodwill by eliminating Step 2 from the goodwill impairment test. The annual, or interim, goodwill impairment test is performed by comparing the fair value of a reporting unit with its carrying amount. An impairment charge should be recognized for the amount by which the carrying amount exceeds the reporting unit’s fair value; however, the loss recognized should not exceed the total amount of goodwill allocated to that reporting unit. In addition, income tax effects from any tax-deductible goodwill on the carrying amount of the reporting unit should be considered when measuring the goodwill impairment loss, if applicable. This ASU should be applied on a prospective basis. The ASU is effective for annual and interim reporting periods beginning after December 15, 2021. Early adoption is permitted. We adopted this ASU on December 1, 2022, which did not have a material impact to our consolidated financial statements.

***Recently Issued Accounting Pronouncements***

In June 2016, the FASB issued ASU 2016-13, “*Financial Instruments—Credit Losses*”, which requires the measurement of expected credit losses for financial assets held at amortized cost. This ASU is intended to improve financial reporting by requiring more timely recording of credit losses on loans and other financial instruments. This standard is effective for non-public companies for fiscal years beginning after December 15, 2021, including interim reporting periods therein. In March 2022, the FASB issued ASU 2022-02 “*Financial Instruments—Credit Losses (Topic 326)*”. This guidance affects all entities after they have adopted ASU 2016-13. ASU 2022-02 amends ASC 310 to eliminate the recognition and measurement guidance for a troubled debt restructuring for creditors that have adopted ASC 326 and requires them to make enhanced disclosures about loan modifications for borrowers experiencing financial difficulty. The guidance also requires public business entities to present gross write-offs by year of origination in their vintage disclosures. For entities that have adopted ASC 326, the guidance is effective for fiscal years beginning after December 15, 2022, and interim periods therein. Early adoption is permitted. Entities that have not yet adopted ASC 326 will apply the new guidance when they adopt ASC 326. We do not expect the adoption of these ASUs to have a material impact on our consolidated financial position, results of operations, or cash flows.

In December 2023, the FASB issued ASU 2023-09, “*Income Taxes (Topic 740)—Improvements to Income Tax Disclosures*”. The ASU requires that an entity disclose specific categories in the effective tax rate reconciliation as well as provide additional information for reconciling items that meet a quantitative threshold. Further, the ASU requires certain disclosures of state versus federal income tax expense and taxes paid. The amendments in this ASU are required to be adopted for fiscal years beginning after December 15, 2025. Early adoption is permitted for annual financial statements that have not yet been issued. The amendments should be applied on a prospective basis although retrospective application is permitted. We have not early adopted ASU 2023-09 for November 30, 2023. We are currently evaluating the impact of future adoption on our financial disclosures.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

**3. Revenue**

***Disaggregation of Revenue***

Revenue consists of the following by category (in thousands):

	<b>Year Ended November 30,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Software revenue:			
License.....	\$ 82,579	\$ 31,053	\$ 40,826
Subscription <sup>(1)</sup> .....	3,068,530	971,474	522,286
Total software revenue.....	3,151,109	1,002,527	563,112
Maintenance and service revenue:			
Maintenance.....	\$ 1,185,125	\$ 613,515	\$ 486,439
Service .....	157,193	116,013	106,949
Total maintenance and service revenue .....	1,342,318	729,528	593,388
Total revenue.....	<u>\$ 4,493,427</u>	<u>\$ 1,732,055</u>	<u>\$ 1,156,500</u>

(1) Includes revenue recognized up front of \$886.8 million, \$682.1 million, and \$337.0 million, for the years ended November 30, 2023, 2022, and 2021, respectively, upon transfer of control of the license to the customer.

Revenues by geographical regions consists of the following (in thousands):

	<b>Year Ended November 30,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
United States.....	\$ 2,320,158	\$ 896,365	\$ 553,696
Europe, Middle East and Africa .....	1,559,956	586,430	395,897
Asia Pacific and Japan.....	359,677	141,183	119,931
Other Americas.....	253,636	108,077	86,976
Total revenue .....	<u>\$ 4,493,427</u>	<u>\$ 1,732,055</u>	<u>\$ 1,156,500</u>

***Contract Assets***

Our contract assets as of November 30, 2023 and 2022 are as follows (in thousands):

	<b>November 30,</b>	
	<b>2023</b>	<b>2022</b>
Contract assets:		
Prepaid expenses and other current assets .....	\$ 316,114	\$ 243,022
Other assets.....	95,816	88,305
Total contract assets .....	<u>\$ 411,930</u>	<u>\$ 331,327</u>

The balance of our contract assets included in Prepaid expenses and other current assets and Other assets as of December 1, 2021 was \$131.0 million and \$29.8 million, respectively.

***Deferred Sales Commissions***

Deferred sales commissions are included in Prepaid expenses and other current assets and Other assets on the Consolidated Balance Sheets. The carrying values of our deferred sales commissions as of November 30, 2023 and 2022 are as follows (in thousands):

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

	<b>November 30,</b>	
	<b>2023</b>	<b>2022</b>
Deferred sales commissions	\$ 229,559	\$ 92,156
Less: Current portion of deferred sales commissions	(57,117)	(23,459)
Long-term deferred sales commissions	<u>\$ 172,442</u>	<u>\$ 68,697</u>

Amortization of deferred sales commissions is included as a component of Sales and marketing expenses in our Consolidated Statements of Operations. Total amortization for the years ended November 30, 2023, 2022, and 2021 was \$36.7 million, \$14.5 million, and \$7.2 million, respectively. There were no impairments of deferred commissions for the years ended November 30, 2023, 2022, and 2021.

#### **4. Business Combinations**

We recognize separately from goodwill, the assets acquired, and the liabilities assumed at their fair values, except for revenue contracts acquired, which are recognized in accordance with our revenue recognition policy, as of the date of acquisition. Goodwill generated from our business combinations is primarily related to the value placed on employee workforce, service offerings and capabilities, and expected synergies.

##### ***Acquisitions***

##### ***Citrix Systems, Inc. (“Citrix”)***

Effective September 30, 2022 (the “Closing Date”), VEP and Elliott completed their acquisition of Citrix and combined it with Cloud Software Group (the “Merger”). In connection with the Merger, total consideration was \$15,389.1 million, of which \$124.8 million consisted of non-cash consideration in the form of rollover equity of Elliott management and \$113.0 million consisted of an assumed liability for the portion of the replacement equity awards issued in connection with the acquisition that were associated with services rendered through the date of the acquisition (“Merger Consideration”). The Merger was funded through a combination of cash, rollover equity, contributions by Holdco, and debt financing.

The results of Citrix’s operations have been included in the consolidated financial statements since the close of the Merger on September 30, 2022. The Company incurred \$50.6 million in transaction costs, which were included in operating expenses for fiscal year 2022.

See Note 1 for a description of Citrix’s business.

The following is a summary of the purchase price consideration (in thousands):

Base purchase price .....	\$ 11,836,760
Non-cash consideration of rollover equity .....	124,800
Closing indebtedness .....	3,259,870
Consideration to settle stock-based compensation <sup>(1)</sup> .....	167,653
Total purchase price consideration .....	<u>\$ 15,389,084</u>

- (1) Holders of deferred stock unit awards and restricted stock units received payments of cash and replacement cash awards at \$104.00 per share. Equity awards that were vested, outstanding, and exercised immediately prior to the effective date of the Merger were automatically converted into a right to receive cash from the Company. Other equity awards that were unvested were automatically canceled and converted into the contingent right to receive an aggregate amount in cash (referred to as a converted cash award) equal to the product obtained by multiplying (1) the excess, if any, of the merger consideration over the per share exercise price of such Citrix stock option, by (2) the aggregate number of shares of Citrix common stock that would have been issuable upon exercise of such Citrix stock option immediately prior to the effective time. The converted cash awards were subject to generally the same terms as the corresponding, canceled equity award, including vesting conditions. Amount includes cash consideration of \$54.0 million related to vested stock awards and a non-cash assumed liability of \$113.0 million related to the replacement equity awards described above.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

The Company accounted for the Merger using the acquisition method of accounting in accordance with ASC 805, “*Business Combinations*” (“ASC 805”). This requires that the assets acquired and liabilities assumed be measured at fair value. The Company estimated, using Level 3 inputs, the fair value of fixed assets using a combination of the cost approach and the market approach.

Specific to intangible assets, trade names and developed technology were valued using the relief from royalty method, a variation of the income approach, and customer relationships and maintenance agreements were valued based on the multi-period excess earnings method of the income approach.

The Company has recorded the assets acquired and liabilities assumed at their respective fair values as of the purchase date (except for revenue contracts acquired, which are recognized in accordance with our revenue recognition policy). The allocation of the purchase price for the acquisition of Citrix as of September 30, 2022 is as follows (in thousands);

Cash .....	\$	889,287
Accounts receivable.....		603,104
Inventories.....		24,622
Prepaid expenses and other current assets.....		105,339
Property and equipment.....		114,013
Goodwill.....		6,240,723
Operating lease right-of-use assets .....		77,079
Identifiable intangible assets .....		11,630,000
Long-term deferred income tax assets.....		10,795
Other assets.....		131,852
Accounts payable .....		(144,650)
Accrued expenses and other current liabilities .....		(404,151)
Income taxes payable .....		(29,445)
Unearned revenue.....		(1,433,848)
Long-term unearned revenue.....		(293,917)
Long-term debt.....		(112,359)
Long-term income tax liabilities.....		(153,587)
Operating lease liabilities .....		(99,733)
Long-term deferred tax liabilities .....		(1,717,451)
Other long-term liabilities .....		(48,589)
Total purchase price.....	<u>\$</u>	<u>15,389,084</u>

The excess of the purchase price over the fair value of the identifiable assets acquired and the liabilities assumed in the acquisition was allocated to goodwill in the amount of \$6,240.7 million. The goodwill is not deductible for tax purposes.

The identifiable intangible assets described above were as follows (in thousands, except amortization period):

	<b>Gross Amount at Acquisition Date</b>	<b>Weighted Average Amortization Period</b>
Tradenames .....	\$ 780,000	10.0 years
Existing technologies.....	6,140,000	5.0 years
Customer relationships.....	4,410,000	8.0 years
Maintenance agreements .....	300,000	2.0 years
	<u>\$ 11,630,000</u>	

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

**5. Fair Value Measurements and Derivative Instruments**

***Investments***

***Equity Securities Accounted for at Net Asset Value***

The Company held equity interests in certain private equity funds of \$13.0 million and \$14.2 million as of November 30, 2023 and 2022, respectively, which are accounted for under the net asset value practical expedient. These investments are included in Other assets in the accompanying consolidated balance sheets. The net asset value of these investments is determined using quarterly capital statements from the funds, which are based on the Company's contributions to the funds, allocation of profit and loss and changes in fair value of the underlying fund investments. These private equity funds focus on making venture capital investments, principally by investing in equity securities of early and late stage privately held corporations. The funds' general partner shall determine the amount, timing and form (whether cash or in kind) of all distributions made by the funds. The Company may only transfer its investments in private equity fund interests subject to the general partner's written consent and cannot trade its fund interests in established securities markets, secondary markets or equivalents thereof. The Company had no unfunded commitments as of November 30, 2023.

***Equity Securities without Readily Determinable Fair Values***

The Company held direct investments in privately-held companies of approximately \$24.3 million as of November 30, 2022, respectively, which were accounted for at cost, less impairment plus or minus adjustments and which were included in Other assets in the accompanying Consolidated Balance Sheets. These investments were impaired during fiscal year 2023 and fully written off as of November 30, 2023.

***Fair Value Measurements***

FASB guidance for fair value measurements clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the guidance establishes a three-tier value hierarchy that prioritizes the inputs used in measuring fair value as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs other than the quoted prices in active markets that are observable either directly or indirectly; and (Level 3) unobservable inputs in which there is little or no market data, which require us to develop our own assumptions. This hierarchy requires us to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. On a recurring basis, we measure certain financial assets and liabilities at fair value, including foreign currency contracts.

We execute foreign currency contracts and interest rate swap agreements primarily in the retail market in an over-the-counter environment with a relatively high level of price transparency. The market participants usually are large multi-national and regional banks. The valuation inputs are based on quoted prices and quoted pricing intervals from public data sources and do not involve management judgment. These contracts are typically classified within Level 2 of the fair value hierarchy.

There were no transfers between Level 1, Level 2 and Level 3 during the years ended November 30, 2023, 2022, and 2021. As of November 30, 2023 and 2022, cash and cash equivalents consisted only of cash held in our bank accounts.

***Derivative Instruments***

We conduct business in the Americas; Europe, the Middle East and Africa ("EMEA"); and Asia Pacific and Japan ("APJ"). As a result, the financial results could be affected by factors such as changes in foreign currency exchange rates or changes in economic conditions in foreign markets. The U.S. dollar is the major transaction currency; we also transact business in approximately thirty-six foreign currencies worldwide, of which the most



**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

significant to operations are the Euro, British pound, and Indian rupee. Derivative instruments are recognized as either assets or liabilities and are measured at fair value. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation.

Gains and losses on derivatives that are designated as cash flow hedges are initially reported as a component of Accumulated other comprehensive income (loss) and are subsequently recognized in income. Gains and losses from changes in fair values of derivatives that are not designated as hedges are recognized in Other expense, net. The total cumulative unrealized gain on cash flow derivative instruments was \$4.4 million as of November 30, 2023. Unrealized gains and losses on cash flow derivatives are included in Accumulated other comprehensive income(loss) in the accompanying Consolidated Balance Sheets. The net unrealized gain as of November 30, 2023 is expected to be recognized in income over the next 12 months at the same time the hedged items are recognized in income.

We enter into forward contracts with financial institutions to manage currency exposure related to net monetary assets and liabilities denominated in foreign currencies, and these forward contracts are generally settled within 90 days from trade dates. Our forward contracts reduce, but do not eliminate, the impact of currency exchange rate movements. For those contracts not designated as hedges, changes in fair value are recognized currently in Other expense, net in the Consolidated Statements of Operations.

From time to time, we enter into interest rate swap agreements or other instruments to manage our interest rate exposure and reduce the impact of future interest rate changes on our debt. We may choose whether or not to designate these contracts as hedges. The fair value of our interest rate swap agreements was derived from discounted cash flow analysis based on terms of the contract and the forward interest rate curves adjusted for our credit risk. The changes in the fair value of the swaps and the net cash settlements on the swaps are recorded each period within Interest expense, net in the Consolidated Statement of Operations. See Note 9 “Debt and Credit Facilities” to our Consolidated Financial Statements for further details on our interest rate swap agreements.

The following tables summarize the fair value of our derivative instruments and their location in our Consolidated Balance Sheets (in thousands):

Derivatives Designated as Hedging Instruments	Location	November 30,	
		2023	2022
Assets:			
Foreign currency forward contracts.....	Prepaid expenses and other current assets	\$ 170	\$ 1,148
Total assets .....		\$ 170	\$ 1,148
Liabilities:			
Foreign currency forward contracts.....	Accrued liabilities	\$ 586	\$ 2,350
Total liabilities.....		586	2,350
Derivatives not Designated as Hedging Instruments	Location	November 30,	
		2023	2022
Assets:			
Interest rate swaps .....	Other assets	\$ 42,666	\$ —
Total assets .....		\$ 42,666	\$ —

As of November 30, 2023, we had the following net notional foreign currency forward contracts outstanding (in thousands):

<b>Foreign Currency:</b>	<b>Currency Denomination</b>
Chinese Yuan Renminbi.....	CNH 117,000
Indian Rupee.....	INR 3,575,001

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

The following table summarizes the effects of derivative instruments on financial performance (in thousands):

	Amount of Gain (Loss) Recognized in Other Comprehensive Income (Loss)		Location of (Loss) Gain Reclassified from Accumulated Other Comprehensive Loss into Income	Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss	
	<u>Year Ended November 30,</u>			<u>Year Ended November 30,</u>	
<u>Derivatives Designated as Hedging Instruments</u>	<u>2023</u>	<u>2022</u>		<u>2023</u>	<u>2022</u>
Foreign currency forward contracts .....	\$ 4,416	\$ 5,183	Other expense, net	\$ 5,183	\$ (3,368)
<u>Derivatives not Designated as Hedging Instruments</u>	<u>Location</u>		<u>Year Ended November 30,</u>		
	<u>2023</u>	<u>2022</u>	<u>2023</u>	<u>2022</u>	<u>2021</u>
Foreign currency contracts .....	Other expense, net	\$ —	\$ —	\$ —	(313)
Gain (loss) on net interest settlements on interest rate swaps.....	Interest expense, net	14,982	80,999	(1,720)	
Gain (loss) on interest rate swaps change in fair value.....	Interest expense, net	42,666	(13,721)	14,791	
		\$ 57,648	\$ 67,278	\$ 12,758	

Currently, we do not have master netting agreements with our counterparties for our forward contracts. We mitigate the credit risk of these derivatives by transacting with highly rated counterparties.

**6. Accounts Receivable and Allowances for Doubtful Accounts and Reserves**

Accounts receivable, net, by category is as follows (in thousands):

	November 30,	
	2023	2022
Trade accounts receivable .....	\$ 840,071	\$ 693,823
Unbilled fees for professional services.....	3,657	5,672
	843,728	699,495
Less: Allowances for doubtful accounts.....	(20,299)	(13,056)
Accounts receivable, net.....	<u>\$ 823,429</u>	<u>\$ 686,439</u>

Trade accounts receivable are recorded when invoiced or to be invoiced amounts are received. The trade accounts receivable do not bear interest. We perform ongoing credit evaluations of our customers' financial condition and, generally, require no collateral from customers. Allowances for doubtful accounts, returns and discounts were established based on various factors including credit profiles of our customers, contractual terms and conditions, historical payments, and current economic trends. We review our allowances monthly by assessing individual accounts receivable over a specific aging and amount, and all other balances on a pooled basis based on historical collection experience. Accounts receivable are written off on a case-by-case basis, net of any amounts that may be collected.

Unbilled receivables of \$3.7 million and \$5.7 million mainly consist of professional services performed during the last quarter of the years ended November 30, 2023 and 2022, respectively, for which billings have not been issued.

**7. Property and Equipment, Net**

Property and equipment, net by category is as follows (in thousands):

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

	<b>November 30,</b>	
	<b>2023</b>	<b>2022</b>
Equipment	\$ 92,258	\$ 83,519
Software	85,015	81,505
Furniture and fixtures	14,830	12,968
Land	4,181	4,990
Building	45,176	50,490
Facility improvements	70,529	61,616
Property and equipment, gross	311,989	295,088
Less: Accumulated depreciation and amortization	(232,474)	(162,554)
Property and equipment, net	<u>\$ 79,515</u>	<u>\$ 132,534</u>

Depreciation and amortization expense for the years ended November 30, 2023, 2022, and 2021 was \$59.3 million, \$21.7 million, and \$23.4 million, respectively.

**8. Goodwill and Acquired Intangible Assets**

The change in the carrying value of goodwill for the year ended November 30, 2023 is as follows (in thousands):

Balance as of November 30, 2021	\$ 2,899,837
Goodwill from acquisitions	6,199,016
Foreign currency translation	(4,842)
Balance as of November 30, 2022	9,094,011
Goodwill adjustments relating to the Merger	41,708
Foreign currency translation	3,204
Balance as of November 30, 2023	<u>\$ 9,138,923</u>

The adjustments relating to the Merger during the year ended November 30, 2023 are the result of an adjustment to increase goodwill with a corresponding decrease to certain non-trade receivable balances that were recorded in the initial purchase price allocation in relation to the Merger.

Certain of our intangible assets were recorded in foreign currencies, and, therefore, the gross carrying amount and accumulated amortization are subject to foreign currency translation adjustments. The carrying values of our acquired intangible assets as of November 30, 2023 and 2022 are as follows (in thousands):

	<b>November 30, 2023</b>		
	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Net Carrying Amount</b>
Existing technologies.....	\$ 6,978,599	\$ (2,206,338)	\$ 4,772,261
Maintenance contracts and related customer relationships.....	5,604,742	(1,557,968)	4,046,774
Customer base (subscriber and license customer agreements, and related relationships).....	388,300	(256,358)	131,942
Trademarks and tradenames .....	991,293	(274,461)	716,832
Total acquired intangible assets .....	<u>\$ 13,962,934</u>	<u>\$ (4,295,125)</u>	<u>\$ 9,667,809</u>

	<b>November 30, 2022</b>		
	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Net Carrying Amount</b>
Existing technologies.....	\$ 6,977,906	\$ (957,346)	\$ 6,020,560
Maintenance contracts and related customer relationships.....	5,603,966	(885,446)	4,718,520

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

Customer base (subscriber and license customer agreements, and related relationships).....	388,300	(100,409)	287,891
Trademarks and tradenames .....	991,097	(175,094)	816,003
Total acquired intangible assets .....	<u>\$ 13,961,269</u>	<u>\$ (2,118,295)</u>	<u>\$ 11,842,974</u>

Amortization expense for the years ended November 30, 2023, 2022, and 2021 was as follows:

	<b>Year Ended November 30,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Amortization of acquired intangible assets in:			
Cost of revenue – software .....	\$ 1,237,100	\$ 225,389	\$ 23,576
Operating expenses .....	920,659	280,828	149,826
Total amortization .....	<u>\$ 2,157,759</u>	<u>\$ 506,217</u>	<u>\$ 173,402</u>

Estimated future amortization for acquired intangible assets is as follows (in thousands):

<b>Fiscal Year</b>	
2024 .....	\$ 2,146,508
2025 .....	1,995,812
2026 .....	1,894,838
2027 .....	1,687,987
2028 .....	632,949
Thereafter .....	1,309,715
Total .....	<u>\$ 9,667,809</u>

## 9. Debt and Credit Facilities

Our outstanding balances under our debt agreements are described in the following table as of November 30, 2023 and 2022 (in thousands):

	<b>November 30,</b>	
	<b>2023</b>	<b>2022</b>
Senior First Lien Credit Agreement .....	\$ 8,039,931	\$ 7,071,236
First Lien Notes due 2029 .....	4,000,000	4,000,000
Second Lien Notes due 2029 .....	3,837,622	—
Second Lien Bridge Credit Agreement .....	—	3,837,641
2027 Rollover Notes .....	112,359	112,359
Debt discounts and issuance costs .....	(600,662)	(600,322)
Net carrying value of debt .....	15,389,250	14,420,914
Less: Current portion of long-term debt .....	(83,945)	(53,034)
Long-term debt .....	<u>\$ 15,305,305</u>	<u>\$ 14,367,880</u>

### *Senior First Lien Credit Agreement*

On September 30, 2022, Cloud Software Group and Parent (collectively, the “Borrowers”), Holdings, and Bank of America, N.A., as administrative agent and collateral agent, and the lenders party thereto from time to time (“Senior First Lien Lenders”) entered into the Credit Agreement (the “Senior First Lien Credit Agreement”) in the form of term loans comprised of three tranches, a Term Loan A with a principal amount of \$2,502.5 million (the “Term Loan A”), a Dollar Term Loan B with a principal amount of \$4,050.0 million (the “Dollar Term Loan B”), and a Euro Term Loan B with a principal amount of €500.0 million (the “Initial Euro Term Loan B”). In addition, certain Senior First Lien Lenders extended revolving loans (the “Revolving Credit Facility”) in a principal amount of not more than the Dollar equivalent of \$1,000.0 million. The Revolving Credit Facility was undrawn as of November 30, 2023.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

These funds, together with the proceeds of the Bridge Loan (as defined below) and the First Lien Notes, (as defined below) were used, among other things, to repay the outstanding loans under previously existing loan agreements including the (i) Amended and Restated Credit Agreement dated November 26, 2019 with Citrix as the borrower, (ii) the Term Loan Credit Agreement, dated January 21, 2020, with Citrix as the borrower, (iii) the Term Loan Credit Agreement, dated as of February 5, 2021, with Citrix as the borrower, (iv) the Senior Secured Credit Agreement, dated as of December 5, 2014, with Cloud Software Group as the borrower, and (v) the Senior Secured Second Lien Credit Agreement, dated as of March 4, 2020, with Cloud Software Group as the borrower (collectively, the “Existing Credit Agreements”). These funds were also used to redeem and/or offer to repurchase Citrix’s 1.250% Senior Notes due 2026 (the “Citrix 2026 Notes”), Citrix’s 4.500% Senior Notes due 2027 (the “2027 Rollover Notes”), and Citrix’s 3.300% Senior Notes due 2030 (the “Citrix 2030 Notes” and, together with the Citrix 2026 Notes and the 2027 Rollover Notes, the “Citrix Notes”). As of November 30, 2023, there is still a remaining balance on the 2027 Rollover Notes of \$112.4 million. The Citrix 2026 Notes and the Citrix 2030 Notes were redeemed in full in connection with the Merger.

On January 27, 2023, the Borrowers, Holdings and the other parties thereto entered into an amendment to the Senior First Lien Credit Agreement whereby the Borrowers (i) incurred incremental first lien term loans denominated in EUR in a principal amount of €250.0 million consisting of a new tranche of term B loans (the “Incremental EUR Term Loan B”) and (ii) used the proceeds of the Incremental EUR Term Loan B to repurchase (and subsequently cancel) outstanding loans under the Term Loan A in a principal amount of approximately \$271.4 million.

The Incremental EUR Term Loan B has the same maturity date, amortization and interest rate applicable to the Initial Euro Term Loan B.

On November 22, 2023, the Borrowers, Holdings and the other parties thereto entered into a second amendment to the Senior First Lien Credit Agreement, whereby the Borrowers incurred incremental first lien term loans denominated in U.S. dollars in a principal amount of \$1,000.0 million (the “Incremental Term Loan B” and, together with the Initial Dollar Term Loan B, the “Dollar Term Loan B”).

The Incremental Term Loan B has the same maturity date and interest rate applicable to the Initial Dollar Term Loan B, and as of the fiscal quarter ending November 30, 2023, the Incremental Term Loan B has the same amortization applicable to the Initial Dollar Term Loan B.

The Initial Euro Term Loan B and Incremental EUR Term Loan B mature on March 30, 2029. Principal payments are equal to 0.25% of the initial aggregate principal amount, payable at the end of each fiscal quarter, commencing with the fiscal quarter ending May 31, 2023. Both the Initial Euro Term Loan B and Incremental EUR Term Loan B bear interest at the Eurocurrency Rate (as defined in the Senior First Lien Credit Agreement) plus the applicable margin of 4.50%. The effective interest rate on the Initial Euro Term Loan B and Incremental EUR Term Loan B was 9.4% as of November 30, 2023.

The Term Loan A matures on September 29, 2028. Amortization payments on the Term Loan A loan are equal to 0.25% of the initial aggregate principal amount, payable at the end of each fiscal quarter, commencing with the fiscal quarter ending May 31, 2023. The amortization payment will increase to 0.63% of the initial aggregate principal amount, commencing on the last day of the ninth full fiscal quarter following the Closing Date.

The Dollar Term Loan B matures on March 30, 2029. Amortization payments on the Dollar Term Loan B (i) were initially equal to 0.25% of the aggregate principal amount of the Initial Dollar Term Loan B, payable at the end of each fiscal quarter, commencing with the fiscal quarter ending May 31, 2023 and ending with the fiscal quarter ending August 31, 2023 and (ii) are currently equal to 0.2512562814% of the aggregate principal amount of the Initial Term Loan B made on September 30, 2022 and the aggregate principal amount of Incremental Term Loan B made on November 22, 2023, in each case, payable at the end of each fiscal quarter, commencing with the fiscal quarter ending November 30, 2023.

Both the Term Loan A and the Dollar Term Loan B bear interest at Term SOFR (as defined in the Senior First Lien Credit Agreement), plus the applicable secured overnight financing rate (“SOFR”) margin of 4.50% and a

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

credit spread adjustment of 0.10%. The effective interest rates on the Term Loan A and Dollar Term Loan B as of November 30, 2023 are both 11.1%.

For the year ended November 30, 2023, we recognized interest expense of \$732.3 million related to the Senior First Lien Credit Agreement, which was comprised of \$674.5 million of coupon interest, \$30.8 million of debt issuance cost amortization and \$27.0 million of debt discount amortization.

For the year ended November 30, 2022, we recognized interest expense of \$104.4 million related to the Senior First Lien Credit Agreement, which was comprised of \$94.8 million of coupon interest, \$5.2 million of debt issuance cost amortization and \$4.4 million of debt discount amortization.

***Second Lien Bridge Credit Agreement***

On September 30, 2022, the Borrowers, Holdings and Goldman Sachs Bank USA, as administrative agent and collateral agent, the lenders party thereto from time to time (“Lenders”) and the other parties thereto entered into the Second Lien Bridge Credit Agreement comprised of a term loan with a principal amount of approximately \$3,837.6 million (the “Bridge Loan”).

On April 10, 2023, we closed our private offering of \$3,837.6 million in aggregate principal amount of 9.0% senior secured second lien notes due 2029 (the “Second Lien Notes”). In connection with the offering, we received net proceeds of approximately \$3,778 million after deducting the initial purchasers’ fees and/or discounts but before deducting expenses. We used the net proceeds to repay our Bridge Loan in its entirety, as well as to pay any accrued and unpaid interest thereon.

For the year ended November 30, 2023, we recognized interest expense of \$142.7 million related to the Bridge Loan, which was comprised of \$125.7 million of coupon interest and \$17.0 million of debt issuance cost amortization (including \$12.0 million expensed upon extinguishment of debt).

For the year ended November 30, 2022, we recognized interest expense of \$60.0 million related to the Bridge Loan, which was comprised of \$57.6 million of coupon interest and \$2.4 million of debt issuance cost amortization.

***First Lien Notes due 2029***

On September 30, 2022, we issued \$4,000.0 million of first lien notes (“First Lien Notes”) pursuant to the Indenture entered into by us, the guarantors party thereto, and Wilmington Trust, National Association, as the Trustee and Notes Collateral Agent (the “First Lien Indenture”). The First Lien Notes accrue interest at a rate of 6.5% per annum. Interest on the First Lien Notes is due semi-annually on March 31 and September 30 of each year, commencing on March 31, 2023. The First Lien Notes will mature on March 31, 2029, unless earlier redeemed in accordance with their terms prior to such date. The First Lien Notes are unconditionally guaranteed on a senior secured basis by our existing and future wholly-owned subsidiaries that are borrowers or guarantee our obligations under the Senior First Lien Credit Agreement. The First Lien Notes are secured by first-priority liens on the collateral, which consists of substantially all of the assets that secure our obligations and guarantors’ obligations under the Senior First Lien Credit Agreement (the “Collateral”), ratably on a *pari passu* basis.

For the year ended November 30, 2023, we recognized interest expense of \$276.6 million related to the First Lien Notes, which was comprised of \$259.3 million of coupon interest and \$17.3 million of debt issuance cost amortization.

For the year ended November 30, 2022, we recognized interest expense of \$46.3 million related to the First Lien Notes, which was comprised of \$43.3 million of coupon interest and \$3.0 million of debt issuance cost amortization.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

***Second Lien Notes***

The Second Lien Notes were issued pursuant to an indenture entered into by us, the guarantors party thereto, and Wilmington Trust, National Association, as the Trustee and Notes Collateral Agent (the “Second Lien Indenture”). The effective interest rate on the Second Lien Notes as of November 30, 2023 is 9.6% per annum. Interest on the Second Lien Notes is due semi-annually on March 31 and September 30 of each year, commencing on September 30, 2023. The Second Lien Notes will mature on September 30, 2029, unless earlier redeemed in accordance with their terms prior to such date. The Second Lien Notes are unconditionally guaranteed on a senior secured basis by our existing and future wholly-owned subsidiaries that are borrowers or guarantee our obligations under the Senior First Lien Credit Agreement. The Second Lien Notes are secured by second-priority liens on the Collateral.

For the year ended November 30, 2023, we recognized interest expense of \$232.7 million related to the Second Lien Notes, which was comprised of \$220.6 million of coupon interest, \$8.0 million of debt issuance cost amortization and \$4.1 million of debt discount amortization.

***2027 Rollover Notes***

In connection with the Merger, Citrix offered to repurchase the 2027 Rollover Notes. Following closing of the repurchase offer, \$112.4 million of 2027 Rollover Notes remained outstanding. The 2027 Rollover Notes accrue interest at a rate of 4.5% per annum. Interest on the 2027 Rollover Notes is due semi-annually on June 1 and December 1 of each year. The 2027 Rollover Notes will mature on December 1, 2027, unless earlier redeemed in accordance with their terms prior to such date. The 2027 Rollover Notes are secured by liens on certain assets of Citrix and certain of its restricted subsidiaries that constitute part of the Collateral.

For the year ended November 30, 2023, and 2022, we recognized interest expense of \$5.1 million and \$0.9 million, respectively, which was comprised of coupon interest.

***Interest Rate Swap***

On April 4, 2023, and May 2, 2023, we executed interest rate swap agreements for the purpose of obtaining a fixed USD SOFR CME Term interest rate (our elected alternate base rate for Term Loan A) ranging from 3.485% to 3.654% on \$2,000.0 million of the aggregate term loans and notes. The swap agreements terminate on March 31, 2028. For the year ended November 30, 2023, we recorded a gain of \$57.6 million.

***Refinancing***

We evaluate amendments to the terms of our debt agreements in accordance with ASC 470-50 “*Debt - Modification and Extinguishments*”. We assess whether changes to the terms of the loans are substantial and, accordingly, conclude whether each refinancing should be accounted for as a debt extinguishment or modification. The terms of the debt are considered substantially different if the present value of the cash flows of the term loans under the Senior First Lien Credit Agreement, as amended, was at least 10% different (“10% Test”) from the present value of the remaining cash flows of the original terms loans, and we performed this 10% Test for each individual creditor who participated in the loan syndication.

Accordingly, loans that remained obligations of the same lender that resulted in substantial (>10%) changes in cash flows and loans held by lenders that existed as part of the refinancings were accounted for as debt extinguishments. Loans that remained obligations of the same lender that resulted in less than substantial (<10%) changes in cash flows, were accounted for as debt modification

For the year ended November 30, 2023, refinancing activities resulted in a \$31.3 million charge included under interest expense in the Condensed Consolidated Statement of Operations, which is comprised of \$19.3 million in refinancing costs and \$12.0 million related to the expensing of unamortized original issuer’s issuance costs associated with the extinguished debt.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

***Senior Secured Credit Agreement***

We entered into a Senior Secured Credit Agreement, dated as of December 5, 2014 (as amended by Amendment No. 1 to Credit Agreement (the “1st Amendment”), dated as of January 18, 2017, by an Incremental Joinder Agreement, dated as of May 24, 2017, by Amendment No. 2 to Credit Agreement (the “2nd Amendment”), dated as of July 28, 2017, by Amendment No. 3 to the Credit Agreement (the “3rd Amendment”), dated as of July 3, 2019, by Amendment No. 4 to Credit Agreement (“4th Amendment”), dated as of March 4, 2020, by Amendment No. 5 to Credit Agreement (“5th Amendment”), dated as of March 4, 2020, by an Incremental Term B-3 Joinder Agreement (the “2020 Incremental Term B-3 Joinder Agreement”), dated as of October 30, 2020, and by the 2021 Incremental Term B-3 Joinder Agreement (the “2021 Incremental Term B-3 Joinder Agreement”), dated as of May 6, 2021), (collectively, the “Senior Secured Credit Agreement”) by and among, *inter alios*, Cloud Software Group, certain of Cloud Software Group’s domestic subsidiaries who have granted secured guarantees of the obligations thereunder, JPMorgan Chase Bank, N.A., as administrative agent and collateral agent and the lenders party thereto from time to time, pursuant to which we incurred certain loans, established a revolving line of credit and granted a first priority lien on substantially all of our assets to secure the obligations under the Senior Secured Credit Agreement.

On September 30, 2022, in conjunction with the Merger, we paid in full the principal amount of all term loans under the Senior Secured Credit Agreement. We recorded an extinguishment loss of \$22.8 million, which was related to the expensing of unamortized original issuer’s debt discount of \$12.3 million and issuance costs associated with the extinguished debt of \$10.5 million.

Under the Senior Secured Credit Agreement, we initially borrowed approximately \$1,670.0 million, and borrowed an additional \$225.0 million, \$4.6 million, and \$364.8 million in aggregate term loans as part of the 2nd Amendment, 3rd Amendment, and 4th Amendment, respectively. Pursuant to the 2020 Incremental Term B-3 Joinder Agreement, we borrowed an additional \$200.0 million in aggregate principal amount of term loans. We borrowed an additional \$110.0 million in aggregate principal amount of terms loans as part of the 2021 Incremental Term B-3 Joinder Agreement.

Pursuant to the 3rd Amendment, the maturity date of the term loans was extended to June 30, 2026.

Term loans under the Senior Secured Credit Agreement bore interest at a rate equal to, at our option, the adjusted Eurodollar rate or an alternate base rate plus, in each case, an applicable margin.

The Senior Secured Credit Agreement included a revolving line of credit (the “Revolver”) of up to \$125.0 million. The maturity date of the Revolver is June 28, 2024.

In connection with the term loans under the Senior Secured Credit Agreement, we recorded a gross debt discount of \$94.5 million and loan issuance costs of \$21.3 million, which were accreted to interest expense using the effective interest method over the life of the loans.

On November 30, 2020, we executed interest rate swap agreements for the purpose of obtaining a fixed LIBOR interest rate (our elected alternate base rate for the Senior Secured Credit Agreement) of 0.22% on \$1,500.0 million of the term loans.

On September 30, 2022, in conjunction with the Transaction, we paid in the full the principal amount of all term loans under the Senior Secured Credit Agreement. We recorded an extinguishment loss of \$22.8 million, which was related to the expensing of unamortized original issuer’s debt discount of \$12.3 million and issuance costs associated with the extinguished debt of \$10.5 million.

For the year ended November 30, 2022, we recognized interest expense of \$124.4 million related to the Senior Secured Credit Agreement, which was comprised of \$96.7 million of coupon interest, \$12.9 million of debt issuance cost amortization (of which, \$10.5 million related to the expensing of unamortized original issuer’s issuance costs associated with the extinguished debt), and \$14.8 million of debt discount amortization (of which,



**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
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\$12.3 million related to the expensing of unamortized original issuer's debt discount associated with the extinguished debt).

***Senior Secured Second Lien Credit Agreement***

We entered into a Senior Secured Second Lien Credit Agreement, dated as of March 4, 2020 (the "Senior Secured Second Lien Credit Agreement"), by and among, *inter alios*, Cloud Software Group, as the borrower, certain of Cloud Software Group's domestic subsidiaries who have granted secured guarantees of the obligations thereunder, KKR Loan Administration Services LLC, as administrative agent and collateral agent and the lenders party thereto from time to time, pursuant to which, among other things, we incurred certain term loans, and granted a lien on substantially all of our assets to secure the obligations under the Senior Secured Second Lien Credit Agreement. The lien under the Senior Secured Second Lien Credit Agreement ranks junior to, but is otherwise substantially the same as, the lien under the Senior Secured Credit Agreement, and is subject to an intercreditor agreement defining the rights between the parties under the Senior Secured Credit Agreement and the Senior Secured Second Lien Credit Agreement.

On September 30, 2022, in conjunction with the Merger, we paid in full the principal amount of all term loans under the Senior Secured Second Lien Credit Agreement. We recorded an extinguishment loss of \$1.8 million, which was related to the expensing of unamortized original issuer's debt discount of \$0.9 million and issuance costs associated with the extinguished debt of \$0.9 million.

Term loans under the Senior Secured Second Lien Credit Agreement bore interest at a rate equal to, at our option, the adjusted Eurodollar rate or an alternate base rate plus, in each case, an applicable margin.

On September 30, 2022, we borrowed \$650.0 million under the Senior Secured Second Lien Credit Agreement, and the maturity date of the term loans is March 3, 2028.

In connection with the term loans under the Senior Secured Second Lien Credit Agreement, we recorded a gross debt discount of \$1.2 million and loan issuance costs of \$1.4 million, which are accreted to interest expense using the effective interest method over the life of the loans.

For the year ended November 30, 2022, we recognized interest expense of \$47.0 million related to the Senior Secured Second Lien Credit Agreement, which was comprised of \$45.0 million of coupon interest, \$1.0 million of debt issuance cost amortization (primarily relating to the expensing of unamortized original issuer's issuance costs associated with the extinguished debt), and \$1.0 million of debt discount amortization (of which, \$0.9 million related to the expensing of unamortized original issuer's debt discount associated with the extinguished debt). For the year ended November 30, 2021, we recognized interest expense of \$48.7 million, related to the Senior Secured Second Lien Credit Agreement, which was comprised primarily of coupon interest.

***Bank Guarantee, Letter of Credit and Restricted Cash***

Issued bank guarantees were approximately \$3.6 million as of November 30, 2023, and are collateralized by pledging the equivalent amount under restricted cash as required under a guarantee credit line. Various other contractual commitments also require us to issue letters of credit and pledge cash as security and record this cash under restricted cash. As of November 30, 2023 and 2022, we had restricted cash of \$13.7 million and \$15.2 million, respectively, which is included in Other assets on our Consolidated Balance Sheets.

**10. Accrued Restructuring Costs**

As a part of integration efforts related to recent acquisitions, we are executing restructuring efforts intended to improve operational efficiency. The restructuring includes, among other things, the ongoing reorganization of our business operations and our ongoing expense re-alignment efforts. For the years ended November 30, 2023 and 2022, restructuring charges of \$215.2 million and \$105.9 million, respectively, were primarily related to severance for employee terminations, excess facilities and other corporate actions aimed at increasing efficiencies and reducing redundancy costs.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

The following table summarizes the significant activities within, and components of, the restructuring liabilities (in thousands):

	<b>Accrued Facilities Restructuring</b>	<b>Accrued Severance and Other</b>	<b>Total</b>
Balance as of November 30, 2021 .....	\$ 112,726	\$ 1,085	\$ 113,811
Restructuring charges .....	16,911	53,270	70,181
Utilization .....	(9,664)	(38,360)	(48,024)
Effect of adoption of ASC 842 <sup>(1)</sup> .....	(101,768)	—	(101,768)
Balance as of November 30, 2022 .....	18,205	15,995	34,200
Restructuring charges .....	15,227	170,726	185,953
Utilization .....	(22,979)	(168,715)	(191,694)
Balance as of November 30, 2023 .....	10,453	18,006	28,459
Less: Current portion of accrued restructuring costs .....	(5,488)	(18,006)	(23,494)
Long-term accrued restructuring costs .....	<u>\$ 4,965</u>	<u>\$ —</u>	<u>\$ 4,965</u>

(1) Upon adoption of ASC 842, certain restructuring lease liabilities were required to be recognized as a reduction to the corresponding ROU assets.

We review our impairment of long-lived assets, including ROU assets, whenever events or changes in circumstances indicate that the carrying amount of such assets may be impaired. Measurement of an impairment loss is based on the fair value of the asset compared to its carrying value. The fair value of the ROU assets is determined by utilizing the present value of the estimated future cash flows attributable to the assets.

We re-evaluated our real estate needs, resulting in a reduction of owned space and leased space, and the impairment of the associated ROU assets and property and equipment. Due to the actions taken, we tested the operating lease ROU assets and certain property and equipment for recoverability by comparing the carrying value of the asset group to an estimate of the future undiscounted cash flows expected to result from the use and eventual disposition of the asset group. Based on the results of the recoverability test, we determined that the undiscounted cash flows of the asset groups were below the carrying values, indicating impairment. We then determined the fair value of the asset groups by utilizing the present value of the estimated future cash flows attributable to the assets. For the year ended November 30, 2023, we recognized \$29.3 million which primarily consisted of depreciation expense for property and equipment and ROU lease impairment charges which were recorded as Restructuring charges on the Consolidated Statement of Operations.

## 11. Other Balance Sheet Components

Certain other balance sheet components are summarized below (in thousands):

	<b>November 30,</b>	
	<b>2023</b>	<b>2022</b>
Accrued liabilities:		
Compensation and benefits .....	\$ 372,810	\$ 487,838
Accrued taxes .....	184,368	107,216
Restructuring .....	23,494	21,848
Operating lease liabilities .....	37,491	85,631
Interest payable .....	225,727	196,537
Other .....	262,076	146,242
Total Accrued liabilities .....	<u>\$ 1,105,966</u>	<u>\$ 1,045,312</u>
Unearned revenue, current:		
Software .....	\$ 1,073,978	\$ 777,758
Service and maintenance .....	452,129	771,382
Total unearned revenue, current .....	<u>\$ 1,526,107</u>	<u>\$ 1,549,140</u>

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	November 30,	
	2023	2022
Long-term unearned revenue:		
Software.....	\$ 159,294	\$ 166,113
Service and maintenance .....	110,513	142,565
Total long-term unearned revenue.....	<u>\$ 269,807</u>	<u>\$ 308,678</u>

## 12. Commitments and Contingencies

### *Letters of Credit*

As of November 30, 2023 and 2022, we had a total of \$0.6 million and \$2.0 million, respectively, outstanding with respect to letters of credit in connection with customer contracts and facility lease transactions.

As of November 30, 2023, contractual commitments associated with indebtedness are as follows (fiscal years, and in thousands):

	Total	2024	2025	2026	2027	2028	Thereafter
Commitments:							
Debt principal.....	\$ 15,989,912	\$ 83,945	\$ 112,016	\$ 121,401	\$ 121,401	\$ 2,180,225	\$ 13,370,924
Debt interest <sup>(1)</sup> .....	<u>\$ 7,720,839</u>	<u>\$ 1,407,399</u>	<u>\$ 1,408,915</u>	<u>\$ 1,397,290</u>	<u>\$ 1,385,114</u>	<u>\$ 1,368,381</u>	<u>\$ 753,740</u>
Total commitments...	<u>\$ 23,710,751</u>	<u>\$ 1,491,344</u>	<u>\$ 1,520,931</u>	<u>\$ 1,518,691</u>	<u>\$ 1,506,515</u>	<u>\$ 3,548,606</u>	<u>\$ 14,124,664</u>

(1) Assumes SOFR at 5.4%. and EURIBOR at 4%

The above commitment table does not include \$215.2 million of long-term uncertain income tax liabilities due to the fact that we are unable to reasonably estimate the timing of these potential future payments.

### *Purchase Obligations*

We have obligations to purchase inventory for the fiscal year ended November 30, 2024 of \$8.9 million. We do not have any such purchase obligations beyond November 30, 2024.

As a result of the Merger, we have an agreement with a third-party provider, in the ordinary course of business, for the use of certain cloud services through June 2029. Under the amended agreement, we are committed to purchase \$1,010.0 million throughout the term of the agreement. As of November 30, 2023, we had \$685.6 million of remaining obligations under the agreement.

### *Indemnifications*

Our software license agreements typically provide for indemnification of customers for intellectual property infringement claims. To date, no such claims have been filed against us. We also warrant to customers that software products operate substantially in accordance with the software product's specifications. Historically, we have incurred minimal costs related to product warranties, and, as such, no accruals for warranty costs have been made. In addition, we indemnify our officers and directors under the terms of indemnity agreements entered into with them, as well as pursuant to our organizational documents and applicable Delaware law.

### *Guarantees*

The authoritative guidance requires certain guarantees to be recorded at fair value and requires a guarantor to make disclosures, even when the likelihood of making any payments under the guarantee is remote. For those guarantees and indemnifications that do not fall within the initial recognition and measurement requirements of the authoritative guidance, we must continue to monitor the conditions that are subject to the guarantees and indemnifications, as required under existing generally accepted accounting principles, to identify if a loss has been incurred. If we determine that it is probable that a loss has been incurred, any such estimable loss would be recognized. The initial recognition and measurement requirements do not apply to the provisions contained in the

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majority of our software license agreements that indemnify licensees of our software from damages and costs resulting from claims alleging that our software infringes the intellectual property rights of a third party. We have not made material payments pursuant to these provisions. We have not identified any losses that are probable under these provisions and, accordingly, we have not recorded a liability related to these indemnification provisions.

### **13. Legal Proceedings**

From time to time, we are involved in or subject to legal, administrative and regulatory proceedings, claims, demands and investigations arising in the ordinary course of business, including direct claims brought by or against us with respect to intellectual property, contracts, employment and other matters, as well as claims brought against our customers for whom we have a contractual indemnification obligation. We accrue for a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Significant judgment is required in both the determination of probability and the determination as to whether a loss is reasonably estimable. After we determine the probability of a loss and whether that loss is reasonably estimable, we then analyze whether the litigation, based on that determination, could have a material and adverse effect on our financial statements, taken as a whole and including our statement of cash flows. The accruals or estimates, if any, resulting from the foregoing analysis, are reviewed at least quarterly, and adjusted to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular matter. To the extent that it is probable and reasonably estimable that the losses could exceed the amounts already accrued, we will, as applicable, adjust the accrual in the period the determination is made, disclose an estimate of the additional loss or range of loss, indicate that the estimate is immaterial with respect to our financial statements as a whole or, if the amount of such adjustment cannot be reasonably estimated, disclose that an estimate cannot be made.

Although it is difficult to predict the ultimate outcomes of these matters, we believe that outcomes that may materially and adversely affect our business, financial position, results of operations or cash flows are reasonably possible but not estimable at this time.

#### ***Securities Class Action***

On November 19, 2021, a Citrix shareholder filed a putative securities class action complaint in the United States District Court for the Southern District of Florida, naming the Company and certain of its current and former officers and directors as individual defendants, and claiming to have purchased Citrix stock at artificially inflated prices during the period between January 22, 2020, and October 6, 2021 and suffered damages as a result of alleged violations of federal securities law. On April 22, 2022, Plaintiffs filed an amended complaint, naming the same defendants and alleging substantially similar securities violations as the original complaint, including violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Rule 10b-5, promulgated thereunder, based on allegedly false or misleading statements regarding the Company’s transition from selling on-premises, perpetual licenses to cloud-based subscriptions. The amended complaint seeks, among other things, an award of compensatory damages and the Plaintiffs’ reasonable costs and expenses, including attorneys’ fees, experts’ fees, and other costs and disbursements. In January 2023, the Court granted Citrix’s motion to dismiss the case in its entirety. On August 8, 2023, the Court denied Plaintiffs’ motion for reconsideration of the dismissal. Plaintiffs subsequently filed a notice of appeal to the 11th Circuit Court of Appeals. On December 6, 2023, Appellants filed a Voluntary Dismissal with Prejudice. On December 12, 2023, the Court dismissed the case.

#### ***Legal Proceedings Related to the Merger***

On December 12, 2022, Juan Vargas, a purported Citrix shareholder, filed a complaint in the United States District Court for the Southern District of Florida against Citrix and its former Board of Directors. The Complaint alleges that the Company’s Board of Directors used false projections to conceal the true value of Citrix from Citrix shareholders, and thereby secure the approval of Citrix’s shareholders to sell Citrix to Vista Equity Partners and Elliott Investment Management L.P. for an inadequate and unfair price. Plaintiff alleges that as a result of the use of such projections, the Definitive Proxy Statement filed in connection with the Merger omitted material information, rendering the Definitive Proxy Statement false and misleading. Plaintiff alleges that the Company and the individual defendants violated Sections 14(a) of the Exchange Act and Rule 14a-9 promulgated under the Exchange Act. Plaintiff also alleges that the individual defendants violated Section 20(a) of the Exchange Act and seeks monetary

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damages. Citrix has put its carrier on notice of this as a related claim to the sale related litigation matters. On February 13, 2023, Plaintiff filed a motion to be appointed as lead plaintiff under the Private Securities Litigation Reform Act. No other plaintiffs filed competing motions, and on March 8, 2023, the judge appointed Juan Vargas and George Messiha as lead plaintiffs. In May 2023, Plaintiffs filed an amended complaint, and the Company filed its motion to dismiss the claim in July 2023. The Court heard oral argument on the motion to dismiss on January 25, 2024. The Company believes that it and the other defendants have meritorious defenses to these allegations; however, the Company is unable to currently determine the ultimate outcome of this matter or the potential exposure or loss, if any.

*Legorreta, et al. v. Calderoni*, Delaware Court of Chancery Case No. 2024-0153: A class action complaint was filed on February 19, 2024, in the Delaware Court of Chancery by a law firm that obtained documents from Citrix Systems, Inc. (“Citrix”) through a Section 220 books and records demand in 2022 and 2023. The complaint alleges a single claim, for breach of fiduciary duty against former Citrix Chairman and CEO Robert Calderoni, in connection with the January 31, 2022 Agreement and Plan of Merger which resulted in the combination of Citrix with TIBCO Software Inc. The complaint alleges that Mr. Calderoni breached his fiduciary duties by approving the proxy statement sent to shareholders soliciting approval of the merger that was allegedly misleading and by not securing a higher purchase price for Citrix shares. The Company believes that the defendant has meritorious defenses to the allegations in the complaint.

***Books and Records Demands***

The Company received demand letters pursuant to Section 220 of the Delaware General Corporation Law (“DGCL”) from stockholders seeking disclosure of certain of the Company's records relating to the Merger. The Company has responded to those demands, stating its belief that the demand letters fail to fully comply with the requirements of Section 220 of the DGCL. On April 20, 2022, two stockholders filed a complaint in the Delaware Chancery Court captioned *Liebenthal, et al. v. Citrix Systems, Inc.*, C.A. No. 2022-0349, seeking to compel inspection of books and records pursuant to Section 220 of the DGCL. Citrix produced certain material related to the request, including redacted board meeting minutes. On October 7, 2022, plaintiffs’ counsel sent a list of additional document requests and redaction issues, to which Citrix’s counsel produced a supplemental production. On February 22, 2023, Plaintiffs filed a status update letter with the Court stating that Citrix intends to produce a final set of documents after which Plaintiffs intend to dismiss their enforcement action. Plaintiffs voluntarily dismissed their action on March 7, 2023. It is still possible that Plaintiffs could file a breach of fiduciary duty or similar action in Delaware. The statute of limitations for fiduciary duty claims is three years.

***Consumer Class Actions Arising from NetScaler Security Vulnerability***

On October 10, 2023, the Company published a notice identifying a vulnerability in its on-premises NetScaler ADC and NetScaler Gateway products (CVE-2023-4966) and simultaneously released a software patch to NetScaler users to remedy the vulnerability. Starting on December 19, 2023, twenty-one nationwide putative class action lawsuits were filed against Citrix Systems, Inc. (“Citrix”) alleging various state law claims based on data breach incidents experienced by Company customers, where such incidents allegedly arose from exploits of CVE-2023-4966 (collectively, the “CVE-2023-4966 Class Actions”). Of the original twenty-one cases filed, five have been dismissed by the plaintiffs, leaving sixteen cases pending as of March 4, 2024.

***The Comcast Cases***

On December 18, 2023, Citrix customer Comcast Cable Communications, d/b/a Xfinity (“Comcast”) sent customers a notice stating that, between October 16, 2023 and October 19, 2023, before Comcast applied the patch to fix the CVE-2023-4966 vulnerability, Comcast experienced a data breach that it concluded was a result of the CVE-2023-4966 vulnerability. Following the Comcast December 18, 2023 announcement, plaintiffs have filed seventeen putative class action lawsuits against Citrix Systems, Inc. (“Citrix”) in three different district courts (S.D. Florida, E.D. Pennsylvania, and South Carolina), asserting claims for negligence, negligence per se, breach of implied covenant of good faith and fair dealing, breach of third-party beneficiary contract, unjust enrichment, and other state law claims, based on Comcast’s identification of CVE-2023-4966 in connection with Comcast’s data breach. The cases are as follows: *Verdier v. Comcast Corporation d/b/a Xfinity and Citrix Systems, Inc.*, Case No. 2:23-cv-05137 (E.D. Pennsylvania); *Brown v. Comcast Cable Communications, LLC and Citrix Systems, Inc.*, Case

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0:23-cv-62392-XXXX (S.D. Florida); *Hammond v. Citrix Systems, Inc. and Comcast Cable Communications, LLC, d/b/a Xfinity*, Case 0:23-cv-62409-XXXX (S.D. Florida); *Carey v. Citrix Systems, Inc. and Comcast Cable Communications, LLC, d/b/a Xfinity*, Case No. 0:24-cv-60008-XXXX (S.D. Florida); *Andros v. Comcast Cable Communications, LLC, d/b/a Xfinity and Citrix Systems, Inc.*, Case No. 2:24-cv-00068 (E.D. Pennsylvania); *Nunn v. Citrix Systems, Inc. and Comcast Cable Communications, LLC*, Case No. 0:24-cv-60029-XXXX (S.D. Florida); *Harper v. Comcast Cable Communications, LLC, d/b/a Xfinity & Citrix Systems, Inc.*, Case No. 2:24-cv-00072-RMG (D.S.C.); *Birnie, et al. v. Citrix Systems, Inc.*, Case 0:24-cv-60070-XXXX (S.D. Florida); *Goodrow v. Citrix Systems, Inc. and Comcast Cable Communications, LLC, d/b/a Xfinity*, Case No. 0:24cv60100 (S.D. Florida); *Smith v. Comcast Cable Communications, LLC, d/b/a Xfinity & Citrix Systems, Inc.*, Case No. 2:24cv258 (E.D. Pennsylvania); *Clark v. Citrix Systems, Inc.*, Case No. 0:24cv60118 (S.D. Florida); *McCauley et al v. Comcast Cable Communications, LLC, d/b/a Xfinity and Citrix Systems, Inc.*, Case No. 2:24cv280 (E.D. Pennsylvania); *Metzger v. Comcast Cable Communications, LLC, d/b/a Xfinity & Citrix Systems, Inc.*, Case No. 0:24cv60126 (S.D. Florida); *Zagacki v. Comcast Cable Communications, et al.* Case No. 2:24-cv-507 (E.D. Pennsylvania); *Werner v. Comcast Cable Communications, et al.*, Case No. 2:24-cv-599 (E.D. Pennsylvania); *Remark v. Comcast Cable Communications, et al.*, Case No. 2:24-cv-793 (E.D. Pennsylvania); *Estevez v. Citrix Systems, Inc., et al.*, Case No. 2:24-cv-800 (E.D. Pennsylvania). The foregoing cases, fifteen of which include Comcast as a co-defendant, are referred to here as the “Comcast Data Breach Actions”. With the exception of three cases (*Birnie, McCauley*, and *Werner*), each of the Comcast Data Breach Actions erroneously alleges that Citrix had possession of the Comcast customer data at the time of the breach. The plaintiffs in *Hammond* and *Carey* voluntarily dismissed Citrix on February 14 and March 1, respectively, leaving fifteen Comcast Data Breach Actions pending against Citrix as of March 4, 2024.

On January 4, 2024, a plaintiff in one of several cases against Comcast only (*i.e.*, where Citrix is not named a co-defendant) concerning the Comcast data breach pending in the Eastern District of Pennsylvania, filed a Motion to Consolidate and Transfer (“MDL Motion”) with the Judicial Panel on Multidistrict Litigation, seeking to transfer and consolidate all Comcast Data Breach Actions to the Eastern District of Pennsylvania for all pretrial proceedings. Briefing on the MDL Motion is complete and the Judicial Panel on Multidistrict Litigation (“JPML”) has set a hearing on the motion for March 28, 2024. A decision from the JPML is anticipated in March or April 2024.

Other than one judge in the Southern District of Florida, judges have granted the parties’ requests to delay filing responsive pleadings in the cases until after the JPML decides on the MDL Motion. Accordingly, Citrix was required to file a response to the complaint in *Brown* on February 26, 2024, and did so in the form of a motion to dismiss. There are five additional Comcast Data Breach Actions pending before the same judge, with at four of those actions currently requiring that a responsive pleading be filed by Citrix prior to the JPML hearing on March 28, 2024.

**Non-Comcast Cases**

On February 16, 2024, a plaintiff filed *Cole v. Planet Home Lending, LLC & Citrix Systems, Inc.*, Case 0:24-cv-60269 (S.D. Florida) naming Citrix as a co-defendant in connection with a data breach experienced by Planet Home Lending on November 15, and which, according to news articles, impacted approximately 200,000 individuals. Relying on alleged facts substantively similar to those in the Comcast Data Breach Actions, the *Cole* complaint alleges claims for negligence, unjust enrichment, and declaratory judgment against Citrix. Seven other cases against Planet Home Lending are currently pending in federal court in Connecticut.

On January 7, 2024, a plaintiff’s counsel, who originally filed a complaint on December 19, 2023, in the Southern District of Florida against Citrix and Comcast, amended the complaint to name a new plaintiff as the class representative for the putative class action, substituted Fred Hutchinson Cancer Center (“FHCC”) in place of Comcast as a defendant, and revised the complaint to allege claims arising from a customer data breach announced by FHCC on December 28, 2023, on the basis that FHCC stated on its website that the actors who exfiltrated the FHCC customer data “exploited a vulnerability in a software called Citrix”. The amended complaint was captioned in *Paves v. Citrix Systems, Inc. (“Paves”) and Fred Hutchinson Cancer Center*, Case No. 0:23-cv-62375 (S.D. Florida). Citrix entered into a settlement agreement with the plaintiff in the *Paves* case, resulting in Citrix being dismissed with prejudice from *Paves* on February 6, 2024.

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Two additional putative class action lawsuits filed against Citrix in January 2024 (*Dailey v. Citrix Systems, Inc. and LoanCare, LLC*, Case No. 0:24-cv-60038-XXXX (S.D. Florida) (“*Daily*”) and *Newell v. Citrix Systems, Inc., Fidelity National Financial, Inc. and LoanCare, LLC*, Case 0:24-cv-60048-XXXX (S.D. Florida) (“*Newell*”) erroneously alleged that CVE-2023-4966 had a role in a data breach experienced by LoanCare. Following a clear communication from LoanCare to the plaintiffs that Citrix products had no role in the data breach, the plaintiffs voluntarily dismissed both the *Newell* and *Dailey* case without prejudice on January 30, 2024.

The Company believes that it has meritorious defenses to the allegations in all of the CVE-2023-4966 Class Actions; however, the Company is unable to currently determine the ultimate outcome of these matters or the potential exposure or loss, if any.

#### **14. Related Party Transactions**

We have transactions with various other portfolio companies of VEP and Elliott in the ordinary course of business. For the years ended November 30, 2023 and 2022, we recognized \$1.5 million and \$1.1 million respectively in expenses related to VEP. Such activity for the year ended 2021 was not material to the consolidated financial statements. VEP provides us with certain management consulting services. We reimburse VEP for any out-of-pocket expenses.

For the year ended November 30, 2023, we paid Holdco dividends of \$1,197.5 million in cash that was used to partially redeem Series A Preferred Shares of Holdco and to pay cash dividends to holders.

On September 29, 2022, Holdco contributed \$11.1 million of note receivable interest from TIBCO as a capital contribution.

In connection with the Merger, Holdco contributed 100% of the shares in Cloud Software Group valued at \$1,671.1 million and 1.2 million shares in Citrix valued at \$124.8 million as of the acquisition date to the Company as a capital contribution. Additionally, upon the closing of the Merger, the Company received \$3,566.0 million in cash contributions from Holdco. The Company also received \$2.7 million in non-cash contributions from Holdco related to the future use of tax attributes from a member of the consolidated income tax filing group as of November 30, 2022. In addition the Company received \$3.7 million in non-cash contributions from Holdco as of the year ended November 30, 2023.

On November 24, 2021, Bali Finco Inc. (“Finco”), a newly formed investment vehicle owned by funds managed by VEP and formed in connection with a proposed acquisition, issued a promissory note for \$75.0 million to the Company in exchange for cash. The promissory note originally bore interest at a rate of 0.22% per annum and had a maturity date of November 24, 2023. The \$75.0 million related party note to Finco was repaid in full in December 2021, as the proposed acquisition was not consummated. Finco was dissolved on September 21, 2022.

In connection with the proposed acquisition, at VEP’s request, the Company incurred expenses of approximately \$29.8 million towards the settlement of forward contracts and the release of associated debt commitments previously contracted by Finco related to its proposed acquisition in December 2021. These amounts were recorded as “Acquisition related and other costs” in the Consolidated Statement of Operations during the year ended November 30, 2022.

#### **15. Stock-Based Compensation**

##### ***2022 Incentive Plan***

The Board of Holdco adopted the Picard Holdco, Inc. 2022 Equity Incentive Plan (as amended to date, the “Equity Plan”). The Equity Plan authorizes the issuance of up to an aggregate of 671,646 shares of common stock in the form of stock options, stock appreciation rights, restricted stock, restricted stock units (RSUs), or other stock based awards. The awards settle into Picard Holdco, Inc equity. These awards may be granted to officers, employees and directors of the Company and its subsidiaries and affiliates.

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***Stock Options***

Stock option incentive service awards vest over four years with 25% vesting after 12 months and an additional 6.25% vest at the end of each full three calendar month period thereafter. If the employee is, and has been, continuously employed by the Company through the date of consummation of an approved sale, any incentive service awards which were unvested incentive service awards immediately prior to such approved sale are deemed vested units. Stock-based compensation expense recognized for the incentive service units during the years ended November 30, 2023 and 2022 was \$10.5 million and \$2.0 million, respectively. The total unrecognized stock-based compensation expense related to unvested incentive service stock option awards is \$32.9 million as of November 30, 2023 and is expected to be recognized over a weighted-average period of 2.9 years.

Stock option incentive performance awards vest in tranches of 50% upon consummation of a change in control or IPO if the total equity return multiple is equal or greater than 2.0x and the remaining 50% upon a 2.5x attained multiple and if the employee has been employed continuously at the consummation of such an event. All incentive performance awards that are not vested as of the consummation of an approved sale shall terminate and be of no value as of the consummation of such approved sale. Since a liquidity event is a contingent event and not considered probable until the event occurs, no compensation expense for the incentive performance units was recognized for the year ended November 30, 2023. The total unrecognized stock-based compensation expense related to the unvested incentive performance stock option awards is \$45.4 million as of November 30, 2023.

These stock option incentive awards are primarily equity-classified awards as there is no requirement for cash settlement and they are only settled in shares that require a hold period of at least six months passing the risk of ownership to the option holder. The value of these equity classified stock option incentive awards is determinable as of the grant date. There is a portion of stock option incentive service units that are liability-classified given they contain an unrestricted put option at the option holder's discretion at specified periods after the anniversary of the grant date.

The Company estimates the fair value of its stock option incentive awards using the Black-Scholes valuation model, whereby the allocable equity value of the Company is divided by the fully diluted shares to calculate the fair value of the underlying common stock. The stock volatility for each grant is estimated from the historical daily price changes of comparable companies. The expected term of options granted is derived from the weighted average of estimated time to fully vesting of the incentive performance stock awards through a vesting event and the contractual life of the award, which represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods aligns with the expected life of the option is based on the Daily U.S. Treasury Par Yield Curve Rate in effect at the time of grant. The expected dividend is assumed to be zero, as the Company has never paid dividends and has no current plans to do so.

The grant date fair value of performance and service-based stock option incentive awards granted in 2023 and 2022 was calculated using the following assumptions:

<b>Assumption</b>	<b>Value</b>
Fair value of common stock (\$)	785
Risk-free interest rate (%)	4
Expected term (years)	6
Expected volatility (%)	35
Expected dividend yield (%)	—

The summary of incentive service award activity during the year ended November 30, 2023 is presented below:



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	<b>Service- based grants</b>	<b>Weighted- average exercise price per share</b>	<b>Weighted average remaining contract life (in years)</b>	<b>Aggregate intrinsic value (in thousands)</b>
Outstanding at November 30, 2022 .....	155,500	\$ 1,000	3.83	\$ —
Granted .....	50,250	\$ 1,000		—
Forfeited or expired .....	(32,000)	—	—	—
Outstanding at November 30, 2023 .....	173,750	\$ 1,000	8.9	\$ —
Exercisable at November 30, 2023 .....	40,687	\$ 1,000	8.8	\$ —
Vested and expected to vest at November 30, 2023 .....	173,750	\$ 1,000	8.9	\$ —

	<b>Performance -based grants</b>	<b>Weighted- average exercise price per share</b>	<b>Weighted average remaining contract life (in years)</b>	<b>Aggregate intrinsic value (in thousands)</b>
Outstanding at November 30, 2022 .....	155,500	\$ 1,000	3.83	\$ —
Granted .....	50,250	\$ 1,000	—	—
Forfeited or expired .....	(32,000)	—	—	—
Outstanding at November 30, 2023 .....	173,750	\$ 1,000	8.9	\$ —
Exercisable at November 30, 2023 .....	—	\$ —	—	\$ —
Vested and expected to vest at November 30, 2023 .....	173,750	\$ 1,000	8.9	\$ —

The weighted average grant date fair value of stock options issued for the years ended November 30, 2023 and 2022 were, \$262.82 and \$260.47, respectively.

***Restricted Stock Units***

During the year ended November 30, 2023, we granted 128,889 restricted stock units (“RSUs”) under the Equity Plan. The RSUs have a grant date fair value of \$1,000 per unit and vest over a term of four years with a March 1, 2023 vesting commencement date. As of November 30, 2023, 4,833 units were forfeited due to employee terminations. Upon forfeiture, the forfeited units were cancelled, returned to the pool, and are available for future distribution.

Stock-based compensation expense recognized for RSUs for the twelve months ended November 30, 2023 was \$23.2 million. The total unrecognized stock-based compensation expense related to unvested RSUs is \$100.9 million as of November 30, 2023 and is expected to be recognized over a weighted-average period of 3.5 years.

Restricted stock unit activity during the year ended November 30, 2023 was as follows:

	<b>Service-based grants</b>	<b>Weighted-average grant date fair value per share</b>
Unvested at November 30, 2022 .....	—	\$ —
Granted .....	128,889	1,000
Vested .....	—	—
Forfeited or expired .....	(4,833)	1,000
Unvested at November 30, 2023 .....	124,056	\$ 1,000

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***Cash Conversion***

All legacy Citrix stock compensation related plans were terminated concurrently with the Merger on September 30, 2022. Per the Agreement and Plan of Merger, dated as of September 30, 2022, by and between Cloud Software Group, Holdco, TIBCO Merger Sub, Inc., and Balboa Holdings LP (the “Agreement and Plan of Merger”), all vested awards that were outstanding and unexercised immediately prior to the acquisition were canceled, retired, and ceased to exist and were converted into the right to receive cash at an amount equal to the per share merger consideration, less any applicable exercise price. Subsequent to the closing of the Merger and before November 30, 2022, the Company paid approximately \$90.4 million in cash for the vested stock awards and applicable taxes.

Per the Agreement and Plan of Merger, all unvested awards that were outstanding as of immediately prior to the acquisition were canceled, retired, and ceased to exist and converted into the right to receive cash (“cash awards”) over the original respective vesting schedule at an amount equal to the per share merger consideration, less any applicable exercise price. The payments are conditional upon the employees’ continued employment with the Company and any additional expense is recorded consistent with the cost center mapping for each employee on the Consolidated Statement of Operations. A liability of approximately \$113.0 million related to the cash awards was assumed as part of the Merger with the remainder of the expense to be recognized over the course of the original vesting schedule. Any forfeitures of these awards will be recognized as incurred.

We recorded approximately \$75.3 million in expenses in the period after the Merger and before November 30, 2022. Of that amount, \$35.7 million was expensed related to the vesting of awards paid out immediately upon the close of the Merger. The remaining \$39.6 million was expensed related to the vesting of cash awards during the period after the Merger and before November 30, 2022. For the year ended November 30, 2023, the Company recorded approximately \$92.2 million in expenses. As of November 30, 2023, there was \$14.0 million of total unrecognized compensation cost related to non-vested awards. The unrecognized cost is expected to be recognized over a weighted-average period of 0.3 years.

***Balboa Plans***

The Board of Managers of Balboa Holdings LP adopted the Balboa Holdings LP Management Incentive Plan (“the Plan”), under which Balboa Holdings LP granted long-term target incentive cash awards of approximately \$41.4 million to certain employees of the Company and its subsidiaries, which became payable upon a liquidity event if a defined equity return multiple is achieved. The amount of cash award to be paid is equal to the target incentive multiplied by the difference between the defined equity return multiple and 1. As the multiple is tied to an equity valuation, any compensation charge associated with these awards is considered stock-based compensation in accordance with ASC 718, “*Compensation - Stock Compensation*”. As a result of the Merger, we recognized an expense of \$76.4 million and paid out a portion of the amount during the fiscal year ended November 30, 2022. No liability remains outstanding as of November 30, 2023 with respect to the Plan.

In addition, Balboa Holdings LP authorized the issuance of 103.4 million management incentive units (“management incentive units”) to certain employees and non-employees of the Company and its subsidiaries that vest over five years. The management incentive units contain both service and performance conditions. Holders of such units are entitled to a pro rata cash payout in excess of their participation threshold on the occurrence of a liquidity event. In connection with the Merger, we recognized an expense of \$72.7 million related to these awards during the fiscal year ended November 30, 2022. A liability of \$31.2 million was outstanding as of November 30, 2022. We recognized an expense of \$2.7 million and paid out the remaining amount during the fiscal year ended November 30, 2023. No liability remains outstanding as of November 30, 2023 with respect to the management incentive units.

***Stock-Based Compensation Expense***

The detail of the total stock-based compensation recognized by income statement classification is as follows (in thousands):

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

	Year Ended November 30,		
	2023	2022	2021
Cost of revenue.....	\$ 12,426	\$ —	\$ —
Research and development.....	51,130	68,556	—
Sales and marketing.....	39,946	67,069	—
General and administrative.....	25,808	90,745	—
Total stock-based compensation expense .....	<u>\$ 129,310</u>	<u>\$ 226,370</u>	<u>\$ —</u>

**16. Leases**

As of November 30, 2023 and 2022, the Company recorded ROU assets of \$67.6 million and \$129.9 million in Other Assets respectively. Short-term lease liabilities of \$37.5 million and \$85.6 million were included in Accrued liabilities as of November 30, 2023 and 2022, respectively. Long-term lease liabilities of \$211.7 million and \$257.1 million were included in Other long term liabilities as of November 30, 2023 and 2022, respectively.

At various locations worldwide, we lease office space and equipment under non-cancelable operating leases with various expiration dates through May 2038. In addition to rent, the leases require the Company to pay for taxes, insurance, maintenance, and other operating expenses. Certain of these leases contain stated escalation clauses while others contain renewal options. The Company recognizes lease expense, which is the sum of interest and amortization expense on each contractual payment, on a straight-line basis. If a lease has been previously impaired, the Company no longer recognizes straight-line lease expense, but rather recognizes amortization of the ROU asset on a straight-line basis over the term remaining on the contract.

The components of lease expense were as follows (in thousands):

	Classification	November 30,	
		2023	2022
Operating lease cost.....	Operating expenses	\$ 44,858	\$ 37,895
Variable lease cost.....	Operating expenses	7,598	5,888
Sublease income .....	Operating expenses	(7,498)	(3,725)
Net lease cost.....		<u>\$ 44,958</u>	<u>\$ 40,058</u>

***Lease Term and Discount Rate:***

	November 30,	
	2023	2022
Weighted-average remaining lease term (years) .....	4.05	4.69
Weighted-average discount rate .....	7%	7%

Future minimum lease payments as of November 30, 2023 were as follows (in thousands):

Fiscal Year	Operating Leases
2024 .....	\$ 86,586
2025 .....	79,195
2026 .....	58,051
2027 .....	24,550
2028 .....	14,831
After 2028 .....	22,998
Total lease payments .....	<u>286,211</u>
Less: Imputed interest.....	<u>(37,060)</u>
Present value of lease liabilities.....	<u>\$ 249,151</u>

**17. Income Taxes**

Loss before income taxes consisted of the following (in thousands):

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

	<b>Year Ended November 30,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
United States.....	\$ (1,574,257)	\$ (762,957)	\$ (61,628)
International.....	(68,974)	224,497	37,440
Loss before benefit from income taxes.....	<u>\$ (1,643,231)</u>	<u>\$ (538,460)</u>	<u>\$ (24,188)</u>

The provision for income taxes consists of the following (in thousands):

	<b>Year Ended November 30,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Federal:			
Current.....	\$ 50,326	\$ 8,681	\$ (2,899)
Deferred .....	(389,038)	(188,490)	(28,134)
	<u>(338,712)</u>	<u>(179,809)</u>	<u>(31,033)</u>
State:			
Current.....	23,489	5,492	5,237
Deferred .....	(42,604)	(31,835)	(9,451)
	<u>(19,115)</u>	<u>(26,343)</u>	<u>(4,214)</u>
Foreign:			
Current.....	104,604	17,234	27,181
Deferred .....	(144,007)	12,451	(6,321)
	<u>(39,403)</u>	<u>29,685</u>	<u>20,860</u>
Benefit from income taxes .....	<u>\$ (397,230)</u>	<u>\$ (176,467)</u>	<u>\$ (14,387)</u>

Net undistributed earnings of our foreign subsidiaries are not considered to be indefinitely reinvested. As of November 30, 2023, and 2022, we had \$21.3 million and \$10.9 million, respectively, of deferred tax liability, and a corresponding provision for U.S. state income taxes and foreign withholding taxes have been provided thereon.

The following table summarizes our effective tax rate for fiscal years ended November 30, 2023, 2022, and 2021:

	<b>Year Ended November 30,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Effective tax rate .....	24%	32%	60%

The Company's effective tax rate was approximately 24% for the fiscal year ended November 30, 2023 and 32% for the fiscal year ended November 30, 2022. The decrease in the effective tax rate when comparing the fiscal year ended November 30, 2023 to the fiscal year ended November 30, 2022 was primarily due to the increase in the valuation allowance of deferred tax assets related to Section 163(j) interest expense limitation.

The Company's effective tax rate was approximately 32% for the fiscal year ended November 30, 2022 and 60% for the fiscal year ended November 30, 2021. The lower effective tax rate was primarily due to the effects of the prior year integration and the fiscal year ended November 30, 2022 release of the valuation allowance of deferred tax assets related to the Section 163(j) interest expense limitation and foreign tax credits as a result of the significant deferred tax liabilities acquired through the merger with Citrix.

The significant components of the Company's deferred tax assets and deferred tax liabilities are as follows (in thousands):

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

	<u>November 30,</u> <u>2023</u>	<u>2022</u>
Deferred tax assets:		
Net operating loss carryforwards .....	\$ 41,185	\$ 54,839
Reserves, accruals and foreign related items .....	99,767	94,920
Credit carryforwards .....	260,319	196,372
Depreciation and amortization .....	122,370	7,611
Interest expense limitation .....	298,969	120,297
Unearned revenue .....	32,224	53,001
Capital loss on investment .....	288,718	288,497
Stock-based compensation .....	43,934	48,016
Other .....	28,621	3,168
Gross deferred tax assets .....	1,216,107	866,721
Valuation allowance .....	(509,097)	(429,048)
Total deferred tax asset .....	<u>\$ 707,010</u>	<u>\$ 437,673</u>
Deferred tax liabilities:		
Intangible assets .....	(1,330,731)	(1,731,018)
Translation gains and losses .....	—	(12,255)
Deferred taxes on foreign earnings .....	(21,348)	(10,924)
Deferred commissions .....	(11)	(10,284)
Prepaid expenses .....	(36,125)	(12,728)
Other .....	(23,980)	(22,433)
Total deferred tax liabilities .....	<u>\$ (1,412,195)</u>	<u>\$ (1,799,642)</u>
Net deferred tax assets (liabilities) .....	<u>\$ (705,185)</u>	<u>\$ (1,361,969)</u>

The authoritative guidance requires a valuation allowance to reduce the deferred tax assets reported if, based on the weight of the evidence, it is more likely than not that some portion or all of the deferred tax assets will not be realized. As of November 30, 2023, the Company determined a \$509.1 million valuation allowance was necessary, which primarily relates to deferred tax assets for capital loss carryforwards, Section 163j interest limitation carryforwards, tax credits, and net operating losses.

As of November 30, 2023, our capital loss carryforward before valuation allowance for income tax purposes was \$288.7 million. The capital losses will begin to expire in fiscal year 2028 if not utilized. Our Section 163j interest limitation carryforward before valuation allowance for income tax purposes was \$308.2 million and it can be carried forward indefinitely. We provided a valuation allowance of approximately \$335.5 million for deferred tax assets related to capital losses and Section 163j carryforwards that are not expected to be realized.

As of November 30, 2023, our federal, state, and foreign net operating losses carryforwards before valuation allowance for income tax purposes were approximately \$41.2 million. The utilization of these net operating loss carry forwards are limited in any one year pursuant to Internal Revenue Code Section 382 and may begin to expire in 2025. As a result, we provided a valuation allowance of \$17.8 million for deferred tax assets related to domestic and \$2.0 million of deferred tax assets related to foreign net operating losses that are not expected to be realized.

As of November 30, 2023, the Company held \$314.7 million of federal and state research and development tax credit carry forwards in the United States, a portion of which may begin to expire in 2027. Subsequently, we provided a valuation allowance for deferred tax assets that are not expected to be realized related to federal and California research and development tax credits of \$1.7 million and \$143.6 million, respectively.

The changes in the valuation allowance for deferred tax assets for the year ended November 30, 2023 and 2022, are as follows (in thousands):

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

	<b>November 30,</b>	
	<b>2023</b>	<b>2022</b>
Beginning balance .....	\$ 429,048	\$ 127,086
Adjustments to prior year valuation.....	32,311	13,379
Current year increase .....	59,764	364,171
Current year decrease .....	(12,026)	(75,588)
Ending balance .....	<u>\$ 509,097</u>	<u>\$ 429,048</u>

The current year increase in the valuation allowance for fiscal year 2023 is primarily due to the establishment of the valuation allowance on deferred tax assets related to the Section 163(j) interest expense limitation.

A reconciliation of the unrecognized tax benefits for the years ended November 30, 2023, 2022, and 2021 are as follows (in thousands):

	<b>Year Ended November 30,</b>		
	<b>2023</b>	<b>2022</b>	<b>2021</b>
Gross unrecognized tax benefits balance at beginning of period.....	\$ 220,866	\$ 109,893	\$ 96,911
Increase for tax positions of current period .....	8,055	24,629	23,692
Increase for tax positions of prior period .....	13,111	—	—
Increase due to Merger .....	—	93,538	—
Decrease for tax positions of prior periods .....	(23,444)	(2,736)	(10,201)
Decrease for settlements .....	(21,122)	—	—
Lapse of statutes of limitation.....	(7,535)	(4,458)	(509)
Gross unrecognized tax benefits at end of period.....	<u>189,931</u>	<u>220,866</u>	<u>109,893</u>
Interest and penalties .....	<u>25,271</u>	<u>9,192</u>	<u>8,131</u>
Total unrecognized tax benefits balance at end of period.....	<u>\$ 215,202</u>	<u>\$ 230,058</u>	<u>\$ 118,024</u>

For the fiscal year ended November 30, 2023, the Company's unrecognized tax benefits totals approximately \$215.2 million compared to \$230.1 million as for the fiscal year ended November 30, 2022. At November 30, 2023, \$198.0 million included in the balance for tax positions would affect the annual effective tax rate if realized. The Company recognizes interest accrued related to uncertain tax positions and penalties in income tax expense. As of November 30, 2023, the Company accrued \$25.3 million for the payment of interest.

The Company and one or more of its subsidiaries are subject to U.S. federal income taxes in the United States, as well as income taxes of multiple state and foreign jurisdictions. Specifically, Citrix is currently under review by the United States Internal Revenue Service for tax years 2017 through 2018. With few exceptions, the Company is generally not subject to examination for state and local income tax, or in non-U.S. jurisdictions by tax authorities for years prior to 2018. The statute of limitations for fiscal years 2015 through 2023 remains open for material foreign tax jurisdictions.

Due to the uncertainty of tax audit outcomes and the timing of tax audit settlements, we are unable to estimate the changes to our unrecognized tax benefits over the next twelve months.

## **18. Subsequent Events**

We have evaluated subsequent events and transactions through March 8, 2024, the day financial statements were available to be issued, and noted no events or transactions that would require recognition or disclosure in the financial statements other than the following:

During the first quarter of fiscal year 2024, the Company implemented cost reductions that included the elimination or redundancy of approximately 12% of its and its subsidiaries' workforce as part of its planning process for the combined company.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

On December 27, 2023, we acquired all outstanding shares of capital stock of Vast Limits GmbH, a company that provides user experience monitoring and endpoint security analytics products. The purchase price is not publicly disclosed and remains, along with the terms of the acquisition, confidential.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**

**CONDENSED CONSOLIDATED BALANCE SHEETS**

(Unaudited)

(In thousands, except for share and par value per share data)

	<b>February 28, 2024</b>	<b>November 30, 2023</b>
<b>Assets</b>		
Current assets:		
Cash and cash equivalents .....	\$ 695,251	\$ 427,142
Accounts receivable, net of allowances of \$20,947 and \$20,299, respectively .....	931,384	823,429
Inventory .....	15,231	13,763
Prepaid expenses and other current assets .....	521,772	523,883
Total current assets .....	2,163,638	1,788,217
Property and equipment, net .....	74,435	79,515
Goodwill .....	9,146,330	9,138,923
Acquired intangible assets, net .....	9,094,365	9,667,809
Long-term deferred income tax assets .....	111,113	111,155
Other assets .....	602,426	450,175
Total assets .....	<u>\$ 21,192,307</u>	<u>\$ 21,235,794</u>
<b>Liabilities and Equity</b>		
Current liabilities:		
Accounts payable .....	\$ 46,782	\$ 50,112
Accrued liabilities .....	1,166,610	1,105,966
Unearned revenue .....	1,685,640	1,526,107
Current portion of long-term debt .....	83,907	83,945
Total current liabilities .....	2,982,939	2,766,130
Long-term unearned revenue .....	258,740	269,807
Long-term deferred income tax liabilities .....	688,678	816,341
Long-term income tax liabilities .....	269,706	230,262
Other long-term liabilities .....	206,531	222,542
Long-term debt, less current portion .....	15,306,063	15,305,305
Total liabilities .....	19,712,657	19,610,387
Commitments and contingencies (Note 8) .....		
Stockholders' equity:		
Common stock, \$0.001 par value per share, 1,000 shares authorized, 1,000 shares issued and outstanding as of February 28, 2024 and November 30, 2023 .....	—	—
Additional paid-in capital .....	4,189,270	4,246,071
Accumulated other comprehensive (loss) income .....	(33,830)	8,847
Accumulated deficit .....	(2,675,790)	(2,629,511)
Total stockholders' equity .....	1,479,650	1,625,407
Total liabilities and stockholders' equity .....	<u>\$ 21,192,307</u>	<u>\$ 21,235,794</u>

See accompanying Notes to Condensed Consolidated Financial Statements



**CLOUD SOFTWARE GROUP HOLDINGS, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF OPERATIONS**

(Unaudited)  
(In thousands)

	<b>Three Months Ended February 28,</b>	
	<b>2024</b>	<b>2023</b>
Revenue:		
Software.....	\$ 1,223,442	\$ 735,282
Maintenance and service.....	209,467	404,378
Total revenue .....	<u>1,432,909</u>	<u>1,139,660</u>
Cost of revenue:		
Software.....	367,656	391,040
Maintenance and service.....	71,398	99,538
Total cost of revenue.....	<u>439,054</u>	<u>490,578</u>
Gross profit.....	993,855	649,082
Operating expenses:		
Research and development .....	158,395	189,902
Sales and marketing .....	149,197	217,927
General and administrative .....	78,277	106,394
Amortization of acquired intangible assets.....	231,534	231,973
Acquisition related and other costs .....	3,341	5,254
Restructuring charges .....	54,275	126,779
Total operating expenses.....	<u>675,019</u>	<u>878,229</u>
Income (loss) from operations.....	318,836	(229,147)
Interest expense, net <sup>(1)</sup> .....	(377,146)	(350,626)
Other income (expense), net.....	21,077	(9,442)
Loss before provision from income taxes.....	(37,233)	(589,215)
Provision for income taxes .....	9,047	32,717
Net loss.....	<u>\$ (46,280)</u>	<u>\$ (621,932)</u>

<sup>(1)</sup> Includes a net gain of \$3.3 million related to the net settlement and change in fair value of interest rate swaps for the three months ended February 28, 2024. There were no interest rate swap instruments during the three months ended February 28, 2023. See Note 4 for more information.

See accompanying Notes to Condensed Consolidated Financial Statements

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS**

(Unaudited)  
(In thousands)

	<b>Three Months Ended February 28,</b>	
	<b>2024</b>	<b>2023</b>
Net loss .....	\$ (46,280)	\$ (621,932)
Other comprehensive loss:		
Cumulative translation adjustment, net of tax .....	(42,642)	7,207
Cash flow hedges:		
Change in unrealized gain (loss) .....	(14)	8,446
Less: net gain (loss) reclassified from accumulated other comprehensive loss into income .....	49	(5,183)
Net change, net of tax .....	35	3,263
Other comprehensive income (loss), net of tax .....	(42,607)	10,470
Comprehensive loss .....	<u>\$ (88,887)</u>	<u>\$ (611,462)</u>

See accompanying Notes to Condensed Consolidated Financial Statements

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS**

(Unaudited)  
(In thousands)

	<b>Three Months Ended February 28,</b>	
	<b>2024</b>	<b>2023</b>
<b>Operating activities:</b>		
Net loss .....	\$ (46,280)	\$ (621,932)
Adjustments to reconcile net loss to net cash provided by operating activities:		
Depreciation and amortization of property and equipment.....	7,339	14,327
Amortization of acquired intangible assets.....	542,758	544,087
Amortization of debt discount and issuance costs .....	25,576	23,494
Deferred income tax .....	(129,558)	(4,645)
Stock-based compensation.....	9,071	2,349
Remeasurement (gain) loss on foreign currency denominated loan .....	(3,886)	6,651
Other non-cash adjustments, net .....	(1,483)	1,041
Changes in assets and liabilities, net of effects of acquisitions:		
Accounts receivable .....	(106,005)	(8,843)
Prepaid expenses and other assets.....	(150,927)	(40,137)
Accounts payable .....	(4,140)	(1,984)
Accrued liabilities and other long-term liabilities .....	73,658	57,258
Unearned revenue .....	148,584	241,041
Net cash provided by operating activities .....	<u>364,707</u>	<u>212,707</u>
<b>Investing activities:</b>		
Acquisitions, net of cash acquired .....	(8,264)	—
Net proceeds from sale of fixed assets.....	34	—
Purchases of property and equipment .....	(1,384)	(3,445)
Net cash used in investing activities .....	<u>(9,614)</u>	<u>(3,445)</u>
<b>Financing activities:</b>		
Proceeds from issuance of credit agreements and notes, net of discount and issuance costs.....	—	271,375
Repurchase of debt .....	—	(271,375)
Dividends paid to Picard Holdco, Inc. ....	(65,872)	—
Principal payments on debt.....	(20,971)	—
Net cash used in financing activities.....	<u>(86,843)</u>	<u>—</u>
Effect of foreign exchange rate changes on cash, cash equivalents, and restricted cash .....	(555)	30
Net increase in cash, cash equivalents, and restricted cash .....	267,695	209,292
Cash, cash equivalents, and restricted cash at beginning of period .....	440,831	716,760
Cash, cash equivalents, and restricted cash at end of period .....	<u>\$ 708,526</u>	<u>\$ 926,052</u>

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**

**CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS —(CONTINUED)**

(Unaudited)  
(In thousands)

	<b>Three Months Ended February 28,</b>	
	<b>2024</b>	<b>2023</b>
<b>Reconciliation of cash, cash equivalents, and restricted cash to Condensed Consolidated Balance Sheets:</b>		
Cash and cash equivalents .....	\$ 695,251	\$ 911,023
Restricted cash included in other assets.....	13,275	15,029
Total cash, cash equivalents, and restricted cash .....	<u>\$ 708,526</u>	<u>\$ 926,052</u>
<b>Supplemental disclosures of cash flow information:</b>		
Interest paid .....	<u>\$ 186,836</u>	<u>\$ 232,576</u>
Income taxes paid .....	<u>\$ 11,934</u>	<u>\$ 16,756</u>
<b>Supplemental disclosure of non-cash investing activities:</b>		
Unpaid purchases of property and equipment.....	<u>\$ 760</u>	<u>\$ 1,498</u>
<b>Supplemental cash flow information related to leases was as follows:</b>		
Cash paid for amounts included in the measurement of lease liabilities.....	<u>\$ 21,749</u>	<u>\$ 29,998</u>
Right-of-use assets obtained in exchange for lease obligations.....	<u>\$ —</u>	<u>\$ 407</u>

See accompanying Notes to Condensed Consolidated Financial Statements

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS**

**1. BASIS OF PRESENTATION**

*The Company*

Cloud Software Group Holdings, Inc. (also referred to herein as “Holdings”) is a Delaware corporation that is the sole shareholder of Cloud Software Group, Inc. (f/k/a TIBCO Software Inc.), a Delaware corporation (“Cloud Software Group”). Holdings has no significant assets or operations other than the ownership of Cloud Software Group. Holdings is owned by Picard Holdco, Inc. (“Holdco”), a Delaware corporation. The common stock of Holdco is owned by certain affiliates of Vista Equity Partners Management, LLC (“VEP”) and Elliott Investment Management L.P. (together with its affiliates, “Elliott”). Both VEP and Elliott are private investment firms. The Series A Preferred Stock of Holdco is held by certain other investors. Holdings (i) has no liabilities other than those incidental to its ownership of the equity interests in Cloud Software Group, and (ii) has no assets other than its ownership of all of the equity interests of Cloud Software Group. As a result, there are no material differences between the historical financial data of Holdings and the historical financial data relating to Cloud Software Group. References to “the Company”, “us”, “we”, or “our” in these unaudited condensed consolidated financial statements (the “Condensed Consolidated Financial Statements”) refer to the consolidated operations of Holdings and its subsidiaries.

Prior to the merger with Citrix Systems, Inc. (“Citrix”) on September 30, 2022 (the “Merger”), we implemented a plan to create a new organization structure. Balboa Intermediate Holdings LLC (“Intermediate Holdings”) was a Delaware limited liability company, the sole shareholder of Cloud Software Group, and the previous reporting entity for the group. Intermediate Holdings had no significant assets or operations other than the ownership of Cloud Software Group. Intermediate Holdings was owned by Balboa Holdings LP (“Balboa Holdings LP”), a Delaware limited partnership that was owned by certain affiliates of VEP. Intermediate Holdings distributed their ownership shares of Cloud Software Group to Balboa Holdings LP.

On January 28, 2022, Holdco and Holdings were formed under Balboa Holdings LP. Cloud Software Group contemporaneously formed Picard Parent, Inc., a Delaware corporation (“Parent”). Parent then formed Picard Merger Sub, Inc., a Delaware corporation (“Merger Sub”). The aforementioned entities were formed for the sole purpose of consummating the Merger.

On February 10, 2022, Elliott formed Elliott Alto Aggregator L.P., a Delaware limited partnership (“Aggregator LP”) that ultimately represents their ownership in Holdco.

On September 30, 2022, the Merger and related transactions and reorganization were executed, with Holdings becoming the sole shareholder of Cloud Software Group and its subsidiaries, which includes Parent, the sole shareholder of Citrix. As a result of the reorganization, Holdings became the reporting entity from Intermediate Holdings. On December 1, 2022, TIBCO Software Inc. changed its name to Cloud Software Group, Inc. Refer to Note 3 for additional information on the Merger.

Cloud Software Group is a leading provider of mission-critical solutions to enterprise organizations around the world. We were created by the combination of Citrix and TIBCO, two leading global enterprise-focused software businesses. The combination has created a portfolio of brands under the management of Cloud Software Group which we believe positions us to become one of the world’s leading software providers capable of providing comprehensive, secure and optimized infrastructure for enterprise application and data management. Our collective capabilities help our customers advance their hybrid cloud information technology (“IT”) strategies and meet the needs of the modern enterprise. This combination of Citrix’s and TIBCO’s product portfolios allows us to offer solutions to address organizations’ most complex use-cases, serve as a centralized vendor for senior IT buyers within large enterprises and leverage an array of go-to-market (“GTM”) capabilities for our buyer and customer bases. We have realized significant operational improvements and expect to pursue additional opportunities in the near-term to drive cost savings and long-term operating efficiencies. We also believe that our management team’s track record of identifying, executing and integrating acquisitions positions Cloud Software Group to capitalize on further enterprise software market consolidation. Some of our key brands include Citrix, TIBCO and NetScaler amongst others.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

Citrix is a leading provider of infrastructure for secure hybrid work through virtual desktop infrastructure (“VDI”) and desktop-as-a-service (“DaaS”) with global software development teams and core technologies that represent a differentiated solution for customers. Citrix supports today’s remote and hybrid work environment with a broad range of features and functionalities that tie together the myriad of applications that reside within enterprises. Citrix provides secure access to employees, helps minimize distractions and improve focus, enabling them to do their best work, elevating employee productivity and employee engagement, and improving an enterprise’s security profile. Further, Citrix delivers a unified and secure offering with single sign-on access to all the applications and content employees use in one unified platform. For administrators, Citrix enables proactive management of security threats in complex, distributed, hybrid, multi-cloud and multi-device environments, and it empowers administrators to deliver applications to end users more securely than operating them natively. Capabilities offered as part of the Citrix platform include Virtual Apps, Desktops and Analytics solutions.

TIBCO is a global leader in enterprise data management, with a fully integrated business intelligence and analytics platform that utilizes high-end enterprise application integration and master data management (“MDM”). TIBCO provides critical data integration components in a company’s operating infrastructure, covering a variety of durable industry verticals. TIBCO’s solutions enable its customers to connect, unify and predict business outcomes, helping customers solve complex data-driven challenges.

NetScaler, another of our key brands, has a long history as the application delivery controller of choice for Fortune 500 companies who rely on it for both employee-facing and customer-facing applications. Today, NetScaler is a line of networking technology, which includes application delivery, applications insights, and application security to help enterprises efficiently consolidate their application delivery and security infrastructure. Following the strategic review and change in GTM strategy, many of the products previously offered under the Citrix App Delivery & Security product line now go to market within the NetScaler product line.

***Basis of Presentation***

The accompanying Condensed Consolidated Financial Statements have been prepared in accordance with accounting principles generally accepted in the United States of America (“U.S. GAAP” or “GAAP”) for interim financial information and present the results of operations of Holdings on a consolidated basis. All intercompany transactions have been eliminated. The accompanying Condensed Consolidated Financial Statements do not include all of the information and footnotes required by U.S. GAAP for complete financial statements and should be read in conjunction with our audited Consolidated Financial Statements as of and for the fiscal year ended November 30, 2023 included in our 2023 Annual Report. In the opinion of management, all adjustments (consisting only of normal recurring adjustments) considered necessary for a fair statement have been included.

The preparation of Condensed Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts and the disclosure of amounts in the Condensed Consolidated Financial Statements and the accompanying notes. Actual results could differ from those estimates. Certain reclassifications have been made to previously reported amounts to conform to the current presentation.

Holdings operates and reports using a fiscal year ending on November 30, while interim periods end on a Sunday in accordance with a 4-4-5 calendar. For purposes of presentation, we have indicated the first quarter of fiscal years 2024 and 2023 as ended on February 28, 2024 and February 28, 2023, respectively; whereas in fact, the first quarter of fiscal year 2024 ended on March 3, 2024 and the first quarter of fiscal year 2023 ended on March 5, 2023. There were 94 days and 95 days in each of the first quarters of fiscal year 2024 and fiscal year 2023, respectively.

The results of operations for the three months ended February 28, 2024 are not necessarily indicative of the results that may be expected for the fiscal year ending November 30, 2024, or any other future period, and we make no representations related thereto.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

***Summary of Significant Accounting Policies***

Our significant accounting policies and recent accounting pronouncements were described in Note 2 “Summary of Significant Accounting Policies” to our Consolidated Financial Statements included in our 2023 Annual Report for the fiscal year ended November 30, 2023. There have been no significant changes to our accounting policies since November 30, 2023.

***Recently Adopted Accounting Pronouncements***

In June 2016, the FASB issued ASU 2016-13, “Financial Instruments—Credit Losses”, which requires the measurement of expected credit losses for financial assets held at amortized cost. This ASU is intended to improve financial reporting by requiring more timely recording of credit losses on loans and other financial instruments. In March 2022, the FASB issued ASU 2022-02 “Financial Instruments-Credit Losses (Topic 326)”. This guidance affects all entities after they have adopted ASU 2016-13. ASU 2022-02 amends ASC 310 to eliminate the recognition and measurement guidance for a troubled debt restructuring for creditors that have adopted ASC 326 and requires them to make enhanced disclosures about loan modifications for borrowers experiencing financial difficulty. The guidance also requires public business entities to present gross write-offs by year of origination in their vintage disclosures. The Company has adopted the guidance during the first quarter of fiscal 2024. The standard did not have a material impact on the Company’s condensed consolidated financial statements during the quarter ended February 28, 2024.

***Recently Issued Accounting Pronouncements***

In December 2023, the FASB issued ASU 2023-09, “Income Taxes (Topic 740)-Improvements to Income Tax Disclosures”. The ASU requires that an entity disclose specific categories in the effective tax rate reconciliation as well as provide additional information for reconciling items that meet a quantitative threshold. Further, the ASU requires certain disclosures of state versus federal income tax expense and taxes paid. The amendments in this ASU are required to be adopted for fiscal years beginning after December 15, 2025. Early adoption is permitted for annual financial statements that have not yet been issued. The amendments should be applied on a prospective basis although retrospective application is permitted. We have not yet adopted ASU 2023-09. We are currently evaluating the impact of future adoption on our condensed consolidated financial position, results of operations and cash flows.

**2. Revenue**

***Disaggregation of Revenue***

Revenue consists of the following by category (in thousands):

	<b>Three Months Ended February 28,</b>	
	<b>2024</b>	<b>2023</b>
Software revenue:		
License.....	\$ 5,450	\$ 34,523
Subscription <sup>(1)</sup> .....	1,217,992	700,759
Total software revenue.....	1,223,442	735,282
Maintenance and service revenue:		
Maintenance.....	\$ 183,416	\$ 361,057
Service .....	26,051	43,321
Total maintenance and service revenue .....	209,467	404,378
Total revenue.....	\$ 1,432,909	\$ 1,139,660

<sup>(1)</sup> Includes revenue recognized up front of \$514.7 million and \$186.4 million, for the three months ended February 28, 2024, and 2023, respectively, upon transfer of control of the license to the customer.

Revenues by geographical regions consists of the following (in thousands):

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

	<b>Three Months Ended February 28,</b>	
	<b>2024</b>	<b>2023</b>
United States.....	\$ 822,411	\$ 536,578
Europe, Middle East and Africa .....	450,648	410,600
Asia Pacific and Japan.....	91,474	96,842
Other Americas.....	68,376	95,640
Total revenue .....	<u>\$ 1,432,909</u>	<u>\$ 1,139,660</u>

***Contract Assets***

Our contract assets as of February 28, 2024 and November 30, 2023 are as follows (in thousands):

	<b>February 28, 2024</b>	<b>November 30, 2023</b>
Contract assets:		
Prepaid expenses and other current assets .....	\$ 303,894	\$ 316,114
Other assets.....	249,990	95,816
Total contract assets .....	<u>\$ 553,884</u>	<u>\$ 411,930</u>

The balance of our contract assets included in Prepaid expenses and other current assets and Other assets as of December 1, 2022 was \$243.0 million and \$88.3 million, respectively.

***Deferred Sales Commissions***

Deferred sales commissions are included in Prepaid expenses and other current assets and Other assets on the Condensed Consolidated Balance Sheets. The carrying values of our deferred sales commissions as of February 28, 2024 and 2023 are as follows (in thousands):

	<b>February 28, 2024</b>	<b>November 30, 2023</b>
Deferred sales commissions .....	\$ 240,199	\$ 229,559
Less: Current portion of deferred sales commissions .....	(61,546)	(57,117)
Long-term deferred sales commissions .....	<u>\$ 178,653</u>	<u>\$ 172,442</u>

Amortization of deferred sales commissions is included as a component of sales and marketing expenses in our Condensed Consolidated Statements of Operations. Total amortization for the three months ended February 28, 2024 and 2023 was \$15.2 million, and \$7.7 million, respectively. There were no impairments of deferred sales commissions for the three months ended February 28, 2024 and 2023.

**3. Business Combinations**

We recognize, separately from goodwill, the assets acquired and the liabilities assumed at their fair values, except for revenue contracts acquired, which are recognized in accordance with our revenue recognition policy, as of the date of acquisition. Goodwill generated from our business combinations is primarily related to the value placed on employee workforce, service offerings and capabilities, and expected synergies.

***Acquisitions***

***Vast Limits GmbH***

On December 27, 2023 (the “Closing Date”), we acquired all outstanding shares of capital stock of Vast Limits GmbH (“Vast Limits”), the builders of the uberAgent technology. Citrix Observability capabilities will be enhanced with the addition of uberAgent by extending visibility and providing performance, application usage, security, and compliance insights. The purchase price was not publicly disclosed and remains, along with the other



**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

terms of the acquisition, confidential. Financial information has not been presented for this acquisition as the impact to our Condensed Consolidated Financial Statements is not material. The results of Vast Limit's operations have been included in the Condensed Consolidated Financial Statements since the close of the acquisition on December 27, 2023.

***Citrix Systems, Inc. ("Citrix")***

Effective September 30, 2022 (the "Closing Date"), VEP and Elliott, completed their acquisition of Citrix and combined it with Cloud Software Group (the "Merger"). In connection with the Merger, total consideration was \$15,389.1 million, of which \$124.8 million consisted of non-cash consideration in the form of rollover equity of Elliott and \$113.0 million consisted of an assumed liability for the portion of the replacement equity awards issued in connection with the acquisition that were associated with services rendered through the date of the acquisition ("Merger Consideration"). The Merger was funded through a combination of cash, rollover equity, contributions by Holdco, and debt financing.

The results of Citrix's operations have been included in the Consolidated Financial Statements since the close of the Merger on September 30, 2022. The Company incurred \$50.6 million in transaction costs, which were included in operating expenses for fiscal year 2022.

For a description of Citrix's business, see Note 1 - "Basis of Presentation and Summary of Significant Accounting Policies" above.

The following is a summary of the purchase price consideration (in thousands):

Base purchase price .....	\$ 11,836,760
Non-cash consideration of rollover equity .....	124,800
Closing indebtedness .....	3,259,870
Consideration to settle stock-based compensation <sup>(1)</sup> .....	167,653
Total purchase price consideration .....	<u>\$ 15,389,084</u>

<sup>(1)</sup> Holders of deferred stock unit awards and restricted stock units received payments of cash and replacement cash awards at \$104.00 per share. Equity awards that were vested, outstanding, and exercised immediately prior to the effective date of the Merger were automatically converted into a right to receive cash from the Company. Other equity awards that were unvested were automatically canceled and converted into the contingent right to receive an aggregate amount in cash (referred to as a converted cash award) equal to the product obtained by multiplying (1) the excess, if any, of the Merger Consideration over the per share exercise price of such Citrix stock option, by (2) the aggregate number of shares of Citrix common stock that would have been issuable upon exercise of such Citrix stock option immediately prior to the effective time. The converted cash awards were subject to generally the same terms as the corresponding, canceled equity award, including vesting conditions. Amount includes cash consideration of \$54.0 million related to vested stock awards and a non-cash assumed liability of \$113.0 million related to the replacement equity awards described above.

The Company accounted for the Merger using the acquisition method of accounting in accordance with ASC 805, "Business Combinations" ("ASC 805"). This requires that the assets acquired and liabilities assumed be measured at fair value. The Company estimated, using Level 3 inputs, the fair value of fixed assets using a combination of the cost approach and the market approach.

Specific to intangible assets, trade names and developed technology were valued using the relief from royalty method, a variation of the income approach, and customer relationships and maintenance agreements were valued based on the multi- period excess earnings method of the income approach.

The Company has recorded the assets acquired and liabilities assumed at their respective fair values as of the purchase date (except for revenue contracts acquired, which are recognized in accordance with our revenue recognition policy). The allocation of the purchase price for the acquisition of Citrix as of September 30, 2022 is as follows (in thousands);

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Cash .....	\$ 889,287
Accounts receivable.....	603,104
Inventories.....	24,622
Prepaid expenses and other current assets.....	105,339
Property and equipment.....	114,013
Goodwill.....	6,240,723
Operating lease right-of-use assets .....	77,079
Identifiable intangible assets .....	11,630,000
Long-term deferred income tax assets .....	10,795
Other assets.....	131,852
Accounts payable .....	(144,650)
Accrued expenses and other current liabilities .....	(404,151)
Income taxes payable .....	(29,445)
Unearned revenue.....	(1,433,848)
Long-term unearned revenue.....	(293,917)
Long-term debt.....	(112,359)
Long-term income tax liabilities.....	(153,587)
Operating lease liabilities .....	(99,733)
Long-term deferred tax liabilities .....	(1,717,451)
Other long-term liabilities .....	(48,589)
Total purchase price.....	<u>\$ 15,389,084</u>

The excess of the purchase price over the fair value of the identifiable assets acquired and the liabilities assumed in the acquisition was allocated to goodwill in the amount of \$6,240.7 million. The goodwill is not deductible for tax purposes.

The identifiable intangible assets described above were as follows (in thousands, except amortization period):

	<b>Gross Amount at Acquisition Date</b>	<b>Weighted Average Amortization Period</b>
Trade names .....	\$ 780,000	10.0 years
Developed technology .....	6,140,000	5.0 years
Customer relationships .....	4,410,000	8.0 years
Maintenance agreements .....	300,000	2.0 years
	<u>\$ 11,630,000</u>	

#### **4. Fair Value Measurements and Derivative Instruments**

##### ***Investments***

##### ***Equity Securities Accounted for at Net Asset Value***

The Company held equity interests in certain private equity funds of \$11.9 million and \$13.0 million as of February 28, 2024 and November 30, 2023, respectively, which are accounted for under the net asset value practical expedient per the guidance. These investments are included in Other assets in the accompanying condensed consolidated balance sheets. The net asset value of these investments is determined using quarterly capital statements from the funds, which are based on the Company's contributions to the funds, allocation of profit and loss and changes in fair value of the underlying fund investments. These private equity funds focus on making venture capital investments, principally by investing in equity securities of early and late stage privately held corporations. The funds' general partner shall determine the amount, timing and form (whether cash or in kind) of all distributions made by the funds. The Company may only transfer its investments in private equity fund interests

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subject to the general partner's written consent and cannot trade its fund interests in established securities markets, secondary markets or equivalents thereof. The Company had no unfunded commitments as of February 28, 2024.

***Fair Value Measurements***

FASB guidance for fair value measurements clarifies that fair value is an exit price, representing the amount that would be received to sell an asset or paid to transfer a liability in an orderly transaction between market participants. As such, fair value is a market-based measurement that should be determined based on assumptions that market participants would use in pricing an asset or liability. As a basis for considering such assumptions, the guidance establishes a three-tier value hierarchy that prioritizes the inputs used in measuring fair value as follows: (Level 1) observable inputs such as quoted prices in active markets; (Level 2) inputs other than the quoted prices in active markets that are observable either directly or indirectly; and (Level 3) unobservable inputs in which there is little or no market data, which require us to develop our own assumptions. This hierarchy requires us to use observable market data, when available, and to minimize the use of unobservable inputs when determining fair value. On a recurring basis, we measure certain financial assets and liabilities at fair value, including foreign currency contracts.

We execute foreign currency contracts primarily in the retail market in an over-the-counter environment with a relatively high level of price transparency. The market participants usually are large multi-national and regional banks. The foreign currency contracts' valuation inputs are based on quoted prices and quoted pricing intervals from public data sources and do not involve management judgment. These contracts are typically classified within Level 2 of the fair value hierarchy.

There were no transfers between Level 1, Level 2 and Level 3 during the three months ended February 28, 2024 and 2023.

***Derivative Instruments***

We conduct business in the Americas; Europe, the Middle East and Africa ("EMEA"); and Asia Pacific and Japan ("APJ"). As a result, the financial results could be affected by factors such as changes in foreign currency exchange rates or changes in economic conditions in foreign markets. The U.S. dollar is the major transaction currency; we also transact business in approximately thirty-six foreign currencies worldwide, of which the most significant to operations are the Euro, British pound, and Indian rupee. Derivative instruments are recognized as either assets or liabilities and are measured at fair value. The accounting for changes in the fair value of a derivative depends on the intended use of the derivative and the resulting designation.

Gains and losses on derivatives that are designated as cash flow hedges are initially reported as a component of Accumulated other comprehensive income and (loss) and are subsequently recognized in income when the hedged exposure is recognized in income. Gains and losses from changes in fair values of derivatives that are not designated as hedges are recognized in Other expense, net. The total cumulative unrealized gain on cash flow derivative instruments was \$4.4 million as of February 28, 2024. Unrealized gains and losses on cash flow derivatives are included in Accumulated other comprehensive income and (loss) in the accompanying Condensed Consolidated Balance Sheets. The net unrealized gain as of February 28, 2024 is expected to be recognized in income over the next 12 months at the same time the hedged items are recognized in income.

We enter into forward contracts with financial institutions to manage currency exposure related to variable cash flows of forecasted foreign currency expenses, and these forward contracts are generally settled within twelve months from trade dates. Our forward contracts reduce, but do not eliminate, the impact of currency exchange rate movements. For those contracts not designated as hedges, changes in fair value are recognized currently in Other expense, net in the Condensed Consolidated Statements of Operations.

From time to time, we enter into interest rate swap agreements or other instruments to manage our interest rate exposure and reduce the impact of future interest rate changes on our debt. We may choose whether or not to designate these contracts as hedges. The changes in the fair value of the swaps and the net cash settlements on the swaps are recorded each period within Interest expense, net in the Condensed Consolidated Statements of

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

Operations. See Note 6 “Debt and Credit Facilities” to our Condensed Consolidated Financial Statements for further details on our interest rate swap agreements.

The following tables summarize the fair value of our derivative instruments and their location in our Condensed Consolidated Balance Sheets (in thousands):

<b>Derivatives Designated as Hedging Instruments</b>	<b>Location</b>	<b>February 28, 2024</b>	<b>November 30, 2023</b>
Assets:			
Foreign currency forward contracts.....	Other current assets	\$ 178	\$ 170
Total assets .....		<u>\$ 178</u>	<u>\$ 170</u>
Liabilities:			
Foreign currency forward contracts.....	Accrued liabilities	\$ 563	\$ 586
Total liabilities.....		<u>\$ 563</u>	<u>\$ 586</u>
<b>Derivatives not Designated as Hedging Instruments</b>	<b>Location</b>	<b>February 28, 2024</b>	<b>November 30, 2023</b>
Assets:			
Interest rate swaps .....	Other assets	\$ 36,765	\$ 42,666
Total assets .....		<u>\$ 36,765</u>	<u>\$ 42,666</u>

The following tables summarize the effects of derivative instruments on financial performance (in thousands):

<b>Derivatives Designated as Hedging Instruments</b>	<b>Amount of Gain (Loss) Recognized in Other Comprehensive Income (Loss) Three Months Ended February 28,</b>		<b>Location of Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss into Income</b>	<b>Amount of Gain (Loss) Reclassified from Accumulated Other Comprehensive Loss Three Months Ended February 28,</b>	
	<b>2024</b>	<b>2023</b>		<b>2024</b>	<b>2023</b>
Foreign currency forward contracts .....	\$ (14)	\$ 3,263	Other expense, net	\$ (49)	\$ —
<b>Derivatives not Designated as Hedging Instruments</b>	<b>Three Months Ended February 28,</b>			<b>2024</b>	<b>2023</b>
Settlement gain on interest rate swaps			Interest expense, net	\$ 9,221	\$ —
Fair value loss on interest rate swaps			Interest expense, net	(5,901)	—
				<u>\$ 3,320</u>	<u>\$ —</u>

Currently, we do not have master netting agreements with our counterparties for our forward contracts. We mitigate the credit risk of these derivatives by transacting with highly rated counterparties.

## 5. Goodwill and Other Acquired Intangible Assets

The change in the carrying value of goodwill for the three months ended February 28, 2024 is as follows (in thousands):

Balance as of November 30, 2023.....	\$ 9,138,923
Goodwill from acquisitions .....	7,920
Foreign currency translation .....	(513)
Balance as of February 28, 2024 .....	<u>\$ 9,146,330</u>

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

Certain of our intangible assets were recorded in foreign currencies, and, therefore, the gross carrying amount and accumulated amortization are subject to foreign currency translation adjustments. The carrying values of our acquired intangible assets as of February 28, 2024 and November 30, 2023 are as follows (in thousands):

	<b>February 28, 2024</b>		
	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Net Carrying Amount</b>
Existing technologies.....	\$ 6,978,530	\$ (2,533,728)	\$ 4,444,802
Maintenance contracts and related customer relationships.....	5,604,664	(1,725,822)	3,878,842
Customer base (subscriber and license customer agreements, and related relationships).....	388,300	(307,563)	80,737
Trademarks.....	991,273	(301,289)	689,984
Total intangible assets.....	<u>\$ 13,962,767</u>	<u>\$ (4,868,402)</u>	<u>\$ 9,094,365</u>

	<b>November 30, 2023</b>		
	<b>Gross Carrying Amount</b>	<b>Accumulated Amortization</b>	<b>Net Carrying Amount</b>
Existing technologies.....	\$ 6,978,599	\$ (2,206,338)	\$ 4,772,261
Maintenance contracts and related customer relationships.....	5,604,742	(1,557,968)	4,046,774
Customer base (subscriber and license customer agreements, and related relationships).....	388,300	(256,358)	131,942
Trademarks.....	991,293	(274,461)	716,832
Total intangible assets.....	<u>\$ 13,962,934</u>	<u>\$ (4,295,125)</u>	<u>\$ 9,667,809</u>

Amortization expense for the three months ended February 28, 2024 and 2023 was as follows:

	<b>Three Months Ended February 28,</b>	
	<b>2024</b>	<b>2023</b>
Amortization of acquired intangible assets:		
Cost of revenue – software .....	\$ 311,224	\$ 312,114
In operating expenses .....	231,534	231,973
Total amortization.....	<u>\$ 542,758</u>	<u>\$ 544,087</u>

Estimated future amortization for acquired intangible assets is as follows (in thousands):

<b>Fiscal Year</b>	
2024 (remaining).....	\$ 1,603,267
2025.....	1,995,798
2026.....	1,894,837
2027.....	1,687,987
2028.....	632,949
Thereafter .....	1,279,527
Total.....	<u>\$ 9,094,365</u>

## 6. Debt and Credit Facilities

Our outstanding balances under our debt agreements are described in the following table as of February 28, 2024 and November 30, 2023 (in thousands):

<b>February 28, 2024</b>	<b>November 30, 2023</b>
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**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

Senior First Lien Credit Agreement .....	\$ 8,015,120	\$ 8,039,931
First Lien Notes due 2029 .....	4,000,000	4,000,000
Second Lien Notes due 2029 .....	3,837,622	3,837,622
2027 Rollover Notes.....	112,359	112,359
Debt discounts and issuance costs .....	(575,131)	(600,662)
Net carrying value of debt .....	15,389,970	15,389,250
Less: Current portion of long-term debt .....	(83,907)	(83,945)
Long-term debt .....	<u>\$ 15,306,063</u>	<u>\$ 15,305,305</u>

***Senior First Lien Credit Agreement***

On September 30, 2022, Cloud Software Group and Parent (collectively, the “Borrowers”), Holdings, and Bank of America, N.A., as administrative agent and collateral agent, and the lenders party thereto from time to time (“Senior First Lien Lenders”) entered into the Credit Agreement (the “Senior First Lien Credit Agreement”) in the form of term loans comprised of three tranches, a term loan A with a principal amount of \$2,502.5 million (the “Term Loan A”), a dollar term loan B with a principal amount of \$4,050.0 million (the “Initial Dollar Term Loan B”), and a Euro term loan B with a principal amount of EUR500.0 million (the “Initial Euro Term Loan B”). In addition, certain Senior First Lien Lenders extended revolving loans (the “Revolving Credit Facility”) in a principal amount of not more than the Dollar equivalent of \$1,000.0 million. The Revolving Credit Facility was undrawn as of February 28, 2024.

These funds, together with the proceeds of the Bridge Loan (as defined below) and the First Lien Notes (as defined below), were used, among other things, to repay the outstanding loans under previously existing loan agreements including the (i) Amended and Restated Credit Agreement dated November 26, 2019 with Citrix as the borrower, (ii) the Term Loan Credit Agreement, dated January 21, 2020, with Citrix as the borrower, (iii) the Term Loan Credit Agreement, dated as of February 5, 2021, with Citrix as the borrower, (iv) the Senior Secured Credit Agreement, dated as of December 5, 2014, with Cloud Software Group as the borrower, and (v) the Senior Secured Second Lien Credit Agreement, dated as of March 4, 2020, with Cloud Software Group as the borrower (collectively, the “Existing Credit Agreements”). These funds were also used to redeem and/or offer to repurchase Citrix’s 1.250% Senior Notes due 2026 (the “Citrix 2026 Notes”), Citrix’s 4.500% Senior Notes due 2027 (the “2027 Rollover Notes”), and Citrix’s 3.300% Senior Notes due 2030 (the “Citrix 2030 Notes” and, together with the Citrix 2026 Notes and the 2027 Rollover Notes, the “Citrix Notes”). The Citrix 2026 Notes and the Citrix 2030 Notes were redeemed in full in connection with the Merger. As of February 28, 2024, there is still a remaining balance on the 2027 Rollover Notes of \$112.4 million.

On January 27, 2023, the Borrowers, Holdings and the other parties thereto entered into an amendment to the Senior First Lien Credit Agreement whereby the Borrowers (i) incurred incremental first lien term loans denominated in EUR in a principal amount of EUR250 million consisting of a new tranche of term B loans (the “Incremental EUR Term Loan B”) and (ii) used the proceeds of the Incremental EUR Term Loan B to repurchase (and subsequently cancel) outstanding loans under the Term Loan A in a principal amount of approximately \$271.4 million.

The Incremental EUR Term Loan B has the same maturity date, amortization and interest rate applicable to the Initial Euro Term Loan B.

On November 22, 2023, the Borrowers, Holdings and the other parties thereto entered into a second amendment to the Senior First Lien Credit Agreement, whereby the Borrowers incurred incremental first lien term loans denominated in U.S. dollars in a principal amount of \$1,000.0 million (the “Incremental Term Loan B” and, together with the Initial Dollar Term Loan B, the “Dollar Term Loan B-1”).

The Incremental Term Loan B has the same maturity date and interest rate applicable to the Initial Dollar Term Loan B, and as of the fiscal quarter ending November 30, 2023, the Incremental Term Loan B has the same amortization applicable to the Initial Dollar Term Loan B.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

The Initial Euro Term Loan B and Incremental EUR Term Loan B mature on March 30, 2029. Principal payments are equal to 0.25% of the initial aggregate principal amount, payable at the end of each fiscal quarter, commencing with the fiscal quarter ending May 31, 2023. Both the Initial Euro Term Loan B and Incremental EUR Term Loan B bear interest at the Eurocurrency Rate (as defined in the Senior First Lien Credit Agreement) plus the applicable margin of 4.50%. The effective interest rate on the Initial Euro Term Loan B and Incremental EUR Term Loan B was 9.3% as of February 28, 2024.

The Term Loan A matures on September 29, 2028. Amortization payments on the Term Loan A on both loans are equal to 0.25% of the initial aggregate principal amount, payable at the end of each fiscal quarter, commencing with the fiscal quarter ending May 31, 2023. The amortization payment will increase to 0.63% of the initial aggregate principal amount, commencing on the last day of the ninth full fiscal quarter following the Closing Date.

The Dollar Term Loan B-1 matures on March 30, 2029. Amortization payments on the Dollar Term Loan B-1 (i) were initially equal to 0.25% of the aggregate principal amount of the Initial Dollar Term Loan B, payable at the end of each fiscal quarter, commencing with the fiscal quarter ending May 31, 2023 and ending with the fiscal quarter ending August 31, 2023 and (ii) are currently equal to 0.2512562814% of the aggregate principal amount of the Initial Term Loan B made on September 30, 2022 and the aggregate principal amount of Incremental Term Loan B made on November 22, 2023, in each case, payable at the end of each fiscal quarter, commencing with the fiscal quarter ending November 30, 2023.

Both the Term Loan A and the Dollar Term Loan B-1 bear interest at Term SOFR (as defined in the Senior First Lien Credit Agreement), plus the applicable secured overnight financing rate (“SOFR”) margin of 4.50% and a credit spread adjustment of 0.10%. The effective interest rates on the Term Loan A and Dollar Term Loan B-1 as of February 28, 2024 are both 11%.

For the three months ended February 28, 2024, we recognized interest expense of \$217.0 million related to the Senior First Lien Credit Agreement, which was comprised of \$200.6 million of coupon interest, \$7.8 million of debt issuance cost accretion and \$8.6 million of debt discount accretion.

For the three months ended February 28, 2023, we recognized interest expense of \$177.1 million related to the Senior First Lien Credit Agreement, which was comprised of \$163.1 million of coupon interest, \$7.0 million of debt issuance cost accretion and \$7.0 million of debt discount accretion.

***First Lien Notes due 2029***

On September 30, 2022, Cloud Software Group issued \$4,000.0 million in aggregate principal amount of 6.50% senior secured notes due 2029 (the “First Lien Notes”) pursuant to the Indenture entered into by Cloud Software Group, as issuer, the guarantors party thereto, and Wilmington Trust, National Association, as the Trustee and Notes Collateral Agent (the “First Lien Indenture”). The First Lien Notes accrue interest at a rate of 6.5% per annum. Interest on the First Lien Notes is due semi-annually on March 31 and September 30 of each year, commencing on March 31, 2023. The First Lien Notes will mature on March 31, 2029, unless earlier redeemed in accordance with their terms prior to such date. The First Lien Notes are unconditionally guaranteed on a senior secured basis by Cloud Software Group’s existing and future wholly-owned subsidiaries that are borrowers, or guarantee Cloud Software Group’s obligations, under the Senior First Lien Credit Agreement. The First Lien Notes are secured by first-priority liens on the collateral, which consists of substantially all of the assets that secure the obligations of Cloud Software Group and the guarantors under the Senior First Lien Credit Agreement (the “Collateral”), ratably on a *pari passu* basis.

For the three months ended February 28, 2024, we recognized interest expense of \$69.4 million related to the First Lien Notes, which was comprised of \$65.0 million of coupon interest and \$4.4 million of debt issuance cost accretion.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

For the three months ended February 28, 2023, we recognized interest expense of \$72.9 million related to the First Lien Notes, which was comprised of \$69.3 million of coupon interest and \$3.6 million of debt issuance cost accretion.

***Second Lien Notes***

On April 10, 2023, Cloud Software Group issued \$3,837.6 million in aggregate principal amount of 9.00% senior secured second lien notes due 2029 (the “Second Lien Notes”) pursuant to the Indenture entered into by Cloud Software Group, as issuer, the guarantors party thereto, and Wilmington Trust, National Association, as the Trustee and Notes Collateral Agent (the “Second Lien Indenture”). The effective interest rate on the Second Lien Notes as of February 28, 2024 is 9.6% per annum. Interest on the Second Lien Notes is due semi-annually on March 31 and September 30 of each year, commencing on September 30, 2023. The Second Lien Notes will mature on September 30, 2029, unless earlier redeemed in accordance with their terms prior to such date. The Second Lien Notes are unconditionally guaranteed on a senior secured basis by Cloud Software Group’s existing and future wholly-owned subsidiaries that are borrowers or guarantee Cloud Software Group’s obligations under the Senior First Lien Credit Agreement. The Second Lien Notes are secured by second-priority liens on the Collateral.

For the three months ended February 28, 2024, we recognized interest expense of \$92.1 million related to the Second Lien Notes, which was comprised of \$87.3 million of coupon interest, \$3.0 million of debt issuance cost accretion and \$1.8 million of debt discount accretion.

***2027 Rollover Notes***

In connection with the Merger, Citrix offered to repurchase the 2027 Rollover Notes. Following closing of the repurchase offer, \$112.4 million of 2027 Rollover Notes remained outstanding. The 2027 Rollover Notes accrue interest at a rate of 4.5% per annum. Interest on the 2027 Rollover Notes is due semi-annually on June 1 and December 1 of each year. The 2027 Rollover Notes will mature on December 1, 2027, unless earlier redeemed in accordance with their terms prior to such date. The 2027 Rollover Notes are secured by liens on certain assets of Citrix and certain of its restricted subsidiaries that constitute part of the Collateral.

For the three months ended February 28, 2024, we recognized interest expense of \$5.1 million related to the 2027 Rollover Notes, which was comprised primarily of coupon interest.

For the three months ended February 28, 2023, we recognized interest expense of \$1.3 million related to the 2027 Rollover Notes, which was comprised primarily of coupon interest.

***Second Lien Bridge Credit Agreement***

On September 30, 2022, the Borrowers, Holdings and Goldman Sachs Bank USA, as administrative agent and collateral agent, the lenders party thereto from time to time and the other parties thereto entered into the Second Lien Bridge Credit Agreement comprised of a term loan with a principal amount of approximately \$3,837.6 million (the “Bridge Loan”).

On April 10, 2023, we closed our private offering of \$3,837.6 million in aggregate principal amount of the Second Lien Notes. In connection with the offering, we received net proceeds of approximately \$3,778 million after deducting the initial purchasers’ fees and/or discounts but before deducting expenses. We used the net proceeds to repay our Bridge Loan in its entirety, as well as to pay any accrued and unpaid interest thereon.

For the three months ended February 28, 2023, we recognized interest expense of \$96.7 million related to the Bridge Loan, which was comprised of \$92.1 million of coupon interest and \$4.6 million of debt issuance cost accretion.



**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

***Interest Rate Swap***

On April 4, 2023, and May 2, 2023, we executed interest rate swap agreements for the purpose of obtaining a fixed USD SOFR CME Term interest rate (our elected alternate base rate for Term Loan A) ranging from 3.485% to 3.654% on \$2,000.0 million of the aggregate term loans and notes. The swap agreements terminate on March 31, 2028. For the three months ended February 28, 2024, we recorded a gain of \$3.3 million.

***Bank Guarantee, Letter of Credit and Restricted Cash***

Issued bank guarantees were approximately \$3.7 million as of February 28, 2024, and are collateralized by pledging the equivalent amount under restricted cash as required under a guarantee credit line. Various other contractual commitments also require us to issue letters of credit and pledge cash as security and record this cash under restricted cash. As of February 28, 2024 and November 30, 2023, we had restricted cash of \$13.3 million and \$13.7 million, respectively, which is included in Other assets on our Condensed Consolidated Balance Sheets.

**7. Accrued Restructuring Costs**

As a part of integration efforts related to recent acquisitions, we are executing restructuring efforts intended to improve operational efficiency. The restructuring includes, among other things, the ongoing reorganization of our business operations and our ongoing expense re-alignment efforts. For the three months ended February 28, 2024 and 2023, restructuring charges of \$54.3 million and \$126.8 million, respectively, were primarily related to severance for employee terminations, excess facilities and other corporate actions aimed at increasing efficiencies and reducing redundancy costs.

The following table summarizes the significant activities within, and components of, the restructuring liabilities (in thousands):

	<b>Accrued Facilities Restructuring</b>	<b>Accrued Severance and Other</b>	<b>Total</b>
Balance as of November 30, 2023 .....	\$ 10,453	\$ 18,006	\$ 28,459
Restructuring charges .....	2,944	49,737	52,681
Utilization .....	(4,930)	(27,273)	(32,203)
Balance as of February 28, 2024 .....	8,467	40,470	48,937
Less: Current portion of accrued restructuring costs .....	(4,016)	(40,470)	(44,486)
Long-term accrued restructuring costs .....	<u>\$ 4,451</u>	<u>\$ —</u>	<u>\$ 4,451</u>

We review our impairment of long-lived assets, including ROU assets, whenever events or changes in circumstances indicate that the carrying amount of such assets may be impaired. Measurement of an impairment loss is based on the fair value of the asset compared to its carrying value. The fair value of the ROU assets is determined by utilizing the present value of the estimated future cash flows attributable to the assets.

We re-evaluated our real estate needs, resulting in a reduction of owned space and leased space, and the impairment of the associated ROU assets and property and equipment. Due to the actions taken, we tested the operating lease ROU assets and certain property and equipment for recoverability by comparing the carrying value of the asset group to an estimate of the future undiscounted cash flows expected to result from the use and eventual disposition of the asset group. Based on the results of the recoverability test, we determined that the undiscounted cash flows of the asset groups were below the carrying values, indicating impairment. We then determined the fair value of the asset groups by utilizing the present value of the estimated future cash flows attributable to the assets. For the three months ended February 28, 2024, we recognized \$1.6 million which primarily consisted of depreciation expense for property and equipment and ROU lease impairment charges which were recorded as Restructuring charges on the Condensed Consolidated Statement of Operations.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

**8. Commitments and Contingencies**

*Letters of Credit*

As of February 28, 2024 and November 30, 2023, we had a total of \$0.4 million and \$0.6 million, respectively, outstanding with respect to letters of credit in connection with customer contracts and facility lease transactions.

As of February 28, 2024, contractual commitments associated with indebtedness and lease obligations are as follows (fiscal years, and in thousands):

	<u>Total</u>	<u>Remainder of 2024</u>	<u>2025</u>	<u>2026</u>	<u>2027</u>	<u>2028</u>	<u>Thereafter</u>
Commitments:							
Debt principal .....	\$ 15,965,101	\$ 62,930	\$ 112,060	\$ 121,444	\$ 233,803	\$ 15,434,864	\$ —
Debt interest <sup>(1)</sup> .....	7,437,205	1,138,816	1,405,388	1,393,815	1,381,691	1,365,002	752,493
Total commitments...	<u>\$ 23,402,306</u>	<u>\$ 1,201,746</u>	<u>\$ 1,517,448</u>	<u>\$ 1,515,259</u>	<u>\$ 1,615,494</u>	<u>\$ 16,799,866</u>	<u>\$ 752,493</u>

<sup>(1)</sup> Assumes SOFR at 5.3%. and EURIBOR at 3.9%.

The above commitment table does not include long-term uncertain income tax liabilities due to the fact that we are unable to reasonably estimate the timing of these potential future payments.

*Indemnifications*

Our software license agreements typically provide for indemnification of customers for intellectual property infringement claims. To date, no such claims have been filed against us. We also warrant to customers that software products operate substantially in accordance with the software product's specifications. Historically, we have incurred minimal costs related to product warranties, and, as such, no accruals for warranty costs have been made. In addition, we indemnify our officers and directors under the terms of indemnity agreements entered into with them, as well as pursuant to our organizational documents and applicable Delaware law.

**9. Legal Proceedings**

From time to time, we are involved in or subject to legal, administrative and regulatory proceedings, claims, demands and investigations arising in the ordinary course of business, including direct claims brought by or against us with respect to intellectual property, contracts, employment and other matters, as well as claims brought against our customers for whom we have a contractual indemnification obligation. We accrue for a liability when it is both probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Significant judgment is required in both the determination of probability and the determination as to whether a loss is reasonably estimable. After we determine the probability of a loss and whether that loss is reasonably estimable, we then analyze whether the litigation, based on that determination, could have a material and adverse effect on our financial statements, taken as a whole and including our statement of cash flows. The accruals or estimates, if any, resulting from the foregoing analysis, are reviewed at least quarterly, and adjusted to reflect the impact of negotiations, settlements, rulings, advice of legal counsel and other information and events pertaining to a particular matter. To the extent that it is probable and reasonably estimable that the losses could exceed the amounts already accrued, we will, as applicable, adjust the accrual in the period the determination is made, disclose an estimate of the additional loss or range of loss, indicate that the estimate is immaterial with respect to our financial statements as a whole or, if the amount of such adjustment cannot be reasonably estimated, disclose that an estimate cannot be made.

Although it is difficult to predict the ultimate outcomes of these matters, the Company believes that outcomes that may materially and adversely affect its business, financial position, results of operations or cash flows are reasonably possible but not estimable at this time.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

***Securities Class Action***

On November 19, 2021, a Citrix shareholder filed a putative securities class action complaint in the United States District Court for the Southern District of Florida, naming Citrix and certain of its current and former officers and directors as individual defendants, and claiming to have purchased Citrix stock at artificially inflated prices during the period between January 22, 2020, and October 6, 2021 and suffered damages as a result of alleged violations of federal securities law. On April 22, 2022, Plaintiffs filed an amended complaint, naming the same defendants and alleging substantially similar securities violations as the original complaint, including violations of Sections 10(b) and 20(a) of the Securities Exchange Act of 1934, as amended (the “Exchange Act”), and Rule 10b-5, promulgated thereunder, based on allegedly false or misleading statements regarding Citrix’s transition from selling on-premises, perpetual licenses to cloud-based subscriptions. The amended complaint seeks, among other things, an award of compensatory damages and the Plaintiffs’ reasonable costs and expenses, including attorneys’ fees, experts’ fees, and other costs and disbursements. In January 2023, the Court granted Citrix’s motion to dismiss the case in its entirety. On August 8, 2023, the Court denied Plaintiffs’ motion for reconsideration of the dismissal. Plaintiffs subsequently filed a notice of appeal to the 11th Circuit Court of Appeals. On December 6, 2023, Appellants filed a Voluntary Dismissal with Prejudice. On December 12, 2023, the Court dismissed the case.

***Legal Proceedings Related to the Merger***

***Messiha and Vargas v. Citrix Systems, Inc., et al.***

On December 12, 2022, Juan Vargas, a purported Citrix shareholder, filed a complaint in the United States District Court for the Southern District of Florida against Citrix and its former Board of Directors. The Complaint alleges that Citrix’s Board of Directors used false projections to conceal the true value of Citrix from Citrix shareholders, and thereby secure the approval of Citrix’s shareholders to sell Citrix to Vista Equity Partners and Elliott Investment Management L.P. for an inadequate and unfair price. Plaintiff alleges that as a result of the use of such projections, the Definitive Proxy Statement filed in connection with the Merger omitted material information, rendering the Definitive Proxy Statement false and misleading. Plaintiff alleges that Citrix and the individual defendants violated Sections 14(a) of the Exchange Act and Rule 14a-9 promulgated under the Exchange Act. Plaintiff also alleges that the individual defendants violated Section 20(a) of the Exchange Act and seeks monetary damages. Citrix has put its carrier on notice of this suit as a related claim to the sale related litigation matters. On February 13, 2023, Plaintiff filed a motion to be appointed as lead plaintiff under the Private Securities Litigation Reform Act. No other plaintiffs filed competing motions, and on March 8, 2023, the judge appointed Juan Vargas and George Messiha as lead plaintiffs. In May 2023, Plaintiffs filed an amended complaint, and Citrix filed its motion to dismiss the complaint in July 2023. The Court heard oral argument on the motion to dismiss on January 25, 2024 and issued its order on February 3, 2024, granting the motion in part and denying it in part. The Court dismissed the majority of alleged misstatements and omissions, but denied the motion as to certain alleged omissions from the Proxy Statement. Citrix filed its answer to the amended complaint, and the parties currently are engaged in discovery. The Company believes that Citrix and the other defendants have meritorious defenses to these allegations; however, the Company is unable to currently determine the ultimate outcome of this matter or the potential exposure or loss, if any.

***Books and Records Demands***

Citrix received demand letters pursuant to Section 220 of the Delaware General Corporation Law (“DGCL”) from stockholders seeking disclosure of certain of Citrix’s records relating to the Merger. Citrix responded to those demands, stating its belief that the demand letters fail to fully comply with the requirements of Section 220 of the DGCL. On April 20, 2022, two stockholders filed a complaint in the Delaware Chancery Court captioned Liebenenthal, et al. v. Citrix Systems, Inc., C.A. No. 2022-0349, seeking to compel inspection of books and records pursuant to Section 220 of the DGCL. Citrix produced certain materials related to the request, including redacted board meeting minutes. On March 7, 2023, Plaintiffs voluntarily dismissed their action. It is still possible that Plaintiffs could file a breach of fiduciary duty or similar action in Delaware. The statute of limitations for fiduciary duty claims is three years.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

***Legorreta, et al. v. Calderoni***

A class action complaint was filed on February 19, 2024, in the Delaware Court of Chancery by a law firm that obtained documents from Citrix through a Section 220 books and records demand in 2022 and 2023 (see description of Books and Records Demands, above). The complaint alleges a single claim, for breach of fiduciary duty against former Citrix Chairman and CEO Robert Calderoni, in connection with the Merger. The complaint alleges that Mr. Calderoni breached his fiduciary duties by approving the proxy statement sent to shareholders soliciting approval of the Merger that was allegedly misleading and by not securing a higher purchase price for Citrix shares. The Company believes that the defendant has meritorious defenses to these allegations; however, the Company is unable to currently determine the ultimate outcome of this matter or the potential exposure or loss, if any.

***Consumer Class Actions Arising from NetScaler Security Vulnerability***

On October 10, 2023, the Company published a notice identifying a vulnerability in its on-premises NetScaler ADC and NetScaler Gateway products (CVE-2023-4966) and simultaneously released a software patch to NetScaler users to remedy the vulnerability. Starting on December 19, 2023, twenty-one nationwide putative class action lawsuits were filed against Citrix alleging various state law claims based on data breach incidents experienced by Company customers, where such incidents allegedly arose from exploits of CVE-2023-4966 (collectively, the “CVE-2023-4966 Class Actions”). Of the original twenty-one cases filed, six have been dismissed by the plaintiffs, leaving fifteen cases pending as of April 9, 2024.

***The Comcast Cases***

On December 18, 2023, Citrix customer Comcast Cable Communications, d/b/a Xfinity (“Comcast”) sent customers a notice stating that, between October 16, 2023 and October 19, 2023, before Comcast applied the patch to fix the CVE-2023-4966 vulnerability, Comcast experienced a data breach that it concluded was a result of the CVE-2023-4966 vulnerability. Following the Comcast December 18, 2023 announcement, plaintiffs filed eighteen putative class action lawsuits against Citrix in three different district courts (S.D. Florida, E.D. Pennsylvania, and South Carolina), asserting claims for negligence, negligence per se, breach of implied covenant of good faith and fair dealing, breach of third-party beneficiary contract, unjust enrichment, and other state law claims, based on Comcast’s identification of CVE-2023-4966 in connection with Comcast’s data breach. Each of the cases has either been transferred to the E.D. Pennsylvania (where Comcast is headquartered) or dismissed. There are fifteen complaints pending in the E.D. Pennsylvania concerning the Comcast data breach; all fifteen cases have been consolidated by the Court. Five different plaintiffs’ counsel filed applications for appointment as interim lead class counsel for the consolidated cases. The Court set a hearing on those applications for May 14, 2024. The foregoing cases, most of which include Comcast as a co-defendant, are referred to here as the “Comcast Data Breach Actions”. The majority of complaints in the now-consolidated Comcast Data Breach Actions erroneously allege that Citrix had possession of the Comcast customer data at the time of the breach. Once interim lead plaintiffs’ counsel is selected, plaintiffs’ counsel will file a consolidated complaint and the Company may then file a motion to dismiss.

***Non-Comcast Cases***

On February 16, 2024, a plaintiff filed *Cole v. Planet Home Lending, LLC & Citrix Systems, Inc.*, Case 0:24-cv-60269 (S.D. Florida) naming Citrix as a co-defendant in connection with a data breach experienced by Planet Home Lending on November 15, 2023 and which, according to news articles, impacted approximately 200,000 individuals. Relying on alleged facts substantively similar to those in the Comcast Data Breach Actions, the *Cole* complaint alleges claims for negligence, unjust enrichment, and declaratory judgment against Citrix. On April 18, 2024, the plaintiff dismissed the complaint with prejudice.

On January 7, 2024, a plaintiff’s counsel, who originally filed a complaint on December 19, 2023, in the Southern District of Florida against Citrix and Comcast, amended the complaint to name a new plaintiff as the class representative for the putative class action, substituted Fred Hutchinson Cancer Center (“FHCC”) in place of Comcast as a defendant, and revised the complaint to allege claims arising from a customer data breach announced by FHCC on December 28, 2023, on the basis that FHCC stated on its website that the actors who exfiltrated the

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

FHCC customer data “exploited a vulnerability in a software called Citrix”. The amended complaint was captioned as Paves v. Citrix Systems, Inc. (“Paves”) and Fred Hutchinson Cancer Center, Case No. 0:23-cv-62375 (S.D. Florida). Citrix was dismissed with prejudice by Paves on February 6, 2024.

Two additional putative class action lawsuits filed against Citrix in January 2024 (Dailey v. Citrix Systems, Inc. and LoanCare, LLC, Case No. 0:24-cv-60038-XXXX (S.D. Florida) (“Daily”) and Newell v. Citrix Systems, Inc., Fidelity National Financial, Inc. and LoanCare, LLC, Case 0:24-cv-60048-XXXX (S.D. Florida) (“Newell”) erroneously alleged that CVE-2023-4966 had a role in a data breach experienced by LoanCare. Following a clear communication from LoanCare to the plaintiffs that Citrix products had no role in the data breach, the plaintiffs voluntarily dismissed both the Newell and Dailey case without prejudice on January 30, 2024.

The Company believes that it has meritorious defenses to the allegations in all of the CVE-2023-4966 Class Actions; however, the Company is unable to currently determine the ultimate outcome of these matters or the potential exposure or loss, if any.

## **10. Related Party Transactions**

We have transactions with various other portfolio companies of VEP and Elliott in the ordinary course of business. Such activity for the three months ended February 28, 2024 and 2023 was not material. VEP provides us with certain management consulting services. We reimburse VEP for any out-of-pocket expenses. In addition, we have utilized Vista Consulting Group (“VCG”), the operating and consulting arm of VEP, for consulting services and paid to VCG related fees and expenses. Such activity for each of the three months ended February 28, 2024 and 2023 were not material to the Condensed Consolidated Financial Statements.

During the three months ended February 28, 2024, we paid Holdco dividends of \$65.9 million in cash that was used primarily to pay cash dividends to holders of the Series A Preferred Shares of Holdco.

## **11. Stock-Based Compensation**

### ***2022 Incentive Plan***

The Board of Holdco adopted the Picard Holdco, Inc. 2022 Equity Incentive Plan (as amended to date, the “Equity Plan”). The Equity Plan authorizes the issuance of up to an aggregate of 671,646 shares of common stock in the form of stock options, stock appreciation rights, restricted stock, restricted stock units (RSUs), or other stock based awards. The awards settle into Picard Holdco, Inc. equity. These awards may be granted to officers, employees and directors of the Company and its subsidiaries and affiliates.

### ***Stock Options***

Stock option incentive service awards vest over four years with 25% vesting after 12 months and an additional 6.25% vest at the end of each full three calendar month period thereafter. If the employee is, and has been, continuously employed by the Company through the date of consummation of an approved sale, any incentive service awards which were unvested incentive service awards immediately prior to such approved sale are deemed vested units. Stock-based compensation expense recognized for the incentive service units during the three months ended February 28, 2024 and three months ended February 28, 2023 was \$2.9 million and \$2.3 million, respectively. The total unrecognized stock-based compensation expense related to unvested incentive service stock option awards is \$29.7 million as of February 28, 2024 and is expected to be recognized over a weighted-average period of 2.65 years.

Stock option incentive performance awards vest in tranches of 50% upon consummation of a change in control or IPO if the total equity return multiple is equal or greater than 2.0x and the remaining 50% upon a 2.5x attained multiple and if the employee has been employed continuously at the consummation of such an event. All incentive performance awards that are not vested as of the consummation of an approved sale shall terminate and be of no value as of the consummation of such approved sale. Since a liquidity event is a contingent event and not

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considered probable until the event occurs, no compensation expense for the incentive performance units was recognized for the three months ended February 28, 2024. The total unrecognized stock-based compensation expense related to the unvested incentive performance stock option awards is \$45.2 million as of February 28, 2024.

These stock option incentive awards are primarily equity-classified awards as there is no requirement for cash settlement and they are only settled in shares that require a hold period of at least six months passing the risk of ownership to the option holder. The value of these equity classified stock option incentive awards is determinable as of the grant date. There is a portion of stock option incentive service units that are liability-classified given they contain an unrestricted put option at the option holder's discretion at specified periods after the anniversary of the grant date.

The Company estimates the fair value of its stock option incentive awards using the Black-Scholes valuation model, whereby the allocable equity value of the Company is divided by the fully diluted shares to calculate the fair value of the underlying common stock. The stock volatility for each grant is estimated from the historical daily price changes of comparable companies. The expected term of options granted is derived from the weighted average of estimated time to fully vesting of the incentive performance stock awards through a vesting event and the contractual life of the award, which represents the period of time that options granted are expected to be outstanding. The risk-free rate for periods aligns with the expected life of the option is based on the Daily U.S. Treasury Par Yield Curve Rate in effect at the time of grant. The expected dividend is assumed to be zero, as the Company has never paid dividends and has no current plans to do so.

<b>Assumption</b>	<b>Value</b>
Fair value of common stock (\$)	785
Risk-free interest rate (%)	4
Average expected option term (years)	6
Expected volatility (%)	35
Expected dividend yield (%)	—

The summary of incentive service award activity during the three months ended February 28, 2024 is presented below:

	<b>Service- based grants</b>	<b>Weighted- average exercise price per share</b>	<b>Weighted average remaining contract life (in years)</b>	<b>Aggregate intrinsic value (in thousands)</b>
Outstanding at November 30, 2023	173,750	\$ 1,000	8.9	\$ —
Granted	—	—		
Forfeited or expired	(1,500)	—	—	—
Outstanding at February 28, 2024	<u>172,250</u>	\$ 1,000	8.7	\$ —
Exercisable at February 28, 2024	49,760	\$ 1,000	8.5	\$ —
Vested and expected to vest at February 28, 2024	172,250	\$ 1,000	8.7	\$ —

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**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

	<b>Performance- based grants</b>	<b>Weighted- average exercise price per share</b>	<b>Weighted average remaining contract life (in years)</b>	<b>Aggregate intrinsic value (in thousands)</b>
Outstanding at November 30, 2023 .....	173,750	\$ 1,000	8.9	\$ —
Granted .....	—			
Forfeited or expired .....	(1,500)	—	—	—
Outstanding at February 28, 2024 .....	<u>172,250</u>	\$ 1,000	8.7	\$ —
Exercisable at February 28, 2024 .....	—	\$ —	—	\$ —
Vested and expected to vest at February 28, 2024.....	172,250	\$ 1,000	8.7	\$ —

There were no grants issued during the three months ended February 28, 2024. The weighted average grant date fair value of stock options issued for the three months ended February 28, 2023 was \$262.82, respectively.

***Restricted Stock Units***

During the three months ended February 28, 2024, we granted no new restricted stock units (“RSUs”) under the Equity Plan. As of February 28, 2024, 7,693 units were forfeited due to employee terminations. Upon forfeiture, the forfeited units were cancelled, returned to the pool, and are available for future distribution. Stock-based compensation expense recognized for RSUs for the three months ended February 28, 2024 was \$6.1 million. The total unrecognized stock-based compensation expense related to unvested RSUs is \$87.9 million as of February 28, 2024 and is expected to be recognized over a weighted-average period of 3.2 years.

Restricted stock unit activity during the year ended February 28, 2024 was as follows:

	<b>Service-based grants</b>	<b>Weighted-average grant date fair value per share</b>
Unvested at November 30, 2023 .....	124,056	\$ 1,000
Granted .....	—	—
Vested .....	(29,061)	1,000
Forfeited or expired .....	(7,693)	1,000
Unvested at February 28, 2024.....	<u>87,302</u>	\$ —

***Cash Conversion***

All legacy Citrix stock compensation related plans were terminated concurrently with the Merger on September 30, 2022. Per the Agreement and Plan of Merger, dated as of September 30, 2022, by and between Cloud Software Group, Holdco, TIBCO Merger Sub, Inc., and Balboa Holdings LP (the “Agreement and Plan of Merger”), all vested awards that were outstanding and unexercised immediately prior to the acquisition were canceled, retired, and ceased to exist and were converted into the right to receive cash at an amount equal to the per share merger consideration, less any applicable exercise price. Subsequent to the closing of the Merger and before November 30, 2022, the Company paid approximately \$90.4 million in cash for the vested stock awards and applicable taxes.

Per the Agreement and Plan of Merger, all unvested awards that were outstanding as of immediately prior to the acquisition were canceled, retired, and ceased to exist and converted into the right to receive cash (“cash awards”) over the original respective vesting schedule at an amount equal to the per share merger consideration, less any applicable exercise price. The payments are conditional upon the employees’ continued employment with the Company and any additional expense is recorded consistent with the cost center mapping for each employee on the Condensed Consolidated Statement of Operations. A liability of approximately \$113.0 million related to the cash awards was assumed as part of the Merger with the remainder of the expense to be recognized over the course of the original vesting schedule. Any forfeitures of these awards will be recognized as incurred.

**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

We recorded approximately \$75.3 million in expenses in the period after the Merger and before November 30, 2022. Of that amount, \$35.7 million was expensed related to the vesting of awards paid out immediately upon the close of the Merger. The remaining \$39.6 million was expensed related to the vesting of cash awards during the period after the Merger and before November 30, 2022. For the three months ended February 28, 2024, the Company recorded approximately \$10.4 million in expenses. For the three months ended February 28, 2023, the Company recorded approximately \$56.3 million in expenses. As of February 28, 2024, there was \$5.5 million of total unrecognized compensation cost related to non-vested awards. The unrecognized cost is expected to be recognized over a weighted-average period of 0.2 years.

***Stock Compensation Expense***

The detail of the total stock-based compensation recognized by income statement classification is as follows (in thousands):

	<b>Three Months Ended February 28,</b>	
	<b>2024</b>	<b>2023</b>
Cost of revenue.....	\$ 1,318	\$ 4,555
Research and development.....	9,405	19,144
Sales and marketing.....	4,869	21,439
General and administrative.....	3,774	13,551
Total stock-based compensation expense .....	<u>\$ 19,366</u>	<u>\$ 58,689</u>

**12. Income Taxes**

The Company is required to estimate income taxes in each of the jurisdictions in which it operates as part of the process of preparing its Condensed Consolidated Financial Statements. The Company maintains certain strategic management and operational activities in overseas subsidiaries and its foreign earnings are taxed at rates that are generally lower than in the United States. The Company's effective tax rate generally differs from the U.S. federal statutory rate primarily due to lower tax rates on earnings generated by our foreign operations that are taxed primarily in Switzerland and Ireland.

For the three months ended February 28, 2024, we recognized an effective tax rate of approximately (24.3)% and net tax expense of \$9.05 million. During the three months ended February 28, 2024, we recognized a discrete tax expense of \$10.4 million, primarily due to a change in tax reserves of \$6.7 million. The negative effective tax rate for the three months ended February 28, 2024, was primarily due to a valuation allowance against the Section 163(j) interest expense limitation.

For the three months ended February 28, 2023, we recognized an effective tax rate of approximately (5.6)% and net tax expense of \$32.7 million. During the three months ended February 28, 2023, we recognized a discrete tax expense of \$115.7 million, primarily due to a \$120.3 million tax expense related to the valuation allowance against the Section 163(j) interest expense limitation, offset by \$4.6 million tax benefit related to change in tax reserves. The negative effective tax rate for the three months ended February 28, 2023, was primarily due to the expense related to the valuation allowance against the Section 163(j) interest expense limitation.

The Company's gross unrecognized tax benefits totaled \$225.6 million and \$225.7 million as of February 28, 2024 and February 28, 2023, respectively. As of February 28, 2024, \$208.4 million included in the balance for tax positions would affect the annual effective tax rate if realized. The Company recognizes interest accrued related to uncertain tax positions and penalties in income tax expense. As of February 28, 2024, the Company accrued \$29.7 million for the payment of interest.

The Company and one or more of its subsidiaries are subject to U.S. federal income taxes in the United States, as well as income taxes of multiple multiple state and foreign jurisdictions. Specifically, Citrix Systems, Inc. is currently under examination by the United States Internal Revenue Service for tax years 2017 through 2018. With few exceptions, the Company is generally not subject to examination for state and local income tax, or in non-U.S.



**CLOUD SOFTWARE GROUP HOLDINGS, INC.**  
**NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS—(Continued)**

jurisdictions by tax authorities for years prior to 2018. The statute of limitations for fiscal years 2015 through 2023 remains open for material foreign tax jurisdictions. Due to the uncertainty of tax audit outcomes and the timing of tax audit settlements, we are unable to estimate the changes to our unrecognized tax benefits over the next twelve months.

**13. Subsequent Events**

We have evaluated subsequent events and transactions through May 7, 2024, the day financial statements were available to be issued, and noted no events or transactions that would require recognition or disclosure in the financial statements other than the following:

On March 22, 2024, the Company entered into a third amendment to the credit agreement governing the Senior Secured Credit Facilities (as amended, the “Credit Agreement”) whereby the Company incurred incremental first lien term loans denominated in USD in a principal amount of \$1,000.0 million consisting of a new tranche of term B loans (the “Dollar Term Loan B-2”). The Company used the proceeds of the loans to pay dividends to Holdco in an aggregate amount of \$457.4 million, which dividends were used by Holdco to repurchase \$411.4 million of the stated value of the Series A Preferred Stock and pay \$46.0 million of accrued and unpaid dividends on the Series A Preferred Stock and to pay fees and expenses in connection with the foregoing, with the remainder to be used for general corporate purposes.

The Dollar Term Loan B-2 matures on March 21, 2031. Principal payments are equal to 0.25% of the initial aggregate principal amount, payable at the end of each fiscal quarter, commencing with the fiscal quarter ending November 30, 2024.

The Dollar Term Loan B-2 has the same interest rate applicable to the Dollar Term Loan B-1.

**\$1,000,000,000**



**Cloud Software Group, Inc.**

**\$1,000,000,000**

**% Senior Secured Notes due 2032**

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Offering Circular  
, 2024

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*Joint Book-Running Managers*

<b>UBS Investment Bank</b>	<b>BofA Securities</b>	<b>Goldman Sachs &amp; Co. LLC</b>	<b>Barclays</b>	<b>Citigroup</b>
<b>Deutsche Bank Securities</b>	<b>KKR</b>	<b>Mizuho</b>	<b>Morgan Stanley</b>	<b>RBC Capital Markets</b>
<b>Jefferies</b>	<b>BMO Capital Markets</b>	<b>Macquarie Capital</b>	<b>BNP PARIBAS</b>	<b>Guggenheim Securities</b>
<b>HSBC</b>	<b>Nomura</b>	<b>Truist Securities</b>	<b>Wells Fargo Securities</b>	<b>KeyBanc Capital Markets</b>
<b>MUFG</b>	<b>Scotiabank</b>	<b>SOCIETE GENERALE</b>	<b>Stifel</b>	<b>SPC Capital Markets LLC</b>
<b>TD Securities</b>	<b>Fifth Third Securities</b>	<b>ING</b>	<b>IMI – Intesa Sanpaolo</b>	<b>Natixis</b>
	<b>Santander</b>	<b>US Bancorp</b>		