

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

(Mark One)

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

For the Fiscal Year Ended March 28, 2025

or

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

For the Transition Period from _____ to _____

Commission File Number 000-17781

Gen Digital Inc.

(Exact name of registrant as specified in its charter)

Delaware

(State or other jurisdiction of incorporation or organization)

77-0181864

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

60 E. Rio Salado Parkway,

Suite 1000,

Tempe,

Arizona

(Address of principal executive offices)

85281

(Zip code)

Registrant's telephone number, including area code:
(650) 527-8000

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

Title of each class	Trading symbol(s)	Name of each exchange on which registered
Common Stock, par value \$0.01 per share	GEN	The Nasdaq Stock Market LLC

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

None

(Title of class)

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

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

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

Indicate by check mark whether the registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§ 232.405 of this chapter) during the preceding 12 months (or for such shorter period that the registrant was required to submit such files). Yes ☒ No ☐

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

Large accelerated filer	☒	Accelerated filer	☐	Non-accelerated filer	☐	Smaller reporting company	☐
						Emerging growth company	☐

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

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

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

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

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

Aggregate market value of the voting stock held by non-affiliates of the registrant, based upon the closing sale price of Gen Digital common stock on September 27, 2024 as reported on the Nasdaq Global Select Market: \$10,678,012,697, based on a per share stock price of \$27.47. Solely for purposes of this disclosure, shares of common stock held by each executive officer, director, and holder of 5% or more of the outstanding common stock have been excluded as of such date because such persons may be deemed to be affiliates. This determination of possible affiliate status is not a conclusive determination for any other purposes.

The number of shares of Gen Digital common stock, \$0.01 par value per share, outstanding as of May 12, 2025 was 620,229,707 shares.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the registrant’s definitive proxy statement for the 2025 annual meeting of stockholders are incorporated herein by reference into Part III of this Annual Report on Form 10-K where indicated. Such Proxy Statement will be filed with the Securities and Exchange Commission within 120 days of the registrant’s fiscal year ended March 28, 2025.

GEN DIGITAL INC.
FORM 10-K
For the Fiscal Year Ended March 28, 2025
TABLE OF CONTENTS

	<u>Page</u>
<u>PART I</u>	
<u>Item 1. Business</u>	<u>6</u>
<u>Item 1A. Risk Factors</u>	<u>11</u>
<u>Item 1B. Unresolved Staff Comments</u>	<u>31</u>
<u>Item 1C. Cybersecurity</u>	<u>31</u>
<u>Item 2. Properties</u>	<u>32</u>
<u>Item 3. Legal Proceedings</u>	<u>32</u>
<u>Item 4. Mine Safety Disclosures</u>	<u>32</u>
<u>PART II</u>	
<u>Item 5. Market for Registrant's Common Equity, Related Stockholder Matters and Issuer Purchases of Equity Securities</u>	<u>33</u>
<u>Item 6. [Reserved]</u>	<u>33</u>
<u>Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations</u>	<u>34</u>
<u>Item 7A. Quantitative and Qualitative Disclosures about Market Risk</u>	<u>41</u>
<u>Item 8. Financial Statements and Supplementary Data</u>	<u>43</u>
<u>Item 9. Changes in and Disagreements with Accountants on Accounting and Financial Disclosure</u>	<u>43</u>
<u>Item 9A. Controls and Procedures</u>	<u>43</u>
<u>Item 9B. Other Information</u>	<u>43</u>
<u>Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections</u>	<u>43</u>
<u>PART III</u>	
<u>Item 10. Directors, Executive Officers and Corporate Governance</u>	<u>44</u>
<u>Item 11. Executive Compensation</u>	<u>44</u>
<u>Item 12. Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters</u>	<u>44</u>
<u>Item 13. Certain Relationships and Related Transactions, and Director Independence</u>	<u>44</u>
<u>Item 14. Principal Accountant Fees and Services</u>	<u>44</u>
<u>PART IV</u>	
<u>Item 15. Exhibits and Financial Statement Schedules</u>	<u>45</u>
<u>Item 16. Form 10-K Summary</u>	<u>87</u>
<u>Signatures</u>	<u>88</u>

"Gen," "we," "us," "our," and "the Company" refer to Gen Digital Inc. and all of its subsidiaries. Gen, Norton, Avast, LifeLock, Avira, AVG, ReputationDefender, CCleaner and all related trademarks, service marks and trade names are trademarks or registered trademarks of Gen or other respective owners that have granted Gen the right to use such marks. Other names may be trademarks of their respective owners.

FORWARD-LOOKING STATEMENTS AND FACTORS THAT MAY AFFECT FUTURE RESULTS

The discussion below contains forward-looking statements, which are subject to safe harbors under the Securities Act of 1933, as amended (the Securities Act) and the Exchange Act of 1934, as amended (the Exchange Act). Forward-looking statements include statements that represent our expectations or beliefs concerning future events, including, without limitation, references to our ability to utilize our deferred tax assets, as well as statements including words such as "expects," "plans," "anticipates," "believes," "estimates," "predicts," "goal," "intent," "momentum," "projects," "forecast," "outlook," "strategy," "future," "opportunity," "plan," "may," "should," "will," "would," "will be," and similar expressions. In addition, projections of our future financial performance; anticipated growth and trends in our businesses and in our industries; the consummation of or anticipated impacts of acquisitions (including our ability to achieve synergies from acquisitions, including Avast and MoneyLion), divestitures, restructurings, stock repurchases, financings, debt repayments and investment activities; the outcome or impact of pending litigation, claims or disputes; risks associated with third party providers; evolving regulations and increased scrutiny from regulators; our intent to pay quarterly cash dividends in the future; plans for and anticipated benefits of our products and solutions; anticipated tax rates, benefits and expenses; the global macroeconomic outlook, including but not limited to, the impact of inflation, fluctuations in foreign currency exchange rates, changes in interest rates, and the impact of new trade policy, including the implementation of global tariffs; economic disruptions caused by the potential impact of volatility and conflict in the geopolitical and economic environment; and other global macroeconomic factors on our operations and financial performance; and other characterizations of future events or circumstances are forward-looking statements. These statements are only predictions, based on our current expectations about future events and may not prove to be accurate. We do not undertake any obligation to update these forward-looking statements to reflect events occurring or circumstances arising after the date of this report. These forward-looking statements involve risks and uncertainties, and our actual results, performance, or achievements could differ materially from those expressed or implied by the forward-looking statements on the basis of several factors, including economic recessions, inflationary pressures and those other factors that we discuss in Item 1A. *Risk Factors*, of this Annual Report on Form 10-K. We encourage you to read those sections carefully. There may also be other factors that have not been anticipated or that are not described in our periodic filings with the Securities and Exchange Commission (SEC), generally because we did not believe them to be significant at the time, which could cause actual results to differ materially from our projections and expectations. All forward-looking statements should be evaluated with the understanding of their inherent uncertainty.

SUMMARY RISK FACTORS

We are subject to a number of risks that, if realized, could materially and adversely affect our business, financial condition, results of operations, and cash flows and our ability to make distributions to our stockholders. Some of our more significant challenges and risks include, but are not limited to, the following, which are described in greater detail below:

- If we are unable to develop new and enhanced solutions and products, or if we are unable to continually improve the performance, features, and reliability of our existing solutions and products, our business and operating results could be adversely affected.
- We operate in a highly competitive and dynamic environment, and if we are unable to compete effectively, we could experience a loss in market share and a reduction in revenue.
- Issues in the development and deployment of artificial intelligence ("AI") may result in reputational harm and legal liability and could adversely affect our results of operations.
- Our acquisitions and divestitures create special risks and challenges that could adversely affect our financial results.
- Our revenue and operating results depend significantly on our ability to retain our existing customers and expand sales to them, convert existing non-paying customers to paying customers and add new customers.
- If we fail to manage our sales and distribution channels effectively, if our partners choose not to market and sell our solutions to their customers, or if we have an adverse change in our relationships with key third-party partners, service providers or vendors, our operating results could be materially and adversely affected.
- Changes in industry structure and market conditions have and may continue to lead to charges related to discontinuance of certain of our products or businesses and asset impairments.
- Our international operations involve risks that could increase our expenses, adversely affect our operating results and require increased time and attention of our management.
- Our future success depends on our ability to attract and retain personnel in a competitive marketplace.
- If the information provided to us by customers or other third parties is incorrect or fraudulent, we may misjudge a customer's qualifications to receive our products and services and our results of operations may be harmed and could subject us to regulatory scrutiny or penalties.
- Our solutions, systems, websites and the data on these sources have been in the past and may continue to be subject to cybersecurity events that could materially harm our reputation and future sales.
- We collect, use, disclose, store or otherwise process personal information and other sensitive data, which is subject to stringent and changing state and federal laws and regulations.
- Our inability to successfully recover from a disaster or other business continuity event could impair our ability to deliver our products and services, which could harm our business.

Table of Contents

- We are dependent upon Broadcom for certain engineering and threat response services, which are critical to many of our products and business.
- If we fail to offer high-quality customer support, our customer satisfaction may suffer and have a negative impact on our business and reputation.
- Our solutions are complex and operate in a wide variety of environments, systems and configurations, which could result in failures of our solutions to function as designed.
- Negative publicity regarding our brand, solutions and business could harm our competitive position.
- Our reputation and/or business could be negatively impacted by sustainability and governance matters and/or our reporting of such matters.
- We are affected by seasonality, which may impact our revenue and results of operations.
- Our solutions are highly regulated and the legal and regulatory regimes governing certain of our products and services are uncertain and evolving, which could impede our ability to market and provide our solutions or adversely affect our business, financial position and results of operations.
- The regulatory regime governing blockchain technologies and digital assets is uncertain, and new laws, regulations or policies, including licensing laws, may alter our business practices with respect to digital assets.
- If we do not protect our proprietary information and prevent third parties from making unauthorized use of our products and technology, our financial results could be harmed.
- From time to time we are party to lawsuits and investigations which has previously and could in the future require significant management time and attention, cause us to incur significant legal expenses and prevent us from selling our products.
- Third parties have claimed and additional third parties in the future may claim that we infringe their proprietary rights.
- Some of our products contain "open source" software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.
- There are risks associated with our outstanding and future indebtedness that could adversely affect our financial condition.
- Our Amended Credit Agreement imposes operating and financial restrictions on us.
- We may be unsuccessful in managing the effects of changes in the cost of capital on our business.
- The failure of financial institutions or transactional counterparties could adversely affect our current and projected business operations and our financial condition and result of operations.
- If our existing funding arrangements are not renewed or replaced or our existing funding sources are unwilling or unable to provide funding to us on terms acceptable to us, or at all, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.
- Hedging or other mitigation actions to mitigate against interest rate exposure may adversely affect our earnings, limit our gains or result in losses, which could adversely affect cash available for distributions.
- Adverse macroeconomic conditions and government efforts to combat inflation, along with other interest rate pressures, have led to and may continue to lead to higher financing costs and may particularly have negative effects on the consumer finance industry and our MoneyLion business.
- Fluctuations in our quarterly financial results have affected the trading price of our stock in the past and could affect the trading price of our stock in the future.
- We may be required to issue shares under our contingent value rights agreement with certain former holders.
- Changes to our effective tax rate could increase our income tax expense and reduce (increase) our net income (loss), cash flows and working capital and audits by tax authorities could result in additional tax payments for prior periods.
- We could be obligated to pay additional taxes in various jurisdiction, which would harm our results of operations.
- Our ability to use our deferred tax assets to offset future taxable income may be limited.

The above list is not exhaustive, and we face additional challenges and risks. Please carefully consider all of the information in this Annual Report on Form 10-K, including the matters set forth below in this Part I, Item 1A.

PART I

Item 1. *Business*

Purpose and Mission

Purpose: Powering Digital Freedom.

Mission: We create innovative and easy-to-use technology solutions that help people grow, manage and secure their digital and financial lives.

Our Values

Protecting people is what inspires us, and our people are at the core of what we do. We seek to attract talent that embraces the following values:

- **Customer Driven. Community Minded.** We are customer obsessed and drive positive impact.
- **Think Big. Be Bold.** We embrace change and innovate fearlessly.
- **Be Scrappy. Make it Happen.** Big or small, we get things done irrespective of title or role.
- **Play to Win. Together.** We win for our customers, with passion and integrity.

Company Overview

Gen is a global company powering Digital Freedom with a family of trusted brands including Norton, Avast, LifeLock and more. We bring award-winning products and services in cyber safety, covering security, privacy, identity protection and financial wellness to approximately 500 million users in more than 150 countries, empowering them to live their digital lives safely, privately, and confidently today and for generations to come.

Today's world is increasingly digital, and this has changed the way we live our lives every day. The last decade has brought increasingly impressive technological advances that have unlocked new ways to play and transact online, control smart homes, manage our life and more. The possibilities in the digital world will continue to unlock new possibilities. However, as our digital footprint expands, so do the risks and exposure. Cybercriminals use a mix of old and new tactics and technologies, including phishing, vishing, smishing, based on machine learning and generative artificial intelligence (AI) technologies, to execute highly advanced threats and attacks. We are our customers' trusted ally that they can depend on to help secure and control their digital lives so they can be free to enjoy the promise of the digital world. We are committed more than ever to protecting and empowering people's digital lives with personalized, human-centered safety.

We are well-positioned to drive awareness of cyber safety for individuals, families, and small businesses, fueled by an increasingly connected world. We maintain a global, omni-channel sales approach, including direct, indirect and freemium acquisition and a family of brands marketing program. This program is designed to grow our customer base by increasing brand awareness and understanding of our products and services and maximizing our global reach to prospective customers.

We help prevent, detect and restore potential damages caused by cybercriminals. We also make it easy for consumers to find, buy and use our products and services. To this end, we offer both free and paid subscription-based cyber safety solutions primarily direct-to-consumer through our family of brands and indirectly through partner relationships. Most of our subscriptions are offered on annual terms, but we also provide monthly subscriptions.

As of March 28, 2025, we have approximately 500 million total users, which come from direct, indirect and freemium channels. Of these total users, we have approximately 65 million paid cyber safety customers including over 40 million direct customers with whom we have a direct billing relationship.

- **Direct-to-consumer channel:** We use advertising to elevate our family of brands, attract new customers and generate significant demand for our services. Our direct subscriptions are primarily sold through our e-commerce platform and mobile apps, and we have a direct billing relationship with the majority of these customers.
- **Indirect partner distribution channels:** We use strategic and affiliate partner distribution channels to refer prospective customers to us and expand our reach to our partners' and affiliates' customer bases. We developed and implemented a global partner sales organization that targets new, as well as existing, partners to enhance our partner distribution channels. These channels include retailers, telecom service providers, hardware original equipment manufacturers (OEMs), employee benefit providers, strategic partners, small offices, home offices and very small businesses. Physical retail and OEM partners represent a small portion of our distribution, which minimizes the impact of supply chain disruptions.
- **Freemium channels:** With the acquisitions of Avast and Avira, we have expanded our go-to-market with multiple freemium channels. We use free versions of our products to reach the broadest set of consumers globally and bring cyber safety to a larger audience, especially in international markets. The free solution offers a baseline of protection and presents premium functionalities based on the risk profile and specific needs of the user. The user can choose to add specific premium solutions or upgrade to suites that provide security, identity, and privacy across multiple platforms and devices, thereby becoming a paid customer.

Seasonality

As is typical for many consumer technology companies, portions of our business are impacted by seasonality. However, we believe the net impact on our business is limited. Seasonal behavior in orders primarily reflects consumer spending patterns during our fiscal third and fourth quarters, as order volume is generally higher due to the holidays in our third quarter, as well as due to follow-on holiday purchases and the U.S. tax filing season which is in our fourth quarter. Revenue generally reflects similar seasonal patterns but to a lesser extent than orders because of our subscription business model, as the majority of our in-period revenues are recognized ratably from our deferred revenue balance.

Our Strategy

Our strategy is focused on long-term profitable growth. To fuel our growth, our consumer-centric strategy is to provide comprehensive and easy-to-use integrated platforms, which we have built in-house or acquired. By combining and leveraging our family of trusted consumer brands, including offerings from Norton, Avast, LifeLock and more, we deliver an industry-leading cyber safety and trust-based solutions.

We are positioned for long-term growth and expansion. Our three primary growth levers are:

1. **Extending Reach:** Leveraging an omni-channel strategy and building partnerships to broaden privacy and identity protection internationally.
2. **Increasing Value:** Cross-selling and up-selling, and expanding security, identity and privacy solutions to address consumers' evolving needs.
3. **Growing Loyalty:** Increase customer loyalty and retention, as consumers move from point products protecting their devices towards all-in-one comprehensive cyber safety memberships.

The key elements of our strategy include the following:

- **Extend our leadership position through new products and continued enhancement of our trust-based solutions and services:** Cyber safety is a large and expanding market, which we believe provides a significant growth opportunity. Our strategy is to grow our business through innovation and acquisitions to expand the solutions and services we offer into new cohorts, territories and sectors. We believe there are many additional areas where we can both offer new solutions, as well as use our core capabilities and our integrated platform to reach new customers and markets globally.
- **Grow our customer base through multiple channels:** We have multiple go-to-market channels to reach new customers globally, including direct-to-customer, indirect partnerships and freemium. We intend to leverage our expertise in digital marketing, as well as existing and new strategic partnerships, to grow our customer base. We believe that continued investments in these areas, as well as our product offerings and infrastructure, will allow us to further enhance our leading brands and superior products, increase awareness of our consumer services and enhance our ability to efficiently acquire new customers.
- **Continue our focus on customer retention:** We continue to optimize and expand the value we provide to customers which we believe can positively impact retention. We aim to continue to increase customer engagements through actionable alerts, education on timely topics and introducing new product capabilities. We also plan to continue investing in enhancing both desktop and mobile customer experiences throughout a customer's journey with Gen, from purchase, to onboarding and beyond.
- **Increase value to existing customers:** We believe strong customer satisfaction will provide us with the opportunity to engage customers in new services offerings. We maintain the Norton 360 and Avast One platforms that have multiple tiers of membership, and we continue to engage customers with standalone products to offer membership options and show the value proposition of our premium solutions. Over time, we plan to drive further growth as we add additional offerings and services for our customers.
- **Draw strength from our world-class customer service support:** Our global support team seeks to ensure the voice of the consumer is heard and that we put our customers first. We leverage frequent communication and feedback from our customers to continually improve our solutions and services. We embrace end-to-end customer experience and aim to continue to improve our Net Promoter Scores and overall customer satisfaction.
- **Leverage our global brands to drive growth:** We will work to keep building our family of trusted brands in markets globally as we strive to bring protection and empowerment to all consumers when it comes to their digital lives. According to our most recent research, Norton has 93% global brand awareness, and we are best positioned and top of mind in consumer cyber safety, according to the internal H1 2025 Gen Brand Tracker.

Our Cyber Safety Solutions and Services

Our broad portfolio of products and services is developed from consumer insights to help us bring to market real solutions to real problems and to engage and educate consumers about cyber safety. We continuously aim to release new products and features to outpace evolving threats and find synergies to integrate current and future technology acquisitions.

Our cyber safety portfolio provides protection across three key categories in multiple channels and geographies, including security and performance, identity protection, and online privacy. Leveraging our technology platforms, we integrate software and service capabilities within these three categories into comprehensive and easy-to-use products and solutions across our brands.

We have also evolved beyond traditional cyber safety to offer adjacent trust-based solutions, including digital identity and access management, digital reputation, and restoration support services.

We protect and empower consumers by providing solutions and services in two main ways:

- **Comprehensive membership plans:** Providing a comprehensive and all-in-one cyber safety portfolio of solutions for a membership fee. Plans are offered through Norton 360 and Avast One subscriptions, with both brands providing multiple levels of membership tiers that range from basic, mid-level, or premium tiers where identity theft and online privacy features are included.
- **Point solutions:** Providing individual, stand-alone products and services in security, identity and privacy, offering flexibility for consumers to choose between free or paid solutions. These products solve for a specific need, when you need it, and can add on to the value you already have. Please see below for our full set of products by category.

We are well positioned across three key cyber safety categories:

- **Security and Performance (Norton, Avast, Avira, AVG, and CCleaner offerings):** Our offerings provide real-time threat protection for PCs, Macs and mobile devices against malware, viruses, adware, ransomware and other online emerging threats. These offerings monitor and block unauthorized traffic from the internet to the device to help protect private and sensitive information when customers are online. Additionally, our all-in-one cybersecurity solutions help small business owners safeguard their team's online activities, devices and customer data. Scams have also continued to become more prevalent and sophisticated and we offer a range of AI-powered features integrated into Norton Cyber Safety products to provide always-on protection from today's most sophisticated scams across phone calls, texts, emails, and websites. Norton Scam Protection and Scam Protection Pro utilize Norton Genie AI engine to analyze the meaning of words, not just links, helping to stop hidden scam patterns that even the most careful person can miss. We also provide performance and optimization software solutions that free up space on devices, clear online tracking and help machines run faster.
- **Identity Protection (U.S.: LifeLock Identity Theft Protection, Avast and AVG Secure Identity; International: Norton Identity Theft Protection, Dark Web Monitoring):** In the U.S., we offer Identity Theft protection as part of our LifeLock, Avast and AVG brands. All three products include monitoring of credit reports, the dark web and social media accounts to help safeguard our customers' personal information. The LifeLock product also offers monitoring of financial accounts. In the event of identity theft, we assign an Identity Restoration Specialist to work directly with customers to help restore their identities, and all plans include reimbursements for losses and expenses incurred ranging up to \$3 million. Outside the U.S., we offer Norton and have expanded Avast and AVG branded plans to additional regions. Plans include dark web monitoring in over 50 countries and monitoring of credit, social media and financial accounts, restoration support and identity theft insurance in select countries.
- **Online Privacy (VPN, multiple personal data protection products, ReputationDefender):** Our virtual private network (VPN) solutions offered through the Norton, Avast and AVG brands enhance security and online privacy by providing an encrypted data tunnel. This allows customers to securely transmit and access private information, such as passwords, bank details and credit card numbers, when using public Wi-Fi on PCs, Macs, and mobile iOS and Android devices. We offer a variety of solutions under the Norton and Avast brands to protect customers' data either by keeping data anonymous while browsing online through our AntiTrack and Secure Browser products or helping customers remove data from public data broker sites through our Privacy Monitor Assistant and BreachGuard products. Norton offers a three-tiered VPN with advanced privacy and malware protection as well as AI-powered protection against sophisticated cyber threats, including scams and phishing attacks. ReputationDefender is a white glove service that helps customers manage all aspects of their personal branding online, including search results, social media sites and overall web presence.

Innovation, Research and Development

Gen has a long history of innovation, and we plan to continue to invest in research and development to drive our long-term success.

As cyber threats evolve, we are focused on delivering a portfolio that protects each element of our customers' digital lives. To do this, we engage and listen to our customers, and we embrace innovation by deploying a global research and development strategy across our cyber safety platform. Our engineering and product management teams are focused on delivering new versions of existing offerings, as well as developing entirely new offerings to drive the company's global leadership in cyber safety.

We are committed to our innovation and research and development efforts. The Technology team at Gen is driving the company's future technologies and innovation and helping guide the consumer cybersecurity industry. Our global technology research organization is focused on applied research projects, with the goal of rapidly creating new products to address consumer trends and grow the business, including defending consumer digital privacy and identity. We also have a global threat response and security technology organization that is comprised of our dedicated team of threat and security researchers, supported by advanced systems to innovate security technology and threat intelligence.

We have one of the world's largest consumer cyber safety networks. Leveraging our capabilities, our global threat response team handles a wide variety of attacks, including social engineering attacks, file-based attacks, web and network-based attacks, privacy and data exfiltration attacks, identity theft attacks, algorithmic manipulation attacks, and more.

Our differentiated approach is powered by our global scale and visibility, geographically distributed cloud data platform, and advanced AI-based automation.

Industry Overview

Cyber safety is a growing market, fueled by the increase in activities online over the years as well as expected growth in the years ahead. The core markets that we participate in are security, identity and privacy. We believe the cyber safety market will continue to expand beyond these core markets and grow significantly, driven by the increasing number of people globally connected to the internet and their expanding digital lives.

The cyber threat landscape is larger and more complicated than ever before, exposing consumers to an increased risk to their digital lives. The digitization of the world and the overlap between the physical and digital world are growing at a fast pace. New technologies, smart devices, digital identities and an increasingly more connected world mean consumers will encounter a range of new cyber safety challenges. Consumer demands and behaviors are rapidly changing and driving more activities online, from shopping, socializing, working, banking, to other activities in healthcare, entertainment and so much more. Almost every aspect of a person's life has a digital component. Unfortunately, many of those activities are left unprotected, and attackers are exploiting this larger opportunity and the inherent security and privacy vulnerabilities. Cybercriminals have not only expanded their reach, but the sophistication of digital threats and attacks are becoming increasingly more realistic and believable. The advancement of AI and large language model (LLM) technology is a key driver of this increased risk.

Cybercrime, and the ways in which cybercriminals target consumers, continue to evolve along with behaviors and technology. Cybercrime encompasses any crime committed with devices over the internet and includes crimes where (i) malicious software or unauthorized access is detected on a device, network or online account (such as email, social media, online banking, digital assets, online retail, gaming, online entertainment, etc.), and unauthorized access or connection to cloud service accounts; (ii) an individual is digitally victimized through a data breach, cyber theft, cyber extortion, or fraud (stolen personally identifiable information, identity theft, etc.); (iii) online stalking, bullying, or harassment is inflicted; or (iv) attacks related to privacy or disinformation (such as online tracking protection, identity impersonation, disinformation on social media, deepfakes, unsecured WiFi, EvilTwin attacks, etc.).

Competitive Landscape

We operate in a highly competitive and dynamic environment. We face global competition from a broad range of companies, including software vendors focusing on cyber safety solutions, operating system providers such as Apple, Google and Microsoft, and 'pure play' companies that currently specialize in one or a few particular segments of the market (many of which are expanding their product portfolios into different segments). We believe the competitive factors in our market include innovation, access to a breadth of identity and consumer transaction data, broad and effective service offerings, brand recognition, technology, effective and cost-efficient customer acquisition, strong retention rate, customer satisfaction, price, convenience of purchase, ease of use, frequency of upgrades and updates and quality and reliable customer service. Our competitors may vary by offering, geography, business model and channel.

Our principal competitors are set forth below:

- **Security:** Our principal competitors in this segment include Apple, Bitdefender, ESET, F-Secure, Google, Kaspersky, Malwarebytes, McAfee, Microsoft, Trend Micro, and Webroot.
- **Identity Protection:** Our principal competitors in this segment include credit bureaus such as Equifax, Experian and TransUnion, as well as certain credit monitoring and identity theft protection solutions from others such as Allstate, Aura, Generali (Iris), Intuit (Credit Karma) and Microsoft.
- **Online Privacy:** Our principal competitors in this segment include Apple, Aura, Brave, DuckDuckGo, IPVanish, Kape, Mozilla and Nord Security.
- **Other Competitors:** In addition to competition from independent software vendors such as Bitdefender, Kaspersky, McAfee and Trend Micro, and from OS providers such as Apple, Google and Microsoft, we also face competition from other companies that currently focus on one or a few cyber safety or adjacent segments but are developing additional competing products and expanding their portfolios into new segments, such as 'pure play' companies including but not limited to, 1Password, Bark, Dashlane, LastPass, Life360, Proton, and Truecaller, internet service providers, big tech platform providers, insurance companies and financial service organizations.

We believe we compete favorably with our competitors on the strength of our technology, people, product offerings and presence in all of the current key cyber safety categories. However, some of our competitors have greater financial, technical, marketing, distribution or other resources than we do, including in new cyber safety and digital life segments we may enter, which consequently affords them competitive advantages. As a result, they may be able to devote greater resources to develop, promote and sell their offerings; deliver competitive offerings at lower prices or for free; and introduce new solutions and respond to market developments and customer requirements and preferences more quickly or cost effectively than we can. In addition, for individual solutions or features, smaller, well-funded competitors may be able to innovate and adapt more nimbly to the dynamic nature of the market and shifting consumer needs.

For more information on the risks associated with our competitors, please see "Risk Factors" – Risks Related to Our Business Strategy and Industry – "We operate in a highly competitive and dynamic environment, and if we are unable to compete effectively, we could experience a loss in market share and a reduction in revenue" and "We may need to change our pricing models to compete successfully," in Item 1A included in this Annual Report on Form 10-K.

Human Capital Management

At Gen, our mission is to build a comprehensive and easy-to-use integrated portfolio that prevents, detects and responds to cyber threats and cybercrimes in today's digital world. Our success in helping achieve this mission depends, in large part, on the success of our employees.

- **General Employee Demographics:** As of March 28, 2025, we employed just under 3,500 team members in over 20 countries worldwide. With dual headquarters in Tempe, Arizona, and in Prague, Czech Republic, we have over 1,000 active employees located in the U.S. and nearly 900 active employees in the Czech Republic. None of our U.S. employees are represented by a labor union or covered by a collective bargaining agreement.
- **Employee Development and Training:** Our people programs are designed to provide our team members with support, resources, and opportunities they need to grow, learn and thrive in their careers. We continued to focus on learning and development in fiscal 2025, investing further in digital learning via our Learn@Gen program for all employees. Leveraging an extensive breadth of content and learning opportunities, this umbrella of offerings includes LinkedIn Learning catalog, Gen Mentorship, Academics and leadership trainings.
- **Employee Engagement:** We value our people and are committed to creating a positive and fulfilling experience for everyone. Feedback from our employees is critical, and we have developed an ongoing dialogue with our teams via our Engage pulse survey on a targeted topic that drives actions and improvements.
- **Benefits, Health and Wellness:** At Gen, we value our people and are committed to creating a positive and fulfilling experience for everyone through the programs and benefits we offer. Our employee value proposition, Life@Gen is centered on choice, flexibility and growth and encompasses the many elements of our employee experience. Our commitment to overall health and wellness is centered around having an integrated and equitable wellness program that supports body, mind and financial health.
- **Human Capital Governance:** We partner closely with our Board of Directors and the Compensation and Leadership Development Committee on executive compensation, our broader reward strategies and objectives related to talent management, talent acquisition, leadership development, retention and succession, and employee engagement.

Intellectual Property

Our intellectual property (IP) is an important and vital asset that enables us to develop, market, and sell our software products and services and enhance our competitive position. We are a leader among consumer cyber safety solutions in pursuing patents and currently have a portfolio of over 1,000 U.S. and international patents issued with many additional patents pending. We protect our intellectual property rights and investments in a variety of ways to safeguard our technologies and our long-term success. Our IP portfolio is spread across different entities and in multiple countries. As we continue to expand our international operations, we have developed a strategy to ensure global distribution of our IP aligns with our long-term strategic objectives, business model, and goals. We work actively in the U.S. and internationally to ensure the enforcement of copyright, trademark, trade secret and other protections that apply to our software products and services. The term of the patents we hold is, on average, in excess of ten years.

From time to time, we enter into cross-license agreements with other technology companies covering broad groups of patents; we have an additional portfolio of over 2,000 U.S. and international patents cross-licensed to us as part of our arrangement with Broadcom as a result of the asset sale of our former Enterprise Security business. We also use software from third parties in our business and generally must rely on those third parties to protect the licensed rights. This can include open source software, which is subject to limited proprietary rights. While it may be necessary in the future to seek or renew licenses relating to various aspects of our products, services, and business methods, we believe, based upon past experience and industry practice, such licenses generally can be obtained on commercially reasonable terms. The ability to maintain and protect our intellectual property rights is important to our success, but we believe our business is not materially dependent on any individual patent, copyright, trademark, trade secret, license, or other intellectual property right.

However, circumstances outside our control could pose a threat to our intellectual property rights. Effective intellectual property protection may not be available, and the efforts we have taken to protect our proprietary rights may not be sufficient or effective. Any significant impairment of our intellectual property rights could harm our business or our ability to compete. In addition, protecting our intellectual property rights is costly and time consuming. Any unauthorized disclosure or use of our intellectual property could make it more expensive to do business and harm our operating results.

In addition, a large number of patents, copyrights and trademarks are owned by other companies in the technology industry. Those companies may request license agreements, threaten litigation, or file suit against us based on allegations of infringement or other violations of intellectual property rights.

For more information on the risks associated with our intellectual property, please see "Risk Factors" in Item 1A included in this Annual Report on Form 10-K.

Governmental Regulation

We collect, use, store or disclose an increasingly high volume, and variety of personal information, including from employees and customers, in connection with the operation of our business, particularly, in relation to our identity and information protection offerings, which rely on large data repositories of personal information and consumer transactions. The personal information we process is subject to an increasing number of federal, state, local and foreign laws regarding privacy and data security.

For information on the risks associated with complying with privacy and data security laws, please see "Risk Factors" in Item 1A included in this Annual Report on Form 10-K.

Available Information

Our internet homepage is located at GenDigital.com. We make available our annual reports on Form 10-K, quarterly reports on Form 10-Q, current reports on Form 8-K, and amendments to those reports as soon as reasonably practicable after we electronically file such material with the SEC on our investor relations website located at Investor.GenDigital.com. We also use our website as a tool to disclose important information about the company and comply with our disclosure obligations under Regulation Fair Disclosure. The information contained, or referred to, on our website, including in any reports that are posted on our website, is not part of this annual report unless expressly noted. The SEC maintains a website that contains reports, proxy and information statements, and other information regarding our filings at <http://www.sec.gov>.

Item 1A. Risk Factors

A description of the risk factors associated with our business is set forth below and in "Management's Discussion and Analysis of Financial Condition and Results of Operations, Legal Proceedings, and Quantitative and Qualitative Disclosures About Market Risk." The list is not exhaustive, and you should carefully consider these risks and uncertainties before investing in our common stock.

RISKS RELATED TO OUR BUSINESS STRATEGY AND INDUSTRY

If we are unable to develop new and enhanced solutions, or if we are unable to continually improve the performance, features, and reliability of our existing solutions, our business and operating results could be adversely affected.

Our future success depends on our ability to effectively respond to evolving threats to consumers, as well as competitive technological developments and industry changes, by developing or introducing new and enhanced solutions and products on a timely basis. In the past, we have incurred, and will continue to incur, significant research and development expenses as we focus on organic growth through internal innovation.

We believe that we must continue to dedicate significant resources to our research and development efforts to deliver innovative market competitive products and avoid being reliant on third-party technology and products. If we do not achieve the benefits anticipated from these research and development investments, or if the achievement of these benefits is delayed, our operating results may be adversely affected. We must continually address the challenges of dynamic and accelerating market trends and competitive developments. Customers may require features and capabilities that our current solutions do not have. Our failure to develop new solutions and improve our existing solutions to satisfy customer preferences and effectively compete with other market offerings in a timely and cost-effective manner may harm our ability to retain our customers and attract new customers. For example, the process of developing and integrating new technologies, including generative artificial intelligence ("Gen AI") and machine learning models, is complex, time-consuming and may cause errors or inadequacies that are not easily detectable. As we integrate more Gen AI technology into our platform to improve the experience of our users and meet the demands of our customers, it may result in unintentional or unexpected outputs that are incorrect or biased and cause customer dissatisfaction or subject us to lawsuits, reputational harm and increased regulatory scrutiny.

The development and introduction of new solutions involve significant commitments of time and resources and are subject to risks and challenges including but not limited to:

- Lengthy development cycles;
- Evolving industry and regulatory standards and technological developments, including AI and machine learning, by our competitors and customers;
- Rapidly changing customer preferences and accurately anticipating technological trends or needs;
- Evolving platforms, operating systems, and hardware products, such as mobile devices;
- Product and service interoperability challenges with customer's technology and third-party vendors;
- The integration of products and solutions from acquired companies;
- Availability of engineering and technical talent;
- Entering new or unproven market segments;
- New and evolving regulation; and
- Executing new product and service strategies.

In addition, third parties, including, but not limited to, operating systems and internet browser companies, have in the past and may in the future limit the interoperability of our solutions with their own products and services, in some cases to promote their own offerings or those of our competitors. Any such actions by third parties could delay the development of our solutions and products or our solutions and products may be unable to operate effectively. This could also result in decreased demand for our solutions and products, decreased revenue, harm to our reputation, and adversely affect our business, financial condition, results of operations, and cash flows.

If we are not successful in managing these risks and challenges, or if our new or improved solutions or products are not technologically competitive or do not achieve market acceptance, our business and operating results could be adversely affected.

We operate in a highly competitive and dynamic environment, and if we are unable to compete effectively, we could experience a loss in market share and a reduction in revenue.

We operate in intensely competitive and dynamic markets that experience frequent and rapid technological developments, changes in industry and regulatory standards, evolving market trends, changes in customer requirements and preferences, and frequent new product introductions and improvements. If we are unable to anticipate or react to these continually evolving conditions, we could experience a loss of market share and a reduction in our revenues, which could materially and adversely affect our business and financial results. To compete successfully, we must maintain an innovative research and development effort to develop new solutions and products and enhance our existing solutions and products, and effectively adapt to changes in the technology, financial technology, privacy and data protection standards or trends.

We face competition from a broad range of companies, including software vendors focusing on cyber safety solutions such as Bitdefender, Kaspersky, McAfee and Trend Micro, operating system providers such as Apple, Google and Microsoft, and companies such as Nord, Life360, LastPass and others that currently specialize in one or a few particular segments of the market and many of which are expanding their product portfolios into different segments. We also face growing competition from other technology companies, as well as from companies in the identity threat protection space such as credit bureaus. Further, many of our competitors are increasingly developing and incorporating into their products data protection software and other competing cyber safety products, such as antivirus protection or VPN, often free of charge, that compete with our offerings. Our competitive position could be adversely affected by the functionality incorporated into these products rendering our existing solutions obsolete and therefore causing us to fail to meet customer expectations.

For our MoneyLion business, we face competition from a broad range of companies across our business lines, including traditional banks and credit unions; new entrants obtaining banking licenses; non-bank digital providers offering banking-related services; specialty finance and other non-bank digital providers offering consumer lending-related or earned wage access products; digital wealth management platforms such as robo-advisors offering consumer investment services and other brokerage-related services; and digital financial platform, embedded finance and marketplace competitors, which aggregate and connect consumers to financial product and service offerings. We also compete with advertising agencies and other service providers to attract marketing budget spending from our Enterprise clients. We expect our competition to continue to increase, as there are generally no substantial barriers to entry to the markets we serve.

Some of our current and potential competitors have longer operating histories, particularly with respect to financial services products similar to ours, significantly greater resources and a larger customer base than we do. This allows them, among other things, to potentially offer more competitive pricing or other terms or features, a broader range of financial or other products or a more specialized set of specific products or services, as well as respond more quickly than we can to new or emerging technologies and changes in consumer preferences.

In addition, the introduction of new products or services by existing or future competitors, and/or market acceptance of products or services based on emerging or alternative technologies, could make it easier for other products or services to compete with our solutions and reduce our market share in the future. Further consolidation among our competitors and within our industry or, in addition to other changes in the competitive environment, such as greater vertical integration from key computing and operating system suppliers could result in larger competitors that compete more frequently with us.

Specifically, in addition to competing with cyber safety vendors directly for sales to end-users of our solutions, we compete with them for the opportunity to have our solutions bundled with the offerings of our strategic partners, such as computer hardware OEMs, internet service providers, operating systems and telecom service providers. Our competitors could gain market share from us if any of these strategic partners replace our solutions with those of our competitors or with their own solutions or promote our competitors' solutions or their own solutions more frequently or more favorably than our solutions. In addition, software vendors who have bundled our solutions with theirs may choose to bundle their solutions with their own or other vendors' solutions or may limit our access to standard interfaces and inhibit our ability to develop solutions for their platform. Further product development by these vendors could cause our solutions to become redundant, which could significantly impact our sales and operating results.

We cannot be sure that we will accurately predict how the markets in which we compete or intend to compete will evolve. Failure on our part to anticipate changes in our markets and to develop solutions and enhancements that meet the demands of those markets or to effectively compete against our competitors will significantly impair our business, financial condition, results of operations, and cash flows.

Issues in the development and deployment of artificial intelligence ("AI") may result in reputational harm and legal liability and could adversely affect our results of operations.

We have incorporated, and are continuing to develop and deploy, AI, including Gen AI, into many of our products, solutions and services. AI presents challenges and risks that could affect our products, solutions and services, and therefore our business. For example, AI algorithms may be flawed, insufficient, of poor quality, reflect unwanted forms of bias, or contain other errors or inadequacies, any of which may not be easily detectable; AI has been known to produce false or "hallucinatory" inferences or outputs; AI can present ethical issues and may subject us to new or heightened legal, regulatory, ethical, or other challenges, including issues relating to discrimination, intellectual property infringement or misappropriation, violation of rights of publicity, inability to assert ownership of inventions and works of authorship, loss of trade secrets, defamation, data privacy and

cybersecurity; and inappropriate or controversial data practices by developers and end-users, or other factors adversely affecting public opinion of AI, could impair the acceptance of AI solutions, including those incorporated in our products and services. If the AI solutions that we create or use are deficient, inaccurate or controversial, we could incur operational inefficiencies, competitive harm, legal liability, brand or reputational harm, or other adverse impacts on our business and financial results.

In addition, if we do not have sufficient rights to use the data or other material or content on which our AI tools rely, we also may incur liability through the violation of applicable laws and regulations, third-party intellectual property, privacy or other rights, or contracts to which we are a party. The use or adoption of AI technologies in our products may also result in exposure to claims by third parties of copyright infringement or other intellectual property misappropriation, which may require us to pay compensation or license fees to third parties. For example, the large datasets used to train Gen AI technologies or output generated by Gen AI technologies may contain materials that may subject us to third-party claims of intellectual property infringement or violations of rights of publicity. This risk is exacerbated with respect to our use of third-party Gen AI technologies, as it can be very difficult, if not impossible, to validate the processes used by third-party Gen AI technology providers in their collection and use of training data or the algorithm to produce outputs.

In addition, regulation of Gen AI is rapidly evolving worldwide as legislators and regulators are increasingly focused on these powerful emerging technologies. The technologies underlying Gen AI and its uses are currently subject to a variety of laws and regulations, including intellectual property, privacy, data protection and information security, consumer protection, competition, and equal opportunity laws, and are expected to be subject to increased regulation and new laws or new applications of existing laws and regulations. Gen AI is the subject of ongoing review by various U.S. governmental and regulatory agencies, and various U.S. states and other foreign jurisdictions are applying, or are considering applying, their platform moderation, cybersecurity, and data protection laws and regulations to Gen AI or are considering general legal frameworks for Gen AI. For example, the EU AI Act, which came into force on August 1, 2024, will generally become fully applicable after a two-year transitional period, with certain obligations taking effect at an earlier or later time. The EU AI Act introduces various requirements for AI systems and models placed on the market or put into service in the EU, including specific transparency and other requirements for general purpose AI systems and the models on which they are based. In addition, several U.S. states are considering enacting or have already enacted regulations concerning the use of AI technologies. At the federal and state level, there have been various proposals (and in some cases laws enacted) addressing “deepfakes” and other AI-generated synthetic media.

Furthermore, because AI technology itself is highly complex and rapidly developing, it is not possible to predict all of the legal, operational or technological risks that may arise relating to the use of AI. The rapid evolution of AI, including potential government regulation of AI, requires us to invest significant resources to develop, test, and maintain AI in our products and services in a manner that meets evolving requirements and expectations and we may need to expend resources to adjust our offerings in certain jurisdictions if the legal frameworks are inconsistent across jurisdictions. Developing, testing, and deploying AI systems may also increase the cost profile of our offerings due to the nature of the computing costs involved in such systems.

Our acquisitions and divestitures create special risks and challenges that could adversely affect our financial results.

As part of our business strategy, we may acquire or divest businesses or assets. For example, in 2019, we completed the sale of certain of our enterprise security assets to Broadcom Inc. (the Broadcom sale), in January 2021, we completed the acquisition of Avira, in September 2022, we completed the acquisition of Avast, and in April 2025, we completed the acquisition of MoneyLion. Our acquisition and divestiture activities have and may continue to involve a number of risks and challenges, including:

- Complexity, time and costs associated with managing these transactions, including the integration of acquired and the winding down of divested business operations, workforce, products, services, IT systems and technologies;
- Challenges in maintaining uniform standards, controls, procedures and policies within the combined organization;
- Challenges in retaining the customers of acquired businesses, providing the same level of service to existing customers with reduced resources, or retaining the third-party relationships, including with suppliers, service providers, and vendors, among others;
- Diversion of management time and attention;
- Loss or termination of employees, including costs and potential institutional knowledge loss associated with the termination or replacement of those employees;
- Assumption of liabilities of the acquired and divested business or assets, including pending or future litigation, investigations or claims related to the acquired business or assets;
- Addition of acquisition-related debt;
- Difficulty entering into or expanding in new markets or geographies;
- Increased or unexpected costs and working capital requirements;
- Dilution of stock ownership of existing stockholders;
- Ongoing contractual obligations and unanticipated delays or failure to meet contractual obligations;
- Regulatory risks, including remaining in good standing with existing regulatory bodies or receiving any necessary approvals, as well as being subject to new regulators with oversight over an acquired business;

Table of Contents

- Substantial accounting charges for acquisition-related costs, asset impairments, amortization of intangible assets and higher levels of stock-based compensation expense; and
- Difficulty in realizing potential benefits, including cost savings and operational efficiencies, synergies and growth prospects from integrating acquired businesses.

We may not be able to identify appropriate business opportunities that benefit our business strategy or otherwise satisfy our criteria to undertake such opportunities. Even if we do identify potential strategic transactions, we may not be successful in negotiating favorable terms in a timely manner or at all or in consummating the transaction, and even if we do consummate such a transaction, it may not generate sufficient revenue to offset the associated costs, may not otherwise result in the intended benefits or may result in unexpected difficulties and risks. Macroeconomic factors, such as fluctuating tariffs, trade wars, high inflation, high interest rates, and volatility in foreign currency exchange rates and capital markets could negatively influence our future acquisition opportunities. Moreover, to be successful, large complex acquisitions depend on large-scale product, technology, and sales force integrations that are difficult to complete on a timely basis or at all and may be more susceptible to the special risks and challenges described above. Any of the foregoing, and other factors, could harm our ability to achieve anticipated levels of profitability or other financial benefits from our acquired or divested businesses, product lines or assets or to realize other anticipated benefits of divestitures or acquisitions.

Our revenue and operating results depend significantly on our ability to retain our existing customers and expand sales to them, convert existing non-paying customers to paying customers and add new customers.

It is important to our cyber and financial technology businesses that we retain existing customers and that our customers expand their use of our solutions and products over time. If our efforts to sell additional functionality, products and services to our customers and clients are not successful, our business and growth prospects would suffer. Customers may choose not to renew their membership with us at any time and may stop utilizing our products that generate us revenue from transaction, interchange or transfer fees, among others. For our solutions sold to customers on a monthly or annual subscription basis, renewing customers may require additional incentives to renew, may not renew for the same contract period, or may change their subscriptions. We therefore may be unable to retain our existing customers on the same or more profitable terms, if at all. In addition, we may not be able to accurately predict or anticipate future trends in customer retention or effectively respond to such trends.

Our customer retention rates may decline or fluctuate due to a variety of factors, including the following:

- Our customers' levels of satisfaction or dissatisfaction with our solutions and the value they place on our solutions;
- The quality, breadth, and prices of our solutions, including solutions offered in emerging markets;
- Our general reputation and events impacting that reputation;
- The services and related pricing offered by our competitors; including increasing the availability and efficacy of free solutions;
- Increases in costs we incur and may pass on to our customers in order to offer our products or services;
- Disruption by new services or changes in law or regulations that impact the need for or efficacy of our products and services;
- Changes in auto-renewal and other consumer protection regulations;
- Our customers' dissatisfaction with our efforts to market additional products and services;
- Our customer service and responsiveness to the needs of our customers;
- Changes in our target customers' spending levels as a result of general economic conditions, inflationary pressures or other factors; and
- The quality and efficacy of our third-party partners who assist us in renewing customers' subscriptions.

Declining customer retention rates could cause our revenue to grow more slowly than expected or decline, and our operating results, gross margins and business will be harmed. In addition, our ability to generate revenue and maintain or improve our results of operations partly depends on our ability to cross-sell our solutions to our existing customers and to convert existing non-paying customers to paying customers and add new customers. We may not be successful in cross selling our solutions because our customers may find our additional solutions unnecessary or unattractive. Our failure to sell additional solutions to our existing customers, failure to convert existing non-paying customers to paying customers or add new customers could adversely affect our ability to grow our business.

An important part of our growth strategy involves continued investment in direct marketing efforts, indirect partner distribution channels, expanding enterprise partner relationships, freemium channels, our sales force, and infrastructure to add new customers. The number and rate at which new customers purchase our products and services depends on a number of factors, including those outside of our control, such as customers' perceived need for our solutions and products, competition, general economic conditions, market transitions, product obsolescence, technological change, public awareness of security threats to IT systems, macroeconomic conditions, and other factors. New customers, if any, may subscribe or renew their subscriptions, or utilize our products and solutions, at lower rates than we have experienced in the past, introducing uncertainty about their economic attractiveness and potentially impacting our financial results.

Additionally, there are inherent challenges in measuring the usage of our products and solutions across our brands, platforms, regions, and internal systems, and therefore, calculation methodologies for direct customer counts may differ, which may impact our ability to measure the addition of new customers and our understanding of certain details of our business. The methodologies used to measure these metrics require judgment and are also susceptible to algorithms or other technical errors. From time to time, we review our metrics and may discover inaccuracies or make adjustments to improve their accuracy, which can result in adjustments to our historical metrics. Our ability to recalculate our historical metrics may be impacted by data limitations or other factors that require us to apply different methodologies for such adjustments. If investors do not perceive our operating metrics to be accurate, or if we discover material inaccuracies with respect to these figures, our reputation may be significantly harmed, and our results of operations and financial condition could be adversely affected.

We may need to change our pricing models to compete successfully.

The intense competition we face, in addition to general and economic business conditions (including rising government debt levels, potential government policy shifts, changing U.S. consumer spending patterns, economic volatility, bank failures, fluctuating tariff rates, trade wars, and high inflation and interest rates, among other things), may put pressure on us to change our pricing practices. In particular, the ongoing global conflicts could amplify disruptions to the financial and credit markets, increase risks of an information security or operational technology incident, cause cost fluctuations to us or third parties upon which we rely and increase costs to ensure compliance with global and local laws and regulations.

If our competitors offer deep discounts on certain solutions, provide offerings, or offer free introductory products that compete with ours, we may experience pricing pressure and may be unable to retain current customers and clients or attract new customers and clients at consistent prices within our operating budget. Or we may need to lower our prices or offer similar free introductory products to compete successfully. Similarly, if external factors, such as economic conditions, market trends, or business combinations require us to raise our prices, our ability to acquire new customers and retain existing customers may be diminished. Any such changes may reduce revenue and margins and could adversely affect our financial results.

Additionally, changes in the macroeconomic environment have previously and may continue to affect our business. Our solutions are discretionary purchases, and customers may reduce or eliminate their discretionary spending on our solutions during a difficult macroeconomic environment. We may experience a material increase in cancellations by customers or a material reduction in our retention rate in the future, especially in the event of a prolonged recession or a worsening of current conditions as a result of trade wars, fluctuating tariff rates, inflation, changes in interest rates, government shutdowns, political developments and unrest or other macroeconomic events. We may have to lower our prices or make other changes to our pricing model to address these dynamics, any of which could adversely affect our business and financial results.

Many of Avira's and Avast's users are freemium subscribers, meaning they do not pay for its basic services. Much of our anticipated growth in connection with the Avira and Avast acquisitions are attributable to attracting and converting Avira's and Avast's freemium users to a paid subscription option. Numerous factors, however, have previously and may continue to impede our ability to attract and retain free users, convert these users into paying customers and retain them as paying customers.

If we fail to manage our sales and distribution channels effectively, if our partners choose not to market and sell our solutions to their customers, or if we have an adverse change in our relationships with key third-party partners, service providers or vendors, our operating results could be materially and adversely affected.

A portion of our revenues is derived from sales through indirect channels, including, but not limited to, distributors that sell our products to end-users and other resellers, and partners that incorporate our products into, or bundle our products with, their products. These channels involve risks, including:

- Our resellers, distributors and telecom service providers are generally not subject to minimum sales requirements or any obligation to market our solutions to their customers;
- Our reseller and distributor agreements are generally nonexclusive and may be terminated at any time without cause and our partners may terminate or renegotiate their arrangements with us and new terms may be less favorable due to competitive conditions in our markets and other factors;
- Our resellers and distributors may encounter issues or have violations of applicable law or regulatory requirements or otherwise cause damage to our reputation through their actions;
- Our resellers and distributors frequently market and distribute competing solutions and may, from time to time, place greater emphasis on the sale of competing solutions due to pricing, promotions and other terms offered by our competitors;
- Any consolidation of electronics retailers can increase their negotiating power with respect to software providers such as us and any decline in the number of physical retailers could decrease the channels of distribution for us;
- The consolidation of online sales through a small number of larger channels has been increasing, which could reduce the channels available for online distribution of our solutions; and
- Sales through our partners are subject to changes in general economic conditions, strategic direction, competitive risks, and other issues that could result in fewer sales, or cause our partners to suffer financial difficulty which could delay payments to us, affecting our operating results.

Table of Contents

If we fail to manage our sales and distribution channels successfully, these channels may conflict with one another or otherwise fail to perform as we anticipate, which could reduce our sales and increase our expenses as well as weaken our competitive position.

In our MoneyLion business, our success also depends in part on the delivery of qualified consumer lead inquiries and conversions to completed transactions for various financial products to Product Partners. However, the failure of our Enterprise platform to effectively connect and match consumers from our Channel Partners with product offerings from our Product Partners in a manner that results in converted customers and increased revenue for such Product Partners could cause Product Partners to cease spending marketing funds on our Enterprise platform, which could have a material adverse impact on our ability to maintain or increase our Enterprise revenue. Any factors that limit the amount that our Product Partners are willing to, and do, spend on marketing or advertising with us could have a material adverse effect on our business, financial condition, results of operations and cash flows. Additionally, during challenging macroeconomic conditions, our Product Partners may tighten underwriting standards for certain of their products, which would result in fewer opportunities for us to generate revenue from matching consumers from our Channel Partners with them.

The success of our business and our ability to engage and retain customers in our platform are dependent in part on our ability to produce or acquire popular content, which in turn depends on our ability to retain content creators and rights to content for our platform. We may in the future incur increasing revenue-sharing costs to compensate content creators for producing original content.

Any changes in these relationships or loss of these partners or vendors, any failure of them to perform their obligations in a timely manner or at all or if they were to cease to provide such functions for any reason, could degrade the functionality of our platform, materially and adversely affect usage of our products and services, impose additional costs or requirements or disadvantage us compared to our competitors. We also rely on relationships with third-party partners to obtain and maintain customers, and our ability to acquire new customers could be materially harmed if we are unable to enter into or maintain these relationships on terms that are commercially reasonable to us, or at all.

In the event that such a third party for any reason fails to comply with legal or regulatory requirements or otherwise to perform its functions properly, our ability to conduct our business and perform other operational functions for which we currently rely on such third party will suffer, and our business, financial condition, results of operations and cash flows may be negatively impacted.

Changes in industry structure and market conditions have and may continue to lead to charges related to discontinuance of certain of our products or businesses and asset impairments.

In response to changes in industry structure and market conditions, we have been and may continue to be required to strategically reallocate our resources and consider restructuring, disposing of, or otherwise exiting certain businesses. Any decision to limit investment in or dispose of or otherwise exit businesses has and may continue to result in the recording of special charges, such as technology-related write-offs, workforce reduction costs, charges relating to consolidation of excess facilities, or claims from third parties who were resellers or users of discontinued products. Our estimates with respect to the useful life or ultimate recoverability of our carrying basis of assets, including purchased intangible assets, could change as a result of such assessments and decisions. Our loss contingencies have and may continue to include liabilities for contracts that we cannot cancel, reschedule or adjust with suppliers.

Further, our estimates relating to the liabilities for excess facilities are affected by changes in real estate market conditions. Additionally, we are required to evaluate goodwill impairment on an annual basis and between annual evaluations in certain circumstances. Goodwill impairment evaluations have previously and may result in a charge to earnings.

RISKS RELATED TO OUR OPERATIONS

Our international operations involve risks that could increase our expenses, adversely affect our operating results and require increased time and attention of our management.

We derive a significant portion of our revenues from customers located outside of the United States, and we have substantial operations outside of the United States, including engineering, finance, sales and customer support. Our international operations are subject to risks in addition to those faced by our domestic operations, including:

- Difficulties staffing, managing, and coordinating the activities of our geographically dispersed and culturally diverse operations;
- Potential loss of proprietary information due to misappropriation or laws that may be less protective of our intellectual property rights than U.S. laws or that may not be adequately enforced;
- Requirements of foreign laws and other governmental controls, including tariffs, trade barriers and labor restrictions, and related laws that reduce the flexibility of our business operations;
- Fluctuations in currency exchange rates, economic instability and inflationary conditions could make our solutions more expensive or could increase our costs of doing business in certain countries;
- Changes in trade relations arising from policy initiatives or other political factors;
- Regulations or restrictions on the use, import or export of encryption technologies that could delay or prevent the acceptance and use of encryption products and public networks for secure communications;

Table of Contents

- Regulations or restrictions regarding the collection, processing, sharing, transfer, portability, security and storage of consumer data (including personal information), including privacy and data protection laws;
- Local business and cultural factors that differ from our normal standards and practices, including business practices that we are prohibited from engaging in by the Foreign Corrupt Practices Act and other anti-corruption laws and regulations;
- Central bank and other restrictions on our ability to repatriate cash from our international subsidiaries or to exchange cash in international subsidiaries into cash available for use in the United States;
- Limitations on future growth or inability to maintain current levels of revenues from international sales if we do not invest sufficiently in our international operations;
- Difficulties in staffing, managing and operating our international operations;
- Costs and delays associated with developing software and providing support in multiple languages;
- Political, social or economic unrest, war, terrorism, regional natural disasters, or export controls and trade restrictions, particularly in areas in which we have facilities and in areas where our engineering and technical development teams are based; and
- Multiple and possibly overlapping tax regimes.

The expansion of our existing international operations and entry into additional international markets has required and will continue to require significant management attention and financial resources. These increased costs may increase our cost of acquiring international customers, which may delay our ability to achieve profitability or reduce our profitability in the future. We also have and may continue to face pressure to lower our prices in order to compete in emerging markets, which has previously and could in the future adversely affect revenue derived from our international operations.

It is not possible to predict the broader consequences of existing geopolitical conflicts and other conflicts that may arise in the future, which could include geopolitical instability and uncertainty; adverse impacts on global and regional economic conditions and financial markets, including significant volatility in credit, capital, and currency markets; reduced economic activity; changes in laws and regulations affecting our business, including further sanctions or counter-sanctions which may be enacted; and increased cybersecurity threats and concerns. The ultimate extent to which such conflicts may negatively impact our business, financial condition and results of operations will depend on future developments, which are highly uncertain, difficult to predict and subject to change.

Our future success depends on our ability to attract and retain personnel in a competitive marketplace.

Our future success depends upon our ability to recruit and retain key management, technical (including cyber security and AI experts), sales, marketing, e-commerce, finance and other personnel. Our officers and other key personnel are "at will" employees and we generally do not have employment or non-compete agreements with our employees. Competition is significant for people with the specific skills that we require, including in the areas of AI and machine learning, and especially in the locations where we have a substantial presence and need for such personnel.

In order to attract and retain personnel in a competitive marketplace, we must provide competitive pay packages, including cash and equity-based compensation. Additionally, changes in immigration laws could impair our ability to attract and retain highly qualified employees. If we fail to attract, retain and motivate new or existing personnel, our business, results of operations and future growth prospects could suffer. Volatility in our stock price may from time to time adversely affect our ability to recruit or retain employees. In addition, we may not have an adequate number of shares reserved under our equity compensation plans, forcing us to reduce awards of equity-based compensation, which could impair our efforts to attract, retain and motivate necessary personnel. If we are unable to hire and retain qualified employees, or conversely, if we fail to manage employee performance or reduce staffing levels when required by market conditions, our business and operating results could be adversely affected.

Effective succession planning is also important to our long-term success. Failure to ensure effective transfer of knowledge and smooth transitions involving key employees could hinder our strategic planning and execution. From time to time, key personnel leave our company and the frequency and number of such departures have widely varied and have, in the past, resulted, and may in the future result in significant changes to our executive leadership team. The loss of any key employee could result in significant disruptions to our operations, including adversely affecting the timeliness of product releases, the successful implementation and completion of company initiatives, our internal control over financial reporting and our results of operations. In addition, hiring, training and successfully integrating replacement personnel can be time consuming and expensive, may cause additional disruptions to our operations and may be unsuccessful, which could negatively impact future financial results.

If the information provided to us by customers or other third parties is incorrect or fraudulent, we may misjudge a customer's qualifications to receive our products and services and our results of operations may be harmed and could subject us to regulatory scrutiny or penalties.

Our decisions to provide many of our products and services to customers are based partly on information that they provide to us or authorize us to receive from third party sources. To the extent that these customers or third parties provide information to us in a manner that we are unable to verify, our decisioning process may not accurately reflect the associated risk. In addition, data provided by third-party sources, including consumer reporting agencies, is a component of our credit decisions and this data may contain inaccuracies. This may result in the inability to either approve otherwise qualified applicants or rejected otherwise

unqualified applicants through our platform or accurately analyze credit data, which may adversely impact our business and negatively impact our reputation.

In addition, there is risk of fraudulent activity associated with our business, including as a result of the service providers and other third parties who handle customer information on our behalf. We use identity and fraud prevention tools to analyze data provided by external databases to authenticate the identity of each applicant that signs up for our first-party products and services. However, these checks have failed from time to time and may again fail in the future, and fraud, which may be significant, has and may in the future occur. The level of fraud-related charge-offs on the first-party products and services facilitated through our platform could be adversely affected if fraudulent activity were to significantly increase. We may not be able to recoup funds associated with our first-party products and services made in connection with inaccurate statements, omissions of fact or fraud, in which case our revenue, results of operations, profitability and cash flows will be harmed. High profile fraudulent activity or significant increases in fraudulent activity could also lead to regulatory intervention, negative publicity and the erosion of trust from our customers, which could negatively impact our results of operations, brand and reputation, and require us to take steps to reduce fraud risk, which could increase our costs.

Our solutions, systems, websites and the data on these sources have been in the past and may continue to be subject to cybersecurity events that could materially harm our reputation and future sales.

Information security risks in the financial services industry in particular are significant, in part because of new technologies, the use of the internet and telecommunications technologies (including mobile devices) to conduct financial and other business transactions and the increased sophistication and activities of organized criminals, perpetrators of fraud, hackers, terrorists and other malicious third parties. Recently, there have been a number of well-publicized attacks or breaches affecting companies in the financial services industry, such as the large-scale attacks by foreign nation state actors and a significant uptick in ransomware/extortion attacks at other companies, that have caused heightened concern by customers, and which may also intensify regulatory focus, cause customers to lose trust in the security of the industry in general and result in reduced use of our services and increased costs, all of which could also have a material adverse effect on our business.

Given the digital nature of our platform, we are an attractive target and expect to continue to be an attractive target of attacks specifically designed to impede the performance and availability of our offerings and harm our reputation as a leading cyber security company. In addition, we face the risk of cyberattacks by nation-states and state-sponsored actors, which may increase or heighten due to geopolitical tensions. These attacks may target us, our partners, suppliers, vendors or customers. Similarly, experienced computer programmers or other sophisticated individuals or entities, including malicious hackers, state-sponsored organizations, and insider threats including actions by employees and third-party service providers, have attempted to penetrate, and in some cases have penetrated, our network security or the security of our vendors or suppliers. Such attempts are increasing in number and in technical sophistication, including through the use of AI, and have in the past and could in the future expose us and the affected parties, to risk of loss or misuse of proprietary, personal or confidential information or disruptions of our business operations.

When a data breach occurs, our information technology systems and infrastructure can be subject to damage, compromise, disruption, and shutdown due to attacks or breaches by hackers or other circumstances, such as error or malfeasance by employees or third-party service providers, phishing, social engineering, account takeovers, vulnerability exploitation, misconfigurations, ransomware, or technology malfunction. A data breach may result in significant legal, financial, and reputational harm, including government inquiries, enforcement actions, litigation (including class actions), and negative publicity. A series of breaches may be determined to be material at a later date in the aggregate, even if they may not be material individually at the time of their occurrence. The occurrence of any of these events, as well as a failure to promptly remedy them when they occur, could compromise our systems and the information stored in our systems and may cause us to lose consumer trust. Any such circumstance could adversely affect our ability to attract and maintain customers as well as strategic partners, cause us to suffer negative publicity or damage to our brand, and subject us to legal claims and liabilities or regulatory penalties. In addition, unauthorized parties might alter information in our databases, which would adversely affect both the reliability of that information and our ability to market and perform our services as well as undermine our ability to remain compliant with relevant laws and regulations.

Techniques used to obtain unauthorized access or to sabotage systems change frequently, are constantly evolving and generally are difficult to recognize and react to effectively, and are increasingly becoming more sophisticated and harder to detect due to the use of "deepfakes", voice imitation technology and other AI tools. Despite our efforts, we are not always able to anticipate these techniques or to implement adequate or timely preventive or reactive measures. Our brands and their third-party service providers from time to time have experienced and may in the future continue to experience such instances, and we may experience heightened risks of cyberattacks and other security breaches or disruptions as a result of the ongoing unification efforts to integrate certain legacy IT infrastructure and systems of MALKA and Even Financial Inc. (now Engine by MoneyLion). Threat actors have previously and could in the future exploit a new vulnerability before we complete our remediation work or identify a vulnerability that we did not effectively remediate. If that happens, there could be unauthorized access to, or acquisition of, data we maintain, and damage to our systems. In addition, our internal IT environment continues to evolve. We embrace new ways of sharing data and communicating internally and with partners and customers using methods such as social networking and other consumer-oriented technologies. The increasing use of Gen AI models in our internal systems which may create new attack methods for adversaries. Our business policies and internal security controls may not keep pace with these changes as new threats emerge, or new cybersecurity regulations emerge in jurisdictions worldwide.

Finally, the software upon which we rely may from time to time contain undetected technical errors or bugs, which may only be discovered after the code has been released for external or internal use. Technical errors or other design defects within the

software upon which we rely may result in a negative experience for customers, clients or third-party partners and issues in our provision of our products and services or their functionality, failure to accurately predict or evaluate the suitability of new and existing customers for our products and services, failure to comply with applicable laws and regulations, failure to detect fraudulent activity on our platform, delayed introductions of new features or enhancements or failure to protect consumer data, our intellectual property or other sensitive data or proprietary information. Any technical errors, bugs or defects discovered in the software upon which we rely could result in harm to our reputation, loss of customers, clients or third-party partners, increased regulatory scrutiny, fines or penalties, loss of revenue or liability for damages, any of which could adversely affect our business, financial condition, results of operations and cash flows.

We collect, use, disclose, store or otherwise process personal information and other sensitive data, which is subject to stringent and changing state and federal laws, and regulations.

In connection with the operation of our business, particularly in relation to our identity and information protection service and financial technology offerings, we collect, use, process, store, transmit or disclose (collectively, process) an increasingly large amount of confidential information, including personal information (which includes credit card information and other critical data) from employees and customers in multiple jurisdictions. The confidential and personal information we process is subject to an increasing number of federal, state, local and foreign laws regarding privacy, data security and the collection, and handling of PII and sensitive data, as well as contractual commitments, and this regulatory framework is rapidly evolving and likely to remain uncertain for the foreseeable future. For example, at the federal level, the GLBA (along with its implementing regulations) requires disclosures to consumers about our handling of their nonpublic personal information and empowers consumers to place restrictions on, or opt out of, our sharing nonpublic personal information with affiliated and nonaffiliated third parties for various purposes. Additionally, our investment adviser, ML Wealth, and broker-dealer, MoneyLion Securities LLC, are subject to SEC Regulation S-P, which requires that covered institutions maintain certain policies and procedures addressing the protection of consumer information and records.

At the state level, the California Consumer Privacy Act of 2018, as amended by the California Privacy Rights Act of 2020 (CCPA) requires certain companies that collect, use, retain, share or sell personal information relating to California consumers to make disclosures to such consumers about their data collection, use, sharing and selling practices, provide such consumers with rights to know, correct and delete personal information relating to them, allow such consumers to opt out of the sale of their personal information or the use of their personal data for cross-context behavioral advertising or automated decision making, and provide such consumers with the right to limit the use and disclosure of certain of their sensitive personal information, all of which could impact our business. The CCPA provides for civil penalties for violations, as well as provides a private right of action for certain data breaches that result in the loss of personal information of California consumers. It remains unclear how various provisions of the CCPA and its regulations will be interpreted and enforced. In addition, other U.S. states have enacted comprehensive privacy laws and regulations providing data privacy rights to their respective residents that could impact our business, which laws may lead other U.S. states or even the U.S. Congress to pass comparable legislation. These new laws may result in additional uncertainty and require us to incur additional costs and expenses in our effort to comply. Additionally, the Federal Trade Commission (the FTC) and many state attorneys general are interpreting federal and state consumer protection laws to impose standards for the online collection, use, dissemination, and security of data. The burdens imposed by the new state privacy laws and other similar laws that may be enacted at the federal and state level may require us to modify our data processing practices and policies, adapt our goods and services and incur substantial expenditures in order to comply. Any failure or perceived failure by us to comply with such obligations has previously and may in the future result in governmental enforcement actions, fines, litigation (including class actions) or public statements against us by consumer advocacy groups or others and could cause our customers to lose trust in us, which could have an adverse effect on our reputation and business.

Global privacy and data protection legislation and enforcement are rapidly expanding and evolving, and may be inconsistent from jurisdiction to jurisdiction. We may be or become subject to data localization laws mandating that data collected in a foreign country be processed and stored only or primarily within that country, which may require us to expand our data storage facilities there or build new ones in order to comply. The expenditure this would require, as well as costs of compliance generally, could harm our financial condition. Additionally, changes to applicable privacy or data security laws could impact how we process personal information and therefore limit the effectiveness of our solutions or our ability to develop new solutions.

Because the interpretation and application of many privacy and data protection laws is uncertain, it is possible that these laws may be interpreted and applied in a manner that is inconsistent with our existing data management practices or the features of our products and services and platform capabilities. If so, in addition to the possibility of fines, lawsuits, regulatory investigations, government actions, consumer and merchant actions, and other claims, we could be required to fundamentally change our business activities and practices or modify our platform, which could have an adverse effect on our business. Any violations or perceived violations of these laws, rules and regulations by us, or any third parties with which we do business, may require us to change our business practices or operational structure, including limiting our activities in certain states and/or jurisdictions, addressing legal claims by governmental entities or private actors, sustaining monetary penalties, sustaining reputational damage, expending substantial costs, time and other resources and/or sustaining other harms to our business. Furthermore, our online, external-facing privacy policy and website make certain statements regarding our privacy, information security and data security practices with regard to information collected from our consumers or visitors to our website. Failure or perceived failure to adhere to such practices may result in regulatory scrutiny and investigation, complaints by affected consumers or visitors to our website, reputational damage and/or other harm to our business. If either we, or the third-party partners, service providers or vendors with which we share consumer data, are unable to address privacy concerns, even if unfounded, or to comply with applicable privacy or data protection laws, regulations and policies, it could result in additional costs and liability to us, damage our reputation, inhibit sales and harm our business, financial condition, results of operations and cash flows.

Our inability to successfully recover from a disaster or other business continuity event could impair our ability to deliver our products and services and harm our business.

We are heavily reliant on our technology and infrastructure to provide our products and services to our customers. We use third-party service providers and vendors, such as our cloud computing web services provider, account transaction and card processing companies, in the operation of certain of our platforms and we source certain information from third-parties. For example, we host many of our products using third-party data center facilities and we do not control the operation of these facilities. These facilities are vulnerable to damage, interference, interruption or performance problems from earthquakes, hurricanes, floods, fires, power loss, telecommunications failures, pandemics and similar events. They are also subject to break-ins, computer viruses, sabotage, intentional acts of vandalism and other misconduct. The occurrence of a natural disaster, an act of terrorism state-sponsored attacks, a pandemic, geopolitical tensions or armed conflicts, and similar events could result in a decision to close the facilities without adequate notice or other unanticipated problems, which in turn, could result in lengthy interruptions in the delivery of our products and services, which could negatively impact our sales and operating results.

If an arrangement with a third-party service provider or vendor is terminated or if there is a lapse of service or damage to its systems or facilities, we could experience interruptions in our ability to operate our platform. We also may experience increased costs and difficulties in replacing that third-party service provider or vendor, and replacement services may not be available on commercially reasonable terms, on a timely basis, or at all. In the event of damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur.

Furthermore, our business administration, human resources, compliance efforts and finance services depend on the proper functioning of our computer, telecommunication and other related systems and operations, which are highly technical and complex. A disruption or failure of these systems or operations because of a disaster, cyberattack or other business continuity event, such as a pandemic, could cause data to be lost or otherwise delay our ability to complete sales and provide the highest level of service to our customers. In addition, we could have difficulty producing accurate financial statements on a timely basis, and deficiencies may arise in our internal control over financial reporting, which may impact our ability to certify our financial results, all of which could adversely affect the trading value of our stock. There are no assurances that data recovery in the event of a disaster would be effective or occur in an efficient manner. If these systems or their functionality do not operate as we expect them to, we may be required to expend significant resources to make corrections or find alternative sources for performing these functions.

We are dependent upon Broadcom for certain engineering and threat response services, which are critical to many of our products and business.

Our Norton branded endpoint security solution has historically relied upon certain threat analytics software engines and other software (the Engine-Related Services) that have been developed and provided by engineering teams that have transferred to Broadcom as part of the Broadcom sale. The technology, including source code, at issue is shared, and pursuant to the terms of the Broadcom sale, we retain rights to use, modify, enhance and create derivative works from such technology. Broadcom has committed to provide these Engine-Related Services substantially to the same extent and in substantially the same manner, as has been historically provided under a license agreement with a limited term.

As a result, we are dependent on Broadcom for services and technology that are critical to our business, and if Broadcom fails to deliver these Engine-Related Services it would result in significant business disruption, and our business and operating results and financial condition could be materially and adversely affected. Furthermore, if our current sources become unavailable, and if we are unable to develop or obtain alternatives to integrate or deploy them in time, our ability to compete effectively could be impacted and have a material adverse effect on our business. Additionally, in connection with the Broadcom sale, we lost other capabilities, including certain threat intelligence data which were historically provided by our former Enterprise Security business, the lack of which could have a negative impact on our business and products.

If we fail to offer high-quality customer support, our customer satisfaction may suffer and have a negative impact on our business and reputation.

Many of our customers rely on our customer support services to resolve issues, including technical support, billing and subscription issues, that may arise. If demand increases, or our resources decrease, we may be unable to offer the level of support our customers expect. Any failure by us to maintain the expected level of support could reduce customer satisfaction and negatively impact our customer retention and our business.

Our solutions are complex and operate in a wide variety of environments, systems and configurations, which could result in failures of our solutions to function as designed.

Because we offer very complex solutions, errors, defects, disruptions, or other performance problems with our solutions may occur and have occurred. For example, we may experience disruptions, outages and other performance problems due to a variety of factors, including infrastructure changes, human or software errors, fraud, security attacks or capacity constraints due to an overwhelming number of users accessing our websites simultaneously. As we continue to expand the number of our customers and the products and services available through our platform, we may not be able to scale our technology to accommodate the increased capacity requirements. The failure of data centers, internet service providers or other third-party service providers or vendors to meet our capacity requirements could result in interruptions or delays in access to our platform or impede our ability to grow our business and scale our operations.

In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. Interruptions in our solutions could impact our revenues, prevent our customers from accessing their accounts,

damage our reputation with current and potential customers, expose us to liability, cause us to lose customers, cause the loss of critical data or personal information, prevent us from supporting our platform, products or services or processing transactions with our customers or cause us to incur additional expense in arranging for new facilities and support or otherwise harm our business, any of which could have a material and adverse effect on our business, financial condition, results of operations and cash flows in a disaster recovery scenario.

To the extent we use or are dependent on any particular third-party data, technology or software, we may also be harmed if such data, technology, or software becomes non-compliant with existing regulations or industry standards, becomes subject to third-party claims of intellectual property infringement, misappropriation or other violation, or malfunctions or functions in a way we did not anticipate. Any loss of the right to use any of this data, technology or software could result in delays in the provisioning of our products and services until equivalent or replacement data, technology or software is either developed by us, or, if available, is identified, obtained and integrated, and there is no guarantee that we would be successful in developing, identifying, obtaining or integrating equivalent or similar data, technology or software, which could result in the loss or limiting of our products or services or features available in our products or services.

Negative publicity regarding our brand, solutions and business could harm our competitive position.

Our brand recognition and reputation as a trusted service provider are critical aspects of our business and key to retaining existing customers and attracting new customers. Our business could be harmed due to errors, defects, disruptions or other performance problems with our solutions causing our customers and potential customers to believe our solutions are unreliable.

We may introduce, or make changes to, features, products, services, privacy practices or terms of service that customers and clients do not like, which may materially and adversely affect our brand. Our efforts to build our brand have involved significant expense, and our marketing spend may increase in the near term or in the future and may not generate or maintain brand awareness or increase revenue.

Due to unfamiliarity and negative publicity associated with digital asset-related businesses, existing and potential customers may lose confidence in our digital asset-related products and services, which could negatively affect our reputation and business. Furthermore, negative publicity, whether or not justified, including intentional brand misappropriation, relating to events or activities attributed to us, our employees, our strategic partners, our affiliates, or others associated with any of these parties, may tarnish our reputation and reduce the value of our brands. Damage to our reputation and loss of brand equity may reduce demand for our solutions and have an adverse effect on our business, operating results and financial condition. Moreover, any attempts to rebuild our reputation and restore the value of our brands may be costly and time consuming, and such efforts may not ultimately be successful.

Our reputation and/or business could be negatively impacted by sustainability and governance matters and/or our reporting of such matters.

The evolving focus from regulators, customers, certain investors, employees, and other stakeholders concerning sustainability and governance matters and related disclosures, both in the United States and internationally, has resulted in, and is likely to continue to result in, increased general and administrative expenses and increased management time and attention spent complying with or meeting sustainability-related requirements and expectations. For example, developing and acting on sustainability-related initiatives and collecting, measuring and reporting sustainability-related information and metrics can be costly, difficult and time consuming and is subject to evolving reporting standards, including the recent California legislation, which includes disclosure requirements relating to voluntary carbon offsets and a wide range of environmental marketing claims. Similarly, the Corporate Sustainability Reporting Directive will require large EU companies to make detailed disclosures in relation to certain sustainability-related issues. We maintain certain sustainability-related initiatives, goals, and/or commitments. These initiatives, goals or commitments could be difficult to achieve and costly to implement, the technologies needed to implement them may not be cost effective and may not advance at a sufficient pace, and we could be criticized for the accuracy, adequacy or completeness of the disclosure. Further, statements about our sustainability-related initiatives, goals or commitments and progress with respect to such initiatives, goals or commitments may be based on standards for measuring progress that are still developing, internal controls and processes that continue to evolve, and assumptions that are subject to change in the future. In addition, we could be criticized for the timing, scope or nature of these initiatives, goals or commitments, or for any revisions to them. If we fail to achieve progress with respect to our sustainability-related initiatives, goals or commitments on a timely basis, or at all, or if our sustainability-related data, processes and reporting are incomplete or inaccurate, our reputation, business, financial performance and growth could be adversely affected. Additionally changing federal enforcement priorities and legal interpretations regarding diversity, equity, and inclusion programs present unknown and evolving risks.

We are affected by seasonality, which may impact our revenue and results of operations.

Portions of our business are impacted by seasonality. Seasonal behavior in orders has historically occurred in the third and fourth quarters of our fiscal year, which include the important selling periods during the holidays in our third quarter, as well as follow-on holiday purchases and the U.S. tax filing season, which is typically in our fourth quarter. Revenue generally reflects similar seasonal patterns, but to a lesser extent than orders. This is due to our subscription business model, as a large portion of our in-period revenue is recognized ratably from our deferred revenue balance. An unexpected decrease in sales over those traditionally high-volume selling periods may impact our revenue and could have a disproportionate effect on our results of operations for the entire fiscal year.

RISKS RELATED TO LEGAL AND COMPLIANCE

Our solutions are highly regulated, which could impede our ability to market and provide our solutions or adversely affect our business, financial position, results of operations and cash flows.

Our solutions are subject to a high degree of regulation, including a wide variety of international and U.S. federal, state, and local laws and regulations, such as the Fair Credit Reporting Act, the Gramm-Leach-Bliley Act, the Federal Trade Commission Act (the FTC Act), and comparable state laws that are patterned after the FTC Act, the U.S. Foreign Corrupt Practices Act of 1977, U.S. domestic bribery laws and other U.S. and foreign anti-corruption laws. We maintain an enterprise-wide compliance program designed to enable us to comply with all applicable anti-money laundering, anti-terrorism financing and economic sanctions laws and regulations, including the BSA, as amended by the USA PATRIOT Act of 2001, and its implementing regulations. This compliance program includes policies, procedures, processes and other internal controls designed to identify, monitor, manage and mitigate the risk of money laundering and terrorist financing and prevent our platform from being used to facilitate business in countries or with persons or entities that are the subject of sanctions administered by OFAC and equivalent international authorities or that are otherwise the target of sanctions. These controls include procedures and processes to detect and report potentially suspicious transactions, perform customer due diligence, respond to requests from law enforcement and meet all recordkeeping and reporting requirements related to particular transactions involving currency or monetary instruments. Certain of our subsidiaries may be "financial institutions" under the BSA that are required to establish and maintain a BSA/AML compliance program. Additionally, we are required to maintain a BSA/AML compliance program under our agreements with our third-party partners, and certain state regulatory agencies have intimated they expect such program to be in place and followed.

We have in the past, and may again in the future, enter into settlements, consent decrees and similar arrangements with the FTC, state attorney generals, and the United Kingdom's Competition and Markets Authority (CMA).

We must comply with various federal and state consumer protection regimes, both as a result of the financial products and services we provide directly or facilitate and as a service provider to our bank partner, Pathward. Additionally, the nature of our MoneyLion, identity, and information protection products subjects us to the broad regulatory, supervisory and enforcement powers of the Consumer Financial Protection Bureau which may exercise authority with respect to our services, or the marketing and servicing of those services, through the oversight of our financial institution or credit reporting agency customers and suppliers, or by otherwise exercising its supervisory, regulatory or enforcement authority over consumer financial products and services. Additionally, we are regulated by many state regulatory agencies through licensing and other supervisory or enforcement authority, which includes regular examination by state governmental authorities.

U.S. federal regulators, state attorneys general or other state enforcement authorities and other governmental agencies may take formal or informal actions again in cease and desist orders, fines, civil penalties, criminal penalties or other disciplinary action or force us to adopt new compliance programs or policies, remove personnel including senior executives, provide remediation or refunds to customers, or undertake other changes to our business operations, such as limits or prohibitions of our ability to offer certain products and services, or suspension or revocation of one or more of our licenses. Any weaknesses in our compliance management system may also subject us to penalties or enforcement action by the CFPB. In addition, certain products and offers we offer, including loans facilitated through our platform, could be rendered void or unenforceable in whole or in part, which could adversely affect our business, financial condition, results of operations and cash flows.

Additionally, the highly regulated environment in which our third-party financial institution partners operate may subject us to regulation and could have an adverse effect on our business, financial condition, results of operations and cash flows.

If we fail to manage our legal and regulatory risk in the jurisdictions in which we operate, our business could suffer, our reputation could be harmed and we would be subject to additional legal and regulatory risks. This could, in turn, increase the size and number of claims and damages asserted against us and/or subject us to regulatory investigations, enforcement actions or other proceedings, or lead to increased regulatory concerns. We may also be required to spend additional time and resources on remedial measures and conducting inquiries, beyond those already initiated and ongoing, which could have an adverse effect on our business.

We have in the past, and continue to be, subject to inquiries, subpoenas, exams, pending investigations, enforcement matters and litigation by state and federal regulators, the outcomes of which are uncertain and could cause reputational and financial harm to our business, financial condition, results of operations and cash flows. For a discussion of specific legal and regulatory proceedings, inquiries and investigations to which we are currently subject, see Note 18 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K.

The legal and regulatory regimes governing certain of our products and services are uncertain and evolving. Changing or new laws, regulations, interpretations or regulatory enforcement priorities may have a material and adverse effect on our business, financial condition, results of operations and cash flows.

Changes in the laws, regulations and enforcement priorities applicable to our business, including reexamination of current enforcement practices, could have a material and adverse impact on our business, financial condition, results of operations and cash flows. We and/or our third-party partners may not be able to respond quickly or effectively to regulatory, legislative and other developments. We cannot determine with any degree of certainty whether any legislative or regulatory changes will be enacted and, if enacted, the ultimate impact that any such potential legislation or implemented regulations, or any such potential regulatory actions by federal or state regulators, would have upon our business or our operating environment. These changes and uncertainties make our business planning more difficult and could result in changes to our business model, impair our ability to offer our existing or planned features, products and services or increase our cost of doing business.

New laws, regulations, rules, guidance and policies could require us to incur significant expenses to ensure compliance, adversely impact our profitability, limit our ability to continue existing or pursue new business activities, require us to change certain of our business practices or alter our relationships with customers, affect retention of key personnel or expose us to additional costs (including increased compliance costs and/or customer remediation). For example, the regulatory frameworks for an open banking paradigm and AI and machine learning technology are evolving and remain uncertain. It is possible that new laws and regulations will be adopted in the U.S., or existing laws and regulations may be interpreted in new ways, that would affect the operation of our platform and the way in which we use consumer data, AI and machine learning technology, including with respect to fair lending laws. For additional information regarding risks related to the use of AI, see "----Issues in the development and deployment of artificial intelligence ("AI") may result in reputational harm and legal liability and could adversely affect our results of operations."

If loans made by our lending subsidiaries in our Consumer business are found to violate applicable federal or state interest rate limits or other provisions of applicable consumer lending, consumer protection or other laws, it could adversely affect our business, financial condition, results of operations and cash flows.

In our Consumer business, we have 37 subsidiaries through which we conduct our consumer lending business. These entities originate loans pursuant to state licenses or applicable exemptions under state law. The loans we originate are subject to state licensing or exemption requirements and federal and state interest rate restrictions, as well as numerous federal and state requirements regarding consumer protection, interest rate, disclosure, prohibitions on certain activities and loan term lengths. If the loans we originate were deemed subject to and in violation of certain federal or state consumer finance or other laws, including the Military Lending Act, we could be subject to fines, damages, injunctive relief (including required modification or discontinuation of our business in certain areas) and other penalties or consequences, and the loans could be rendered void or unenforceable in whole or in part, any of which could have an adverse effect on our business, financial condition, results of operations and cash flows. For a discussion of the ongoing civil action initiated by the CFPB alleging certain violations of the Military Lending Act and the Consumer Financial Protection Act, see Note 18 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K.

The regulatory regime governing blockchain technologies and digital assets is uncertain, and new laws, regulations or policies may alter our business practices with respect to digital assets.

We currently offer certain digital assets-related products and services available to our customers through Zero Hash. The Zero Hash entities are registered as money services businesses. Although many regulators have provided some guidance, regulation of digital assets based on or incorporating blockchain technologies, such as digital assets and digital asset exchanges, remains uncertain and will continue to evolve. Further, regulation varies significantly among international, federal, state and local jurisdictions. As blockchain networks and blockchain assets have grown in popularity and in market size, federal and state agencies are increasingly taking interest in, and in certain cases regulating, their use and operation. Treatment of virtual currencies, including digital assets, continues to evolve under federal and state law. Many U.S. regulators, including the SEC, the FinCEN, the Commodity Futures Trading Commission (the "CFTC"), the Internal Revenue Service (the "IRS") and state regulators including the New York State Department of Financial Services (the "NYDFS"), have made official pronouncements, pursued cases against businesses in the digital assets space or issued guidance or rules regarding the treatment of Bitcoin and other digital currencies. The IRS released guidance treating digital assets as property that is not currency for U.S. federal income tax purposes. Additionally, many other aspects of the U.S. and foreign tax treatment of transactions involving digital assets are uncertain, and it is unclear whether, when and what guidance may be issued in the future on the treatment of digital asset transactions for U.S. and foreign tax purposes. Both federal and state agencies have instituted enforcement actions against those violating their interpretation of existing laws. Other U.S. and many state agencies have offered little official guidance and issued no definitive rules regarding the treatment of digital assets. The CFTC has publicly taken the position that certain virtual currencies, including digital assets, are commodities. To the extent that certain virtual currencies, including digital assets, are deemed to fall within the definition of a "commodity interest" under the Commodity Exchange Act (the "CEA"), or if proposed legislation passes which grants the CFTC jurisdiction over spot digital asset trading beyond its current limited power to bring actions for fraud and manipulation, we may be subject to additional regulation under the CEA and CFTC regulations.

Foreign, federal, state and local regulators revisit and update their laws and policies on blockchain technologies and digital assets and can be expected to continue to do so in the future. Regulatory or enforcement action in this area have been common. As we facilitate our customers' purchase and sale of digital assets, if the SEC alleges that any digital assets we offer are securities, we could be viewed as operating as an unregistered broker-dealer and could face potential liability, including an enforcement action or private class action lawsuits, and face the costs of defending ourselves in the action, including potential fines, penalties, reputation harm and potential loss of revenue. Our personnel could also become disqualified from associating with a broker-dealer, which could adversely affect our business.

States may require that we obtain licenses that apply to blockchain technologies and digital assets.

Under the terms of our agreement with Zero Hash, we are not directly involved in any digital asset transactions or the exchange of fiat funds for digital asset at or through Zero Hash, and therefore, we do not currently expect to be subject to money services business, money transmitter licensing or other licensing or regulatory requirements specific to transactions relating to virtual currencies. However, state and federal regulatory frameworks around virtual currencies, including digital assets, continue to evolve and are subject to interpretation and change, which may subject us to additional licensing and other requirements. The Zero Hash entities are registered as money services businesses with FinCEN and hold active money transmitter licenses (or the state equivalent of such licenses) in all U.S. states and the District of Columbia except for (i) California and Hawaii, where Zero

Hash relies upon licensing exemptions; and (ii) Montana, which does not currently have a money transmitter licensing requirement. The Zero Hash entities currently engage in digital asset activities in all U.S. states and the District of Columbia.

Zero Hash is the custodian of all customer digital assets. It uses both multi-party computation (i.e., "warm") and cold omnibus wallets, generally on a per asset basis, and Zero Hash holds an inventory of digital assets in omnibus wallets for the purpose of providing customers instant access to purchased digital assets. Zero Hash has a custodial agreement with Coinbase Trust Company, LLC, which is based in the State of New York, for the provision of cold wallet storage and related services. As we are not directly involved in the custody, trading or pricing of any digital assets and, instead, enable Zero Hash to offer its digital asset services to MoneyLion Crypto customers, we do not maintain insurance policies covering the digital assets in which MoneyLion Crypto customers transact. In addition, our agreement with Zero Hash does not require Zero Hash to indemnify us or MoneyLion Crypto customers for any risk of loss related to customers' underlying digital assets, nor does it require Zero Hash to maintain an insurance policy with respect to the digital assets of MoneyLion Crypto customers custodied with Zero Hash. Zero Hash does not maintain separate insurance coverage for any risk of loss with respect to the digital assets that they custody on behalf of customers. As a result, customers who purchase digital assets through MoneyLion Crypto may suffer losses with respect to their digital assets that are not covered by insurance and for which no person is liable for damages and may have limited rights of legal recourse in the event of such loss.

In the case of virtual currencies, state regulators such as the NYSDFS have created regulatory frameworks. For example, in July 2014, the NYSDFS proposed the first U.S. regulatory framework for licensing participants in digital asset business activity. The regulations, known as the "BitLicense" (23 NYCRR Part 200), are intended to focus on consumer protection. The NYSDFS issued its final BitLicense regulatory framework in June 2015. The BitLicense regulates the conduct of businesses that are involved in virtual currencies in New York or with New York consumers and prohibits any person or entity involved in such activity from conducting such activities without a license. Zero Hash LLC has received a BitLicense and is approved to conduct digital asset business activity in New York by the NYSDFS.

Other states, such as Louisiana and California, have and may in future adopt similar statutes and regulations which will require us or our partners to obtain a license to conduct digital asset activities. Other states, such as Texas, have published guidance on how their existing regulatory regimes governing money transmitters apply to virtual currencies. Some states, such as Alabama, North Carolina and Washington, have amended their state's statutes to include virtual currencies in existing licensing regimes, while others have interpreted their existing statutes as requiring a money transmitter license to conduct certain digital asset business activities. It is likely that, as blockchain technologies and the use of virtual currencies continues to grow, additional states will take steps to monitor the developing industry and may require us or our regulated partners to obtain additional licenses in connection with our digital asset activity.

If we do not protect our proprietary information and prevent third parties from making unauthorized use of our products and technology, our financial results could be harmed.

Much of our software and underlying technology is proprietary, and thus we are highly dependent on our ability to protect such technology. There is no guarantee that confidentiality agreements, our procedures and copyright, patent, trademark and trade secret laws will be sufficient to protect our technology. For example, patents may not be issued from our pending patent applications and claims allowed on any future issued patents may not be sufficiently broad to protect our technology. Also, these protections may not preclude competitors from independently developing products with functionality or features similar to our products. These measures afford only limited protection, are costly to maintain and may be challenged, invalidated or circumvented by third parties. Accordingly, enforcement of our intellectual property rights may be difficult, particularly in some countries outside of North America in which we seek to market our software products and services, and the absence of internationally harmonized intellectual property laws or the lack of some laws in certain jurisdictions makes it more difficult to ensure consistent protection of our proprietary rights. For example, software piracy has been, and is expected to be, a persistent problem for the software industry, and a loss of revenue to us.

Unauthorized third parties, including our competitors, may reverse engineer, access, obtain, distribute, sell or use the proprietary aspects of our technology, processes, products, information or services without our permission, thereby impeding our ability to promote our platform and possibly leading to customer confusion. Third parties have previously and may in the future also develop similar or superior technology independently by designing around our patents. Our consumer agreements do not require a signature and therefore may be unenforceable under the laws of some jurisdictions. Any legal action to protect proprietary information that we may bring or be engaged in with a strategic partner or vendor could adversely affect our ability to access software, operating system and hardware platforms of such partner or vendor, or cause such partner or vendor to choose not to offer our products to their customers. In addition, any legal action to protect proprietary information that we may bring or be engaged in, could be costly, may distract management from day-to-day operations and may lead to additional claims against us, which could adversely affect our operating results.

In addition to registered intellectual property rights such as trademark registrations, we rely on non-registered proprietary information and technology, such as trade secrets, confidential information, know-how and technical information. The secrecy of such trade secrets and other sensitive information could be compromised, which could cause us to lose the competitive advantage resulting from these trade secrets. For example, there is a risk of employees inadvertently inputting trade secret information into Gen AI technologies, thereby enabling third parties, including our competitors, to access such information. We utilize confidentiality and intellectual property assignment agreements with our employees and contractors involved in the development of material intellectual property for us, which require such individuals to assign such intellectual property to us and place restrictions on the employees' and contractors' use and disclosure of our confidential information. However, these agreements may not be self-executing, and we cannot guarantee that we have entered into such agreements containing

obligations of confidentiality with each party that has or may have had access to proprietary information, know-how or trade secrets owned or held by us. Additionally, our contractual arrangements may be insufficient, breached or may otherwise not effectively prevent disclosure of, or control access to, our confidential or otherwise proprietary information or provide an adequate remedy in the event of an unauthorized disclosure, which could cause us to lose any competitive advantage resulting from this intellectual property. Individuals that were involved in the development of intellectual property for us or who had access to our intellectual property may make adverse ownership claims to our current and future intellectual property. Likewise, to the extent that our employees, independent contractors or other third parties with whom we do business use intellectual property owned by others in their work for us, disputes may arise as to the rights in related or resulting works of authorship, know-how and inventions.

The measures we have put in place may not prevent misappropriation, infringement or other violation of our intellectual property, proprietary rights or information, and any resulting loss of competitive advantage, and we may be required to litigate to protect our intellectual property or other proprietary rights or information from misappropriation, infringement or other violation by others, which is time-consuming and expensive, could cause a diversion of resources and may not be successful. Additionally, our efforts to enforce our intellectual property and other proprietary rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property and other proprietary rights, and if such defenses, counterclaims or countersuits are successful, it could diminish, or we could otherwise lose, valuable intellectual property and other proprietary rights. Any of the foregoing could adversely impact our business, financial condition, results of operations and cash flows.

In addition, the integration of Gen AI may also expose us to risks regarding intellectual property ownership and license rights, particularly if any copyrighted material is embedded in training models or if the output we produce is infringing intellectual property rights. In addition, the use of Gen AI in connection with the creation or development of intellectual property may present challenges in asserting ownership over the resulting output given the position of some courts and intellectual property offices in various jurisdictions that some human contribution is required for intellectual property protection of an AI-generated work.

From time to time we are party to lawsuits and investigations, which has previously and could in the future require significant management time and attention, cause us to incur significant legal expenses and prevent us from selling our products.

We are, and may in the future become, subject to litigation, claims, examinations, investigations, legal and administrative cases and proceedings, whether civil or criminal, or lawsuits by governmental agencies or private parties, which may affect our business, financial condition, results of operations and cash flows. These claims, lawsuits and proceedings could involve labor and employment, discrimination and harassment, commercial disputes, class actions, general contract, tort, defamation, data privacy rights, antitrust, common law fraud, government regulation, compliance, alleged federal and state securities and "blue sky" law violations or other investor claims and other matters. For a discussion of specific legal proceedings to which we are currently subject. Refer to Note 18 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K.

Due to the consumer-oriented nature of a significant portion of our MoneyLion business and the application of certain laws and regulations, participants in our industry are regularly named as defendants in litigation alleging violations of federal and state laws and regulations and consumer law torts, including fraud. Many of these legal proceedings involve alleged violations of consumer protection laws. In addition, we have in the past and may in the future be subject to litigation, claims, examinations, investigations, legal and administrative cases and proceedings related to our loan products and other financial services we provide. For instance, our membership model and some of the products and services we offer, including our earned wage access product, Instacash, are relatively novel and have been and may in the future continue to be subject to regulatory scrutiny or interest and/or litigation. Any regulatory action in the future could have a material adverse effect on our business, financial condition, results of operations and cash flows.

We are also frequently involved in litigation and other proceedings, including, but not limited to, class actions and governmental claims or investigations, some of which may be material initially or become material over time. The expense of initiating and defending, and in some cases settling, such matters may be costly and divert management's attention from the day-to-day operations of our business, which could have a materially adverse effect on our business, results of operations and cash flows. In addition, such matters may through the course of litigation or other proceedings change unfavorably which could alter the profile of the matter and create potential material risk to the company. Any unfavorable outcome in a matter could result in significant fines, settlements, monetary damages, or injunctive relief that could negatively and materially impact our ability to conduct our business, results of operations and cash flows. Additionally, in the event we did not previously accrue for such litigation or proceeding in our financial statements, we may be required to record retrospective accruals that adversely affect our results of operations and financial condition.

Finally, there can be no assurance that we will be able to maintain insurance on acceptable terms in the future, if at all, or that any such insurance will provide adequate protection against potential liabilities. Additionally, we do not carry insurance for all categories of risk that our business may encounter. Any significant liability that is uninsured or not fully insured may require us to pay substantial amounts. There can be no assurance that any current or future claims will not materially and adversely affect our business, financial condition, results of operations and cash flows.

Third parties have claimed and additional third parties in the future may claim that we infringe their proprietary rights.

Third parties have claimed and, from time to time, additional third parties may claim that we have infringed their intellectual property rights, including claims regarding patents, copyrights and trademarks. For additional information on such claims, please refer to Note 18 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K.

Because of constant technological change in the segments in which we compete, the extensive patent coverage of existing technologies, and the rapid rate of issuance of new patents, it is possible that the number of these claims may grow. In addition, former employers of our former, current or future employees may assert claims that such employees have improperly disclosed to us confidential or proprietary information of these former employers. Any such claim, with or without merit, could result in costly litigation and distract management from day-to-day operations. If we are not successful in defending such claims, we could be required to stop selling, delay shipments of, or redesign our solutions, pay monetary amounts as damages, enter into royalty or licensing arrangements, or satisfy indemnification obligations that we have with some of our partners. We cannot assure you that any royalty or licensing arrangements that we may seek in such circumstances will be available to us on commercially reasonable terms or at all.

We license and use software from third parties in our business and generally must rely on those third parties to protect the licensed rights and avoid infringement. Third-party software components may become obsolete, defective or incompatible with future versions of our services, or our relationships with the third-party licensors or technology providers may deteriorate, expire or be terminated. These third-party software licenses may not continue to be available to us on acceptable terms or at all and may expose us to additional liability. Our inability to obtain licenses or rights on favorable terms could have a material and adverse effect on our business and results of operations. Even if such licenses or other grants of rights are available, we may be required to pay the licensor (or other applicable counterparty) substantial royalties, which may affect the margins on our products and services. Furthermore, incorporating intellectual property or proprietary rights in our products or services licensed from or otherwise made available to us by third parties on a non-exclusive basis could limit our ability to protect the intellectual property and proprietary rights in our products and services and our ability to restrict third parties from developing, selling or otherwise providing similar or competitive technology using the same third-party intellectual property or proprietary rights.

This liability, or our inability to use any of this third-party software, could result in delivery delays or other disruptions in our business that could materially and adversely affect our operating results. If we fail to comply with any of the obligations under our license agreements, we may be required to pay damages and the licensor may have the right to terminate the license, which would cause us to lose valuable rights, and could prevent us from selling our products and services, or inhibit our ability to commercialize current or future products and services. Our business may suffer if any current or future licenses or other grants of rights to us terminate, if the licensors (or other applicable counterparties) fail to abide by the terms of the license or other applicable agreement, if the licensors fail to enforce the licensed intellectual property rights against infringing third parties, or if the licensed intellectual property rights are found to be invalid or unenforceable. Third parties from whom we currently license intellectual property and technology could refuse to renew our agreements upon their expiration or could impose additional terms and fees that we otherwise would not deem acceptable, requiring us to obtain the intellectual property or technology from another third party, if any is available, or to pay increased licensing fees or be subject to additional restrictions on our use of such third-party intellectual property or technology.

Some of our products contain “open source” software, and any failure to comply with the terms of one or more of these open source licenses could negatively affect our business.

Certain of our products are distributed with software licensed by its authors or other third parties under so-called “open source” licenses. Some of these licenses contain requirements that we make available source code for modifications or derivative works we create based upon the open source software and that we license such modifications or derivative works under the terms of a particular open source license or other license granting third parties certain rights of further use. By the terms of certain open source licenses, we could be required to release the source code of our proprietary software (which could include our proprietary source code or AI models) if we combine our proprietary software with open source software in a certain manner. Some open source software may include Gen AI software which may expose us to risks as the intellectual property ownership and license rights, including copyright, of Gen AI software and tools has not been fully interpreted by U.S. courts or been fully addressed by federal, state, or international regulations. In addition to risks related to license requirements, using open source software, including open source software that incorporates or relies on Gen AI, can lead to greater risks than use of third-party commercial software, as open source licensors generally do not provide warranties or controls on origin of the software. We cannot be sure that all open source, including open source that incorporates or relies on Gen AI, is submitted for approval prior to use in our products. In addition, many of the risks associated with usage of open source, including open source that incorporates or relies on Gen AI, may not or cannot be eliminated and could, if not properly addressed, negatively affect our business.

These claims could result in litigation and if portions of our proprietary AI models or software are determined to be subject to an open-source license, or if the license terms for the open-source software that we incorporate change, we could be required to publicly release all or affected portions of our source code, purchase a costly license, cease offering the implicated products or services unless and until we can re-engineer such source code in a manner that avoids infringement, discontinue or delay the provision of our offerings if re-engineering could not be accomplished on a timely basis or change our business activities, any of which could negatively affect our business operations and potentially our intellectual property rights and help third parties, including our competitors, develop products and services that are similar to or better than ours. In addition, the re-engineering process could require us to expend significant additional research and development resources, and we may not be able to complete the re-engineering process successfully. If we were required to publicly disclose any portion of our proprietary models, it is possible we could lose the benefit of trade secret protection for our models. Use of open-source software may also present

additional security risks because the public availability of such software may make it easier for hackers and other third parties to determine how to breach our website and systems that rely on open-source software. Any of these risks associated with the use of open-source software could be difficult to eliminate or manage and, if not addressed, could materially and adversely affect our business, financial condition, results of operations and cash flows.

RISKS RELATED TO OUR LIQUIDITY AND INDEBTEDNESS

There are risks associated with our outstanding and future indebtedness that could adversely affect our financial condition.

As of March 28, 2025, we had an aggregate of \$8,355 million of outstanding indebtedness that will mature in calendar years 2027 through 2033, and \$1,494 million, net of our letters of credit, available for borrowing under our revolving credit facility. See Note 10 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for further information on our outstanding debt. Our ability to meet expenses, comply with the covenants under our debt instruments, pay interest and repay principal for our substantial level of indebtedness depends on, among other things, our operating performance, competitive developments, and financial market conditions, all of which are significantly affected by financial, business, economic and other factors. We are not able to control many of these factors. Accordingly, our cash flow may not be sufficient to allow us to pay principal and interest on our debt, including our 6.75% Senior Notes due 2027, 7.125% Senior Notes due 2030 and 6.25% Senior Notes due 2033 (collectively, the Senior Notes), and meet our other obligations. Our level of indebtedness could have other important consequences, including the following:

- We must use a substantial portion of our cash flow from operations to pay interest and principal on the Amended Credit Agreement, our existing Senior Notes, and other indebtedness, which reduces funds available to us for other purposes such as working capital, capital expenditures, other general corporate purposes and potential acquisitions;
- We may be unable to refinance our indebtedness or to obtain additional financing for working capital, capital expenditures, acquisitions or general corporate purposes;
- We have significant exposure to fluctuations in interest rates because borrowings under our senior secured credit facilities bear interest at variable rates;
- Our leverage may be greater than that of some of our competitors, which may put us at a competitive disadvantage and reduce our flexibility in responding to current and changing industry and financial market conditions;
- We may be more vulnerable to an economic downturn or recession and adverse developments in our business;
- We may be unable to comply with financial and other covenants in our debt agreements, which could result in an event of default that, if not cured or waived, may result in acceleration of certain of our debt and would have an adverse effect on our business and prospects and could force us into bankruptcy or liquidation; and
- Changes by any rating agency to our outlook or credit rating could negatively affect the value of our debt and/or our common stock, adversely affect our access to debt markets and increase the interest we pay on outstanding or future debt.

There can be no assurance that we will be able to manage any of these risks successfully. In addition, we conduct a significant portion of our operations through our subsidiaries. Accordingly, repayment of our indebtedness will be dependent in part on the generation of cash flow by our subsidiaries and their respective abilities to make such cash available to us by dividend, debt repayment or otherwise, which may not always be possible. If we do not receive distributions from our subsidiaries, we may be unable to make the required principal and interest payments on our indebtedness.

Our Amended Credit Agreement imposes operating and financial restrictions on us.

Our Amended Credit Agreement contains covenants that limit our ability and the ability of our restricted subsidiaries to:

- Incur additional debt;
- Create liens on certain assets to secure debt;
- Enter into certain sale and leaseback transactions;
- Pay dividends on or make other distributions in respect of our capital stock or make other restricted payments; and
- Consolidate, merge, sell or otherwise dispose of all or substantially all of our assets.

These covenants may adversely affect our ability to finance our operations, meet or otherwise address our capital needs, pursue business opportunities, react to market conditions or may otherwise restrict activities or business plans. A breach of any of these covenants could result in a default. If a default occurs, the relevant lenders could declare the indebtedness, together with accrued interest and other fees, to be immediately due and payable and, to the extent such indebtedness is secured, proceed against any collateral securing that indebtedness.

The failure of financial institutions or transactional counterparties could adversely affect our current and projected business operations and our financial condition and result of operations.

We regularly maintain cash balances with other financial institutions in excess of the FDIC insurance limit. A failure of a depository institution to return deposits could result in a loss or impact access to our invested cash or cash equivalents and could adversely impact our operating liquidity and financial performance.

Additionally, future adverse developments with respect to specific financial institutions or the broader financial services industry may lead to market-wide liquidity shortages, impair the ability of companies to access near-term working capital needs, and create additional market and economic uncertainty. Our general business strategy, including our ability to access existing debt under the terms of our Amended Credit Agreement may be adversely affected by any such economic downturn, liquidity shortages, volatile business environment or continued unpredictable and unstable market conditions. If the current equity and credit markets deteriorate, or if adverse developments are experienced by financial institutions, it may cause short-term liquidity risk and also make any necessary debt or equity financing more difficult, more costly, more onerous with respect to financial and operating covenants and more dilutive. Failure to secure any necessary financing in a timely manner and on favorable terms could have a material adverse effect on our operations, growth strategy, financial performance and stock price and could require us to alter our operating plans.

We rely on a variety of funding sources to support our business model. If our existing funding arrangements are not renewed or replaced or our existing funding sources are unwilling or unable to provide funding to us on terms acceptable to us, or at all, it could have a material adverse effect on our business, financial condition, results of operations and cash flows.

To support the origination of loans, cash advances and other receivables on our platform and the growth of our business, we must maintain a variety of funding arrangements. We cannot guarantee that we will be able to extend or replace our existing funding arrangements at maturity on reasonable terms or at all. For example, disruptions in the credit markets or other factors, such as the high inflation and interest rate environment in 2023, 2024, and to date in 2025, could adversely affect the availability, diversity, cost and terms of our funding arrangements. In addition, our funding sources may reassess their exposure to our industry or our business, including as a result of any significant underperformance of the consumer receivables facilitated through our platform or regulatory developments, in particular regarding earned wage access products, that impose significant requirements on, or increase potential risks and liabilities related to, the consumer receivables facilitated through our platform, and fail to renew or extend facilities or impose higher costs to access our funding. If our existing funding arrangements are not renewed or replaced or our existing funding sources are unwilling or unable to provide funding on terms acceptable to us, or at all, we would need to secure additional sources of funding or reduce our operations significantly, which could have a material adverse effect on our business, financial condition, results of operations and cash flows.

Hedging or other mitigation actions to mitigate against interest rate exposure may adversely affect our earnings, limit our gains or result in losses, which could adversely affect cash available for distributions.

We have previously and may in the future enter into interest rate swap agreements or pursue other interest rate hedging strategies. In March 2023, we entered into interest rate swap agreements to mitigate risks associated with the variable interest rate of our Term A Facility. These pay-fixed, receive-floating rate interest rate swaps have the economic effect of hedging the variability of forecasted interest payments until their maturity on March 31, 2026. Pursuant to the agreements, we have effectively converted \$1 billion of our variable rate borrowings under Term A Facility to fixed rates, with \$500 million at a fixed rate of 3.762% and \$500 million at a fixed rate of 3.550%. The objective of our interest rate swaps, all of which are designated as cash flow hedges, is to manage the variability of future cash interest expense.

Our future hedging activity will vary in scope based on the level of interest rates, the type and expected duration of portfolio investments held, and other changing market conditions. Our current and future interest rate hedging may fail to protect or could adversely affect us because, among other things:

- Interest rate hedging can be expensive, particularly during periods of rising and volatile interest rates;
- Available interest rate hedging may not correspond directly with the interest rate risk for which protection is sought;
- The duration of the hedge may not match the duration of the related liability or asset;
- The credit quality of the party owing money on the hedge may be downgraded to such an extent that it impairs our ability to sell or assign our side of the hedging transaction;
- The party owing money in the hedging transaction may default on its obligation to pay; and
- We may purchase a hedge that turns out not to be necessary (i.e., a hedge that is out of the money).

Any hedging activity we engage in may adversely affect our earnings, which could adversely affect cash available for distributions. Unanticipated changes in interest rates may result in poorer overall investment performance than if we had not engaged in any such hedging transactions. In addition, the degree of correlation between price movements of the instruments used in a hedging strategy and price movements in the portfolio positions being hedged or liabilities being hedged may vary materially. Moreover, for a variety of reasons, we may not seek to establish a perfect correlation between such hedging instruments and the portfolio holdings being hedged. Any such imperfect correlation may prevent us from achieving the intended hedge and expose us to risk of loss.

GENERAL RISKS

Adverse macroeconomic conditions and government efforts to combat inflation, along with other interest rate pressures arising from an inflationary economic environment, have led to and may continue to lead to higher financing costs and may particularly have negative effects on the consumer finance industry and our MoneyLion business.

We operate globally and as a result our business and revenues are impacted by global macroeconomic conditions. Global inflation remains high and government entities may continue their efforts, or implement additional efforts, to combat inflation,

which may include continuing to raise interest rate benchmarks or maintaining interest rate benchmarks at elevated levels. Such government efforts, along with other interest rate pressures arising from an inflationary economic environment, could lead to us to incur even higher interest rates and financing costs and have material adverse effect on our business, operating results, profitability and cash flows. For example, recent elevated interest rates have resulted in an increase in our cost of debt. These government actions and global macroeconomic conditions, including trade wars, fluctuating tariff rates, and risks of recession, have had and may continue to have a material adverse effect on our business, financial condition, results of operations and cash flows.

In addition, adverse macroeconomic conditions may cause our MoneyLion Product Partners to reduce their marketing spend or advertising on our platform, which could have a material adverse effect on our business, financial condition, results of operations and cash flows. Uncertainty and negative trends in general economic conditions, including significant tightening of credit markets, historically have created a difficult operating environment for the consumer finance industry. The timing and extent of an economic downturn may also require us to change, postpone or cancel our strategic initiatives or growth plans to pursue shorter-term sustainability. The longer and more severe an economic downturn, the greater the potential adverse impact on us, which could be material.

Many new customers on our MoneyLion platform have limited or no credit history and limited financial resources. Accordingly, such customers have historically been, and may in the future become, disproportionately affected by adverse macroeconomic conditions, potentially impacting our ability to make accurate assessments or decisions about our customers' ability to pay for loans, repay cash advances or pay for other products and services MoneyLion provides.

In addition, sustained high levels of unemployment may increase the non-repayment rate on our MoneyLion loans and cash advance products, increase the rate of customers declaring bankruptcy or decrease our customers' use of our investment and other products and services. If we are unable to adjust our business operations to account for rises in unemployment, or if our platform is unable to more successfully predict the creditworthiness of potential borrowers compared to other lenders, then our business, financial condition, results of operations and cash flows could be adversely affected.

Increased interest rates, which often lead to higher payment obligations, may adversely impact the spending level of consumers and their willingness and ability to borrow money, resulting in decreased borrower demand for our lending products or those provided by our Product Partners. Any sustained decline in demand for loans, cash advances or other products and services we offer, or any increase in delinquencies or defaults that result from economic downturns, may harm our ability to maintain robust volumes for our business, which would adversely affect our financial condition, results of operations and cash flows. Furthermore, inflationary and other economic pressure resulting in the inability of a borrower to repay a loan could translate into increased loan delinquencies, defaults, bankruptcies or foreclosures and charge-offs and decreased recoveries, all of which could negatively affect our business, financial condition, results of operations and cash flows.

Fluctuations in our quarterly financial results have affected the trading price of our stock in the past and could affect the trading price of our stock in the future.

Our quarterly financial results have fluctuated in the past and are likely to vary in the future due to a number of factors, many of which are outside of our control. If our quarterly financial results or our predictions of future financial results fail to meet our expectations or the expectations of securities analysts and investors, the trading price of our outstanding securities could be negatively affected. Volatility in our quarterly financial results may make it more difficult for us to raise capital in the future or pursue acquisitions.

Factors associated with our industry, the operation of our business, and the markets for our solutions may cause our quarterly financial results to fluctuate, including but not limited to:

- Fluctuations in demand for our solutions;
- Disruptions in our business operations or target markets caused by, among other things, terrorism or other intentional acts, outbreaks of disease, or earthquakes, floods or other natural disasters;
- Entry of new competition into our markets;
- Technological changes in our markets;
- Our ability to achieve targeted operating income and margins and revenues;
- Competitive pricing pressure or free offerings that compete with one or more of our solutions;
- Our ability to timely complete the release of new or enhanced versions of our solutions;
- The amount and timing of commencement and termination of major marketing campaigns;
- The number, severity and timing of threat outbreaks and cyber security incidents;
- Loss of customers or strategic partners or the inability to acquire new customers or cross-sell our solutions;
- Changes in the mix or type of solutions and subscriptions sold and changes in consumer retention rates;
- The rate of adoption of new technologies and new releases of operating systems, and new business processes;
- Consumer confidence and spending changes;
- The outcome or impact of litigation, claims, disputes, regulatory inquiries or investigations;

Table of Contents

- The impact of acquisitions (and our ability to achieve expected synergies or attendant cost savings), divestitures, restructurings, share repurchase, financings, debt repayments, equity investments and other investment activities;
- Changes in U.S. and worldwide economic conditions, such as economic recessions, the impact of inflation, fluctuations in foreign currency exchange rates including the weakening of foreign currencies relative to USD, which has and may in the future negatively affect our revenue expressed in USD, changes in interest rates, geopolitical conflicts and other global macroeconomic factors on our operations and financial performance;
- The publication of unfavorable or inaccurate research reports about our business by cybersecurity industry analysts;
- The success of our sustainability initiatives;
- Changes in tax laws, rules and regulations;
- Changes in tax rates, benefits and expenses; and
- Changes in consumer protection laws and regulations.

Any of the foregoing factors could cause the trading price of our outstanding securities to fluctuate significantly.

We may be required to issue shares under our contingent value rights agreement with certain former holders.

In connection with the MoneyLion acquisition, we entered into a Contingent Value Rights Agreement dated April 17, 2025 (the "CVR Agreement") governing the terms of the CVRs. Each CVR entitles its holder to receive \$23.00 shares of common stock, par value \$0.01 per share, of Gen Digital if, on any date prior to the second anniversary of the closing, the Average VWAP (as defined in the CVR Agreement) of our common stock for 30 consecutive trading days is equal to or greater than \$37.50 (subject to certain adjustments) or we undergo a change of control. To the extent we are required to issue shares to the CVR holders under the CVR Agreement, our stockholders may be diluted. For additional information on our obligations under the CVR Agreement, refer to Exhibit 10.42 to this Annual Report on Form 10-K for a copy of the CVR Agreement.

RISKS RELATED TO TAXES

Changes to our effective tax rate, including through the adoption of new tax legislation or exposure to additional income tax liabilities, could increase our income tax expense and reduce (increase) our net income (loss), cash flows and working capital. In addition, audits by tax authorities could result in additional tax payments for prior periods.

We are a multinational company dual headquartered in the U.S. and the Czech Republic, with our principal executive offices in Tempe, Arizona. As such, we are subject to tax in multiple U.S. and international tax jurisdictions. Our effective tax rate could be adversely affected by several factors, many of which are outside of our control, including:

- Changes to the U.S. federal income tax laws, including the potential for federal tax law changes put forward by Congress and the current administration including potentially increased corporate tax rates, new minimum taxes and other changes to the way that our U.S. tax liability has been calculated following the 2017 Tax Cuts and Jobs Act. Such potential changes could have significant retroactive adjustments adding cash tax payments/liabilities if adopted;
- Changes to other tax laws, regulations, and interpretations in multiple jurisdictions in which we operate. The Organisation for Economic Co-operation and Development ("OECD") has proposed certain tax reforms, which, among other things, (1) shift taxing rights to the jurisdiction of the consumer ("Pillar One") and (2) establish a global minimum tax for multinational companies of 15% ("Pillar Two"). Ireland, Czech Republic and certain jurisdictions in which we operate have enacted legislation to implement Pillar Two and other countries are actively considering changes to their tax laws to adopt certain parts of the OECD's proposals. The enactment of Pillar Two legislation is not expected to have a material adverse effect on our effective tax rate and Consolidated Financial Statements in the near term. Additionally, several countries have proposed or adopted digital services taxes on revenue earned by multinational companies from the provision of certain digital services, regardless of physical presence. We will continue to monitor and reflect the impact of such legislative changes in future financial statements as appropriate;
- Changes in the relative proportions of revenues and income before taxes in the various jurisdictions in which we operate that have differing statutory tax rates;
- Changes in the valuation of deferred tax assets and liabilities and the discovery of new information in the course of our tax return preparation process;
- The ultimate determination of our taxes owed in any of these jurisdictions is for an amount in excess of the tax provision we have recorded or reserved for;
- The tax effects of, and tax planning and changes in tax rates related to significant infrequently occurring events (including acquisitions, divestitures and restructurings) that may cause fluctuations between reporting periods;
- Tax assessments, or any related tax interest or penalties, that could significantly affect our income tax expense for the period in which the settlements take place; and
- Taxes arising in connection to changes in our workforce, corporate and legal entity structure or operations as they relate to tax incentives and tax rates.

From time to time, we receive notices that a tax authority in a particular jurisdiction believes that we owe a greater amount of tax than we have reported to such authority and we are consequently subject to tax audits. These audits can involve complex

issues, which may require an extended period of time to resolve and can be highly judgmental. Additionally, our ability to recognize the financial statement benefit of tax refund claims is subject to change based on a number of factors, including but not limited to, changes in facts and circumstances, changes in tax laws, correspondence with tax authorities, and the results of tax audits and related proceedings, which may take several years or more to resolve. We ultimately sometimes have to engage in litigation to achieve the results reflected in our tax estimates, and such litigation can be time consuming and expensive. If the ultimate determination of our taxes owed in any of these jurisdictions is for an amount in excess of the tax provision we have recorded or reserved for, our operating results, cash flows, and financial condition could be materially and adversely affected.

Our corporate and legal entity structure and intercompany arrangements are subject to the tax laws of various jurisdictions, and we could be obligated to pay additional taxes, which would harm our results of operations.

We generally conduct our international operations through wholly-owned subsidiaries and are or may be required to report our taxable income in various jurisdictions worldwide based upon our business operations in those jurisdictions. Our intercompany relationships are subject to complex transfer pricing regulations administered by taxing authorities in various jurisdictions. The amount of taxes we pay in different jurisdictions may depend on a variety of factors including the application of the tax laws of those various jurisdictions (including the U.S.) to our international business activities, changes in tax rates, new or revised tax laws or interpretations of existing tax laws and policies, and our ability to operate our business in a manner consistent with our corporate structure and intercompany arrangements. The relevant taxing authorities have in the past and may in the future disagree with our determinations as to the income and expenses attributable to specific jurisdictions. If such a disagreement were to occur, and our position was not sustained, we could be required to pay additional taxes, interest and penalties, which could result in one-time tax charges, higher effective tax rates, reduced cash flows and lower overall profitability of our operations.

Item 1B. Unresolved Staff Comments

None.

Item 1C. Cybersecurity

Cybersecurity risk management and strategy

We maintain a cybersecurity program designed to protect our systems and data from information security risks, including regular oversight of our programs for security monitoring. Gen has a process for identifying and assessing material risks from cybersecurity threats on a regular basis that operates alongside our broader overall risk assessment process, covering all identified enterprise wide risks. Cybersecurity risk is reviewed quarterly with management and with the board of directors. In addition, we regularly perform evaluations (including independent third-party evaluations) of our security program and our information technology infrastructure and information security management systems. A retained independent third-party firm reviews the maturity of our information security program and the results are discussed annually in the Technology and Cybersecurity Committee of the Board. Our processes also address risk and identification of cybersecurity threat risks from our use of third-party service providers. This involves, among other things, conducting pre-engagement risk-based diligence, reviewing security and controls reports, implementing contractual security and notification provisions, and ongoing monitoring as needed.

Our information security management system is based upon industry frameworks including but not limited to ISO 27001 and NIST Cybersecurity Framework. Our Chief Information Security Officer (CISO) leads our cybersecurity program, which includes the implementation of controls designed to align with these industry frameworks and applicable statutes and regulations. Our CISO has over 30 years of prior work experience in various roles involving managing information security programs, developing cybersecurity strategy, implementing effective information and cybersecurity initiatives and has been the Head of IT Audit, CISO and CIO at three other companies prior to Gen Digital. He has a Bachelor of Science in Computer Information Systems. We have implemented security monitoring capabilities designed to alert us to suspicious activity and developed an incident response program that includes an annual table top exercise and is designed to restore business operations quickly. In addition, employees participate in mandatory annual training and receive communications regarding the cybersecurity environment to increase awareness throughout the company. We also implemented an enhanced annual training program for specific specialized employee populations, including secure coding training.

Governance

The Technology and Cybersecurity Committee of the Board has direct oversight to the Company's (1) technology strategy, initiatives, and investments and (2) key cybersecurity information technology risks against both internal and external threats. The Technology and Cybersecurity Committee is comprised entirely of independent directors, all of whom have experience related to information security issues or oversight and meets and reports to the Board on a quarterly basis. The Audit Committee, which is also comprised entirely of independent directors, considers cybersecurity information technology risks in connection with overseeing our enterprise risk management system, and reports to the Board on enterprise risk management matters on a quarterly basis. We have processes in place for management to report security instances to the Technology and Cybersecurity Committee and Audit Committee as they occur, if material, and to provide a summary multiple times per year of other incidents to the Technology and Cybersecurity Committee. Additionally, our CISO attends each Technology and Cybersecurity Committee meeting and meets regularly with the Board of Directors or the Audit Committee of the Board of Directors to brief them on technology and information security matters. We carry insurance that provides protection against some of the potential losses arising from a cybersecurity incident. In the last fiscal three years, we have not experienced any material information security breach incidences and the expenses we have incurred from information security breach incidences were immaterial. This includes penalties and settlements, of which there were none.

[Table of Contents](#)

We describe whether and how risks from identified cybersecurity threats, including as a result of any previous cybersecurity incidents, have materially affected or are reasonably likely to materially affect us, including our business strategy, results of operations, or financial condition, under the heading "Our solutions, systems, websites and the data on these sources have been in the past and may continue to be subject to cybersecurity events that could materially harm our reputation and future sales." included as part of "Risk Factors" in Item 1A of this Annual Report on Form 10-K, which disclosures are incorporated by reference herein.

Item 2. *Properties*

Not applicable.

Item 3. *Legal Proceedings*

Information with respect to this Item may be found under the heading "Litigation contingencies" in Note 18 of the Notes to the Consolidated Financial Statements in this Annual Report on Form 10-K which information is incorporated into this Item 3 by reference.

Item 4. *Mine Safety Disclosures*

Not applicable.

PART II

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

Stock symbol and stockholders of record

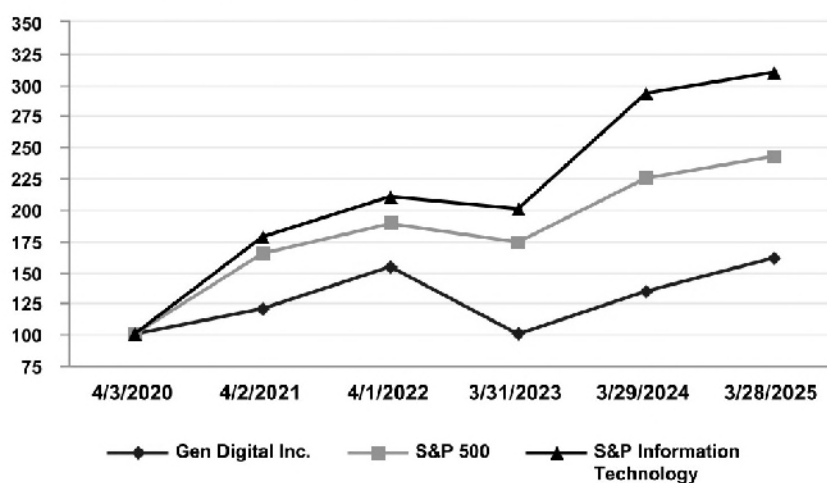
Our common stock is traded on the Nasdaq Global Select Market under the symbol "GEN". As of March 28, 2025, there were 2,855 stockholders of record. A substantially greater number of holders of our common stock are "street name" or beneficial holders, whose shares of record are held by banks, brokers and other financial institutions.

Stock performance graph

The graph below compares the cumulative total stockholder return on our common stock with the cumulative total return on the S&P 500 Composite Index and the S&P Information Technology Index for the five fiscal years ended March 28, 2025 (assuming the initial investment of \$100 in our common stock and in each of the other indices on the last day of trading for fiscal 2020 and the reinvestment of all dividends). The comparisons in the graph below are based on historical data and are not indicative of, nor intended to forecast the possible future performance of our common stock.

COMPARISON OF FIVE-YEAR CUMULATIVE TOTAL RETURN

Among Gen Digital Inc., the S&P 500 Index



and the S&P Information Technology Index

This performance graph shall not be deemed "soliciting material" or to be "filed" for purposes of Section 18 of the Exchange Act, or otherwise subject to the liabilities under that Section, and shall not be deemed to be incorporated by reference into any filings of Gen Digital under the Securities Act or the Exchange Act.

Repurchases of our equity securities

Under our stock repurchase programs, shares may be repurchased on the open market and through accelerated stock repurchase transactions. As of March 28, 2025, we had \$2,728 million remaining authorized to be completed in future periods with no expiration date. No shares were repurchased during the three months ended March 28, 2025.

Item 6. [Reserved]

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

Please read the following discussion and analysis of our financial condition and results of operations together with our Consolidated Financial Statements and related Notes thereto included under Item 15 of this Annual Report on Form 10-K.

OVERVIEW

Gen is a global company powering Digital Freedom with a family of trusted brands including Norton, Avast, LifeLock, MoneyLion and more. Our core cyber safety portfolio provides protection across three key categories in multiple channels and geographies, including security and performance management, identity protection, and online privacy. We have built a technology platform that brings together software and service capabilities within these three categories into a comprehensive and easy-to-use integrated platform across our brands. We bring award-winning products and services in cybersecurity, covering security, privacy and identity protection to approximately 500 million users in more than 150 countries so they can live their digital lives safely, privately, and confidently today and for generations to come.

We completed the acquisition of MoneyLion on April 17, 2025. MoneyLion extends our identity solutions into offering comprehensive financial wellness through MoneyLion's full-featured personal finance platform that includes credit building and financial management services. For more information on the MoneyLion acquisition, please see Note 19 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K.

Fiscal calendar

We have a 52/53-week fiscal year ending on the Friday closest to March 31. Fiscal 2025, 2024 and 2023 in this report refers to fiscal years ended March 28, 2025, March 29, 2024 and March 31, 2023, respectively, each of which was a 52-week year.

Financial summary

The following table provides our key financial metrics for fiscal 2025 compared with fiscal 2024:

(In millions, except for per share amounts)	Fiscal Year	
	2025	2024
Net revenues	\$ 3,935	\$ 3,800
Operating income (loss)	\$ 1,610	\$ 1,110
Net income (loss)	\$ 643	\$ 607
Net income (loss) per share - diluted	\$ 1.03	\$ 0.95
Net cash provided by (used in) operating activities	\$ 1,221	\$ 2,064

(In millions)	As of	
	March 28, 2025	March 29, 2024
Cash and cash equivalents	\$ 1,006	\$ 846

- Net revenues increased \$135 million, primarily due to higher sales in both our consumer security and identity and information protection products.
- Operating income (loss) increased \$500 million, primarily due to increased net revenues, decreased legal costs related to ongoing litigation, lower amortization of intangible assets and restructuring costs related to our acquisition of Avast.
- Net income (loss) increased \$36 million and net income per share increased \$0.08, primarily due to increased operating income discussed above and decreased interest expense associated with our Term A and Term B facilities. This is offset by the absence of an income tax benefit in the second quarter of fiscal 2024.
- Cash and cash equivalents increased by \$160 million compared to March 29, 2024, primarily due to cash generated from operating activities during fiscal 2025 and proceeds from the issuance of 6.25% Senior Notes. This is partially offset by repurchases of our common stock, cash interest paid, dividends paid to shareholders, repayment of 5.00% Senior Notes, voluntary prepayments of our Term B facility, and mandatory principal amortization payments of our Term A and B facility.
- During fiscal 2025, we returned \$955 million of capital back to shareholders and bondholders. This was achieved through the repurchase of 11 million shares of our common stock, totaling \$272 million. Additionally, we paid out a total of \$313 million in quarterly dividends and carried out \$370 million in net debt pay downs, including \$30 million in voluntary prepayments applied exclusively to the Term B facility.
- During fiscal 2025, we increased net Direct customers by 1.3 million, increased monthly Direct ARPU by \$0.04 and increased our Direct retention rate by 1%.

GLOBAL MACROECONOMIC CONDITIONS

As a global company, our results of operations and cash flows may be influenced by global macroeconomic conditions, including, but not limited to, increased tariffs, foreign currency exchange rate fluctuations, the impact of interest rate fluctuations, elevated inflation, ongoing and new geopolitical conflicts, including the unknown impacts of current and future trade regulations, instability in the global banking sector, economic slowdown and recession risks, any of which may persist for an extended period.

Despite this, we are confident in the long-term overall health of our business, the strength of our product offerings and our ability to continue to execute on our strategy, including bringing award-winning products and services in cybersecurity and offering comprehensive financial wellness to our customers.

We continue to monitor the direct and indirect impacts of these global macroeconomic or other geopolitical factors. If the economic uncertainty continues, we may experience additional negative impacts on customer renewals, customer collections, sales and marketing efforts, customer deployments, product development, or other financial metrics. Additional broader implications of these events on our business, results of operations, and overall financial position still remain uncertain and could result in further adverse impacts to our reported results. For further discussion of the potential impacts of global macroeconomic conditions and geopolitical factors on our business, please see "Risk Factors" in Part I, Item 1A and Part II, Item 7A below.

CRITICAL ACCOUNTING ESTIMATES

The preparation of our Consolidated Financial Statements and related notes in accordance with generally accepted accounting principles in the U.S. (U.S. GAAP) requires us to make estimates, including judgments and assumptions that affect the reported amounts of assets, liabilities, revenue and expenses, and related disclosure of contingent assets and liabilities. We have based our estimates, judgments and assumptions on historical experience and on various other factors we believe to be reasonable under the circumstances. We evaluate our estimates, judgments and assumptions on a regular basis and make changes accordingly. Management believes that the accounting estimates employed and the resulting amounts are reasonable; however, actual results may differ from these estimates. Making estimates, judgments and assumptions about future events is inherently unpredictable and is subject to significant uncertainties, some of which are beyond our control. Should any of these estimates, judgments or assumptions change or prove to have been incorrect, it could have a material impact on our results of operations, financial position and cash flows.

Management believes the following significant accounting policies reflect the critical estimates used in the preparation of our Consolidated Financial Statements. A summary of our significant accounting policies is included in Note 1, and a description of recently adopted accounting pronouncements and our expectation of the impact on our Consolidated Financial Statements and disclosures are included in Note 2 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K.

Business combinations

We allocate the purchase price of acquired businesses to the tangible and identifiable intangible assets acquired and liabilities assumed based on their estimated fair values on the acquisition date. Any residual purchase price is recorded as goodwill. The allocation of purchase price requires management to make significant estimates and assumptions in determining the fair values of the assets acquired and liabilities assumed especially with respect to intangible assets.

Critical estimates in valuing intangible assets include, but are not limited to, future expected cash flows from customer relationships, developed technology, trade names and other intangibles, and discount rates. Management estimates of fair value are based upon assumptions believed to be reasonable but which are inherently uncertain and unpredictable. Third-party valuation specialists are utilized for certain estimates. Unanticipated events and circumstances may occur which may affect the accuracy or validity of such assumptions, estimates or actual results.

Income taxes

We are subject to tax in multiple U.S. and foreign tax jurisdictions. We are required to estimate the current tax exposure as well as assess the temporary differences between the accounting and tax treatment of assets and liabilities, including items such as accruals and allowances not currently deductible for tax purposes. We apply judgment in the recognition and measurement of current and deferred income taxes which includes the following critical accounting estimates.

We use a two-step process to recognize liabilities for unrecognized tax benefits. The first step is to evaluate the tax position for recognition by determining if the weight of available evidence indicates that it is more likely than not that the position will be sustained on audit, including resolution of related appeals or litigation processes, if any. There is judgement and complexity involved in assessing if the tax position is more likely than not. If we determine that the tax position will more likely than not be sustained on audit, the second step requires us to estimate and measure the tax benefit as the largest amount that is more than 50% likely to be realized upon ultimate settlement. It is inherently difficult and subjective to estimate such amounts, as this requires us to determine the probability of various outcomes. We re-evaluate these unrecognized tax benefits on a quarterly basis. This evaluation is based on factors including, but not limited to, changes in facts or circumstances, changes in tax law, effectively settled issues under audit and new audit activity. Such a change in recognition or measurement would result in the recognition of a tax benefit or an additional charge to the tax provision in the period.

Loss contingencies

We are subject to contingencies that expose us to losses, including, but not limited to, regulatory proceedings, claims, mediations, arbitration and litigation, arising out of the ordinary course of business. An estimated loss from such contingencies is recognized as a charge to income if it is probable that a liability has been incurred and the amount of the loss can be reasonably estimated. Judgment is required in both the determination of probability and the determination as to whether a loss is reasonably estimable. We review the status of each significant matter quarterly, and we may revise our estimates. Until the final resolution of such matters, there may be an exposure to loss in excess of the amount recorded, and such amounts could be material. Should any of our estimates and assumptions change or prove to have been incorrect, it could have a material impact on our Consolidated Financial Statements for that reporting period.

Recently adopted authoritative guidance

For a discussion of recently adopted authoritative guidance and their potential effects refer to Note 2 of our Notes to the Consolidated Financial Statements of this Annual Report on Form 10-K.

Recently issued authoritative guidance not yet adopted

ASU 2023-09, Income Taxes (Topic 740): Improvements to Income Tax Disclosures. In December 2023, the FASB issued new guidance to update income tax disclosure requirements, requiring disaggregated information about an entity's effective tax rate reconciliation as well as income taxes paid. This is effective for fiscal years beginning after December 15, 2024. We are currently evaluating the impact of the adoption of this guidance on our Consolidated Financial Statements and disclosures.

ASU 2024-03 and ASU 2025-01, Income Statement - Reporting Comprehensive Income (Subtopic 220-40): Expense Disaggregation Disclosures. In November 2024, the FASB issued new guidance requiring that public business entities disclose additional information about specific expense categories in the notes to financial statements at interim and annual reporting periods. This is effective for annual reporting periods beginning after December 15, 2026, and interim reporting periods beginning after December 15, 2027. We are currently evaluating the impact of the adoption of this guidance on our Condensed Consolidated Financial Statements and disclosures.

RESULTS OF OPERATIONS

We have elected to omit discussion on the earliest of the three years presented in the Consolidated Financial Statements of this Annual Report on Form 10-K. Refer to *Part II, Item 7. Management's Discussion and Analysis of Financial Condition and Results of Operations* of our Annual Report on Form 10-K for the fiscal year ended March 29, 2024 for year-over-year comparisons of the results of operation between fiscal 2024 and fiscal 2023 as well as discussion of fiscal 2023 performance metrics and cash flow activity, all of which are incorporated herein by reference.

The following table sets forth our Consolidated Statements of Operations data as a percentage of net revenues for the periods indicated:

	Fiscal Year	
	2025	2024
Net revenues	100 %	100 %
Cost of revenues	20	19
Gross profit	80	81
Operating expenses:		
Sales and marketing	19	19
Research and development	8	9
General and administrative	7	16
Amortization of intangible assets	4	6
Restructuring and other costs	0	2
Impairment of intangible assets	0	—
Total operating expenses	39	52
Operating income (loss)	41	29
Interest expense	(15)	(18)
Other income (expense), net	0	—
Income (loss) before income taxes	26	12
Income tax expense (benefit)	10	(4)
Net income (loss)	16 %	16 %

Note: The percentages may not add due to rounding.

Net revenues

(In millions, except for percentages)	Fiscal Year		% Change
	2025	2024	2025 vs. 2024
Net revenues	\$ 3,935	\$ 3,800	4 %

Fiscal 2025 compared to fiscal 2024

Net revenues increased \$135 million, due to a \$95 million increase in sales of our identity and information protection products and a \$53 million increase in sales of our consumer security products. This was partially offset by a \$13 million decrease in our legacy product offerings. This is inclusive of \$11 million of foreign exchange headwinds, in our consumer security solutions.

Performance Metrics

We regularly monitor a number of metrics in order to measure our current performance and estimate our future performance. We believe these key operating metrics are useful to investors because management uses these metrics to assess the growth of

[Table of Contents](#)

our business and the effectiveness of our marketing and operational strategies. Our metrics may be calculated in a manner different than similar metrics used by other companies.

The following table summarizes supplemental key performance metrics for our solutions:

(In millions, except for per user amounts and percentages)	Fiscal Year	
	2025	2024
Direct customer revenue	\$ 3,456	\$ 3,341
Partner revenues	\$ 429	\$ 396
Total cyber safety revenues	\$ 3,885	\$ 3,737
Legacy revenues ⁽¹⁾	\$ 50	\$ 63
Direct customer count (at quarter-end)	40.4	39.1
Direct average revenue per user (ARPU)	\$ 7.26	\$ 7.22
Retention rate	78 %	77 %

(1) Legacy revenues includes revenues from products or solutions from markets that we have exited and in which we no longer operate, have been discontinued or identified to be discontinued, or remain in maintenance mode as a result of integration and product portfolio decisions.

We define direct customer count as active paid users of our products and solutions who have a direct billing and/or registration relationship with us at the end of the reported period. We exclude users on free trials from our direct customer count. Users who have indirectly purchased and/or registered for our products or solutions through partners are excluded unless such users convert or renew their subscription directly with us or sign up for a paid membership through our web stores or third-party app stores.

ARPU is calculated as estimated direct customer revenues for the period divided by the average direct customer count for the same period, expressed as a monthly figure. Non-GAAP estimated direct customer revenues and ARPU have limitations as analytical tools and should not be considered in isolation or as a substitute for U.S. GAAP estimated direct customer revenues or other U.S. GAAP measures. We monitor ARPU because it helps us understand the rate at which we are monetizing our consumer customer base.

Retention rate is defined as the percentage of direct customers as of the end of the period from one year ago who are still active as of the most recently completed fiscal period. We monitor the retention rate to evaluate the effectiveness of our strategies to improve renewals of subscriptions.

The methodologies used to measure these metrics require judgment and are subject to change due to improvements or revisions to our methodology. From time to time, we review our metrics and may discover inaccuracies or make adjustments to improve their accuracy, which can result in adjustments to our historical metrics. Our ability to recalculate our historical metrics may be impacted by data limitations or other factors that require us to apply different methodologies for such adjustments. We generally do not intend to update previously disclosed metrics for any such inaccuracies or adjustments that are deemed not material.

Net revenues by geographical region

Percentage of revenue by geographical region as presented below is based on the billing location of the customers.

	Fiscal Year ⁽¹⁾	
	2025	2024
Americas	66 %	65 %
EMEA	24 %	24 %
APJ	10 %	11 %

(1) From time to time, changes in allocation methodologies cause changes to the revenue by geographic area above. When changes occur, we recast historical amounts to match the current methodology, such as for fiscal 2024 where we aligned allocation methodologies across similar product categories.

The Americas include U.S., Canada, and Latin America; EMEA includes Europe, Middle East, and Africa; APJ includes Asia Pacific and Japan.

Percentage of revenue by geographic region remained consistent in fiscal 2025 and fiscal 2024.

Cost of revenues

(In millions, except for percentages)	Fiscal Year		% Change	
	2025	2024	2025 vs. 2024	
Cost of revenues	\$ 776	\$ 731		6 %

Fiscal 2025 compared to fiscal 2024

Our cost of revenues increased \$45 million, primarily due to a \$42 million increase in marketing affiliate expenses.

Operating expenses

(In millions, except for percentages)	Fiscal Year		% Change
	2025	2024	2025 vs. 2024
Sales and marketing	\$ 745	\$ 733	2 %
Research and development	329	332	(1)%
General and administrative	291	604	(52)%
Amortization of intangible assets	174	233	(25)%
Restructuring and other costs	7	57	(88)%
Impairment of intangible assets	3	—	— %
Total	\$ 1,549	\$ 1,959	(21)%

Our operating expenses decreased in fiscal 2025 compared to fiscal 2024 primarily due to a decrease in legal accruals, amortization of intangible assets and restructuring costs related to our acquisition of Avast.

Fiscal 2025 compared to fiscal 2024

Sales and marketing, research and development and impairment of intangible assets expenses remained relatively flat.

General and administrative expense decreased \$313 million, primarily due to the absence of \$369 million in legal costs related to our litigation with Columbia and GSA in fiscal 2024. This was partially offset by a \$66 million legal contract dispute cost with E-commerce Partner B during fiscal 2025. Refer to Note 1 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for additional information on the legal contract dispute with E-commerce Partner B.

Amortization of intangible assets decreased \$59 million, primarily due to certain intangible assets being fully amortized during fiscal 2024.

Restructuring and other costs decreased \$50 million, primarily due to a \$48 million decrease in severance, termination benefits, contract cancellation costs and other exit and disposal costs in connection with the September 2022 Plan. See Note 12 of the Notes to the Consolidated Financial Statements for details of the fiscal 2025 restructuring activities.

Non-operating income (expense), net

(In millions)	Fiscal Year		\$ Change
	2025	2024	2025 vs. 2024
Interest expense	\$ (578)	\$ (669)	\$ 91
Interest income	28	25	3
Foreign exchange gain (loss)	2	3	(1)
Gain (loss) on equity investments	(30)	(40)	10
Gain (loss) on sale of properties	—	9	(9)
Other	(3)	9	(12)
Non-operating income (expense), net	\$ (581)	\$ (663)	\$ 82

Fiscal 2025 compared to fiscal 2024

Non-operating income (expense), net, decreased \$82 million, primarily due to a \$90 million decrease in interest expense resulting from the voluntary prepayments and repricing of our Term A and Term B facilities.

Provision for income taxes

(In millions, except for percentages)	Fiscal Year	
	2025	2024
Income (loss) before income taxes	\$ 1,029	\$ 447
Income tax expense (benefit)	\$ 386	\$ (160)
Effective tax rate	38 %	(36)%

Fiscal 2025 compared to fiscal 2024

Our effective tax rate increased primarily due to the absence of an income tax benefit in the second quarter of fiscal 2024, in addition to changes in unrecognized tax benefits and related interest and penalties, and the U.S. taxation on foreign earnings in fiscal 2025. See Note 13 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for information about our unrecognized tax benefits.

The Organization for Economic Cooperation and Development (OECD) and many countries have proposed to reallocate a portion of profits of large multinational enterprises (MNE) with an annual global turnover exceeding €20 billion to markets where

sales arise (Pillar One), as well as enact a global minimum tax rate of at least 15% for MNE with an annual global turnover exceeding €750 million (Pillar Two). On December 12, 2022, the European Union reached an agreement to implement the Pillar Two directive of the OECD's reform of international taxation at the European Union level. The agreement affirms that all Member States must transpose the Pillar Two directive by December 31, 2023. The rules will therefore first be applicable for fiscal years starting on or after December 31, 2023. Ireland, Czech Republic, and certain jurisdictions in which we operate have enacted legislation to implement Pillar Two and other countries are actively considering changes to their tax laws to adopt certain parts of the OECD's proposals. The enactment of Pillar Two legislation is not expected to have a material adverse effect on our effective tax rate and Consolidated Financial Statements in the near term. We will continue to monitor and reflect the impact of such legislative changes in future Consolidated Financial Statements as appropriate.

LIQUIDITY, CAPITAL RESOURCES AND CASH REQUIREMENTS

Liquidity and Capital Resources

We have historically relied on cash generated from operations, borrowings under credit facilities, issuances of debt and proceeds from divestitures for our liquidity needs.

Our capital allocation strategy is to balance driving stockholder returns, managing financial risk and preserving our flexibility to pursue strategic options, including acquisitions and mergers. Historically, this has included a quarterly cash dividend, the repayment of debt and the repurchase of shares of our common stock.

Based on past performance and current expectations, we believe that our existing cash and cash equivalents, together with cash generated from operations, amounts available under our Revolving Facility and our future refinancing plans related to our upcoming maturities, will be sufficient to meet our working capital needs, support on-going business activities and finance the expected synergy costs related to the acquisition of Avast and MoneyLion through at least the next 12 months and to meet our known long-term contractual obligations. We are currently not aware of any trends or demands, commitments, events or uncertainties that will result in or that are reasonably likely to result in our liquidity increasing or decreasing in any material way that will impact our capital needs during or beyond the next 12 months. However, our future liquidity and capital requirements may vary materially from those as of March 28, 2025 depending on several factors, including, but not limited to, economic conditions; political climate; the expansion of sales and marketing activities; the costs to acquire or invest in businesses; outcome of income tax audits with relevant tax authorities; resolution of legal proceedings, including, but not limited to, regulatory proceedings, claims, mediations, arbitrations and litigation; and the risks and uncertainties discussed in "Risk Factors" in Part I, Item 1A.

Cash flows

The following table summarizes our cash flow activities in fiscal 2025 and 2024:

(In millions)	Fiscal Year	
	2025	2024
Net cash provided by (used in):		
Operating activities	\$ 1,221	\$ 2,064
Investing activities	\$ (100)	\$ 2
Financing activities	\$ (970)	\$ (1,961)
Increase (decrease) in cash and cash equivalents	\$ 160	\$ 96

See Note 7 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for our supplemental cash flow information.

Cash from operating activities

Our cash flows provided by and used in operating activities in fiscal 2025 decreased \$843 million, primarily due to the absence of an income tax refund related to the filing of our fiscal 2023 tax return received during the fourth quarter of fiscal 2024.

Cash from investing activities

Our cash flows provided by and used in investing activities in fiscal 2025 decreased \$102 million, primarily related to the cash consideration paid for the acquisition of a technology-enabled personal finance education and recommendation platform during the fourth quarter of fiscal 2025.

Cash from financing activities

Our cash flows used in financing activities in fiscal 2025 decreased \$991 million, primarily due to the issuance of our 6.25% Senior Notes, lower voluntary prepayments of our Term B facility and repurchases of common stock under our repurchase program. This was offset by the repayment of our 5.0% Senior Notes, using the net proceeds from the 6.25% Senior Notes.

Cash and cash equivalents

As of March 28, 2025, we had cash and cash equivalents of approximately \$1,006 million, of which \$359 million was held by our foreign subsidiaries. Our cash and cash equivalents are managed with the objective to preserve principal, maintain liquidity and generate investment returns. The participation exemption system under current U.S. federal tax regulations generally allows us to make distributions of non-U.S. earnings to the U.S. without incurring additional U.S. federal tax; however, these distributions may be subject to applicable state or non-U.S. taxes.

Debt

We have an undrawn revolving credit facility of \$1,494 million, net of our letters of credit, which expires in September 2027.

Stock repurchases

During the fiscal 2025 and 2024, we executed repurchases of 11 million and 21 million of our common stock under our existing stock repurchase program for an aggregate amount of \$272 million and \$441 million, respectively.

Material Cash Requirements

Our principal cash requirements are primarily to meet our working capital needs, support on-going business activities, including payment of taxes and cash dividends, payment of contractual obligations, funding capital expenditures, servicing existing debt, repurchasing shares of our common stock and investing in business acquisitions and mergers.

Debt instruments

As of March 28, 2025, our total outstanding principal amount of indebtedness is summarized as follows. See Note 10 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for further information on our debt.

(In millions)	March 28, 2025
Term Loans	\$ 5,905
Senior Notes	2,450
Total debt	\$ 8,355

The Amended Credit Agreement contains customary representations and warranties and affirmative and negative covenants, including compliance with specified financial ratios. As of March 28, 2025, we were in compliance with all debt covenants. See Note 10 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for further information regarding financial ratios and debt covenant compliance.

Dividends

On May 6, 2025, we announced a cash dividend of \$0.125 per share of common stock to be paid in June 2025. Any future dividends and dividend equivalents will be subject to the approval from our Board of Directors.

Stock repurchase program

Under our stock repurchase program, we may purchase shares of our outstanding common stock on the open market (including through trading plans intended to qualify under Rule 10b5-1 under the Exchange Act) and through accelerated stock repurchase transactions. In May 2024, our Board of Directors authorized a new stock repurchase program through which we may repurchase shares of our common stock in an aggregate amount of up to \$3 billion with no fixed expiration. This new stock repurchase program will supersede any amounts under the prior stock repurchase programs. As of March 28, 2025, the remaining balance of our stock repurchase authorization is \$2,728 million and does not have an expiration date. The timing and actual number of shares repurchased will depend on a variety of factors, including price, general business and market conditions and other investment opportunities.

Restructuring

In connection with the acquisition of Avast, our Board of Directors approved a restructuring plan (the September 2022 Plan) to realize cost savings and operational synergies, which became effective upon the close of the acquisition on September 12, 2022. We have incurred and expect to incur cash expenditures for severance and termination benefits, contract terminations, facilities closures, and the sale of underutilized facilities as well as stock-based compensation charges for accelerated equity awards for certain terminated employees. We expect that we will incur total costs up to \$150 million following the completion of the acquisition. These actions are expected to be completed by the end of calendar year 2025. During fiscal 2025, we made \$25 million in cash payments related to the September 2022 Plan. See Note 12 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for further cash flow information associated with our restructuring activities.

Significant contractual obligations

The following is a schedule of our principal commitments as of March 28, 2025. The expected timing and amount of short-term and long-term payments of the obligations in the following table is estimated based on current information. Timing of payments and actual amounts paid may be different, depending on the time of receipt of goods or services, or changes to agreed-upon amounts for certain obligations.

(In millions)	Short-Term Payments	Long-Term Payments	Total
Contractual obligations:			
Debt (principal payments) ⁽¹⁾	\$ 291	\$ 8,064	\$ 8,355
Interest payments on debt ⁽²⁾	605	1,465	2,070
Purchase obligations ⁽³⁾	316	118	434
Deemed repatriation taxes ⁽⁴⁾	139	—	139
Operating leases ⁽⁵⁾	16	48	64
Total	\$ 1,367	\$ 9,695	\$ 11,062

- (1) As of March 28, 2025, our total outstanding principal amount of indebtedness is comprised of \$5,905 million in Term Loans and \$2,450 million in Senior Notes. See Note 10 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for further information about our debt and debt covenants.
- (2) Interest payments calculated based on the contractual terms of the related debt instruments. Interest on variable rate debt was calculated using the interest rate in effect as of March 28, 2025. Interest on variable rate debt may vary based on the performance of our interest rate swaps. See Note 10 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for further information on the term loans and senior notes.
- (3) Agreements for purchases of goods or services, with terms that are enforceable and legally binding and specify all significant terms, including fixed or minimum quantities to be purchased; fixed, minimum, or variable price provisions; and the approximate timing of the transaction. These amounts include agreements to purchase goods or services that have cancellation provisions requiring little or no payment. The amounts under such contracts are included because management believes that cancellation of these contracts is unlikely, and we expect to make future cash payments according to the contract terms or in similar amounts for similar materials.
- (4) Transition tax payments on previously untaxed foreign earnings of foreign subsidiaries under the Tax Cuts and Jobs Act, which may be paid through July 2025.
- (5) Payments for various non-cancelable operating lease agreements that expire on various dates through fiscal 2033. The amounts in the table above exclude expected sublease income. See Note 9 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for further information on leases.

Due to the uncertainty with respect to the timing of future cash flows associated with our unrecognized tax benefits and other long-term taxes as of March 28, 2025, we are unable to make reasonably reliable estimates of the period of cash settlement with the respective taxing authorities. Therefore, \$1,419 million in long-term income taxes payable has been excluded from the contractual obligations table. See Note 13 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for further information.

Indemnifications

In the ordinary course of business, we may provide indemnifications of varying scope and terms to customers, vendors, lessors, business partners, subsidiaries, and other parties with respect to certain matters, including, but not limited to, product warranties and losses arising out of our breach of agreements or representations and warranties made by us, including claims alleging that our software infringes on the intellectual property rights of a third party. In addition, our bylaws contain indemnification obligations to our directors, officers, employees and agents, and we have entered into indemnification agreements with our directors and certain of our officers to give such directors and officers additional contractual assurances regarding the scope of the indemnification set forth in our bylaws and to provide additional procedural protections. We maintain director and officer insurance, which may cover certain liabilities arising from our obligation to indemnify our directors and officers. Refer to Note 18 of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K for further information on our indemnifications.

Item 7A. Quantitative and Qualitative Disclosures about Market Risk

We are exposed to various market risks related to fluctuations in interest rates and foreign currency exchange rates. We may use derivative and non-derivative financial instruments to reduce the volatility of earnings and cash flow that may result from adverse economic conditions and events or changes in interest rates and foreign currency exchange rates.

In interest rate risk

As of March 28, 2025, we had \$2,450 million in aggregate principal amount of fixed-rate Senior Notes outstanding, with a carrying amount and a fair value of \$2,475 million, based on Level 2 inputs. The fair value of these notes fluctuates when interest rates change. Since these notes bear interest at fixed rates, the financial statement risk associated with changes in interest rates is limited to future refinancing of current debt obligations. If these notes were refinanced at higher interest rates prior to maturity, our total interest payments could increase by a material amount; however, this risk is mitigated by our strong cash position and expected future cash generated from operations, which will be sufficient to satisfy this increase in obligation.

As of March 28, 2025, we also had \$5,905 million outstanding debt with variable interest rates based on the Secured Overnight Financing Rate (SOFR). A hypothetical 100 basis point change in SOFR would have resulted in a \$59 million increase in interest expense on an annualized basis.

In March 2023, we entered into interest rate swap agreements to mitigate risks associated with the variable interest rate of our Term A Facility. These pay-fixed, receive-floating rate interest rate swaps have the economic effect of hedging the variability of forecasted interest payments until their maturity on March 31, 2026. Pursuant to the agreements, we have effectively converted \$1 billion of our variable rate borrowings under Term A Facility to fixed rates, with \$500 million at a fixed rate of 3.762% and \$500 million at a fixed rate of 3.55%. A hypothetical 100 basis point increase or decrease in interest rates would have resulted in a \$8 million increase or \$10 million decrease in the fair values of our floating to fixed rate interest swaps on March 28, 2025.

The objective of our interest rate swaps, all of which are designated as cash flow hedges, is to manage the variability of future interest expense.

In addition, we have a \$1,494 million revolving credit facility, net of our letters of credit, that if drawn bears interest at a variable rate based on SOFR and would be subject to the same risks associated with adverse changes in SOFR.

Foreign currency exchange rate risk

We conduct business in numerous currencies through our worldwide operations, and our entities hold monetary assets or liabilities, earn revenues or incur costs in currencies other than the entity's functional currency, primarily in Euro, Japanese Yen, British Pound, Australian Dollar, Czech Koruna and Canadian Dollar. In addition, we charge our international subsidiaries for their use of intellectual property and technology and for certain corporate services provided. Our cash flow, results of operations and certain of our intercompany balances that are exposed to foreign exchange rate fluctuations may differ materially from expectations, and we may record significant gains or losses due to foreign currency fluctuations and related hedging activities. As a result, we are exposed to foreign exchange gains or losses which impacts our operating results.

Growth in our international operations will incrementally increase our exposure to foreign currency fluctuations as well as volatile market conditions, including the weakening of foreign currencies relative to USD, which has and may in the future negatively affect our revenue expressed in USD.

We manage these exposures and reduce the potential effects of currency fluctuations by executing monthly foreign exchange forward contracts to hedge foreign currency balance sheet exposures. The gains and losses on these foreign exchange contracts are recorded in Other income (expense), net in the Consolidated Statements of Operations.

We do not use derivative financial instruments for speculative trading purposes, nor do we hedge our foreign currency exposure in a manner that entirely offsets the effects of the changes in foreign exchange rates. As our international operations grow, we will continue to reassess our approach to managing risks related to fluctuations in foreign currency.

Additional information related to our debt and derivative instruments is included in Note 10 and Note 11, respectively, of the Notes to the Consolidated Financial Statements included in this Annual Report on Form 10-K.

Item 8. Financial Statements and Supplementary Data

The Consolidated Financial Statements and related disclosures included in Part IV, Item 15 of this Annual Report are incorporated by reference into this Item 8. In addition, there were no material retrospective changes to any quarters in the two most recent fiscal years that would require supplementary disclosure.

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

None.

Item 9A. Controls and Procedures

(a) Evaluation of Disclosure Controls and Procedures

The SEC defines the term "disclosure controls and procedures" to mean a company's controls and other procedures that are designed to ensure that information required to be disclosed in the reports that it files or submits under the Exchange Act is recorded, processed, summarized, and reported, within the time periods specified in the SEC's rules and forms. "Disclosure controls and procedures" include, without limitation, controls and procedures designed to ensure that information required to be disclosed by an issuer in the reports that it files or submits under the Exchange Act is accumulated and communicated to the issuer's management, including its principal executive and principal financial officers, or persons performing similar functions, as appropriate to allow timely decisions regarding required disclosure. Our disclosure controls and procedures are designed to provide reasonable assurance that such information is accumulated and communicated to our management. Our management (with the participation of our Chief Executive Officer and Chief Financial Officer) has conducted an evaluation of the effectiveness of the design and operation of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) of the Exchange Act) as of the end of the period covered by this report.

Based on such evaluation, our Chief Executive Officer and our Chief Financial Officer have concluded that our disclosure controls and procedures were effective at the reasonable assurance level as of the end of the period covered by this Annual Report on Form 10-K.

(b) Management's Report on Internal Control over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) of the Exchange Act) for Gen Digital. Our internal control over financial reporting is a process designed under the supervision of our CEO and CFO to provide reasonable assurance regarding the preparation and reliability of financial reporting and preparation of our financial statements for external purposes in accordance with generally accepted accounting principles.

Our management, with the participation of our Chief Executive Officer and our Chief Financial Officer, has conducted an evaluation of the effectiveness of our internal control over financial reporting as of March 28, 2025, based on criteria established in Internal Control - Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission (COSO).

Our management has concluded that, as of March 28, 2025, our internal control over financial reporting was effective at the reasonable assurance level based on these criteria.

The effectiveness of our internal control over financial reporting, as of March 28, 2025, has been audited by KPMG LLP, an independent registered public accounting firm, as stated in their report, which is included in Part IV, Item 15 of this Annual Report on Form 10-K.

(c) Changes in Internal Control over Financial Reporting

There were no changes in our internal control over financial reporting identified in connection with the evaluation required by Rule 13a-15(d) and 15d-15(d) of the Exchange Act that occurred during the fiscal quarter ended March 28, 2025 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

(d) Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal controls will prevent all errors and all fraud. A control system, no matter how well conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. Further, the design of a control system must reflect the fact that there are resource constraints, and the benefits of controls must be considered relative to their costs. The design of a control system also is based in part upon assumptions and judgments made by management about the likelihood of future events, and there can be no assurance that a given control will be effective under all potential future conditions. Because of the inherent limitations in all control systems, no evaluation of controls can provide absolute assurance that all control issues and instances of fraud, if any, within our company have been detected.

Item 9B. Other Information

Insider adoption or termination of trading arrangements

During the fiscal quarter ended March 28, 2025, none of our directors or officers (as defined in Section 16 of the Securities Exchange Act of 1934, as amended) informed us of the adoption or termination of a "Rule 10b5-1 trading arrangement" or "non-Rule 10b5-1 trading arrangement," as defined in Regulation S-K, Item 408.

Item 9C. Disclosure Regarding Foreign Jurisdictions that Prevent Inspections

Not applicable.

PART III

Item 10. Directors, Executive Officers and Corporate Governance

The information required by this item will be included under the caption "Directors, Executive Officers, and Corporate Governance" in our proxy statement for the 2025 Annual Meeting to be filed with the SEC within 120 days of the fiscal year ended March 28, 2025 (the 2025 Proxy Statement) and is incorporated herein by reference. With regard to the information required by this item regarding compliance with Section 16(a) of the Exchange Act, we will provide disclosure of delinquent Section 16(a) reports, if any, in the 2025 Proxy Statement, and such disclosure, if any, is incorporated herein by reference.

Insider trading arrangements and policies

We are committed to promoting high standards of ethical business conduct and compliance with applicable laws, rules and regulations. As part of this commitment, we have adopted our Insider Trading Policy governing the purchase, sale, and/or other dispositions of our securities by our directors, officers, and employees that we believe is reasonably designed to promote compliance with insider trading laws, rules and regulations, and the exchange listing standards applicable to us. A copy of our Insider Trading Policy is filed as Exhibit 19.01 to this Annual Report on Form 10-K.

Item 11. Executive Compensation

The information required by this item will be included under the captions "Director Compensation" and "Executive Compensation and Related Information" in our 2025 Proxy Statement and is incorporated herein by reference (excluding the information under the subheading "Pay Versus Performance").

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

The information required by this item will be included under the captions "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters" and "Equity Compensation Plans" in our 2025 Proxy Statement and is incorporated herein by reference.

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

The information required by this item will be included under the caption "Certain Relationships and Related Transactions, and Director Independence" in our 2025 Proxy Statement and is incorporated herein by reference.

Item 14. Principal Accountant Fees and Services

Our independent registered public accounting firm is KPMG LLP, Santa Clara, CA, Auditor Firm ID: 185.

The information required by this item will be included under the caption "Principal Accountant Fees and Services" in our 2025 Proxy Statement and is incorporated herein by reference.

PART IV

Item 15. Exhibits and Financial Statement Schedules

(a)

(1). Financial Statements

Upon written request, we will provide, without charge, a copy of this annual report, including the Consolidated Financial Statements and financial statement schedule. All requests should be sent to:

Gen Digital Inc.

Attn: Investor Relations

60 E. Rio Salado, Suite 1000

Tempe, Arizona 85281

(650) 527-8000

The following documents are filed as part of this report:

	Page
1. Consolidated Financial Statements:	
Report of Independent Registered Public Accounting Firm	46
Consolidated Balance Sheets	48
Consolidated Statements of Operations	49
Consolidated Statements of Comprehensive Income (Loss)	50
Consolidated Statements of Stockholders' Equity (Deficit)	51
Consolidated Statements of Cash Flows	52
Notes to the Consolidated Financial Statements	53
Note 1. Description of Business and Significant Accounting Policies	53
Note 2. Recent Accounting Standards	58
Note 3. Assets Held for Sale	58
Note 4. Business Combinations	58
Note 5. Revenues	59
Note 6. Goodwill and Intangible Assets	60
Note 7. Supplementary Information	60
Note 8. Financial Instruments and Fair Value Measurements	63
Note 9. Leases	63
Note 10. Debt	64
Note 11. Derivatives	66
Note 12. Restructuring and Other Costs	67
Note 13. Income Taxes	69
Note 14. Stockholders' Equity	71
Note 15. Stock-Based Compensation and Other Benefit Plans	72
Note 16. Net Income (Loss) Per Share	74
Note 17. Segment and Geographic Information	74
Note 18. Commitments and Contingencies	77
Note 19. Subsequent Events	81
Financial statement schedules have been omitted since they are either not required, not applicable, or the information is otherwise included.	
2. Exhibits: The information required by this Item is set forth in the Exhibit Index that precedes the signature page of this Annual Report.	81

Report of Independent Registered Public Accounting Firm

To the Stockholders and Board of Directors
Gen Digital Inc.:

Opinions on the Consolidated Financial Statements and Internal Control Over Financial Reporting

We have audited the accompanying consolidated balance sheets of Gen Digital Inc. and subsidiaries (the Company) as of March 28, 2025 and March 29, 2024, the related consolidated statements of operations, comprehensive income (loss), stockholders' equity (deficit), and cash flows for each of the years in the three-year period ended March 28, 2025, and the related notes (collectively, the consolidated financial statements). We also have audited the Company's internal control over financial reporting as of March 28, 2025, based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the financial position of the Company as of March 28, 2025 and March 29, 2024, and the results of its operations and its cash flows for each of the years in the three-year period ended March 28, 2025, in conformity with U.S. generally accepted accounting principles. Also in our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 28, 2025 based on criteria established in Internal Control – Integrated Framework (2013) issued by the Committee of Sponsoring Organizations of the Treadway Commission.

Basis for Opinions

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

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

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

Definition and Limitations of Internal Control Over Financial Reporting

A company's internal control over financial reporting is a process designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles. A company's internal control over financial reporting includes those policies and procedures that (1) pertain to the maintenance of records that, in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the company; (2) provide reasonable assurance that transactions are recorded as necessary to permit preparation of financial statements in accordance with generally accepted accounting principles, and that receipts and expenditures of the company are being made only in accordance with authorizations of management and directors of the company; and (3) provide reasonable assurance regarding prevention or timely detection of unauthorized acquisition, use, or disposition of the company's assets that could have a material effect on the financial statements.

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

Critical Audit Matters

The critical audit matters communicated below are matters arising from the current period audit of the consolidated financial statements that were communicated or required to be communicated to the audit committee and that: (1) relate to accounts or disclosures that are material to the consolidated financial statements and (2) involved our especially challenging, subjective, or complex judgments. The communication of critical audit matters does not alter in any way our opinion on the consolidated financial statements, taken as a whole, and we are not, by communicating the critical audit matters below, providing separate opinions on the critical audit matters or on the accounts or disclosures to which they relate.

Sufficiency of audit evidence over net revenues

As discussed in Note 1 to the consolidated financial statements, the Company's net revenues are principally derived from the sale of products and services directly to end-user customers through multiple partner distribution channels. The processing of customer orders through to the determination of net revenues to be recognized is reliant upon multiple information technology (IT) systems. The Company recorded \$3,935 million of net revenues for the year ended March 28, 2025.

We identified the evaluation of sufficiency of audit evidence over net revenues as a critical audit matter. The evaluation of sufficiency of audit evidence over net revenues required a high degree of subjective auditor judgment due to the number of revenue-related IT systems involved. Specifically, judgment was required to evaluate that revenue data was captured and aggregated throughout various IT systems. Additionally, IT professionals with specialized skills and knowledge were required to evaluate the nature and extent of evidence obtained over net revenues.

The following are the primary procedures we performed to address this critical audit matter. We applied auditor judgment to determine the nature and extent of procedures to be performed over net revenues. We evaluated the design and tested the operating effectiveness of certain internal controls related to the revenue processes, including controls related to IT. We involved IT professionals with specialized skills and knowledge, who assisted in identifying and testing key IT configuration and IT interface controls for the various systems processing and recording revenue transactions. For a sample of transactions, we assessed the recorded revenue by comparing cash receipts to the revenue recognized. We evaluated the sufficiency of audit evidence obtained over net revenues by assessing the results of procedures performed.

Assessment of uncertain tax positions

As discussed in Notes 1 and 13 to the consolidated financial statements, as of March 28, 2025, the Company recorded accruals for unrecognized tax benefits. The Company evaluates uncertain tax positions to determine whether it is more likely than not that the tax position will be sustained upon examination by the taxing authorities based on the technical merits of the position. As of March 28, 2025, the Company has a liability for gross unrecognized tax benefits of \$1,153 million.

We identified the assessment of uncertain tax positions as a critical audit matter. Complex auditor judgment, including the involvement of tax professionals with specialized skills and knowledge, was required to evaluate the Company's determination of uncertain tax positions, which included assessing the Company's interpretation and application of tax laws globally across multiple jurisdictions.

The following are the primary procedures we performed to address this critical audit matter. We evaluated the design and tested the operating effectiveness of certain internal controls over the Company's uncertain tax positions process, including controls related to the determination of uncertain tax positions, which included assessing the Company's interpretation and application of tax laws. We evaluated the Company's ability to identify and determine its uncertain tax positions by comparing historical uncertain tax positions to actual outcomes upon conclusion of tax examinations. We involved tax professionals with specialized skills and knowledge, who assisted in:

- Obtaining an understanding of the Company's overall tax structure across multiple jurisdictions and assessing the Company's compliance with tax laws globally,
- Evaluating changes in tax law, and assessing the interpretation under the relevant jurisdictions' tax law,
- Inspecting settlements with taxing authorities to assess the Company's determination of its tax positions,
- Inspecting correspondence and agreements with taxing authorities, reading internal meeting minutes, and evaluating the status of income tax audits with relevant tax authorities, and
- Performing an assessment of the Company's tax positions and comparing to the results of the Company's assessment.

/s/ KPMG LLP

We have served as the Company's auditor since 2002.

Santa Clara, California
May 15, 2025

GEN DIGITAL INC.
CONSOLIDATED BALANCE SHEETS
(In millions, except par value per share amounts)

	March 28, 2025	March 29, 2024
ASSETS		
Current assets:		
Cash and cash equivalents	\$ 1,006	\$ 846
Accounts receivable, net	171	163
Other current assets	245	334
Assets held for sale	22	15
Total current assets	1,444	1,358
Property and equipment, net	60	72
Intangible assets, net	2,267	2,638
Goodwill	10,237	10,210
Other long-term assets	1,487	1,515
Total assets	\$ 15,495	\$ 15,793
LIABILITIES AND STOCKHOLDERS' EQUITY		
Current liabilities:		
Accounts payable	\$ 94	\$ 66
Accrued compensation and benefits	105	78
Current portion of long-term debt	291	175
Contract liabilities	1,846	1,808
Other current liabilities	515	599
Total current liabilities	2,851	2,726
Long-term debt	7,968	8,429
Long-term contract liabilities	77	76
Deferred income tax liabilities	222	261
Long-term income taxes payable	1,420	1,490
Other long-term liabilities	688	671
Total liabilities	13,226	13,653
Commitments and contingencies (Note 18)		
Stockholders' equity (deficit):		
Common stock and additional paid-in capital, \$0.01 par value; 3,000 shares authorized; 617 and 623 shares issued and outstanding as of March 28, 2025 and March 29, 2024, respectively	2,066	2,227
Accumulated other comprehensive income (loss)	(33)	11
Retained earnings (accumulated deficit)	236	(98)
Total stockholders' equity (deficit)	2,269	2,140
Total liabilities and stockholders' equity	\$ 15,495	\$ 15,793

The accompanying Notes to the Consolidated Financial Statements are an integral part of these statements.

GEN DIGITAL INC.
CONSOLIDATED STATEMENTS OF OPERATIONS
(In millions, except per share amounts)

	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
Net revenues	\$ 3,935	\$ 3,800	\$ 3,317
Cost of revenues	776	731	589
Gross profit	3,159	3,069	2,728
Operating expenses:			
Sales and marketing	745	733	682
Research and development	329	332	313
General and administrative	291	604	286
Amortization of intangible assets	174	233	172
Restructuring and other costs	7	57	69
Impairment of intangible assets	3	—	—
Total operating expenses	1,549	1,959	1,522
Operating income (loss)	1,610	1,110	1,206
Interest expense	(578)	(669)	(401)
Other income (expense), net	(3)	6	(22)
Income (loss) before income taxes	1,029	447	783
Income tax expense (benefit)	386	(160)	(551)
Net income (loss)	\$ 643	\$ 607	\$ 1,334
Net income (loss) per share - basic	\$ 1.04	\$ 0.95	\$ 2.17
Net income (loss) per share - diluted	\$ 1.03	\$ 0.95	\$ 2.14
Weighted-average shares outstanding:			
Basic	617	637	614
Diluted	624	642	624

The accompanying Notes to the Consolidated Financial Statements are an integral part of these statements.

GEN DIGITAL INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In millions)

	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
Net income (loss)	\$ 643	\$ 607	\$ 1,334
Other comprehensive income (loss), net of taxes:			
Foreign currency translation adjustments	(31)	10	(11)
Net unrealized gain (loss) on interest rate derivative instruments	(13)	16	—
Other comprehensive income (loss), net of taxes	(44)	26	(11)
Comprehensive income (loss)	<u>\$ 599</u>	<u>\$ 633</u>	<u>\$ 1,323</u>

The accompanying Notes to the Consolidated Financial Statements are an integral part of these statements.

GEN DIGITAL INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)

(In millions, except share amounts)

	Common Stock and Additional Paid-In Capital		Accumulated Other Comprehensive Income (Loss)	Retained Earnings (Accumulated Deficit)	Total Stockholders' Equity (Deficit)
	Shares	Amount			
Balance as of April 1, 2022	582	\$ 1,851	\$ (4)	\$ (1,973)	\$ (126)
Net income (loss)	—	—	—	1,334	1,334
Other comprehensive income (loss), net of taxes	—	—	(11)	—	(11)
Common stock issued under employee stock incentive plans	5	12	—	—	12
Shares withheld for taxes related to vesting of stock units	(1)	(19)	—	—	(19)
Repurchases of common stock	(40)	(904)	—	—	(904)
Cash dividends declared (\$0.50 per share of common stock) and dividend equivalents accrued	—	(308)	—	—	(308)
Stock-based compensation	—	134	—	—	134
Extinguishment of convertible debt	—	(100)	—	—	(100)
Cumulative effect adjustment from adoption of ASU 2020-06 ⁽¹⁾	—	(7)	—	6	(1)
Acquisition consideration	94	2,141	—	—	2,141
Balance as of March 31, 2023	640	2,800	(15)	(633)	2,152
Net income (loss)	—	—	—	607	607
Other comprehensive income (loss), net of taxes	—	—	26	—	26
Common stock issued under employee stock incentive plans	6	12	—	—	12
Shares withheld for taxes related to vesting of stock units	(2)	(26)	—	—	(26)
Repurchases of common stock ⁽²⁾	(21)	(444)	—	—	(444)
Cash dividends declared (\$0.50 per share of common stock) and dividend equivalents accrued	—	(253)	—	(72)	(325)
Stock-based compensation	—	138	—	—	138
Balance as of March 29, 2024	623	2,227	11	(98)	2,140
Net income (loss)	—	—	—	643	643
Other comprehensive income (loss), net of taxes	—	—	(44)	—	(44)
Common stock issued under employee stock incentive plans	6	11	—	—	11
Shares withheld for taxes related to vesting of stock units	(1)	(26)	—	—	(26)
Repurchases of common stock ⁽²⁾	(11)	(274)	—	—	(274)
Cash dividends declared (\$0.50 per share of common stock) and dividend equivalents accrued	—	(6)	—	(309)	(315)
Stock-based compensation	—	134	—	—	134
Balance as of March 28, 2025	617	\$ 2,066	\$ (33)	\$ 236	\$ 2,269

(1) Effective on April 2, 2022, we adopted ASU 2020-06 (Debt with Conversion and Other Options, ASC 470-20) using a modified retrospective method.

(2) Amount includes excise tax on share repurchases.

The accompanying Notes to the Consolidated Financial Statements are an integral part of these statements.

GEN DIGITAL INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In millions)

	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
OPERATING ACTIVITIES:			
Net income (loss)	\$ 643	\$ 607	\$ 1,334
Adjustments:			
Amortization and depreciation	419	485	329
Impairments and write-offs of current and long-lived assets	7	(3)	25
Stock-based compensation expense	133	138	134
Deferred income taxes	(32)	(991)	(145)
Loss (gain) on extinguishment of debt	—	—	9
Gain on sale of properties	—	(9)	—
Non-cash operating lease expense	16	18	23
Impairment on non-marketable equity investments	30	40	—
Legal contract dispute cost (Note 1)	66	—	—
Other	11	22	2
Changes in operating assets and liabilities, net of acquisitions:			
Accounts receivable, net	(53)	7	11
Accounts payable	26	(12)	(8)
Accrued compensation and benefits	27	(24)	(6)
Contract liabilities	36	47	16
Income taxes payable	(80)	446	(128)
Other assets	86	861	(702)
Other liabilities	(114)	432	(137)
Net cash provided by (used in) operating activities	1,221	2,064	757
INVESTING ACTIVITIES:			
Purchases of property and equipment	(15)	(20)	(6)
Purchase of non-marketable equity investments	(4)	—	—
Payments for acquisitions, net of cash acquired	(84)	—	(6,547)
Proceeds from the maturities and sales of short-term investments	—	—	4
Proceeds from the sale of properties	—	25	—
Other	3	(3)	2
Net cash provided by (used in) investing activities	(100)	2	(6,547)
FINANCING ACTIVITIES:			
Repayments of debt and related equity component	(1,311)	(1,183)	(3,047)
Proceeds from issuance of debt, net of issuance costs	941	—	8,954
Net proceeds from sales of common stock under employee stock incentive plans	11	12	12
Tax payments related to vesting of stock units	(26)	(26)	(20)
Dividends and dividend equivalents paid	(313)	(323)	(314)
Repurchases of common stock	(272)	(441)	(904)
Net cash provided by (used in) financing activities	(970)	(1,961)	4,681
Effect of exchange rate fluctuations on cash and cash equivalents	9	(9)	(28)
Change in cash and cash equivalents	160	96	(1,137)
Beginning cash and cash equivalents	846	750	1,887
Ending cash and cash equivalents	\$ 1,006	\$ 846	\$ 750

The accompanying Notes to the Consolidated Financial Statements are an integral part of these statements.

GEN DIGITAL INC.

Notes to the Consolidated Financial Statements

Note 1. Description of Business and Significant Accounting Policies

Business

Gen Digital Inc. is a global company powering Digital Freedom with a family of trusted brands including Norton, Avast, LifeLock and more. Our cyber safety portfolio provides protection across multiple channels and geographies, including security and performance, identity protection, and online privacy. Our technology platforms bring together software and service capabilities into comprehensive and easy-to-use products and solutions across our brands. We have also evolved beyond traditional cyber safety to offer adjacent trust-based solutions, including digital identity and access management, digital reputation, and restoration support services.

Basis of presentation

The accompanying Consolidated Financial Statements of Gen Digital Inc. and our wholly-owned subsidiaries are prepared in conformity with generally accepted accounting principles in the United States (U.S. GAAP). All significant intercompany accounts and transactions have been eliminated in consolidation.

Fiscal calendar

We have a 52/53-week fiscal year ending on the Friday closest to March 31. Fiscal 2025, 2024 and 2023 in this report refers to fiscal years ended March 28, 2025, March 29, 2024 and March 31, 2023, respectively, each of which was a 52-week year.

Use of estimates

The preparation of Consolidated Financial Statements in conformity with U.S. GAAP requires management to make estimates, judgments and assumptions that affect the amounts reported and disclosed in the Consolidated Financial Statements and accompanying Notes. Such estimates include, but are not limited to, valuation of business combinations including acquired intangible assets and goodwill, loss contingencies, the recognition and measurement of current and deferred income taxes, including assessment of unrecognized tax benefits, and valuation of assets and liabilities. On an ongoing basis, management determines these estimates and assumptions based on historical experience and on various other assumptions that are believed to be reasonable. Third-party valuation specialists are also utilized for certain estimates. Actual results could differ from such estimates and assumptions due to risks and uncertainties, including uncertainty in the current economic environment as a result of macroeconomic factors such as inflation, fluctuations in foreign currency exchange rates relative to the U.S. dollar, our reporting currency, changes in interest rates, ongoing and new geopolitical conflicts, and such differences may be material to the Consolidated Financial Statements.

Significant Accounting Policies

With the exception of those discussed in Note 2, there were no material changes in accounting pronouncements issued by the Financial Accounting Standards Board (FASB) that were applicable or adopted by us during fiscal 2025.

Revenue recognition

We sell products and services directly to end-users and through multiple partner distribution channels. Revenue recognition begins when we transfer control of the promised products or services to our customers in an amount that reflects the consideration we expect to be entitled to in exchange for such products or services. Our customer definition aligns with the control principles as outlined under Accounting Standards Codification (ASC) 606. Performance periods are generally one year or less, and payments are generally collected up front. Revenue is recognized net of any taxes collected from customers and subsequently remitted to governmental authorities.

Our customers are primarily users of our products and solutions who sign up on our e-commerce platform and have a direct billing relationship with us. However, our customers, also include users who do not have a direct billing relationship with us but register on our e-commerce site through our e-commerce partners. When referring to e-commerce partners, we are referring to those that are our fulfillment and payment processors who perform primarily administrative functions, such as collecting payment and remitting any required sales tax to governmental authorities. Revenue from these e-commerce partners is recognized on a gross basis, excluding fees paid to e-commerce partners.

We offer various channel rebates for our products. Our estimated reserves for channel volume incentive rebates are based on distributors' and resellers' performance compared to the terms and conditions of volume incentive rebate programs, which are typically entered into quarterly. Our reserves for rebates are estimated based on the terms and conditions of the promotional program, actual sales during the promotion, the amount of redemptions received, historical redemption trends by product and by type of promotional program and the value of the rebate. We record estimated reserves for rebates as an offset to revenue or contract liabilities. As of March 28, 2025 and March 29, 2024, reserves for rebates, recorded in Other current liabilities, were \$2 million and \$4 million, respectively. For products that include content updates and services, rebates are recognized as a ratable offset to revenue or contract liabilities over the term of the subscription.

Performance obligations

At contract inception, we assess the products and services promised in the contract to identify each performance obligation and evaluate whether the performance obligations are capable of being distinct and are distinct within the context of the contract.

Performance obligations that are not both capable of being distinct and are distinct within the context of the contract are combined and treated as a single performance obligation in determining the allocation and recognition of revenue. Our software solutions typically consist of a term-based subscription as well as when-and-if available software updates and upgrades. We have determined that our promises to transfer the software license subscription and the related support and maintenance are not separately identifiable because:

- the licensed software and the software updates and upgrades are highly interdependent and highly interrelated, working together to deliver continuously updated protection to customers;
- by identifying and addressing new threats, the software updates and upgrades significantly modify the licensed software and are integral to maintaining its utility; and
- given the rapid pace with which new threats are identified, the value of the licensed software diminishes rapidly without the software updates and upgrades.

We therefore consider the software license and related support obligations a single, combined performance obligation with revenue recognized over time as our solutions are delivered. Revenue from services is recognized as services are completed or ratably over the contractual period.

Fair value measurements

For assets and liabilities measured at fair value, fair value is the price that would be received from selling an asset or paid to transfer a liability in an orderly transaction between market participants at the measurement date. When determining fair value, we consider the principal or most advantageous market in which we would transact, and we consider assumptions that market participants would use when pricing the asset or liability.

The three levels of inputs that may be used to measure fair value are:

- Level 1: Quoted prices in active markets for identical assets or liabilities.
- Level 2: Observable inputs other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in less active markets or model-derived valuations. All significant inputs used in our valuations, such as discounted cash flows, are observable or can be derived principally from or corroborated with observable market data for substantially the full term of the assets or liabilities.
- Level 3: Unobservable inputs to the valuation methodology that are significant to the measurement of the fair value of assets or liabilities. We monitor and review the inputs and results of these valuation models to help ensure the fair value measurements are reasonable and consistent with market experience in similar asset classes.

Assets measured and recorded at fair value:

Cash equivalents. We consider all highly liquid investments with an original maturity of three months or less at the time of purchase to be cash equivalents. Cash equivalents are carried at amounts that approximate fair value due to the short period of time to maturity.

Non-marketable investments. Our non-marketable investments consist of equity investments in privately-held companies without a readily determinable fair value. We primarily measure these investments at cost minus impairment, if any, plus or minus changes resulting from observable price changes in orderly transactions for identical or similar investments of the same issuer. We may elect to measure certain investments at fair value, for which we utilize third-party valuation specialists at least annually in the fourth quarter of each fiscal year, or more frequently if events or changes in circumstances indicate a change in the fair value of the investment. Gains and losses on these investments, whether realized or unrealized, are recognized in Other income (expense), net in our Consolidated Statements of Operations.

We assess the recoverability of our non-marketable investments by reviewing various indicators of impairment. If indicators are present, a fair value measurement is made by performing a discounted cash flow analysis of the investment. We immediately recognize the impairment to our non-marketable equity investments if the carrying value exceeds the fair value.

Accounts receivable

Accounts receivable are recorded at the invoiced amount and are not interest bearing. We maintain an allowance for doubtful accounts or expected credit losses to reserve for expected uncollectible receivables. We review our accounts receivable by aging category to identify specific customers with known disputes or collectability issues. In addition, we maintain an allowance for all other receivables not included in the specific reserve by applying specific percentages of projected uncollectible receivables to the various aging categories. In determining these percentages, we use judgment based on our historical collection experience and current economic trends as well as reasonable and supportable forecasts of future economic conditions.

Assets held for sale

Long-lived assets held for sale are recorded at the lower of carrying value or fair value less costs to sell. Fair value is determined based on discounted cash flows, appraised values or management's estimates, depending upon the nature of the assets and external data available.

Property and equipment

Property, equipment, and leasehold improvements are stated at cost, net of accumulated depreciation. Depreciation is provided on a straight-line basis over the estimated useful lives. Estimated useful lives for financial reporting purposes are as follows: buildings, 20 to 30 years; building improvements, 7 to 20 years; leasehold improvements, the lesser of the life of the improvement or the initial lease term, and computer hardware and software and office furniture and equipment, 3 to 5 years.

Software development costs

The costs for the development of new software products and substantial enhancements to existing software products are expensed as incurred until technological feasibility has been established, at which time any additional costs would be capitalized in accordance with the accounting guidance for software. Because our current process for developing software is essentially completed concurrently with the establishment of technological feasibility, which occurs upon the completion of a working model, no costs have been capitalized for any of the periods presented.

Internal-use software development costs

We capitalize qualifying costs incurred during the application development stage related to software developed for internal-use and amortize them over the estimated useful life of 3 years. We expense costs incurred related to the planning and post-implementation phases of development as incurred. As of March 28, 2025 and March 29, 2024, capitalized costs, net of amortization, were \$6 million and \$5 million, respectively.

Leases

We determine if an arrangement is a lease at inception. We have elected to not recognize a lease liability or right-of-use (ROU) asset for short-term leases (leases with a term of twelve months or less that do not include an option to purchase the underlying asset). Operating lease ROU assets and operating lease liabilities are recognized based on the present value of the future minimum lease payments over the lease term at commencement date. The interest rate we use to determine the present value of future payments is our incremental borrowing rate because the rate implicit in our leases is not readily determinable. Our incremental borrowing rate is a hypothetical rate for collateralized borrowings in economic environments where the leased asset is located based on credit rating factors. Our operating lease assets also include adjustments for prepaid lease payments, lease incentives and initial direct costs.

Certain lease contracts include obligations to pay for other services, such as operations and maintenance. We elected the practical expedient whereby we record all lease components and the related minimum non-lease components as a single lease component. Cash payments made for variable lease costs are not included in the measurement of our operating lease assets and liabilities. Many of our lease terms include one or more options to renew. We do not assume renewals in our determination of the lease term unless it is reasonably certain that we will exercise that option. Lease costs for minimum lease payments for operating leases are recognized on a straight-line basis over the lease term. Our lease agreements do not contain any residual value guarantees.

Business combinations

We use the acquisition method of accounting under the authoritative guidance on business combinations. We allocate the purchase price of our acquisitions to the assets acquired and liabilities assumed based on their estimated fair values. The excess of the purchase price over the fair values of these identifiable assets and liabilities is recorded as goodwill. Acquisition-related expenses are recognized separately from the business combination and are expensed as incurred. Each acquired company's operating results are included in our Consolidated Financial Statements starting on the date of acquisition.

Goodwill

Goodwill is recorded when consideration paid for an acquisition exceeds the fair value of net tangible and intangible assets acquired.

We perform an impairment assessment of goodwill at the reporting unit level at least annually in the fourth quarter of each fiscal year, or more frequently if events or changes in circumstances indicate that the asset may be impaired. The accounting guidance gives us the option to perform a qualitative assessment to determine whether further impairment testing is necessary. The qualitative assessment considers events and circumstances that might indicate that a reporting unit's fair value is less than its carrying amount. If it is determined, as a result of the qualitative assessment, that it is more likely than not that the fair value of a reporting unit is less than its carrying amount, a quantitative test is performed.

In fiscal 2025, based on our qualitative assessments, we concluded that it is more likely than not that the fair values are more than their carrying values. Accordingly, there was no indication of impairment of goodwill, and further quantitative testing was not required.

Long-lived assets

In connection with our acquisitions, we generally recognize assets for customer relationships, developed technology, finite-lived trade names, other intangibles and indefinite-lived trade names. Finite-lived intangible assets are carried at cost less accumulated amortization. Such amortization is provided on a straight-line basis over the estimated useful lives of the respective assets, generally from 1 to 10 years. Amortization for developed technology is recognized in cost of revenue. Amortization for customer relationships and certain trade names is recognized in operating expenses. Indefinite-lived intangible assets are not subject to amortization but instead tested for impairment annually or more frequently if events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable.

Table of Contents

Long-lived assets, including finite-lived intangible assets, property and equipment and ROU lease assets, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset or group may not be recoverable. The evaluation is performed at the lowest level of identifiable cash flows independent of other assets. An impairment loss is recognized when estimated undiscounted future cash flows generated from the assets are less than their carrying amount. Measurement of an impairment loss is based on the excess of the carrying amount of the asset group over its fair value.

In fiscal year 2025, based on our qualitative assessment, we recognized an impairment of \$3 million related to our long-lived assets. There were no impairments of long-lived assets recognized during fiscal 2024 and 2023.

Contract liabilities

Contract liabilities consist of deferred revenue and customer deposit liabilities and represent cash payments received or due in advance of fulfilling our performance obligations. Deferred revenue represents billings under non-cancelable contracts before the related product or service is transferred to the customer. Certain arrangements include terms that allow the customer to terminate the contract and receive a refund for a period of time. In these arrangements, we have concluded there are no future enforceable rights and obligations during the period in which the option to cancel is exercisable by the customer, and therefore the consideration received or due from the customer is recorded as a customer deposit liability.

Debt

Our debt includes senior unsecured notes, senior term loans and a senior secured revolving credit facility. Our senior unsecured notes are recorded at par value at issuance less a discount representing the amount by which the face value exceeds the fair value at the date of issuance and an amount which represents issuance costs. Our senior term loans are recorded at par value less debt issuance costs, which are recorded as a reduction in the carrying value of the debt. The discount and issuance costs associated with the various notes are amortized using the effective interest rate method over the term of the debt as a non-cash charge to interest expense. Borrowings under our revolving credit facility, if any, are recognized at principal balance plus accrued interest based upon stated interest rates. Debt maturities are classified as current liabilities on our Consolidated Balance Sheets if we are contractually obligated to repay them in the next twelve months or, prior to the balance sheet date, we have the authorization and intent to repay them prior to their contractual maturities and within the next twelve months.

Treasury stock

We account for treasury stock under the cost method. Shares repurchased under our share repurchase program are retired. Upon retirement, we allocate the value of treasury stock between Additional paid-in capital and Retained earnings.

Restructuring

Restructuring actions generally include significant actions involving employee-related severance charges, contract termination costs and asset write-offs and impairments. Employee-related severance charges are largely based upon substantive severance plans, while some charges result from mandated requirements in certain foreign jurisdictions. These charges are reflected in the period when both the actions are probable and the amounts are estimable. Contract termination costs reflect costs that will continue to be incurred under a contract for its remaining term without future economic benefit. These charges are reflected in the period when a contract is terminated. Asset write-offs and impairments, including those associated with ROU lease assets, are recorded in the period when an asset is retired or a facility is no longer operational.

Income taxes

We compute the provision for income taxes using the asset and liability method, under which deferred tax assets and liabilities are recognized for the expected future tax consequences of temporary differences between the financial reporting and tax basis of assets and liabilities and for operating losses and tax credit carryforwards in each jurisdiction in which we operate. We measure deferred tax assets and liabilities using the currently enacted tax rates that apply to taxable income in effect for the years in which those tax assets are expected to be realized or settled.

We also assess the likelihood that deferred tax assets will be realized from future taxable income and based on weighting positive and negative evidence, we will assess and determine the need for a valuation allowance, if required. The determination of our valuation allowance involves assumptions, judgments and estimates, including forecasted earnings, future taxable income and the relative proportions of revenue and income before taxes in the various domestic and international jurisdictions in which we operate. To the extent we establish a valuation allowance or change the valuation allowance in a period, we reflect the change with a corresponding increase or decrease to Income tax expense (benefit) in our Consolidated Statements of Operations.

We record accruals for unrecognized tax benefits when we believe that it is not more likely than not that the tax position will be sustained on examination by the taxing authorities based on the technical merits of the position. We also record accruals for unrecognized tax benefits at the largest amount that is greater than 50% likely of being realized based on the technical merits of the position. We adjust these accruals when facts and circumstances change, such as the closing of a tax audit or the refinement of an estimate. The provision for income taxes includes the effects of adjustments for unrecognized tax benefits as well as any related interest and penalties.

Stock-based compensation

We measure and recognize stock-based compensation for all stock-based awards, including restricted stock units (RSU), performance-based restricted stock units (PRU), stock options and rights to purchase shares under our employee stock

purchase plan (ESPP), based on their estimated fair value on the grant date. We recognize the costs in our Consolidated Financial Statements on a straight-line basis over the award's requisite service period except for PRUs with graded vesting, for which we recognize the costs on a graded basis. For awards with performance conditions, the amount of compensation cost we recognize over the requisite service period is based on the actual or estimated achievement of the performance condition. We estimate the number of stock-based awards that will be forfeited due to employee turnover.

The fair value of each RSU and PRU that does not contain a market condition is equal to the market value of our common stock on the date of grant. The fair value of each PRU that contains a market condition is estimated using the Monte Carlo simulation model. The fair values of RSUs and PRUs are not discounted by the dividend yield because our RSUs and PRUs include dividend-equivalent rights, except for the 4 million unvested RSUs assumed as part of our acquisition of Avast. We use the Black-Scholes model to determine the fair value of stock options and the fair value of rights to acquire shares of common stock under our ESPP. The Black-Scholes valuation model incorporates a number of variables, including our expected stock price volatility over the expected life of the awards, actual and projected employee exercise and forfeiture behaviors, risk-free interest rates and expected dividends. If we do not have sufficient historical exercise data to provide a reasonable basis upon which to estimate expected life, we estimate the expected life of the stock option awards granted based on its expected term using the simplified method available under U.S. GAAP.

Foreign currency

For foreign subsidiaries whose functional currency is the local currency, assets and liabilities are translated into U.S. dollars using the exchange rates in effect at the balance sheet date. Meanwhile, revenue and expenses are translated using the average exchange rates during the period. Gains and losses resulting from translation of these foreign currency financial statements into U.S. dollars are recorded in AOCI. Remeasurement adjustments are recorded in Other income (expense), net in our Consolidated Statements of Operations.

Concentrations of risk

A significant portion of our revenue is derived from international sales. Fluctuations of the U.S. dollar against foreign currencies, changes in local regulatory or economic conditions, or piracy could adversely affect our operating results.

Financial instruments that potentially subject us to concentrations of risk consist principally of cash and cash equivalents and trade accounts receivable. Our investment policy limits the amount of credit risk exposure to any one issuer and to any one country. A majority of our trade receivables are derived from sales to E-commerce partners and retailers. The credit risk in our trade accounts receivable is substantially mitigated by our credit evaluation process, reasonably short collection terms and the geographical dispersion of sales transactions. E-commerce partners that accounted for over 10% of our total billed and unbilled accounts receivable, are as follows:

	March 28, 2025	March 29, 2024
E-commerce partner A	11 %	13 %
E-commerce partner B	— %	11 %

At the end of our third fiscal quarter of 2025, E-commerce Partner B, who acts as the payment processor and merchant of record for a subset of Avast customers, missed its contractually required payment. Additional contractually required payments were missed in the first few weeks of our fourth fiscal quarter ending March 28, 2025. In January 2025, E-commerce partner B cited financial difficulties, which raised our concerns about its solvency and ability to comply with the contractual terms of the agreement. On January 16, 2025, we notified them of our termination of the agreement. After further settlement discussions, the parties agreed to resolve all disputes between them, including but not limited to claims of breach of the agreement, and the parties entered into a legal settlement agreement. Under the terms of the legal settlement agreement, E-commerce partner B transferred all of our customer information to us, and we released our claims to valid outstanding accounts receivable (net of any fees payable) from E-commerce partner B, totaling \$66 million as of January 17, 2025, along with customary releases for the parties. As a result, a total of \$66 million of accounts receivable from E-commerce partner B were charged off as general and administrative expense during fiscal 2025.

Advertising and other promotional costs

Advertising and other promotional costs are expensed as incurred, and are recorded in sales and marketing expenses. These costs totaled \$441 million, \$438 million, and \$405 million for fiscal 2025, 2024 and 2023, respectively.

Contingencies

We evaluate contingent liabilities including threatened or pending litigation in accordance with the authoritative guidance on contingencies. We assess the likelihood of any adverse judgments or outcomes from potential claims or proceedings, as well as potential ranges of probable losses, when the outcomes of the claims or proceedings are probable and reasonably estimable. A determination of the amount of an accrual required, if any, for these contingencies is made after the analysis of each separate matter. Because of uncertainties related to these matters, we base our estimates on the information available at the time of our assessment. As additional information becomes available, we reassess the potential liability related to our pending claims and litigation and may revise our estimates.

Revision of Prior Period Financial Statements

Historically, we had a practice of recognizing revenue for certain groups of customer renewals on the successful billing date, rather than the renewal start date. This practice was instituted to align with our system which was configured and implemented

based on payment confirmation from e-commerce partners. In the first quarter of fiscal 2025, we changed the practice to recognize revenue for these groups on the renewal start date. We concluded that the impact of this change is not material to any previously issued annual or interim financial statements; however, we have revised previously reported financial information.

We have corrected this error in the accompanying Consolidated Balance Sheet as of March 29, 2024 by increasing contract liabilities for \$78 million, increasing other long-term assets for \$21 million and decreasing retained earnings (accumulated deficit) for \$57 million. The Consolidated Statements of Operations for the years ended March 29, 2024 and March 31, 2023 included a decrease to net revenues of \$12 million and \$21 million, respectively, and a decrease to income tax expense (benefit) of \$3 million and \$6 million, respectively.

Note 2. Recent Accounting Standards

Recently adopted authoritative guidance

ASU 2023-07, Segment Reporting (Topic 280): Improvements to Reportable Segment Disclosures. In November 2023, the Financial Accounting Standards Board (FASB) issued new guidance to update reportable segment disclosure requirements, primarily through enhanced disclosures about significant segment expenses and information used to assess segment performance. The ASU also clarifies circumstances in which an entity can disclose multiple segment measures of profit or loss and provide new segment disclosure requirement for entities with a single reportable segment. This is effective for fiscal years beginning after December 15, 2023 and interim periods within fiscal years beginning after December 15, 2024. On March 30, 2024, the first day of fiscal 2025, we adopted this guidance and have provided the required disclosures in Note 17.

Although there are several other new accounting pronouncements issued or proposed by the FASB that we have adopted or will adopt, as applicable, we do not believe any of these accounting pronouncements has had, or will have, a material impact on our Consolidated Financial Statements or disclosures.

Note 3. Assets Held for Sale

During fiscal 2020, we reclassified certain land and buildings previously reported as property and equipment to assets held for sale when the properties were approved for immediate sale in their present condition and the sale was expected to be completed within one year. However, the commercial real estate market was adversely affected by the COVID-19 pandemic, which delayed the expected timing of such sales.

During the third quarter of fiscal 2024, we completed the sale of certain land and buildings in Tucson, Arizona, which were previously classified as held for sale, for cash consideration of \$12 million, net of selling costs. We recognized a gain on sale of \$5 million.

During fiscal 2023, we determined land and buildings in Dublin, Ireland, which were previously reported as property and equipment, qualified as held for sale.

During the first quarter of fiscal 2024, we completed the sale of certain land and buildings in Dublin, Ireland, for cash consideration of \$13 million, net of selling costs, and recognized a gain on sale of \$4 million. The remaining land and building in Dublin, Ireland, remains as held for sale. We have taken into consideration the current real estate values and demand and continue to execute plans to sell the remaining property. During the fiscal year 2025, we recognized immaterial impairments representing the difference between the fair value less cost to sell and the carrying value of the remaining land and building in Dublin, Ireland. As of March 28, 2025, this property remains classified as assets held for sale.

During the second quarter of fiscal 2025, we determined certain land and buildings in Tettnang, Germany, which were previously reported as property and equipment, qualified as held for sale classification. As a result, we reclassified the aggregate \$12 million carrying value from property and equipment, net to assets held for sale in our Consolidated Balance Sheet. Upon reclassification, we recognized an immaterial impairment representing the difference between the fair value less cost to sell and the carrying value of the property.

On December 18, 2024, we entered into an agreement to sell certain land and buildings in Tettnang, Germany, for cash consideration of approximately \$9 million and a 5-year leaseback agreement for a portion of the property. As of March 28, 2025, this property remains classified as assets held for sale. Subsequent to March 28, 2025, the transaction closed and proceeds were received on April 2, 2025.

During fiscal 2025, we recognized immaterial impairments on our held for sale properties, which was included in Other Income (expense), net in our Consolidated Statement of Operations, because the fair value less costs to sell is less than the carrying value of our properties.

Note 4. Business Combinations

Fiscal 2023 Avast acquisition

During the second quarter of fiscal 2023, we acquired all of the outstanding common stock of Avast. Avast has been included in our Consolidated Statements of Operations since the acquisition date. Prior to the acquisition, Avast was a global leader in consumer cybersecurity, offering a comprehensive range of digital security and privacy products and services that protected and enhanced users' online experiences. With this acquisition, we are positioned to provide a broad and complementary consumer product portfolio with greater geographic diversification and access to a larger user base. The total consideration for the acquisition of Avast was approximately \$8,688 million, net of cash acquired.

[Table of Contents](#)

Our final allocation of the aggregate purchase price for the acquisition as of September 12, 2022, was as follows:

(In millions)	September 12, 2022
Assets:	
Accounts receivable	\$ 63
Other current assets	17
Property and equipment	33
Operating lease assets	18
Intangible assets	2,383
Goodwill	7,335
Other long-term assets	11
Total assets acquired	9,860
Liabilities:	
Current liabilities	180
Contract liabilities	509
Operating lease liabilities	18
Long-term deferred tax liabilities	419
Other long-term obligations	46
Total liabilities assumed	1,172
Total purchase price	\$ 8,688

Our estimates and assumptions were subject to refinement within the measurement period, which ended during the second quarter of fiscal 2024. Adjustments to the purchase price during the measurement period required adjustments to be made to goodwill.

Unaudited pro forma information

The following unaudited pro forma financial information represents the combined historical results for the year ended March 31, 2023, as if the acquisition had been completed on April 3, 2021, the first day of fiscal 2022. The results presented below include adjustments to conform Avast financial information, prepared in accordance with International Financial Reporting Standards (IFRS), to U.S. GAAP as well as the impacts of material, nonrecurring pro forma adjustments, including amortization of acquired intangible assets, interest on debt issued to finance the acquisition, and acquisition-related transaction costs, and the income tax effect of the other pro forma adjustments. The unaudited pro forma results do not include any anticipated synergies or other expected benefits of the acquisition. The following table summarizes the unaudited pro forma financial information:

(In millions)	Year Ended March 31, 2023
Net revenues	\$ 3,783
Net income (loss)	\$ 1,118

The unaudited pro forma financial information is provided for informational purposes only and is not indicative of future operations or results that would have been achieved had the acquisition been completed as of the beginning of fiscal 2022.

Fiscal 2025 Acquisition

On January 28, 2025, we acquired all of the outstanding shares of a technology-enabled personal finance education and recommendation platform for an aggregate purchase price of \$84 million, net of \$1 million cash acquired. The net purchase price was primarily allocated to goodwill and intangible assets of \$52 million and \$32 million, respectively.

Note 5. Revenues

Contract liabilities

During fiscal 2025 and 2024, we recognized \$1,777 million and \$1,736 million of revenue, respectively, from the contract liabilities balance at the beginning of the respective fiscal years.

Remaining performance obligations

Remaining performance obligations represent contracted revenue that has not been recognized, which include contract liabilities and amounts that will be billed and recognized as revenue in future periods. As of March 28, 2025, we had \$1,266 million of remaining performance obligations, excluding customer deposit liabilities of \$657 million, of which we expect to recognize approximately 94% as revenue over the next 12 months.

See Note 1 for a description of our revenue recognition policy and Note 17 for tabular disclosures of disaggregated revenue by solution and geographic region.

Note 6. Goodwill and Intangible Assets

Goodwill

The changes in the carrying amount of goodwill are as follows:

(In millions)	
Balance as of March 31, 2023	\$ 10,217
Purchase accounting adjustments	(14)
Translation adjustments	7
Balance as of March 29, 2024	10,210
Acquisition	52
Translation adjustments	(25)
Balance as of March 28, 2025	\$ 10,237

Intangible assets, net

The following table summarizes the components of our intangible assets, net:

(In millions)	March 28, 2025			March 29, 2024		
	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount	Gross Carrying Amount	Accumulated Amortization	Net Carrying Amount
Customer relationships	\$ 1,159	\$ (442)	\$ 717	\$ 1,642	\$ (773)	\$ 869
Developed technology	1,332	(595)	737	1,343	(388)	955
Other	98	(24)	74	90	(15)	75
Total finite-lived intangible assets	2,589	(1,061)	1,528	3,075	(1,176)	1,899
Indefinite-lived trade names	739	—	739	739	—	739
Total intangible assets	\$ 3,328	\$ (1,061)	\$ 2,267	\$ 3,814	\$ (1,176)	\$ 2,638

Amortization expense for purchased intangible assets is summarized below:

(In millions)	Year Ended			Consolidated Statements of Operations Classification
	March 28, 2025	March 29, 2024	March 31, 2023	
Customer relationships and other	\$ 174	\$ 233	\$ 172	Operating expenses
Developed technology and other	227	229	136	Cost of revenues
Total	\$ 401	\$ 462	\$ 308	

As of March 28, 2025, future amortization expense related to intangible assets that have finite lives is as follows by fiscal year:

(In millions)	March 28, 2025
2026	\$ 400
2027	389
2028	386
2029	255
2030	78
Thereafter	20
Total	\$ 1,528

Note 7. Supplementary Information

Cash and cash equivalents:

(In millions)	March 28, 2025	March 29, 2024
Cash	\$ 462	\$ 408
Cash equivalents	544	438
Total cash and cash equivalents	\$ 1,006	\$ 846

Accounts receivable, net:

(In millions)	March 28, 2025	March 29, 2024
Accounts receivable	\$ 173	\$ 165
Allowance for doubtful accounts	(2)	(2)
Accounts receivable, net	\$ 171	\$ 163

Other current assets:

(In millions)	March 28, 2025	March 29, 2024
Prepaid expenses	\$ 136	\$ 142
Income tax receivable and prepaid income taxes	76	174
Other tax receivable	15	1
Other	18	17
Total other current assets	\$ 245	\$ 334

Property and equipment, net:

(In millions)	March 28, 2025	March 29, 2024
Land	\$ 12	\$ 13
Computer hardware and software	360	491
Office furniture and equipment	16	16
Buildings	15	28
Building and leasehold improvements	37	35
Construction in progress	2	1
Total property and equipment, gross	442	584
Accumulated depreciation and amortization	(382)	(512)
Total property and equipment, net	\$ 60	\$ 72

Depreciation and amortization expense of property and equipment was \$18 million, \$23 million and \$21 million in fiscal 2025, 2024 and 2023, respectively.

Other long-term assets:

(In millions)	March 28, 2025	March 29, 2024
Non-marketable equity investments	\$ 109	\$ 136
Long-term income tax receivable and prepaid income taxes	66	11
Deferred income tax assets	1,218	1,236
Operating lease assets	49	45
Long-term prepaid royalty	5	21
Other	40	66
Total other long-term assets	\$ 1,487	\$ 1,515

Short-term contract liabilities:

(In millions)	March 28, 2025	March 29, 2024
Deferred revenue	\$ 1,189	\$ 1,200
Customer deposit liabilities	657	608
Total short-term contract liabilities	\$ 1,846	\$ 1,808

Other current liabilities:

(In millions)	March 28, 2025	March 29, 2024
Income taxes payable	\$ 215	\$ 198
Other taxes payable	105	72
Accrued legal fees	12	103
Accrued royalties	41	52
Accrued interest	86	78
Current operating lease liabilities	14	13
Other accrued liabilities	42	83
Total other current liabilities	<u>\$ 515</u>	<u>\$ 599</u>

Other long-term liabilities:

(In millions)	March 28, 2025	March 29, 2024
Long-term accrued legal fees	\$ 601	\$ 586
Long-term operating lease liabilities	42	38
Other	45	47
Total other long-term liabilities	<u>\$ 688</u>	<u>\$ 671</u>

Long-term income taxes payable:

(In millions)	March 28, 2025	March 29, 2024
Unrecognized tax benefits (including interest and penalties)	\$ 1,419	\$ 1,346
Deemed repatriation tax payable	—	139
Other long-term income taxes	1	5
Total long-term income taxes payable	<u>\$ 1,420</u>	<u>\$ 1,490</u>

Other income (expense), net:

(In millions)	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
Interest income	\$ 28	\$ 25	\$ 15
Foreign exchange gain (loss) ⁽¹⁾	2	3	(8)
Gain (loss) on early extinguishment of debt	—	—	(9)
Gain (loss) on equity investments	(30)	(40)	(7)
Gain (loss) on sale of properties	—	9	—
Other	(3)	9	(13)
Total other income (expense), net	<u>\$ (3)</u>	<u>\$ 6</u>	<u>\$ (22)</u>

(1) We recognize foreign currency remeasurement adjustments on unrecognized tax benefits and deferred taxes as a component of Income tax expense (benefit) in our Consolidated Statements of Operations. Foreign currency remeasurement adjustments recognized in Income tax expense (benefit) were \$11 million, (\$27) million, and (\$18) million for fiscal 2025, 2024 and 2023, respectively.

Supplemental cash flow information:

(In millions)	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
Income taxes paid (received), net	\$ 425	\$ (476)	\$ 456
Interest expense paid	\$ 557	\$ 607	\$ 390
Cash paid for amounts included in the measurement of operating lease liabilities	\$ 17	\$ 24	\$ 26
Non-cash operating activities:			
Operating lease assets obtained in exchange for operating lease liabilities	\$ 6	\$ —	\$ 23
Reduction (increase) of operating lease assets as a result of lease terminations and modifications	\$ (14)	\$ (20)	\$ 31
Non-cash investing and financing activities:			
Purchases of property and equipment in current liabilities	\$ 2	\$ —	\$ 1
Non-cash consideration for the acquisition of Avast	\$ —	\$ —	\$ 2,141

Note 8. Financial Instruments and Fair Value Measurements

The following table summarizes our financial instruments measured at fair value on a recurring basis:

(In millions)	March 28, 2025			March 29, 2024		
	Fair Value	Level 1	Level 2	Fair Value	Level 1	Level 2
Assets:						
Money market funds	\$ 544	\$ 544	\$ —	\$ 438	\$ 438	\$ —
Interest rate swaps	3	—	3	16	—	16
Total	<u>\$ 547</u>	<u>\$ 544</u>	<u>\$ 3</u>	<u>\$ 454</u>	<u>\$ 438</u>	<u>\$ 16</u>

Financial instruments not recorded at fair value on a recurring basis include our non-marketable equity investments and long-term debt.

Non-marketable equity investments

As of March 28, 2025 and March 29, 2024, the carrying value of our non-marketable equity investments was \$109 million and \$136 million, respectively. We recognized impairments of \$30 million and \$40 million on our non-marketable equity investments during fiscal years 2025 and 2024, respectively.

Current and long-term debt

As of March 28, 2025 and March 29, 2024, the total fair value of our current and long-term fixed rate debt was \$2,475 million and \$2,624 million, respectively. The fair value of our variable rate debt approximated their carrying value. The fair values of all our debt obligations were based on Level 2 inputs.

Note 9. Leases

We lease certain facilities, equipment, and data center co-locations under operating leases that expire on various dates through fiscal 2033. Our leases generally have terms that range from 1 year to 9 years for our facilities, 1 year to 4 years for equipment and 1 year to 7 years for data center co-locations. Some of our leases contain renewal options, escalation clauses, rent concessions and leasehold improvement incentives.

The following summarizes our lease costs for fiscal 2025, 2024 and 2023:

(In millions)	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
Operating lease costs	\$ 14	\$ 12	\$ 16
Short-term lease costs	3	3	2
Variable lease costs	4	6	8
Total lease costs	<u>\$ 21</u>	<u>\$ 21</u>	<u>\$ 26</u>

Other information related to our operating leases for fiscal 2025, 2024 and 2023 was as follows:

	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
Weighted-average remaining lease term	4.7 years	4.6 years	2.8 years
Weighted-average discount rate	5.71 %	5.35 %	4.38 %

See Note 7 for cash flow information related to our operating leases.

As of March 28, 2025, the maturities of our lease liabilities by fiscal year are as follows:

(In millions)	
2026	\$ 16
2027	16
2028	10
2029	8
2030	7
Thereafter	7
Total lease payments	<u>64</u>
Less: Imputed interest	<u>(8)</u>
Present value of lease liabilities	<u>\$ 56</u>

Note 10. Debt

The following table summarizes components of our debt

(In millions, except percentages)	March 28, 2025	March 29, 2024	Effective Interest Rate
5.0% Senior Notes due April 15, 2025	\$ —	\$ 1,100	5.00 %
Term A Facility due September 12, 2027	3,519	3,666	SOFR + % ⁽²⁾
6.75% Senior Notes due September 30, 2027	900	900	6.75 %
Term B Facility due September 12, 2029	2,386	2,444	SOFR + % ⁽³⁾
1.29% Avira Mortgage due December 30, 2029 ⁽¹⁾	—	3	1.29 %
7.125% Senior Notes due September 30, 2030	600	600	7.13 %
0.95% Avira Mortgage due December 30, 2030 ⁽¹⁾	—	3	0.95 %
6.25% Senior Notes due April 1, 2033	950	—	6.25 %
Total principal amount	8,355	8,716	
Less: unamortized discount and issuance costs	(96)	(112)	
Total debt	8,259	8,604	
Less: current portion	(291)	(175)	
Total long-term debt	\$ 7,968	\$ 8,429	

- (1) The Avira Mortgages are denominated in a foreign currency so the balances of these mortgages may fluctuate based on changes in foreign currency exchange rates. Additionally, in connection with the agreement to sell certain land and buildings in Tettang, Germany, as discussed in Note 3, the Avira Mortgages were repaid during the fourth quarter of fiscal 2025.
- (2) Term A Facility due 2027 bears interest at a rate equal to Term SOFR plus a credit spread adjustment (CSA) plus a margin based either on the current debt rating of our non-credit-enhanced, senior unsecured long-term debt or consolidated adjusted leverage as defined in the underlying loan agreement.
- (3) Term B Facility due 2029 bears interest at a rate equal to Term SOFR plus 1.75%.

The interest rates for the outstanding term loans are as follows:

	March 28, 2025	March 29, 2024
Term A Facility due September 12, 2027	5.92 %	7.18 %
Term B Facility due September 12, 2029	6.07 %	7.43 %

As of March 28, 2025, the future contractual maturities of debt by fiscal year are as follows:

(In millions)	
2026	\$ 291
2027	232
2028	4,016
2029	37
2030	2,229
Thereafter	1,550
Total future maturities of debt	\$ 8,355

Senior credit facilities

On September 12, 2022, we entered into the Amended and Restated Credit Agreement (Credit Agreement) with certain financial institutions, in which they agreed to provide us with (i) a \$1,500 million revolving credit facility (Revolving Facility), (ii) a \$3,910 million term loan A facility (Term A Facility), (iii) a \$3,690 million term loan B facility (Term B Facility) and (iv) a \$750 million tranche A bridge loan (Bridge Loan) (collectively, the senior credit facilities). The Bridge Loan was undrawn and immediately terminated upon the close of the acquisition of Avast. The Credit Agreement provides that we have the right at any time, subject to customary conditions, to request incremental revolving commitments and incremental term loans up to an unlimited amount, subject to certain customary conditions precedent and other provisions. The lenders under these facilities will not be under any obligation to provide any such incremental loans or commitments. We drew down the aggregate principal amounts of the Term A Facility and Term B Facility to finance the cash consideration payable for our acquisition of Avast and to fully repay the outstanding principal and accrued interest of the existing credit facilities at the time. The Credit Agreement replaced the existing credit facilities upon the close of the transaction. The Revolving Facility and Term A Facility will mature in September 2027, and the Term Facility B will mature in September 2029; the senior credit facilities remain senior secured.

Table of Contents

On June 5, 2024, we entered into the First Amendment with certain financial institutions under the Credit Agreement, as amended (Amended Credit Agreement). The First Amendment repriced our Term B Facility interest rate from the applicable benchmark rate plus CSA plus 2.0% to the applicable benchmark rate plus 1.75%. Other than as described above, the Revolving Facility and the term loan facilities under the First Amendment continue to have the same terms as provided under the Credit Agreement.

Subsequent to March 28, 2025, on April 16, 2025, we entered into the Second Amendment with certain financial institutions under the Amended Credit Agreement to fund a portion of the cash consideration paid in connection with our acquisition of MoneyLion, in which they agreed to provide us with a \$750 million Incremental Term B loan (Incremental Term B Facility or collectively with the Term B Facility, the Term Loan B Facilities), which matures on April 16, 2032. The Incremental Term B Facility bears interest at the applicable benchmark rate plus 1.75%.

The principal amounts of Term Facility A must be repaid in quarterly installments on the last business day of each calendar quarter equal to 1.25% of the aggregate principal amount as of the date of the Amended Credit Agreement. The principal amounts of Term Loan B facilities must be repaid in quarterly installments on the last business day of each calendar quarter equal to 0.25% of the aggregate principal amount as of the date of the Amended Credit Agreement. Quarterly installment payments commenced on March 31, 2023 for the Term A Facility and Term B Facility and will commence on December 31, 2025 for the Incremental Term B Facility. We may voluntarily repay outstanding principal balances under the Revolving Facility and Term loan facilities without penalty or premium. As of March 28, 2025, there were no borrowings outstanding under our Revolving Facility; however, from time to time we utilize letters of credits as part of our ordinary course of business. Letters of credit reduce our Revolving Facility commitment amounts. As of March 28, 2025, we had \$6 million in letters of credit.

Interest on our Term A facility borrowings under the Amended Credit Agreement, can be based on a base rate or the SOFR at our election. Based on our debt ratings and our consolidated leverage ratios as determined in accordance with the Amended Credit Agreement, loans borrowed bear interest, in the case of base rate loans, at a per annum rate equal to the applicable base rate plus CSA plus a margin ranging from 0.125% to 0.75%, and in the case of the SOFR loans, SOFR, as adjusted for statutory reserves, plus a margin ranging from 1.125% to 1.75%.

Debt covenant compliance

The Amended Credit Agreement contains customary representations and warranties, affirmative and negative covenants. Each of the Revolving Facility and Term A Facility are subject to a covenant that we maintain a consolidated leverage ratio less than or equal to (i) 6.0 to 1.0 from the second quarter of fiscal 2023 through the last day of the second quarter of fiscal 2024, (ii) 5.75 to 1.0 following the last day of the second quarter of fiscal 2024 through the last day of the second quarter of fiscal 2025 and (iii) 5.25 to 1.0 for each fiscal quarter thereafter; provided that such maximum consolidated leverage ratio will increase to 5.75 to 1.0 for the four fiscal quarters ending immediately should we acquire property, business or assets in an aggregate amount greater than \$250 million.

In addition, the Amended Credit Agreement contains customary events of default under which our payment obligations may be accelerated, including, among others, non-payment of principal, interest or other amounts when due, inaccuracy of representations and warranties, violation of certain covenants, payment and acceleration cross defaults with certain other indebtedness, certain undischarged judgments, bankruptcy, insolvency or inability to pay debts, change of control, the occurrence of certain events related to the Employee Retirement Income Security Act of 1974 (ERISA), and the Company experiencing a change of control. As of March 28, 2025 we were in compliance with all financial debt covenants.

Senior notes

On February 9, 2017, we issued \$1,100 million aggregate principal amount of our 5.0% Senior Notes due April 15, 2025 (the 5.0% Senior Notes). The 5.0% Senior Notes bear interest at a rate of 5.00% per year, payable semiannually in arrears on April 15 and October 15 of each year, beginning on October 15, 2017. On or after April 15, 2020, we may redeem some or all of the 5.0% Senior Notes at the applicable redemption prices set forth in the supplemental indenture, plus accrued and unpaid interest.

On September 19, 2022, we issued two series of senior notes, consisting of 6.75% Senior Notes due 2027 and 7.125% Senior Notes due 2030, for an aggregate principal of \$1,500 million. They are senior unsecured obligations that rank equally in right of payment with all of our existing and future senior, unsecured, unsubordinated obligations and may be redeemed at any time, subject to the make-whole provisions contained in the applicable indenture relating to such series of notes. Interest on these series of notes is payable semi-annually in arrears on March 31 and September 30 for both the 6.75% Senior Notes and 7.125% Senior Notes, commencing on March 31, 2023. The First Call Dates of the 6.75% Senior Notes due 2027 and 7.125% Senior Notes due 2030 are September 30, 2024 and September 30, 2025, respectively. On and after the applicable First Call Dates, we may redeem the notes of a series at our option, in whole or in part, at any time and from time to time, at a set redemption price.

On February 28, 2025, we issued \$950 million aggregate principal amount of our 6.250% Senior Notes due April 1, 2033 (the 6.25% Senior Notes). The 6.250% Senior Notes bear interest at a rate of 6.250% per year, payable semiannually in arrears on April 1 and October 1 of each year, beginning on October 1, 2025. On or after April 1, 2028, we may redeem some or all of the 6.250% Senior Notes at the applicable redemption prices set forth in the supplemental indenture, plus accrued and unpaid interest.

On February 28, 2025, using the net proceeds from the 6.25% Senior Notes, together with cash on hand, we fully repaid the principal and accrued interest under the 5.0% Senior Notes, which had an aggregate principal amount outstanding of \$1,100 million. In addition, we paid \$20 million of accrued and unpaid interest through the redemption date. The repayment was accounted for as an extinguishment of debt, resulting in an immaterial loss on extinguishment.

Convertible Senior Notes

On August 15, 2022, we settled the \$525 million principal and conversion rights of our New 2.0% Convertible Notes in cash. The aggregate settlement amount of \$630 million was based on \$20.41 per underlying share into which the New 2.0% Convertible Notes were convertible. In addition, we paid \$5 million of accrued and unpaid interest through the date of settlement. The repayments resulted in an adjustment to stockholders' equity of \$100 million. As of March 28, 2025, we have extinguished all remaining convertible debt instruments.

The following table sets forth total interest expense recognized related to our convertible notes:

(In millions)	Year Ended	
	March 31, 2023	
Contractual interest expense	\$	4
Payments in lieu of conversion price adjustments ⁽¹⁾	\$	1

(1) Payments in lieu of conversion price adjustments consist of amounts paid to holders of the Convertible Senior Notes when our quarterly dividend to our common stockholders exceeds the amounts defined in the Convertible Senior Notes agreements.

During fiscal 2025 and 2024, we did not recognize any interest expense related to our Convertible Senior Notes as they were settled during the second quarter of fiscal year 2023.

Note 11. Derivatives

Our primary objective in holding derivatives is to reduce the volatility of earnings and cash flow associated with changes in foreign currency exchange rates and interest rates. These hedging contracts reduce, but do not entirely eliminate the impact of adverse foreign exchange rate and interest rate movements. We do not use our derivative instruments for speculative trading purposes. By using derivative financial instruments to hedge exposures to changes in foreign exchange and interest rates, we are exposed to credit risk; however, we mitigate this risk by entering into hedging instruments with highly rated institutions that can be expected to fully perform under the terms of the applicable contracts.

Foreign currency exchange forward contracts

We conduct business in numerous currencies throughout our worldwide operations, and our entities hold monetary assets or liabilities, earn revenues, or incur costs in currencies other than the entity's functional currency. As a result, we are exposed to foreign exchange gains or losses, which impacts our operating results. As part of our foreign currency risk mitigation strategy, we have entered into monthly foreign exchange forward contracts to hedge foreign currency balance sheet exposure. These forward contracts are not designated as hedging instruments. We do not hedge our foreign currency exposure in a manner that entirely offsets the effects of the changes in foreign exchange rates.

In terest rate swap

In March 2023, we entered into interest rate swap agreements to mitigate risks associated with the variable interest rate of our Term A Facility. These pay-fixed, receive-floating rate interest rate swaps have the economic effect of hedging the variability of forecasted interest payments until their maturity on March 31, 2026. Pursuant to the agreements, we have effectively converted \$1 billion of our variable rate borrowings under our Term A Facility to fixed rates, with \$500 million at a fixed rate of 3.762% and \$500 million at a fixed rate of 3.55%.

These arrangements are designated as cash flow hedges for accounting purposes and as such, we will recognize the changes in the fair value of these interest rate swaps in Accumulated other comprehensive income (loss) (AOCI), and the periodic settlements or accrued settlements of the swap will be recognized within or against interest expense in our Consolidated Statements of Operations. Cash flows related to these hedges are classified under operating activities in our Consolidated Statements of Cash Flows.

Summary of derivative instruments

The following table summarizes our outstanding derivative instruments as of March 28, 2025 and March 29, 2024:

(In millions)	Notional Amount		Fair Value of Derivative Assets		Fair Value of Derivative Liabilities	
	March 28, 2025	March 29, 2024	March 28, 2025	March 29, 2024	March 28, 2025	March 29, 2024
Foreign exchange contracts not designated as hedging instrument ⁽¹⁾	\$ 230	\$ 345	\$ —	\$ —	\$ —	\$ —
Interest rate swap contracts designated as cash flow hedge	1,000	1,000	3	16	—	—
Total	\$ 1,230	\$ 1,345	\$ 3	\$ 16	\$ —	\$ —

(1) The fair values of the foreign exchange contracts are less than \$1 million as of March 28, 2025 and March 29, 2024.

The following table summarizes the effect of our cash flow hedges on AOCI during the periods indicated:

(In millions)	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
Interest rate swap contracts designated as cash flow hedges	\$ —	\$ (32)	\$ —

The effect of our interest rate on AOCI was immaterial during fiscal 2025 and 2023.

The related gain (loss) recognized in our Consolidated Statements of Operations was as follows:

(In millions)	Year Ended			Consolidated Statements of Operations Classification
	March 28, 2025	March 29, 2024	March 31, 2023	
Foreign exchange contracts not designated as hedging instrument	\$ (2)	\$ (7)	\$ (7)	Other income (expense), net
Interest rate swap contracts designated as cash flow hedges	13	16	—	Interest expense
Total	\$ 11	\$ 9	\$ (7)	

As of March 28, 2025, we estimate that \$3 million of net deferred gains related to our interest rate hedges will be recognized in earnings over the next 12 months.

Note 12. Restructuring and Other Costs

Our restructuring and other costs consist primarily of severance and termination benefits, contract cancellation charges, asset write-offs and impairments and other exit and disposal costs. Severance costs generally include severance payments, outplacement services, health insurance coverage and legal costs. Contract cancellation charges primarily include penalties for early termination of contracts and write-offs of related prepaid assets. Other exit and disposal costs include costs to exit and consolidate facilities in connection with restructuring events. Separation costs primarily consist of consulting costs incurred in connection with our divestitures.

September 2022 Plan

In connection with our acquisition of Avast, our Board of Directors approved a restructuring plan (the September 2022 Plan) to realize cost savings and operational synergies, which became effective upon the close of acquisition on September 12, 2022. Actions under this plan include the reduction of our workforce, contract terminations, facilities closures, and the sale of underutilized facilities as well as stock-based compensation charges for accelerated equity awards to certain terminated employees. We expect that we will incur total costs up to \$150 million following the completion of the acquisition. These actions are expected to be completed by the end of calendar year 2025. As of March 28, 2025, we have incurred costs of \$132 million related to the September 2022 Plan.

Restructuring summary

Rollforwards of our activities and liability balances related to our September 2022 Plan are presented in the tables below:

(in millions)	Liability Balance as of March 31, 2023	Net Charges	Cash Payments	Non-Cash Items	Liability Balance as of March 29, 2024
Severance and termination benefit costs	\$ 7	\$ 42	\$ (29)	\$ —	\$ 20
Contract cancellation charges	—	5	(5)	—	—
Stock-based compensation charges	—	1	—	(1)	—
Asset write-offs	—	1	—	(1)	—
Other exit and disposal costs	—	7	(7)	—	—
Total	<u>\$ 7</u>	<u>\$ 56</u>	<u>\$ (41)</u>	<u>\$ (2)</u>	<u>\$ 20</u>

(In millions)	Liability Balance as of March 29, 2024	Net Charges	Cash Payments	Non-Cash Items	Liability Balance as of March 28, 2025
Severance and termination benefit costs	\$ 20	\$ 2	\$ (20)	\$ —	\$ 2
Other exit and disposal costs	—	5	(5)	—	—
Total	<u>\$ 20</u>	<u>\$ 7</u>	<u>\$ (25)</u>	<u>\$ —</u>	<u>\$ 2</u>

The restructuring liabilities are included in Other current liabilities in our Consolidated Balance Sheets.

Restructuring and other costs summary

Our restructuring and other costs are presented in the table below:

(In millions)	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
Severance and termination benefit costs	\$ 2	\$ 42	\$ 40
Contract cancellation charges	—	5	2
Stock-based compensation charges	—	1	11
Asset write-offs and impairments	—	1	4
Other exit and disposal costs	5	8	12
Total restructuring and other	<u>\$ 7</u>	<u>\$ 57</u>	<u>\$ 69</u>

Occasionally, we incur costs related to past restructuring plans. These charges were immaterial during fiscal 2025.

Note 13. Income Taxes

The components of our income (loss) before income taxes are as follows:

(In millions)	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
Domestic	\$ 514	\$ 70	\$ 337
International	515	377	446
Income (loss) before income taxes	\$ 1,029	\$ 447	\$ 783

The components of income tax expense (benefit) are as follows:

(In millions)	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
Current			
Federal	\$ 246	\$ 201	\$ (479)
State	21	43	(28)
International	149	579	99
Total	416	823	(408)
Deferred:			
Federal	(33)	(729)	(114)
State	13	(134)	(11)
International	(10)	(120)	(18)
Total	(30)	(983)	(143)
Income tax expense (benefit)	\$ 386	\$ (160)	\$ (551)

The U.S. federal statutory income tax rates we have applied for fiscal 2025, 2024 and 2023 are as follows:

	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
U.S. federal statutory income tax rate	21.0 %	21.0 %	21.0 %

The difference between our effective income tax and the federal statutory income tax is as follows:

(In millions)	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
Federal statutory tax expense (benefit)	\$ 216	\$ 93	\$ 165
State taxes, net of federal benefit	41	—	—
Foreign earnings taxed at other than the federal rate	(30)	(22)	(12)
Nondeductible expenses	31	48	20
Federal research and development credit	(4)	(6)	(5)
Valuation allowance increase (decrease)	10	(4)	(33)
Change in unrecognized tax benefits	(37)	338	163
Tax interest and penalties	84	129	13
Stock-based compensation	12	17	9
US tax on foreign earnings	55	20	12
Return to provision adjustment	4	—	1
Foreign exchange loss (gain)	10	(28)	(17)
Capital loss	—	(44)	(910)
Legal entity restructuring	—	(719)	42
Other, net	(6)	18	1
Income tax expense (benefit)	\$ 386	\$ (160)	\$ (551)

The principal components of deferred tax assets and liabilities are as follows:

[Table of Contents](#)

(In millions)	March 28, 2025	March 29, 2024
Deferred tax assets:		
Tax credit carryforwards	\$ 17	\$ 27
Net operating loss carryforwards of acquired companies	51	60
Interest	71	63
Other accruals and reserves not currently tax deductible	358	332
Goodwill	463	517
Capitalized research and experimental expenditures	112	82
Loss on investments not currently tax deductible	74	60
Other	61	77
Gross deferred tax assets	1,207	1,218
Valuation allowance	(107)	(93)
Deferred tax assets, net of valuation allowance	1,100	1,125
Deferred tax liabilities:		
Intangible assets	(91)	(127)
Unremitted earnings of foreign subsidiaries	(4)	(14)
Other	(9)	(9)
Deferred tax liabilities	(104)	(150)
Net deferred tax assets (liabilities)	\$ 996	\$ 975

Deferred income taxes reflect the net effects of temporary differences between the carrying amounts of assets and liabilities for financial reporting purposes and their basis for income tax purposes and the tax effects of net operating losses and tax credit carryforwards.

The valuation allowance provided against our deferred tax assets as of March 28, 2025 of \$107 million is provided primarily against state and foreign capital loss carryforwards and certain tax credits.

As of March 28, 2025, we have U.S. federal net operating losses attributable to various acquired companies of approximately \$176 million, of which \$30 million begins to expire in fiscal 2026 and \$146 million has an indefinite life. The net operating loss carryforwards are subject to an annual limitation under U.S. federal tax regulations but are expected to be fully realized. Furthermore, we have U.S. state net operating loss carryforwards attributable to various acquired companies of approximately \$108 million. If not used, our U.S. state net operating losses will expire between fiscal 2033 and 2038. In addition, we have foreign net operating loss carryforwards of approximately \$37 million.

In assessing the realizability of our gross deferred tax assets, we consider both the positive and negative evidence of future taxable income to support utilization. We considered the following: historical cumulative book income, as measured by the current and prior two years; historical taxable income; and future reversals of taxable temporary differences. The valuation allowance for deferred tax assets as of March 28, 2025 was \$107 million. The valuation allowance was primarily related to tax attribute carryforwards that, in the judgement of management, are not more likely than not to be realized.

In the second quarter of fiscal 2024, as part of the Avast integration plan, which geographically realigned and simplified our business, we undertook a legal entity and operational restructuring. As part of that process, we distributed certain assets within the legal entity operating structure and as a result, we recorded a net tax benefit of \$285 million in fiscal 2024. Differences between the final outcome and recorded amounts will impact the provision for income taxes in the period in which such a determination is made and could have a material impact on our Consolidated Balance Sheets and Statements of Operations in future years.

[Table of Contents](#)

The aggregate changes in the balance of gross unrecognized tax benefits were as follows:

(In millions)	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
Balance at beginning of year	\$ 1,163	\$ 710	\$ 527
Settlements with tax authorities	—	(8)	(2)
Lapse of statute of limitations	(27)	(14)	(96)
Increase related to prior period tax positions	14	47	9
Decrease related to prior period tax positions	(13)	(9)	(15)
Increase related to current year tax positions	9	467	259
Increase due to acquisition	—	—	28
Increase (decrease) related to foreign currency exchange rates	7	(30)	—
Balance at end of year	<u>\$ 1,153</u>	<u>\$ 1,163</u>	<u>\$ 710</u>

There was a change of \$10 million in gross unrecognized tax benefits during the year ended March 28, 2025, as disclosed above. This gross liability does not include offsetting tax benefits associated with the correlative effects of potential transfer pricing adjustments, interest deductions and state income taxes.

Of the total unrecognized tax benefits at March 28, 2025, \$974 million, if recognized, would affect our effective tax rate.

We recognize interest and/or penalties related to unrecognized tax benefits in income tax expense. At March 28, 2025, before any tax benefits, we had \$309 million of accrued interest and penalties on unrecognized tax benefits. Interest included in our provision for income taxes was an expense of approximately \$83 million for fiscal 2025. If the accrued interest and penalties do not ultimately become payable, amounts accrued will be reduced in the period that such determination is made and reflected as a reduction of the overall income tax provision.

We file income tax returns in the U.S. and in many U.S. state and foreign jurisdictions. Our most significant tax jurisdictions are U.S. federal, Ireland, and the Czech Republic. Our tax filings remain subject to examination by applicable tax authorities for a certain length of time following the tax year to which those filings relate. Our fiscal years 2018 through 2024 remain subject to examination by the IRS for U.S. federal tax purposes. Our 2021 through 2024 fiscal years remain subject to examination by the appropriate governmental agencies for Irish tax purposes. Our 2017 through 2024 fiscal years remain subject to examination by the Czech tax authorities.

The timing of the resolution of income tax examinations is highly uncertain, and the amounts ultimately paid, if any, upon resolution of the issues raised by the taxing authorities may differ materially from the amounts accrued for each year. Although potential resolution of these matters involves multiple tax periods and jurisdictions, it is reasonably possible that the gross unrecognized tax benefits related to these audits could significantly change (whether by payment, release, or a combination of both) in the next 12 months; however, an estimate of this range cannot be made. Depending on the nature of the settlement or expiration of statutes of limitations, it could affect our income tax provision and therefore benefit the resulting effective tax rate.

We continue to monitor the progress of ongoing income tax controversies and the impact, if any, of the expected tolling of the statute of limitations in various taxing jurisdictions.

We provide U.S. income taxes on the earnings of foreign subsidiaries unless the subsidiaries' earnings are considered permanently reinvested outside the U.S. or are exempted from further taxation. As of March 28, 2025, the tax liability recorded on the undistributed earnings is approximately \$4 million.

Note 14. Stockholders' Equity

Dividends

On May 6, 2025, we announced that our Board of Directors declared a cash dividend of \$0.125 per share of common stock to be paid in June 2025. All shares of common stock issued and outstanding and all RSUs and PRUs as of the record date will be entitled to the dividend and dividend equivalent rights (DERs), respectively, which will be paid out if and when the underlying shares are released. However, the 4 million unvested RSUs assumed in connection with the acquisition of Avast will not be entitled to DERs. See Note 15 for further information about these equity awards. Any future dividends and DERs will be subject to the approval of our Board of Directors.

Stock repurchase program

In May 2024, our Board of Directors authorized a new stock repurchase program through which we may repurchase shares of our common stock in an aggregate amount of up to \$3 billion with no fixed expiration. This new stock repurchase program will supersede any amounts under the prior stock repurchase programs. Under our stock repurchase program, we may purchase shares of our outstanding common stock on the open market and through accelerated stock repurchase transactions. As of March 28, 2025, we had \$2,728 million remaining under the authorization to be completed in future periods.

The following table summarizes activity related to our stock repurchase program during the years ended March 28, 2025 and March 29, 2024:

(In millions, except per share amounts)	Year Ended	
	March 28, 2025	March 29, 2024
Number of shares repurchased	11	21
Average price per share	\$ 24.65	\$ 20.87
Aggregate purchase price	\$ 272	\$ 441

Accumulated other comprehensive income (loss)

Accumulated other comprehensive income (loss), net of taxes, consisted of foreign currency translation adjustments:

(In millions)	Foreign Currency Translation Adjustments	Net Unrealized Gain (Loss) On Interest Rate Derivative	Total
Balance as of March 31, 2023	\$ (15)	\$ —	\$ (15)
Other comprehensive income (loss), net of taxes	10	16	26
Balance as of March 29, 2024	(5)	16	11
Other comprehensive income (loss), net of taxes	(31)	(13)	(44)
Balance as of March 28, 2025	<u>\$ (36)</u>	<u>\$ 3</u>	<u>\$ (33)</u>

Note 15. Stock-Based Compensation and Other Benefit Plans

Stock incentive plans

The purpose of our stock incentive plans is to attract, retain and motivate eligible persons whose present and potential contributions are important to our success by offering them an opportunity to participate in our future performance through equity awards. We maintain the 2013 Equity Incentive Plan (the 2013 Plan), under which awards may be granted to employees, officers, directors, consultants, independent contractors, and advisors. As amended, our stockholders have approved and reserved 112 million shares of common stock for issuance under the 2013 Plan. Stock options granted under the 2013 Plan expire no more than 10 years from the date of grant.

In connection with our acquisition of Avast, we assumed the outstanding equity awards under two of Avast's equity incentive plans (the Avast Holding B.V. 2014 Share Option Plan and the Rules of the Avast plc Long Term Incentive Plan (collectively, the Avast Plans)), which consisted of 4 million unvested RSUs. The assumed RSUs generally retain the terms and conditions under which they were originally granted. We intend to grant all additional shares that remain available for issuance under the Avast Plans. Upon vesting, these assumed RSUs and any additional shares granted will settle into shares of our common stock. See Note 4 for further information about this business combination.

As of March 28, 2025, 27 million shares remained available for future grant, calculated using the maximum potential shares that could be earned and issued at vesting.

RSUs

(In millions, except per share and year data)	Number of Share	Weighted-Average Grant Date Fair Value
Outstanding as of March 29, 2024	8	\$ 19.39
Granted	6	\$ 24.06
Vested	(4)	\$ 20.08
Forfeited	(1)	\$ 19.96
Outstanding as of March 28, 2025	<u>9</u>	<u>\$ 21.80</u>

RSUs generally vest over a three-year period. The weighted-average grant date fair value per share of RSUs granted during fiscal 2025, 2024 and 2023 was \$24.06, \$17.42, and \$22.38, respectively. The total fair value of RSUs released in fiscal 2025, 2024 and 2023 was \$79 million, \$85 million, and \$74 million, respectively, which represents the market value of our common stock on the date the RSUs were released.

PRUs

(In millions, except per share and year data)	Number of Shares	Weighted-Average Grant Date Fair Value
Outstanding and unvested as of March 29, 2024	5	\$ 26.02
Granted	2	\$ 31.59
Vested	(1)	\$ 29.94
Forfeited	(1)	\$ 22.70
Outstanding and unvested as of March 28, 2025	5	\$ 28.42

The total fair value of PRUs released in fiscal 2025, 2024 and 2023 was \$24 million, \$20 million, and \$5 million, respectively, which represents the market value of our common stock on the date the PRUs were released.

We have granted PRUs to certain of our executives. Typically, these PRUs have a three-year vest period. PRUs granted in fiscal 2025, 2024 and 2023 contain a combination of our company's performance and market conditions. The performance conditions are based on the achievement of specified one- or three-year non-GAAP financial metrics. The market conditions are based on the achievement of our relative total shareholder return over a three- or five-year period. Typically, 0% to 200% of target shares are eligible to be earned based on the achievement of the performance and market conditions.

Valuation of PRUs

The fair value of each PRU that does not contain a market condition is equal to the market value of our common stock on the date of grant. The fair value of each PRU that contains a market condition is estimated using the Monte Carlo simulation model. The valuation and the underlying weighted-average assumptions for PRUs are summarized below:

	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
Expected term	2.9 years	2.9 years	3.3 years
Expected volatility	32.2 %	31.5 %	34.8 %
Risk-free interest rate	4.5 %	3.5 %	3.4 %
Expected dividend yield	— %	— %	1.3 %
Weighted-average grant date fair value of PRUs	\$ 31.59	\$ 22.83	\$ 27.07

ESPP

Under our 2008 Employee Stock Purchase Plan, employees may annually contribute up to 10% of their gross compensation, subject to certain limitations, to purchase shares of our common stock at a discounted price. Eligible employees are offered shares through a 12-month offering period, which consists of two consecutive 6-month purchase periods, at 85% of the lower of either the fair market value on the purchase date or the fair market value at the beginning of the offering period.

As of March 28, 2025, 40 million shares have been issued under this plan and 30 million shares remained available for future issuance.

The following table summarizes activity related to the purchase rights issued under the ESPP:

(In millions)	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
Shares issued under the ESPP	1	1	1
Proceeds from issuance of shares	\$ 11	\$ 12	\$ 12

The fair value of each stock purchase right under our ESPP is estimated using the Black-Scholes option pricing model. The weighted-average grant date fair value related to rights to acquire shares of common stock under our ESPP in fiscal 2025, 2024 and 2023 was \$6.77 per share, \$5.45 per share, and \$6.04 per share, respectively.

Dividend equivalent rights (DERs)

Our RSUs and PRUs, except for the 4 million unvested RSUs assumed under the Avast Plans, contain DERs that entitles the recipient of an award to receive cash dividend payments when the associated award is released. The amount of DER equals to the cumulated dividends on the issued number of common stock that would have been payable since the date the associated award was granted. As of March 28, 2025 and March 29, 2024, current dividends payable related to DER was \$5 million and \$4 million, respectively, recorded as part of Other current liabilities in the Consolidated Balance Sheets, and long-term dividends payable related to DER was \$5 million and \$4 million, respectively, recorded as part of Other long-term liabilities.

Stock-based award modifications

There were no material stock-based award modifications in fiscal 2025. There were no stock-based award modifications in fiscal 2024 and 2023.

Stock-based compensation expense

Total stock-based compensation expense and the related income tax benefit recognized for all of our equity incentive plans in our Consolidated Statements of Operations were as follows:

(In millions)	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
Cost of revenues	\$ 4	\$ 4	\$ 3
Sales and marketing	39	36	34
Research and development	37	39	31
General and administrative	54	58	55
Restructuring and other costs	—	1	11
Total stock-based compensation expense	\$ 134	\$ 138	\$ 134
Income tax benefit for stock-based compensation expense	\$ (17)	\$ (16)	\$ (20)

As of March 28, 2025, the total unrecognized stock-based compensation expense related to our unvested stock-based awards was \$191 million, which will be recognized over an estimated weighted-average amortization period of 1.7 years.

Other employee benefit plans

401(k) plan

We maintain a salary deferral 401(k) plan for all of our U.S. employees. This plan allows employees to contribute their pretax salary up to the maximum dollar limitation prescribed by the Internal Revenue Code. We match the first 3.5% of a participant's eligible compensation up to \$6,000 in a calendar year. Our employer matching contributions to the 401(k) plan were as follows:

(In millions)	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
401(k) matching contributions	\$ 4	\$ 4	\$ 4

Note 16. Net Income (Loss) Per Share

Basic income per share is computed by dividing net income by the weighted-average number of common shares outstanding during the period. Diluted net income per share also includes the incremental effect of dilutive potentially issuable common shares outstanding. Dilutive potentially issuable common shares include the dilutive effect of the shares underlying convertible debt and employee equity awards. Our remaining convertible debt was extinguished on August 15, 2022.

The components of basic and diluted net income (loss) per share are as follows:

(In millions, except per share amounts)	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
Net income (loss)	\$ 643	\$ 607	\$ 1,334
Net income per share - basic	\$ 1.04	\$ 0.95	\$ 2.17
Net income per share - diluted	\$ 1.03	\$ 0.95	\$ 2.14
Weighted-average shares outstanding - basic	617	637	614
Dilutive potentially issuable shares:			
Convertible debt	—	—	6
Employee equity awards	7	5	4
Weighted-average shares outstanding - diluted	624	642	624
Anti-dilutive shares excluded from diluted net income (loss) per share calculation:			
Employee equity awards	—	1	—

Note 17. Segment and Geographic Information

We operate as one reportable segment. Our Chief Operating Decision Maker is our Chief Executive Officer, who manages and reviews the business on a consolidated basis and uses consolidated net income (loss), as reported on our Consolidated Statements of Operations, as the primary measure of segment profit or loss to evaluate company performance and to allocate and prioritize resources during the planning and forecasting process. The measure of segment assets is reported on the Consolidated Balance Sheets as Total Assets.

The following table is a reconciliation of our measure of segment profit or loss, significant segment expenses and other segment items:

(In millions)	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
Net revenues	\$ 3,935	\$ 3,800	\$ 3,317
Less significant expenses and other segment items:			
Revenue share	109	106	95
E-Commerce fees	134	137	119
Product and cloud expense	156	146	131
Personnel expense	460	451	436
Marketing and affiliates expense	555	509	459
Support and outside service expense	98	110	123
Infrastructure and facilities expense ⁽¹⁾	125	132	140
Stock-based compensation	134	138	134
Amortization of intangible assets	401	462	308
Other segment items ⁽²⁾	153	499	166
Interest expense	578	669	401
Other expense (income), net ⁽³⁾	3	(6)	22
Income tax expense (benefit)	386	(160)	(551)
Net income (loss)	\$ 643	\$ 607	\$ 1,334

(1) Infrastructure and facilities expense includes depreciation expense, which are disclosed in Note 7.

(2) Other segment items included in segment net income (loss) includes restructuring and other costs, acquisition and integration costs, litigation settlement charges, and legal contract dispute costs.

(3) Other expense (income), net, includes interest income, which is disclosed in Note 7.

Major solutions

The following table summarizes net revenues from our major solutions:

(In millions)	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
Consumer security revenues	\$ 2,462	\$ 2,409	\$ 2,013
Identity and information protection revenues	1,423	1,328	1,239
Total cyber safety revenues	3,885	3,737	3,252
Legacy revenues	50	63	65
Total net revenues	\$ 3,935	\$ 3,800	\$ 3,317

[Table of Contents](#)

From time to time, changes in our product hierarchy cause changes to the product categories above. When changes occur, we recast historical amounts to match the current product hierarchy. The changes have been reflected for all periods presented above. Consumer security includes revenues from our Norton 360 Security offerings, Norton, Avast, AVG, and Avira Security and VPN offerings, and other consumer security and device performance solutions through our direct, partner and small business channels. Identity and information protection includes revenues from our Norton 360 with LifeLock offerings, LifeLock identity theft protection and other identity information protection, financial wellness and privacy solutions. Legacy includes revenues from products or solutions from markets that we have exited and in which we no longer operate, have been discontinued or identified to be discontinued, or remain in maintenance mode as a result of integration and product portfolio decisions.

Geographic information

Net revenues by geography are based on the billing addresses of our customers. The following table represents net revenues by geographic area for the periods presented:

(In millions)	Year Ended		
	March 28, 2025	March 29, 2024	March 31, 2023
Americas	\$ 2,587	\$ 2,484	\$ 2,234
EMEA	953	917	718
APJ	395	399	365
Total net revenues ⁽¹⁾	<u>\$ 3,935</u>	<u>\$ 3,800</u>	<u>\$ 3,317</u>

Note: The Americas include U.S., Canada, and Latin America; EMEA includes Europe, Middle East, and Africa; APJ includes Asia Pacific and Japan.

(1) From time to time, changes in allocation methodologies cause changes to the revenue by geographic area above. When changes occur, we recast historical amounts to match the current methodology, such as for fiscal 2024 and 2023 where we aligned allocation methodologies across similar product categories.

Revenues from customers inside the U.S. were \$2,358 million, \$2,265 million, and \$2,059 million during fiscal 2025, 2024 and 2023, respectively. No other individual country accounted for more than 10% of revenues.

The table below represents cash and cash equivalents held in the U.S. and internationally in various foreign subsidiaries:

(In millions)	March 28, 2025	March 29, 2024
U.S.	\$ 647	\$ 467
International	359	379
Total cash and cash equivalents	<u>\$ 1,006</u>	<u>\$ 846</u>

The table below represents our property and equipment, net of accumulated depreciation and amortization, by geographic area, based on the physical location of the asset, at the end of each period presented:

(In millions)	March 28, 2025	March 29, 2024
U.S.	\$ 50	\$ 47
Germany	—	12
Other countries ⁽¹⁾	10	13
Total property and equipment, net	<u>\$ 60</u>	<u>\$ 72</u>

(1) No individual country represented more than 10% of the respective totals.

Significant customers and e-commerce partners

In fiscal 2025, 2024 and 2023, no individual end-user customer accounted for 10% or more of our net revenues. See Note 1 for e-commerce partners that accounted for over 10% of our total accounts receivable.

Note 18. Commitments and Contingencies

Purchase obligations

We have purchase obligations that are associated with agreements for purchases of goods or services. Management believes that cancellation of these contracts is unlikely, and we expect to make future cash payments according to the contract terms.

The following reflects estimated future payments for purchase obligations by fiscal year. The amount of purchase obligations reflects estimated future payments as of March 28, 2025.

(In millions)	March 28, 2025
2026	\$ 316
2027	55
2028	33
2029	25
2030	4
Thereafter	1
Total purchase obligations	\$ 434

Deemed repatriation taxes

Under the Tax Cuts and Jobs Act (H.R. 1), we are required to pay a one-time transition tax on untaxed earnings of our foreign subsidiaries through July 2025. The following reflects estimated future payments for deemed repatriation taxes by fiscal year.

(In millions)	March 28, 2025
2026	\$ 139
Total obligations	\$ 139

Indemnifications

In the ordinary course of business, we may provide indemnifications of varying scope and terms to customers, vendors, lessors, business partners, subsidiaries and other parties with respect to certain matters, including, but not limited to, product warranties and losses arising out of our breach of agreements or representations and warranties made by us, including claims alleging that our software infringes on the intellectual property rights of a third party. In addition, our bylaws contain indemnification obligations to our directors, officers, employees, and agents, and we have entered into indemnification agreements with our directors and certain of our officers to give such directors and officers additional contractual assurances regarding the scope of the indemnification set forth in our bylaws and to provide additional procedural protections. We maintain director and officer insurance, which may cover certain liabilities arising from our obligation to indemnify our directors and officers. It is not possible to determine the aggregate maximum potential loss under these indemnification agreements due to the limited history of prior indemnification claims and the unique facts and circumstances involved in each particular agreement. Such indemnification agreements might not be subject to maximum loss clauses. We monitor the conditions that are subject to indemnification to identify if a loss has occurred. Historically, we have not incurred material costs as a result of obligations under these agreements, and we have not accrued any material liabilities related to such indemnification obligations in our Consolidated Financial Statements.

Litigation contingencies

From time to time, we are involved in legal proceedings, including, but not limited to, regulatory proceedings, claims, mediations, arbitrations and litigation, arising out of the ordinary course of business. We evaluate contingent liabilities including threatened or pending litigation in accordance with the authoritative guidance on contingencies. We assess the likelihood of any adverse judgments or outcomes from potential claims or proceedings for accrual or disclosure in our Consolidated Financial Statements. A determination of the amount of an accrual required, if any, for these contingencies is made after the analysis of each separate matter. Because of uncertainties related to these matters, we base our estimates on the information available at the time of our assessment. As additional information becomes available, we reassess the potential liability related to our pending claims and litigation and may revise our estimates and disclosures. We classify our accruals for litigation contingencies in our Consolidated Balance Sheets as part of Other current liabilities or Other long-term liabilities based on when we expect to pay the claim, if at all. If the period of expected payment is within one year, we classify the amount as short-term; otherwise, it is classified as long-term. The exact timing of payment is subject to uncertainty and could change significantly from our estimated payment period.

Trustees of the University of Columbia in the City of New York v. NortonLifeLock

As previously disclosed, on May 2, 2022, a jury returned its verdict in a patent infringement case filed in 2013 by the Trustees of Columbia University in the City of New York (Columbia) in the U.S. District Court for the Eastern District of Virginia. Columbia originally brought suit alleging infringement of six patents owned by the university. We won a favorable claim construction order on all six patents, and the claim construction was upheld by the Federal Circuit in 2016 on all but U.S. Patent Nos. 8,601,322 and 8,074,115. We also sought inter partes review by the Patent Trial and Appeal Board of the claims of the '322 and '115 Patents.

and all but two claims of the '322 Patent and three claims of the '115 Patent were invalidated. The remaining claims of the '322 and '115 Patents were the only claims that remained in suit at trial.

The jury found that our Norton Security products and Symantec Endpoint Protection products (the latter of which were sold by us to Broadcom as part of an Asset Purchase Agreement dated November 4, 2019) willfully infringe the '322 and '115 Patents through the use of SONAR/BASH behavioral protection technology. The jury awarded damages in the amount of \$185 million. Columbia did not seek injunctive relief against us. We believe that we have ceased the use of the technology found by the jury to infringe. The jury also found that we did not fraudulently conceal its prosecution of U.S. Patent No. 8,549,643 but did find that two Columbia professors were coinventors of this patent. No damages were awarded related to this patent.

On September 30, 2023, the court entered its judgment, which awarded Columbia (i) enhanced damages of 2.6 times the jury award; (ii) prejudgment interest, post-judgment interest, and supplemental damages to be calculated in accordance with the parties' previous agreement; and (iii) attorneys' fees subject to the parties meeting and conferring as to amount. We have complied with the court's order and submitted a stipulation regarding the final calculations of all outstanding interest, royalties and attorneys' fees. We have posted the required surety bond and have appealed the judgement to the Federal Circuit Court of Appeals, which remains pending.

At this time, our current estimate of probable losses from this matter is approximately \$598 million, which we have accrued and recorded as part of Other long-term liabilities in the Consolidated Balance Sheets. There is a reasonable possibility that a loss may be incurred in excess of our accrual for this matter; however, such incremental loss cannot be reasonably estimated.

Securities Class Action and Derivative Litigation

Securities class action lawsuits, which have since been consolidated, were filed in May 2018 against us and certain of our former officers, in the U.S. District Court for the Northern District of California. The lead plaintiff's consolidated amended complaint alleged that, during a purported class period of May 11, 2017 to August 2, 2018, defendants made false and misleading statements in violation of Sections 10(b) and 20(a), and that certain individuals violated Section 20A, of the Securities Exchange Act of 1934, as amended (the Exchange Act).

On May 24, 2021, the parties reached a proposed settlement and release of all claims in the class action, for \$70 million, and on June 8, 2021, the parties executed a Stipulation and Agreement of Settlement, exclusive of any claims that may be brought by shareholders who opted out of the class action. Of the \$70 million, \$67 million was covered under the applicable insurance policy with the remainder paid by us into escrow in September 2021. The Court approved the settlement on February 12, 2022, releasing the settlement payment from escrow.

On November 22, 2021, investment funds managed by Orbis Investment Management Ltd. which previously opted out of the securities class action, filed suit under the Exchange Act, the Arizona Securities Act, the Arizona Consumer Fraud Act and certain common law causes of action to recover alleged damages for losses incurred by the funds for their purchases or acquisitions of our common stock during the class period. On February 7, 2023, our Motion to Dismiss was granted in part and denied in part. The parties have now settled the matter and the action was dismissed with prejudice on April 26, 2023. The impact of settlement was not material.

Purported shareholder derivative lawsuits were filed against us and certain of our former officers and current and former directors in the Delaware Court of Chancery (*In re Symantec Corp. S'holder. Deriv. Litig.*), Northern District of California (*Lee v. Clark et al.*), and the District of Delaware (*Miltiken vs. Clark et al.*). These assert generally the same facts and circumstances as alleged in the securities class action and allege claims for breach of fiduciary duty and related claims. On January 4, 2023, after reaching an agreement on the terms of the proposed settlement, which provides for, among other things, a payment of \$12 million to the Company by the insurers of the Company's directors and officers, the parties to the Chancery action filed a Stipulation and Agreement of Settlement, Compromise and Release in that Court, which was approved by the Court on May 4, 2023, over the objection of the *Lee* and *Miltiken* plaintiffs, and releases all claims in the Chancery, *Lee*, and *Miltiken* actions, as well as any other claims based on the same operative facts. The parties in the *Miltiken* action stipulated to a dismissal with prejudice, which was entered by that Court on May 12, 2023. The parties in the *Lee* action stipulated to a dismissal with prejudice, which was entered by that Court on June 12, 2023. All three shareholder derivative lawsuits are now resolved.

A fourth lawsuit filed in the Delaware Superior Court, *Kukard v. Symantec*, brought claims derivatively on behalf of our 2008 Employee Stock Purchase Plan. The parties reached a settlement, which received final approval from the Court on December 4, 2024, at which time judgment was entered. The judgment was not appealed and is now final and the impact of the settlement was not material. All related matters are now resolved.

GSA

During the first quarter of fiscal 2013, we were advised by the Commercial Litigation Branch of the Department of Justice's (DOJ) Civil Division and the Civil Division of the U.S. Attorney's Office for the District of Columbia that the government is investigating our compliance with certain provisions of our U.S. General Services Administration (GSA) Multiple Award Schedule Contract No. GS-35F-0240T effective January 24, 2007, including provisions relating to pricing, country of origin, accessibility, and the disclosure of commercial sales practices.

As reported on the GSA's publicly-available database, our total sales under the GSA Schedule contract were approximately \$222 million from the period beginning January 2007 and ending September 2012. We fully cooperated with the government throughout its investigation, and in January 2014, representatives of the government indicated that their initial analysis of our actual damages exposure from direct government sales under the GSA Schedule contract was approximately \$145 million; since the initial meeting, the government's analysis of our potential damages exposure relating to direct sales increased. The government also indicated they would pursue claims for certain sales to California, Florida, and New York as well as sales to the federal government through reseller GSA Schedule contracts, which could significantly increase our potential damages exposure.

In 2012, a sealed civil lawsuit was filed against us related to compliance with the GSA Schedule contract and contracts with California, Florida, and New York. On July 18, 2014, the Court-imposed seal expired, and the government intervened in the lawsuit. On September 16, 2014, the states of California and Florida intervened in the lawsuit, and the state of New York notified the Court that it would not intervene. On October 3, 2014, the DOJ filed an amended complaint, which did not state a specific damages amount. On October 17, 2014, California and Florida combined their claims with those of the DOJ and the relator on behalf of New York in an Omnibus Complaint, and a First Amended Omnibus Complaint was filed on October 8, 2015; the state claims also do not state specific damages amounts.

On March 23, 2021, plaintiffs withdrew their demand for a jury trial and we consented to proceed with a bench trial, which concluded on March 24, 2022. We settled with the State of Florida before trial and the State of New York during trial, both for immaterial amounts which have been paid. On January 19, 2023, the Court issued its Findings of Facts and Conclusions of Law in which it found in favor of the United States in part and awarded damages and penalties in the amount of \$1.3 million, which the Company then paid. The Court also found in favor of the State of California in part and awarded penalties in the amount of \$0.4 million, which the Company also paid. The resulting Judgment was filed by the Court on January 20, 2023. On February 16, 2023, plaintiffs filed Motions to Amend Judgment to revive the damages claimed at trial. On January 16, 2024, the Court granted in part and denied in part the United States' Motion to Amend and awarded \$53 million in damages and penalties. The State of California's Motion to Amend was denied. A subsequent motion to amend and correct the January 2024 judgment brought by the Company was denied.

The January 2024 judgment was paid by the Company in November 2024. Additionally, the Company reached an agreement in principle to pay Relator's counsel \$12 million for its attorneys' fees, which the Company paid in the fourth quarter of fiscal 2025. The Company was dismissed from the case on February 26, 2025, and this matter is now fully resolved.

Jumpshot Matters

At the end of 2019, Avast came under media scrutiny for provision of Avast customer data to its data analytics subsidiary Jumpshot Inc. Jumpshot was a subsidiary of Avast with its own management team and technical experts. Avast announced the decision to terminate its provision of data to, and wind down, Jumpshot on January 30, 2020. As Avast has previously disclosed, it has been in communication with certain regulators and authorities prior to completion of the acquisition of Avast, and we will continue cooperating fully in respect of all regulatory enquiries.

On December 23, 2019, the United States Federal Trade Commission (FTC) issued a Civil Investigative Demand (CID) to Avast seeking documents and information related to its privacy practices, including Jumpshot's past use of consumer information that was provided to it by Avast. Avast responded cooperatively to the CID and related follow-up requests from the FTC. On October 29, 2021, staff at the FTC sent Avast a draft complaint and proposed settlement order. We engaged in ongoing negotiations with the FTC staff and have reached a negotiated agreement on the terms of a Consent Decree resolving this investigation, the terms of which are now final. This includes a provision for a non-material amount of monetary relief, which has been paid.

On February 27, 2020, the Czech Office for Personal Data Protection (the Czech DPA) initiated offense proceedings concerning Avast's practices with respect to Jumpshot, the Czech DPA issued a decision in March 2022 finding that Avast had violated the GDPR and issued a fine of CZK 351 million, which is approximately \$15 million. Avast appealed the decision, which was affirmed by the Czech DPA on April 10, 2024. Avast has now paid the fine levied by the DPA. On June 15, 2024, Avast brought a judicial action in the administrative law court challenging the decision of the Czech DPA. That matter is still pending.

On March 27, 2024, Stichting CUIC – Privacy Foundation for Collective Redress, a Dutch foundation (the Foundation), filed its writ of summons to initiate a collective action. The Foundation has asserted it represents the interests of Avast customers in the Netherlands whose data was provided to Jumpshot and that by doing so Avast violated the requirements of the GDPR and other provisions in Dutch and European Union privacy and consumer law entitling those customers to damages and other compensation, all of which we dispute. No specific amount of damages has been alleged to date. At this stage, the matter remains pending, and we are unable to assess whether any material loss or adverse effect is probable or estimate the range of any potential loss.

On April 18, 2024, we received a letter before action from counsel in the United Kingdom asserting it may bring a representative action on behalf of a class of Avast users in the United Kingdom and Wales for breach of contract and misuse of private information and seeking unspecified damages and a permanent injunction. No lawsuit has been commenced. At this stage, we are unable to assess whether any material loss or adverse effect is probable or estimate the range of any potential loss.

On December 12, 2022, a putative class action, *Lau v. Gen Digital Inc. and Jumpshot Inc.* (later restyled as *Karwowski v. Gen Digital Inc. et al.*), was filed in the Northern District of California alleging violations of the Electronic Communications Privacy Act, California Invasion of Privacy Act, statutory larceny, unfair competition and various common law claims related to the provision of

Table of Contents

customer data to Jumpshot. The claims related to Jumpshot, and Jumpshot, Inc. as a defendant, were dismissed on July 9, 2024, as a result of a Motion to Dismiss brought by the Company. The remaining claims were then voluntarily dismissed, with prejudice, by the Plaintiffs. Judgment was entered by the Court on October 23, 2024, as to those claims and on November 22, 2024, Plaintiffs filed a Notice of Appeal regarding the earlier dismissed Jumpshot-related claims and the appeal remains pending. At this stage, we are unable to assess whether any material loss or adverse effect is probable as a result of this action or estimate the range of any potential loss. We dispute these claims and intend to defend ourselves against them vigorously.

The outcome of the regulatory proceedings, government enforcement actions and litigation is difficult to predict, and the cost to defend, settle or otherwise resolve these matters may be significant. Plaintiffs or regulatory agencies or authorities in these matters may seek recovery of large or indeterminate amounts or seek to impose sanctions, including significant monetary penalties, as well as equitable relief. The monetary and other impact of these litigations, proceedings or actions may remain unknown for substantial periods of time. Further, an unfavorable resolution of litigations, proceedings or actions could have a material adverse effect on our business, financial condition, and results of operations and cash flows. The amount of time that will be required to resolve these matters is unpredictable, and these matters may divert management's attention from the day-to-day operations of our business. Any future investigations or additional lawsuits may also adversely affect our business, financial condition, results of operations and cash flows.

MALKA Seller Members Litigation

On July 21, 2023, Jeffrey Frommer, Lyusen Krubich, Daniel Fried and Pat Capra, the former equity owners of MALKA (collectively, the "Seller Members"), brought a civil action in the SDNY against MoneyLion Technologies Inc. alleging, among other things, breaches of the Membership Interest Purchase Agreement (the "MIPA") governing the acquisition of MALKA (the "MALKA Acquisition"). Among other claims, the Seller Members allege that they are entitled to payment of \$25 million of Class A Common Stock pursuant to the earnout provisions set forth in the MIPA, based on the Seller Members' assertion that MALKA achieved certain financial targets for the year ended December 31, 2022 (such payment, the "2022 Earnout Payment"). The Company believes that the Seller Members are not entitled to any portion of the 2022 Earnout Payment under the terms of the MIPA and filed counterclaims against the Seller Members, alleging, among other things, fraud, negligent misrepresentation, conversion, breach of fiduciary duties and breach of contract and seeking compensatory damages and other remedies as a result of wrongdoing by the Seller Members. The Company continues to vigorously pursue its remaining counterclaims and defend against the Seller Members' claims, which the Company believes are meritless. The bench trial of all remaining claims concluded on May 5, 2025, and a decision is currently pending. At this stage, we are assessing the impact of this case on our allocation of the purchase price to the underlying assets acquired and liabilities assumed in the MoneyLion acquisition, and also for future periods if any material loss or adverse effect is probable or estimable.

CFPB Litigation

On September 29, 2022, the Consumer Financial Protection Bureau (the "CFPB") initiated a civil action in the United States District Court for the Southern District of New York ("SDNY") against MoneyLion Technologies Inc., ML Plus LLC and the Company's 38 state lending subsidiaries, alleging violations of the Military Lending Act and the Consumer Financial Protection Act. The CFPB is seeking injunctive relief, redress for allegedly affected consumers and civil monetary penalties. On January 10, 2023, the Company moved to dismiss the lawsuit, asserting various constitutional and merits-based arguments. On March 24, 2025, the Court granted in part and denied in part the Company's motion to dismiss, substantially narrowing the case. On April 22, 2025, the CFPB filed a second amended complaint. The Company continues to maintain that the CFPB's claims are meritless and is vigorously defending against the lawsuit. At this stage, we are assessing the impact of this case on our allocation of the purchase price to the underlying assets acquired and liabilities assumed in the MoneyLion acquisition, and also for future periods if any material loss or adverse effect is probable or estimable.

NYAG Litigation

On April 14, 2025, the Office of the Attorney General of the State of New York filed a civil action in the Supreme Court of the State of New York, County of New York, against MoneyLion Inc. The complaint alleges, among other things, that MoneyLion's earned wage access product violates New York's civil and criminal usury laws and asserts claims of fraud, deceptive, and false advertising practices under state law, as well as abusive and deceptive practices under the federal Consumer Financial Protection Act. On April 28, 2025, the Attorney General filed an amended complaint, adding MoneyLion Technologies Inc. and ML Plus LLC as defendants. We believe the Attorney General's claims are without merit and intend to vigorously defend against the lawsuit. At this stage, we are assessing the impact of this case on our allocation of the purchase price to the underlying assets acquired and liabilities assumed in the MoneyLion acquisition, and also for future periods if any material loss or adverse effect is probable or estimable.

Other

We are involved in a number of other judicial, arbitrable and administrative proceedings that are incidental to our business. Although adverse decisions (or settlements) may occur in one or more of the cases, it is not possible to estimate the possible loss or losses from each of these cases. The final resolution of these lawsuits, individually or in the aggregate, is not expected to have a material adverse effect on our business, results of operations, financial condition or cash flows.

During fiscal 2025, 2024 and 2023, we incurred \$132 million, \$418 million and \$29 million, respectively, related to the estimated accrual and final resolutions of our litigation contingencies in our Consolidated Statements of Operations.

Note 19. Subsequent Events

Acquisition of MoneyLion

On December 10, 2024, we entered into a definitive agreement to acquire MoneyLion Inc. (NYSE: ML). MoneyLion extends our identity solutions into offering comprehensive financial wellness through MoneyLion's full-featured personal finance platform that includes credit building and financial management services. We completed the acquisition of MoneyLion on April 17, 2025.

Under the terms of the definitive agreement, each share of Class A common stock, par value \$0.0001 per share, of MoneyLion, that is issued and outstanding as of immediately prior to the effective time of the acquisition will be automatically cancelled, extinguished, and converted into the right to receive cash in an amount equal to \$82.00, without interest thereon, representing a cash value of approximately \$1 billion. In addition, for each share owned, MoneyLion shareholders will receive at closing one contingent value right (CVR) that entitles the holder to a contingent payment of \$23.00 in the form of shares of our common stock (issuable based on an assumed share price of \$30.48 per Gen share) if our average volume-weighted average share price reaches at least \$37.50 per share over 30 consecutive trading days from December 10, 2024 until 24 months after close, representing an aggregate fair value of approximately \$73 million.

Upon the closing of the acquisition, we cancelled all in-the money outstanding stock options, whether vested or unvested, and converted into the right to receive (i) an amount in cash, without interest thereon, equal to the product obtained by multiplying (a) the number of in-the-money outstanding stock option immediately prior to the close by (b) the excess, if any, MoneyLion's closing stock price over the exercise price per share of such in-the-money stock option and (ii) one CVR in respect of each in-the-money stock option immediately prior to the close. Any outstanding stock option with an exercise price greater than or equal to per share price of MoneyLion's closing stock price was forfeited and canceled for no consideration.

Additionally, all outstanding and unvested restricted stock units (RSUs) and performance share units (PSUs) were assumed and converted into 3,727,957 service-based RSUs of Gen's common stock. The conversion was calculated by multiplying the total number of unvested RSUs and PSUs by an equity conversion ratio of 3.48. All converted RSUs will vest in accordance with the vesting period set forth in the original award agreement assuming continued service by the recipients through such date. The fair value of these converted restricted stock awards has not yet been finalized.

In connection with our acquisition of MoneyLion, we entered into the Second Amendment to Amended and Restated Credit Agreement (the Second Amendment) with certain financial institutions to fund a portion of the cash consideration paid, in which they agreed to provide to us a \$750 million Incremental Term B Facility, which matures on April 16, 2032. See Note 10 for further information about this debt instrument and the related debt covenants.

The close date of the acquisition occurred subsequent to our fiscal quarter end, therefore the allocation of the purchase price to the underlying assets acquired and liabilities assumed is subject to a formal valuation process, which has not yet been completed. We will reflect the initial purchase price allocation within our Form 10-Q for the first quarter of fiscal year 2026. The purchase price allocation will be finalized as soon as practicable within the measurement period, but not later than one year following the acquisition close date.

Although the purchase price allocation for this acquisition is not yet available, we expect a substantial majority of the purchase price will be allocated to goodwill and intangible assets.

(2) Financial Statement Schedules

Schedule II

GEN DIGITAL INC.

VALUATION AND QUALIFYING ACCOUNTS

All financial statement schedules have been omitted, since the required information is not applicable or is not present in material amounts, and/or changes to such amounts are immaterial to require submission of the schedule, or because the information required is included in our Consolidated Financial Statements and notes thereto included in this Form 10-K.

(3) Exhibits

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
2.01(\$)	<u>Asset Purchase Agreement, dated August 8, 2019, by and between Broadcom Inc. and Registrant.</u>	8-K	000-17781	2.01	8/8/2019	
2.02(\$)	<u>Agreement and Plan of Merger, dated as of December 10, 2024, among Gen Digital Inc., Maverick Group Holdings, Inc. and MoneyLion Inc.</u>	8-K	000-17781	2.01	4/17/2025	
3.01	<u>Amended and Restated Certificate of Incorporation of Registrant, and all amendments thereto.</u>	10-Q	000-17781	3.01	11/9/2022	
3.02	<u>Amended and Restated Bylaws of Registrant.</u>	8-K	000-17781	3.01	10/16/2024	

Table of Contents

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
3.03	<u>Certificate of Elimination of Series A Junior Preferred Stock.</u>	10-K	000-17781	3.06	5/28/2020	
4.01	<u>Description of Securities.</u>					X
4.03	<u>Investment Agreement, dated as of February 3, 2016, by and among Registrant and Silver Lake Partners IV Cayman (AIV II), L.P.</u>	8-K	000-17781	10.01	2/9/2016	
4.04	<u>First Amendment to Investment Agreement, dated as of March 2, 2016, by and among Registrant and Silver Lake Partners IV Cayman (AIV II), L.P.</u>	8-K	000-17781	10.01	3/7/2016	
4.05	<u>Investment Agreement, dated as of June 12, 2016, by and among Registrant, Bain Capital Fund XI, L.P., Bain Capital Europe Fund IV, L.P. and Silver Lake Partners IV Cayman (AIV II), L.P. (including the form of Indenture attached as Exhibit A thereto).</u>	8-K	000-17781	2.02	6/14/2016	
4.06	<u>Amendment to Investment Agreement, dated as of July 31, 2016, by and among Registrant, Bain Capital Fund XI, L.P., Bain Capital Europe Fund IV, L.P. and Silver Lake Partners IV Cayman (AIV II), L.P.</u>	10-Q	000-17781	2.03	8/5/2016	
4.07	<u>Base Indenture, dated as of February 9, 2017, between Registrant and Wells Fargo Bank, National Association, as trustee.</u>	8-K	000-17781	4.01	2/9/2017	
4.08	<u>First Supplemental Indenture related to the 5% Senior Notes due 2025, dated as of February 9, 2017, between Registrant and Wells Fargo Bank, National Association, as trustee (including form of 5.00% Senior Note due 2025).</u>	8-K	000-17781	4.02	2/9/2017	
4.09	<u>Third Amendment to Investment Agreement, dated November 11, 2019, by and between NortonLifeLock Inc. and Silver Lake Partners IV Cayman (AIV II), L.P., SLP IV Seal Holdings, L.P. and SLP IV Seal II Holdings, L.P.</u>	8-K	000-17781	10.01	11/12/2019	
4.10	<u>Second Amendment to Investment Agreement, dated November 11, 2019, by and between NortonLifeLock Inc. and BC Bear cat SPV, LP, BCIP Venture Associates, BCIP Venture Associates-B, BCIP Associates IV (US), L.P., BCIP Associates IV-B (US), L.P., BCIP T Associates IV (US).</u>	8-K	000-17781	10.02	11/12/2019	
4.11	<u>Second Supplemental Indenture, dated as of September 19, 2022, by and among the Company, each of the Guarantors (as defined therein) listed on the signature pages thereto and Computershare Trust Company, National Association, as successor to Wells Fargo Bank, National Association, as trustee (including the form of 6.750% Senior Notes due 2027 and form of 7.125% Senior Notes due 2030).</u>	8-K	000-17781	4.01	9/19/2022	
4.12	<u>Third Supplemental Indenture, dated as of September 19, 2022, by and among the Company, the Guarantors and Computershare Trust Company, National Association, as successor to Wells Fargo Bank, National Association, as trustee.</u>	8-K	000-17781	4.02	9/19/2022	
4.13	<u>Fourth Supplemental Indenture, dated as of February 28, 2025, by and among Gen Digital Inc., as issuer, the guarantors party thereto and Computershare Trust Company, National Association, as successor to Wells Fargo Bank, National Association, as trustee (including the form of 6.250% Senior Notes due 2033).</u>	8-K	000-17781	4.01	2/28/2025	

Table of Contents

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.01(*)	<u>Form of Indemnification Agreement for Officers, Directors and Key Employees (form for agreements entered into between January 17, 2006 and March 6, 2016).</u>	8-K	000-17781	10.01	1/23/2006	
10.02(*)	<u>Form of Indemnification Agreement for Officers, Directors and Key Employees, as amended (form for agreements entered into after March 6, 2016).</u>	8-K	000-17781	10.03	3/7/2016	
10.03(*)	<u>Registrant's Deferred Compensation Plan, restated and amended January 1, 2010, as adopted December 15, 2009.</u>	10-K	000-17781	10.05	5/24/2010	
10.04(*)	<u>Registrant's 2000 Director Equity Incentive Plan, as amended.</u>	10-Q	000-17781	10.01	11/1/2011	
10.05(*)	<u>Registrant's 2008 Employee Stock Purchase Plan, as amended.</u>	10-Q	000-17781	10.06	2/7/2020	
10.06(*)	<u>Registrant's 2013 Equity Incentive Plan, as amended and restated.</u>	DEF 14A	000-17781	Exhibit B	7/26/2024	
10.07(*)	<u>Form of Director Restricted Stock Unit Award Agreement under Gen Digital Inc. 2013 Equity Incentive Plan</u>	10-K	000-17781	10.08	5/25/2023	
10.08(*)	<u>Form of Employee Restricted Stock Unit Award Agreement under Gen Digital Inc. 2013 Equity Incentive Plan</u>	10-K	000-17781	10.08	5/25/2023	
10.09(*)	<u>Form of Performance Based Restricted Stock Unit Award Agreement under Gen Digital Inc. 2013 Equity Incentive Plan</u>	10-K	000-17781	10.08	5/25/2023	
10.10(*)	<u>Form of Restricted Stock Unit Award Agreement under Avast Limited Long Term Incentive Plan</u>	10-K	000-17781	10.08	5/25/2023	
10.11(*)	<u>Form of Performance Stock Unit Award Agreement under Avast Limited Long Term Incentive Plan</u>	10-K	000-17781	10.08	5/25/2023	
10.12	<u>Amended and Restated Credit Agreement, effective as of August 1, 2016, among Registrant, the lenders party thereto (the Lenders), Wells Fargo Bank, National Association, as Term Loan A-1/Revolver Administrative Agent and Swingline Lender, JPMorgan Chase Bank, N.A., as Term Loan A-2 Administrative Agent, JPMorgan Chase Bank, N.A., Merrill Lynch, Pierce, Fenner & Smith, Incorporated, Barclays Bank PLC, Citigroup Global Markets Inc., Wells Fargo Securities, LLC, Royal Bank of Canada and Mizuho Bank, Ltd., as Lead Arrangers and Joint Bookrunners in respect of the Term A-2 Facility, Barclays Bank PLC, Citibank, N.A., Wells Fargo Bank, National Association, Royal Bank of Canada, Mizuho Bank, Ltd. And TD Securities (USA) LLC, as Co-Documentation Agents in respect of the Term A-2 Facility, and Bank of America, N.A., as Syndication Agent in respect of Term A-2 Facility.</u>	10-Q	000-17781	4.03	8/5/2016	
10.13	<u>Term Loan Agreement, dated as of August 1, 2016, among Registrant, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A., as Syndication Agent, and Barclays Bank PLC, Citibank, N.A., Wells Fargo Bank, National Association, Royal Bank of Canada, Mizuho Bank, Ltd., and TD Securities (USA) LLC, as Co-Documentation Agents, JPMorgan Chase Bank, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Bank, PLC, Citigroup Global Markets Inc., Wells Fargo Securities, LLC, Royal Bank of Canada and Mizuho Bank, Ltd., as Joint Lead Arrangers and Joint Bookrunners.</u>	10-Q	000-17781	4.05	8/5/2016	

Table of Contents

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.14	<u>Amendment Agreement, dated as of July 18, 2016, by and among Registrant, Symantec Operating Corporation, the Lenders and the New Term Lenders, Wells Fargo Bank, National Association, and JPMorgan Chase Bank, N.A.</u>	10-Q	000-17781	4.02	8/5/2016	
10.15	<u>Assignment and Assumption, dated October 3, 2016, to the Term Loan Agreement dated as of August 1, 2016, among Registrant, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A., as Syndication Agent, and Barclays Bank PLC, Citibank, N.A., Wells Fargo Bank, National Association, Royal Bank of Canada, Mizuho Bank, Ltd., and TD Securities (USA) LLC, as Co-Documentation Agents, JPMorgan Chase Bank, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Bank, PLC, Citigroup Global Markets Inc., Wells Fargo Securities, LLC, Royal Bank of Canada and Mizuho Bank, Ltd., as Joint Lead Arrangers and Joint Bookrunners.</u>	10-Q	000-17781	4.01	2/3/2017	
10.16	<u>First Amendment, dated December 12, 2016, to the Term Loan Agreement, dated as of August 1, 2016, among Registrant, JPMorgan Chase Bank, N.A., as Administrative Agent, Bank of America, N.A., as Syndication Agent, and Barclays Bank PLC, Citibank, N.A., Wells Fargo Bank, National Association, Royal Bank of Canada, Mizuho Bank, Ltd., and TD Securities (USA) LLC, as Co-Documentation Agents, JPMorgan Chase Bank, N.A., Merrill Lynch, Pierce, Fenner & Smith Incorporated, Barclays Bank, PLC, Citigroup Global Markets Inc., Wells Fargo Securities, LLC, Royal Bank of Canada and Mizuho Bank, Ltd., as Joint Lead Arrangers and Joint Bookrunners.</u>	10-Q	000-17781	4.02	2/3/2017	
10.17	<u>First Amendment, dated December 12, 2016, to the Credit Agreement, effective as of August 1, 2016, among the Registrant, the lenders party thereto (the Lenders), Wells Fargo Bank, National Association, as Term Loan A-1/Revolver Administrative Agent and Swingline Lender, JPMorgan Chase Bank, N.A., as Term Loan A-2 Administrative Agent, JPMorgan Chase Bank, N.A., Merrill Lynch, Pierce, Fenner & Smith, Incorporated, Barclays Bank PLC, Citigroup Global Markets Inc., Wells Fargo Securities, LLC, Royal Bank of Canada and Mizuho Bank, Ltd., as Lead Arrangers and Joint Bookrunners in respect of the Term A-2 Facility, Barclays Bank PLC, Citibank, N.A., Wells Fargo Bank, National Association, Royal Bank of Canada, Mizuho Bank, Ltd. And TD Securities (USA) LLC, as Co-Documentation Agents in respect of the Term A-2 Facility, and Bank of America, N.A., as Syndication Agent in respect of Term A-2 Facility.</u>	10-Q	000-17781	4.03	2/3/2017	
10.18(*)	<u>Registrant's Senior Executive Incentive Plan, as amended and restated.</u>	8-K	000-17781	10.03	10/25/2013	
10.19(*)	<u>Registrant's Executive Retention Plan, as amended and restated.</u>	10-K	000-17781	10.18	5/21/2021	
10.20(*)	<u>Registrant's Executive Severance Plan.</u>	10-K	000-17781	10.19	5/21/2021	

Table of Contents

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.22(+)	<u>Environmental Indemnity Agreement, dated April 23, 1999, between Veritas and Fairchild Semiconductor Corporation, included as Exhibit C to that certain Agreement of Purchase and Sale, dated March 29, 1999, between Veritas and Fairchild Semiconductor of California.</u>	S-1/A	333-83777	10.27	8/6/1999	
10.24	<u>Second Amendment and Limited Waiver to Amended and Restated Credit Agreement dated as of June 22, 2018.</u>	10-Q	000-17781	10.01	11/16/2018	
10.25	<u>Second Amendment and Limited Waiver to Term Loan dated as of June 22, 2018.</u>	10-Q	000-17781	10.02	11/16/2018	
10.27	<u>Credit Agreement, effective as of November 4, 2019, among NortonLifeLock Inc., the issuing banks and lenders party thereto (the Lenders), Wells Fargo Bank, National Association, as Revolver Administrative Agent and Swingline Lender, JPMorgan Chase Bank, N.A., as Term Loan Administrative Agent and Collateral Agent, JPMorgan Chase Bank, N.A., Wells Fargo Securities, LLC, BofA Securities, Inc., Mizuho Bank, Ltd., Barclays Bank PLC, and The Bank of Nova Scotia, as Lead Arrangers and Joint Bookrunners, Bank of America, N.A., Mizuho Bank, Ltd., Barclays Bank PLC and The Bank of Nova Scotia, as Syndication Agents and Goldman Sachs Bank USA, HSBC Securities (USA) Inc., MUFG Bank, Ltd., SunTrust Robinson Humphrey, Inc., Citizens Bank, N.A., BMO Capital Markets Corp., BNP Paribas Securities Corp. and Santander Bank, N.A., as Co-Documentation Agents.</u>	8-K	000-17781	10.01	11/4/2019	
10.28	<u>APA Letter Agreement dated October 1, 2020 by and between the Company and Broadcom Inc.</u>	8-K	000-17781	10.01	7/8/2020	
10.30	<u>First Amendment, effective as of May 7, 2021, among NortonLifeLock Inc., JPMorgan Chase Bank, N.A., as Term Loan Administrative Agent, Wells Fargo Bank, National Association, as Revolver Administrative Agent, and the lenders and other parties thereto.</u>	10-K	000-17781	10.31	5/21/2021	
10.31	<u>Amended and Restated Commitment Letter, dated September 1, 2021, by and between NortonLifeLock Inc. and the parties thereto</u>	8-K	000-17781	10.02	9/3/2021	
10.32	<u>Amended and Restated Interim Facilities Agreement, dated September 1, 2021, by and between NortonLifeLock Inc., the parties specified thereto, as acceding finance partners, BofA Securities, Inc. and Wells Fargo Securities, LLC, as arrangers, and Bank of America, N.A., as issuing bank, interim facility agent and interim security agent</u>	8-K	000-17781	10.01	9/3/2021	
10.34++	<u>Restatement Agreement, dated as of September 12, 2022, by and among the Company, the other Loan Parties thereto, the Lenders party thereto, JPMorgan Chase Bank, N.A., as term loan administrative agent and collateral agent under the Existing Credit Agreement, Wells Fargo Bank, National Association, as revolver administrative agent under the Existing Credit Agreement, and Bank of America, N.A., in its capacity as Successor Administrative Agent.</u>	8-K	000-17781	10.01	9/12/2022	
10.35(*)	<u>Avast Limited (formerly Avast plc) 2018 Long Term Incentive Plan</u>	S-8	000-17781	99.01	9/12/2022	

Table of Contents

Exhibit Number	Exhibit Description	Incorporated by Reference				Filed Herewith
		Form	File No.	Exhibit	Filing Date	
10.38(*)	<u>Agreement, effective as of June 13, 2024 by and between Gen Digital Inc. and Ondrej Vlcek.</u>	10-Q	000-17781	10.05	8/7/2024	
10.40	<u>Registrant's Non-Employee Director Compensation Policy.</u>	10-Q	000-17781	10.01	8/5/2022	
10.41	<u>Second Amendment to Amended and Restated Credit Agreement, dated as of April 16, 2025, by and among Gen Digital Inc., the guarantors party thereto, Bank of America, N.A., as administrative agent, each Second Amendment Incremental Term B Loan Lender.</u>	8-K	000-17781	10.02	4/17/2025	
10.42	<u>Contingent Value Rights Agreement, dated as of April 17, 2025, by and among Gen Digital Inc. and Computershare Inc. and Computershare Trust Company, N.A.</u>	8-K	000-17781	10.01	4/17/2025	
10.43	<u>MoneyLion Inc. Amended and Restated Omnibus Incentive Plan.</u>	8-K	000-17781	99.01	4/17/2025	
10.44	<u>Form of PSU Grant Agreement (Annual) of MoneyLion Inc.</u>	8-K	000-17781	99.02	4/17/2025	
19.01	<u>Insider Trading Policy.</u>					X
21.01	<u>Subsidiaries of Registrant.</u>					X
23.01	<u>Consent of Independent Registered Public Accounting Firm.</u>					X
31.01	<u>Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>					X
31.02	<u>Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002.</u>					X
32.01(††)	<u>Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>					X
32.02(††)	<u>Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002.</u>					X
97.01	<u>Clawback Policy.</u>					X
101.00	The following financial information from Gen Digital Inc.'s Annual Report on Form 10-K for the fiscal year ended March 28, 2025 are formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Consolidated Balance Sheets, (ii) Consolidated Statements of Operations, (iii) Consolidated Statements of Comprehensive Income (Loss), (iv) Consolidated Statements of Stockholders' Equity (Deficit), (v) Consolidated Statements of Cash Flows, and (vi) Notes to the Consolidated Financial Statements, tagged as blocks of text and including detailed tags.					X
104.00	Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101).					X

* Indicates a management contract, compensatory plan or arrangement.

§ The exhibits and schedules to this agreement have been omitted pursuant to Item 601(b)(2) of Regulation S-K. The Registrant agrees to furnish supplementally copies of any such exhibits and schedules to the SEC upon request.

† Filed by Veritas Software Corporation.

†† This exhibit is being furnished, rather than filed, and shall not be deemed incorporated by reference into any filing, in accordance with Item 601 of Regulation S-K.

Table of Contents

- + Certain portions of this document that constitute confidential information have been redacted in accordance with Regulations S-K, Item 601(b)(10).
- ++ Certain schedules and similar attachments to the exhibit have been omitted in accordance with Regulation S-K Item 601(a)(5)

Item 16. *Form 10-K Summary*

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized, in the City of Mountain View, State of California, on the 15th day of May 2025.

GEN DIGITAL INC.

By: /s/ Vincent Pilette

Vincent Pilette
Chief Executive Officer, President and Director

Pursuant to the requirements of the Securities Exchange Act of 1934, this report has been signed below by the following persons on behalf of the Registrant and in the capacities and on the dates indicated below.

Signature	Title	Date
<u>/s/ Vincent Pilette</u> Vincent Pilette	Chief Executive Officer, President and Director (Principal Executive Officer)	May 15, 2025
<u>/s/ Natalie Derse</u> Natalie Derse	Chief Financial Officer (Principal Financial Officer and Principal Accounting Officer)	May 15, 2025
<u>/s/ Frank E. Dangeard</u> Frank E. Dangeard	Chairman of the Board	May 15, 2025
<u>/s/ Sue Barsamian</u> Sue Barsamian	Director	May 15, 2025
<u>/s/ Pavel Baudis</u> Pavel Baudis	Director	May 15, 2025
<u>/s/ Eric K. Brandt</u> Eric K. Brandt	Director	May 15, 2025
<u>/s/ Nora Denzel</u> Nora Denzel	Director	May 15, 2025
<u>/s/ Peter A. Feld</u> Peter A. Feld	Director	May 15, 2025
<u>/s/ Emily Heath</u> Emily Heath	Director	May 15, 2025
<u>/s/ Sherrese M. Smith</u> Sherrese M. Smith	Director	May 15, 2025
<u>/s/ Ondrej Vlcek</u> Ondrej Vlcek	Director	May 15, 2025

**DESCRIPTION OF THE REGISTRANT'S SECURITIES
REGISTERED PURSUANT TO SECTION 12 OF
THE SECURITIES EXCHANGE ACT OF 1934**

Gen Digital Inc. ("Gen Digital," or "we," "our," "us," or the "Company") has the following classes of securities registered under Section 12 of the Securities Exchange Act of 1934, as amended (the "Exchange Act"): our common stock, \$0.10 par value per share ("common stock"), and our contingent value rights (the "CVRs").

DESCRIPTION OF CAPITAL STOCK

The following summary of the terms of our common stock is based upon our Amended and Restated Certificate of Incorporation, as amended ("Certificate of Incorporation") and our Amended and Restated Bylaws ("Bylaws"). This summary does not purport to be complete and is subject to, and is qualified in its entirety by express reference to, the applicable provisions of our Certificate of Incorporation, as subsequently amended on July 1, 2005, July 31, 2009 and November 4, 2019, and November 7, 2022 and our Bylaws, as subsequently amended and restated on November 7, 2022 and October 16, 2024, which are filed as exhibits to our Annual Report on Form 10-K and are incorporated by reference herein. We encourage you to read our Certificate of Incorporation, our Bylaws and the applicable provisions of the Delaware General Corporation Law (the "DGCL") more information.

Authorized Capital Stock

Our authorized capital stock consists of 3,000,000,000 shares of common stock, par value \$0.01 per share, 1,000,000 shares of preferred stock, par value \$0.01 per share and 1 share of special voting stock, par value \$1.00 per share.

Common Stock

Voting Rights

Each holder of our common stock is entitled to one vote for each share held on all matters submitted to a vote of our stockholders. Cumulative voting for the election of directors is not provided for in our Certificate of Incorporation, which means that the holders of a majority of the shares voted can elect all of the directors then standing for election.

Dividend Rights

Subject to preferences that may apply to shares of our preferred stock outstanding at the time, if any, holders of outstanding shares of our common stock are entitled to receive dividends out of assets legally available at the time and in amounts as may be determined by our board of directors from time to time.

Preemptive Rights

Our common stock is not entitled to preemptive rights.

Conversion or Redemption Rights

Our common stock is not convertible nor redeemable.

Right to Receive Liquidation Distributions

Upon a liquidation, dissolution or winding-up of Gen Digital, the assets legally available for distribution to stockholders are distributable ratably among the holders of our common stock outstanding at that time after payment of any liquidation preferences on any outstanding preferred stock, if any.

Impact of Preferred Stock

Our board of directors is authorized to establish out of our authorized shares of preferred stock one or more classes or series of preferred stock having the designation, powers, preferences, rights, qualifications, limitations and restrictions, the board of directors may determine.

The issuance of preferred stock may have the effect of delaying or preventing a change in control of us without further action by our stockholders. The issuance of shares of preferred stock with voting and conversion rights may adversely affect the voting power of the holders of our common stock.

Listing

Our common stock is listed on The Nasdaq Global Select Market under the symbol "GEN."

Transfer Agent and Registrar

The transfer agent for our common stock is Computershare Investor Services, P.O. Box 43078, Providence, RI 02940-3078.

Anti-Takeover Provisions

The provisions of the DGCL and our Certificate of Incorporation and Bylaws may have the effect of delaying, deferring or discouraging another person from acquiring control of us.

We are subject to Section 203 of the DGCL (“Section 203”), which, subject to certain exceptions, prohibits a Delaware corporation from engaging in any “business combination” with an “interested stockholder” for a period of three years following the time that such stockholder became an interested stockholder, unless:

- prior to such time, the board of directors of the corporation approved either the business combination or the transaction which resulted in the stockholder becoming an interested stockholder;
- upon consummation of the transaction that resulted in the stockholder becoming an interested stockholder, the interested stockholder owned at least 85% of the voting stock of the corporation outstanding at the time the transaction commenced, excluding for purposes of determining the voting stock outstanding (but not the outstanding voting stock owned by the interested stockholder) those shares owned (i) by persons who are directors and also officers and (ii) by employee stock plans in which employee participants do not have the right to determine confidentially whether shares held subject to the plan will be tendered in a tender or exchange offer; or
- at or subsequent to such time, the business combination is approved by the board of directors and authorized at an annual or special meeting of stockholders, and not by written consent, by the affirmative vote of at least two-thirds of the outstanding voting stock that is not owned by the interested stockholder.

With certain exceptions, an “interested stockholder” is a person or group who or which owns 15% or more of the corporation’s outstanding voting stock (including any rights to acquire stock pursuant to an option, warrant, agreement, arrangement or understanding, or upon the exercise of conversion or exchange rights, and stock with respect to which the person has voting rights only), or is an affiliate or associate of the corporation and was the owner of 15% or more of the outstanding voting stock at any time within the three-year period immediately prior to the date on which it is sought to be determined whether such person is an interested stockholder, and the affiliates and associates of such person.

In general, Section 203 defines a business combination to include:

- any merger or consolidation involving the corporation and the interested stockholder;
- any sale, lease, exchange, mortgage, transfer, pledge or other disposition of 10% or more of the assets of the corporation involving the interested stockholder;
- subject to certain exceptions, any transaction that results in the issuance or transfer by the corporation of any stock of the corporation to the interested stockholder;
- any transaction involving the corporation that has the effect of increasing the proportionate share of the stock or any class or series of the corporation beneficially owned by the interested stockholder; or
- the receipt by the interested stockholder of the benefit of any loans, advances, guarantees, pledges or other financial benefits provided by or through the corporation.

A Delaware corporation may “opt out” of this provision with an express provision in its original certificate of incorporation or an express provision in its certificate of incorporation or bylaws resulting from a stockholder amendment approved by at least a majority of the outstanding voting shares. However, we have not “opted out” of this provision. Section 203 could prohibit or delay mergers or other takeover or change-in-control attempts and, accordingly, may discourage attempts to acquire us.

DESCRIPTION OF THE CVRS

CVR Agreement

The rights of CVR holders are governed by and subject to the terms and conditions of the Contingent Value Rights Agreement, dated as of April 17, 2025 (the “CVR Agreement”), by and among Gen Digital and Computershare Inc. and Computershare Trust Company, N.A. (together, the “rights agent”). The following summary describes the material provisions of the CVR Agreement and the CVRs. This summary may not contain all of the information about the CVRs that is important to you. You should refer to the CVR Agreement, which is filed as an exhibit to the Annual Report on Form 10-K of which this exhibit is a part.

Characteristics of CVRs

The CVRs are not voting securities of, and do not represent ownership interests in us. The CVR holders are not entitled to any rights of a stockholder or other equity or voting security of us, either at law or in equity, including dividends. Interest will not accrue on any amounts payable on the CVRs to any CVR holder. The rights of the CVR holders are limited to those expressly provided for in the CVR Agreement.

CVR Payment

If the CVR milestone is realized, each CVR holder is entitled to receive \$23.00 in common stock per CVR, which is referred to as the CVR payment. The amount of shares each CVR holder is entitled to is based on an assumed share price of \$30.48 per share of our common stock, which is referred to as the closing common stock price.

CVR milestone means the earlier of (i) the first date that the average VWAP of our common stock for any 30 consecutive trading days beginning on December 10, 2024 is equal to or greater than \$37.50 (subject to certain adjustments), which is referred to as the target price, and (ii) immediately prior to the occurrence of a change of control.

The following terms are defined in the CVR Agreement:

“average VWAP” per share of our common stock over a specified period means the arithmetic average of the VWAPs per share of our common stock for each trading day in such period. The VWAP per share of our common stock over a span of multiple days shall be appropriately adjusted to account for any (i) dividend (other than any regular quarterly dividend not to exceed \$0.125 per quarter) or distribution of shares of our common stock on shares of common stock, (ii) subdivision or reclassification of outstanding shares of our common stock into a greater number of shares or (iii) combination or reclassification of outstanding shares of our common stock into a smaller number of shares.

“change of control” means (i) a sale or other disposition of all or substantially all of our assets on a consolidated basis (other than to any subsidiary (direct or indirect) of us), or (b) a merger or consolidation involving us in which our stockholders immediately prior to such transaction own less than 50% of our (or the applicable acquiring, resulting or surviving entity’s) voting power immediately after the transaction.

“trading day” means a day on which trading in our common stock (or other security for which a closing sale price must be determined) generally occurs on the principal U.S. national securities exchange on which our common stock (or such other security) is then listed or, if our common stock is (or such other security is) not then listed on a U.S. national securities exchange, on the principal other market on which our common stock is (or such other security is) then traded; provided that, if our common stock is (or such other security is) not so listed or traded, “trading day” means a business day.

“VWAP” per share of common stock on any trading day means the per share volume-weighted average price as displayed under the heading “Bloomberg VWAP” on Bloomberg page “GEN US <Equity> AQR” (or its equivalent successor if such page is not available) in respect of the period from the scheduled open of trading until the scheduled close of trading of the primary trading session, on such trading day; or, if such price is not available, “VWAP” means the market value per share of our common stock on such trading day as determined, using a

volume-weighted average method by an investment banking firm of nationally recognized standing (not affiliated with us) retained by us for such purpose. “VWAP” shall be determined without regard to after-hours trading or any other trading outside of the regular trading session trading hours.

Notice and Payment Date

If the CVR milestone is achieved on any date from December 10, 2024 and prior to April 17, 2027, we will deliver to the rights agent (i) a written notice indicating that the CVR milestone has been achieved and (ii) the CVR payment multiplied by the number of outstanding CVRs in each case, no later than 10 business days following the date on which the CVR milestone is achieved.

The rights agent will promptly (but in any event within two trading days) deliver to each holder of record of the CVRs, via a book-entry position, the number of shares of common stock due to such holders as payment in full of the CVR payment amount.

Register, Transferability and Listing of CVRs

The rights agent maintains a register of the issuance and transfer of CVRs.

The CVRs are freely transferable. Every request made to transfer a CVR by a holder on the register of the rights agent must be in writing and accompanied by a written instrument of transfer. The CVRs may be transferred via a broker unless the transfer is restricted or prohibited under applicable law or Nasdaq rules. As a condition of the transfer of a CVR by a holder on the register of the rights agent, we and the rights agent may require such transferring CVR holder or its transferee to pay any applicable transfer, stamp or other similar tax or governmental charge that is imposed in connection with the registration of any such transfer. A sale or exchange of a CVR would be a taxable transaction.

The CVRs are listed on The Nasdaq Global Select Market under the symbol “GENVR.”

Adjustments

If the CVR milestone has not yet been achieved or has not occurred, in the event of any cash dividend on shares of our common stock (in excess of \$0.125 per share of common stock) per quarter or any change in the outstanding shares of our capital stock or capital structure by reason of any stock dividend, stock split or reverse stock split, exchange of shares, recapitalization or reclassification of our capital stock, or any similar change affecting our outstanding shares of capital stock or capital structure, or any merger, consolidation or other business combination involving us, we will make appropriate and equitable adjustments to, without duplication, the target price, the closing common stock price, common stock and the number of shares of common stock applicable to the CVR milestone and the CVR payment, as needed so that the economic interests of the CVR holders are not impacted by such event.

Upon the occurrence of each adjustment or readjustment, we will promptly compute such adjustment or readjustment in accordance with the terms of the CVR Agreement and (i) furnish to the rights agent a certificate setting forth any adjustments made and (ii) cause the rights agent to furnish to each CVR holder a notice setting forth in reasonable detail the event requiring the adjustment and the amount of such adjustment.

No Fractional Shares

No fractional shares of common stock were issued pursuant to the CVR Agreement. In lieu of any fractional shares that would otherwise be issuable, we rounded down to the nearest whole number the number of shares of our common stock to be issued to such holder of CVRs after aggregating all shares of our common stock to which such holder of CVRs would otherwise be entitled.

Equity Security

The CVR is an equity instrument of Gen Digital and is not secured or guaranteed by us or any of our affiliates. The CVR payment is neither secured nor guaranteed.

Repurchase by Gen Digital and Affiliates

The CVR Agreement does not prohibit us or any of our subsidiaries or affiliates from acquiring the CVRs, whether in open market transactions, private transactions or otherwise.

Amendment of CVR Agreement without Consent of CVR Holders

Without the consent of any CVR holders, we and the rights agent may amend the CVR Agreement for any of the following purposes:

- to evidence the succession of another person to Gen Digital, and the assumption by any such successor of the covenants of Gen Digital in the CVR Agreement;
- to add to the covenants of Gen Digital such further covenants, restrictions, conditions or provisions as Gen Digital and the rights agent will consider to be for the protection of the CVR holders, provided that such provisions do not adversely affect the interests of the CVR holders;
- to cure any ambiguity, to correct or supplement any provision in the CVR Agreement that may be defective or inconsistent with any other provision in the CVR Agreement or to make any other provisions with respect to matters or questions arising under the CVR Agreement, provided that, in each case, such provisions do not adversely affect the interests of the CVR holders;
- to evidence the succession of another person as a successor rights agent, and the assumption by any such successor of the covenants and obligations of the rights agent in the CVR Agreement;
- to make any other amendments to the CVR Agreement for the purpose of adding, eliminating or changing any provisions of the CVR Agreement, unless such addition, elimination or change is adverse to the interests of the CVR holders; or
- if required, to reduce the number of CVRs in the event any CVR holder agrees to renounce such holder's rights under the CVR Agreement in accordance with the terms thereof.

Amendment of CVR Agreement with Consent of CVR Holders

With the consent of the holders of at least a majority of the outstanding CVRs, we and the rights agent may make other amendments to the CVR Agreement, provided that no such amendment may, without the consent of each CVR holder affected thereby:

- modify in a manner adverse to the CVR holders (i) any provision contained in the CVR Agreement with respect to the termination of the CVR Agreement or the CVRs or (ii) the time for payment and amount of the CVR payment, or otherwise extend the time for payment of the CVRs or reduce the amounts payable in respect of the CVRs or modify any other payment term or payment date;
 - reduce the number of CVRs, the consent of whose holders is required for any such amendment; or
-

- modify any of the provisions of the CVR Agreement regarding amendments to the CVR Agreement, except to increase the percentage of CVR holders for whom consent or approval is required for an amendment or to provide that certain other provisions of the CVR Agreement cannot be modified or waived without the consent of each CVR holder affected by such modification or waiver.



Overview

Our Insider Trading Policy (this **Policy**) helps clarify your responsibilities to avoid even the appearance of improper insider trading. This Policy applies to all of our officers, employees, directors, consultants and contractors worldwide.

Internally we share information, including Insider Information (which is defined below). You may also overhear a conversation or come across documents that contain Insider Information. Using Insider Information to buy or sell stock, or passing such information along to others to trade, could constitute insider trading. Insider trading not only violates this policy and our Code of Conduct, but it also violates the law. Let's make sure each of us is always doing the right thing.

Policy

If you are aware of Insider Information related to Gen, you may not:

- buy or sell Gen securities, or engage in any offers to buy or sell;
- disclose Insider Information to any other person to be used by that person to his or her benefit by trading in Gen securities which is often referred to as 'tipping';
- recommend the purchase or sale of any Gen securities; or
- assist anyone engaged in the above activities, including actions taken through Family Members or Controlled Entities (which are defined below).

Insider Information is information about Gen that is both **material** and **nonpublic**. Information is **material** if a reasonable investor would consider it important in deciding whether to buy, hold or sell Gen securities. If you expect information will affect our stock price – either positively or negatively – you should consider such information material. The U.S. Securities and Exchange Commission (**SEC**) assesses materiality based on the totality of the circumstances, with the benefit of 20/20 hindsight.

Information is **nonpublic** if it has not been broadly disclosed to the investing public (e.g., by press release or SEC filing) or they have not had enough time to fully absorb it. We consider information to be fully absorbed by the investing public by the start of the second trading day after public release. For example, if Gen made a public announcement on a Monday, you should not trade in Gen securities until Wednesday.

Here are some illustrative examples of Insider Information:

- unannounced global financial results of Gen;
- changes to Gen's previously announced earnings targets;
- a change in Gen's management; or

- news of a pending or proposed merger, acquisition, divestiture or joint venture involving Gen.

In addition, sometimes you will become aware of material nonpublic information of another company (e.g., a Gen customer or supplier) as a part of your job at Gen. If so, you may not trade in the securities of such other company. Trading under those circumstances is considered “misappropriating” the material nonpublic information and you may be liable for insider trading. When in doubt, contact Gen’s General Counsel or Head of Corporate Securities.

Other Prohibited Transactions

To avoid the appearance of improper conduct, you may not, directly or indirectly, do any of the following, *whether or not* you possess Insider Information:

- **Short sales.** A transaction where you benefit from a decline in the price of the Gen securities, which may reduce your incentive to seek to improve Gen’s performance.
- **Hedging transactions.** Transactions (e.g., prepaid variable forwards, equity swaps, exchange funds, and collars) that are designed to protect against declines in the price of securities, permitting you to own Gen securities without the full risks and rewards of ownership. When that occurs, you may no longer have the same objectives as Gen’s other shareholders.
- **Publicly traded options.** Given the relatively short term of publicly traded options, buying or selling options may create the appearance that you are trading based on Insider Information and may focus your attention on short-term performance at the expense of Gen’s long-term objectives.
- **Margin Accounts.** You may not hold Gen securities in a margin account or otherwise pledge Gen securities as collateral for a loan, because a margin sale or foreclosure sale may occur at a time you are aware of Insider Information or otherwise are not permitted to trade in Gen securities.
- **Standing orders open for more than 5 business days.** Open orders with a broker to buy or sell Gen securities at a specified price leave you with no control over the timing of the transaction, and can result in a trade occurring when you have Insider Information or during a closed window.

Note that this Policy, including any special trading restrictions that may apply to you, will continue to apply to your transactions in Gen securities even after you are no longer working for Gen if you are aware of Insider Information.

Exceptions

This Policy does not apply to certain transactions in Gen shares, which are described below:

- **Purchases of Gen shares under Gen’s Employee Stock Purchase Plan (ESPP),** along with immediate sales of such shares through the ESPP Quick Sale program. However, sales of Gen shares acquired through the ESPP outside of the Quick Sale program are restricted under this Policy.
- **Vesting of restricted stock units (RSUs), performance shares, and forfeiture of Gen shares to satisfy tax withholding upon vesting.** However, open market sales of Gen shares issued upon the vesting of such RSUs, performance shares, or other similar equity instruments are restricted under this Policy.
- **Exercises for cash of employee stock options acquired under Gen’s plans.** However, sales of Gen shares as part of broker-assisted cashless exercises of employee stock options or sales of Gen shares acquired upon exercise of employee stock options are restricted under this Policy.

- **'Bona fide' gifts of securities** (except for Pre-Clearance Persons, as described below). Whether a gift is truly 'bona fide' will depend on the circumstances of the gift.
- **Transactions that involve merely a change in the form** in which you own Gen securities, including transfers to an *inter vivos* trust where you are the sole beneficiary during your lifetime.
- **Transactions in mutual funds that are invested in Gen securities**, provided you do not exercise any control over such transactions.
- **Transactions conducted pursuant to an approved Rule 10b5-1 Plan** (as described below).

Procedures

In order to help you comply with insider trading laws, and avoid the appearance of any impropriety, we have put certain processes and procedures in place.

Trading Window

Gen's directors, executive officers and designated employees with regular access to Insider Information, together with their Family Members and Controlled Entities (**Restricted Persons**), are prohibited from buying or selling Gen securities EXCEPT during the following quarterly trading window (the **Trading Window**):

Beginning on the 2nd business day after the public release of Gen's earnings for the prior quarter or year, and ending on the 10th day of the third month of the current quarter.

In certain cases, Gen may notify specific individuals about special black-out periods that relate to events such as potential acquisitions. Those individuals may not buy or sell Gen securities during the special black-out period even if it coincides with an open Trading Window. We will not announce special black-out periods to the company as a whole, and if you are notified or become aware of one you should not share that fact with others.

As a reminder, if you have Insider Information you may not buy or sell Gen securities whether or not the Trading Window is open, and whether or not you are designated as a Restricted Person. Trading in Gen securities during an open Trading Window should not be considered a 'safe harbor.' Use good judgment at all times.

Preclearance of Transactions

Gen's directors, executive officers and designated senior employees, together with their Family Members and Controlled Entities (**Pre-Clearance Persons**), must pre-clear any transaction in Gen securities with Gen's General Counsel, Head of Corporate Securities or their delegate. Gifts of Gen securities by Pre-Clearance Persons – including 'bona fide' gifts – must also be pre-cleared.

To pre-clear a transaction, a Pre-Clearance Person must first submit a [Pre-Clearance Application](#).

Gen reserves the right to withhold pre-clearance of any transaction for any reason. Pre-cleared transactions not completed within 5 business days shall require a new pre-clearance. Gen may, at its discretion, shorten such pre-clearance period or revoke such pre-clearance.

10b5-1 Plans

SEC Rule 10b5-1 provides an affirmative defense from liability for, and the restrictions on trading in this Policy shall not apply to, trades made under, a qualified Rule 10b5-1 trading plan (**Rule 10b5-1 Trading Plan**). We encourage all Pre-Clearance Persons to conduct open market transactions in Gen securities only through the use of a pre-cleared Rule 10b5-1 Trading Plan.

Responsibility

It is our individual and collective responsibility to comply with this Policy and we require all employees to participate in Gen's insider trading training program.

- If you know of a violation or suspected violation (including self-reporting) you must report it to our General Counsel, Head of Compliance or Head of Corporate Securities. You may use Gen's [EthicsLine](#), over the phone (US/Canada 1.866.833.3430, [international numbers](#) listed on EthicsLine), or via [e-mail](#). Reports may be made anonymously through EthicsLine online. All reports of alleged violations of this Policy will be investigated.
- Gen will not tolerate retaliation against anyone, who in good faith, reports a concern or cooperates with a compliance investigation, even when allegations are found to be unsubstantiated.

The consequences for insider trading violations under federal, state and foreign securities laws can be severe and include imprisonment, criminal fines (no matter how small the profit), and civil fines of up to three times the profit gained, or loss avoided. The penalties for 'tipping' are the same that apply to insider trading, even though you did not trade and did not gain any benefit from another's trading.

A violation of law, or even an SEC investigation that does not result in prosecution, can tarnish a person's reputation and irreparably damage a career. In addition, your failure to comply with this Policy may also subject you to disciplinary action, including termination of your services or in the case of members of the Board of Directors, being asked to resign from the Board or not renominated, or recovery of damages, whether or not your failure to comply results in a violation of law.

Definitions

Controlled Entities

Any entities whose investment decisions you influence or control, including but not limited to corporations, partnerships, limited liability companies, or trusts.

Gen securities

Common stock, preferred stock, convertible debentures, warrants and other derivative securities (including stock options, put or call options and similar securities), publicly-traded debt, and any other securities of Gen.

Family Members

Family members who reside with you (including a spouse or domestic partner, a child, a child away at college, stepchildren, grandchildren, parents, stepparents, grandparents, siblings and in-laws), anyone

else who lives in your household, and any family members who do not live in your household but whose transactions in Gen securities are directed by you or are subject to your influence or control, such as parents or children who consult with you before they trade in Gen securities.

Related Policies and Information

- [Gen Code of Conduct](#)

**GEN DIGITAL INC.
SUBSIDIARIES**

Name of Subsidiary	State or Other Jurisdiction of Incorporation
NortonLifeLock Security Holdings Inc.	Delaware
NortonLifeLock Ireland Limited	Ireland
NortonLifeLock Singapore Pte. Ltd.	Singapore
NortonLifeLock Japan G.K.	Japan
Avast Software s.r.o	Czech Republic

Consent of Independent Registered Public Accounting Firm

We consent to the incorporation by reference in the registration statements (Nos. 333-286590, 333-282935, 333-267386, 333-230163, 333-229511, 333-223734, 333-221341, 333-219714, 333-216132, 333-212847, 333-191889, 333-179268, 333-170326 and 333-155266) on Form S-8, (Nos. 333-238756, 333-221042, 333-214054, and 333-211513) on Form S-3, and (No. 333-284654) on Form S-4 of our report dated May 15, 2025, with respect to the consolidated financial statements of Gen Digital Inc. and the effectiveness of internal control over financial reporting.

/s/ KPMG LLP

Santa Clara, California
May 15, 2025

Certification

I, Vincent Pilette, certify that:

1. I have reviewed this annual report on Form 10-K of Gen Digital Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Vincent Pilette

Vincent Pilette

Chief Executive Officer, President and Director

Date: May 15, 2025

Certification

I, Natalie Derse, certify that:

1. I have reviewed this annual report on Form 10-K of Gen Digital Inc.;
2. Based on my knowledge, this report does not contain any untrue statement of a material fact or omit to state a material fact necessary to make the statements made, in light of the circumstances under which such statements were made, not misleading with respect to the period covered by this report;
3. Based on my knowledge, the financial statements, and other financial information included in this report, fairly present in all material respects the financial condition, results of operations and cash flows of the registrant as of, and for, the periods presented in this report;
4. The registrant's other certifying officer(s) and I are responsible for establishing and maintaining disclosure controls and procedures (as defined in Exchange Act Rules 13a-15(e) and 15d-15(e)) and internal control over financial reporting (as defined in Exchange Act Rules 13a-15(f) and 15d-15(f)) for the registrant and have:
 - (a) Designed such disclosure controls and procedures, or caused such disclosure controls and procedures to be designed under our supervision, to ensure that material information relating to the registrant, including its consolidated subsidiaries, is made known to us by others within those entities, particularly during the period in which this report is being prepared;
 - (b) Designed such internal control over financial reporting, or caused such internal control over financial reporting to be designed under our supervision, to provide reasonable assurance regarding the reliability of financial reporting and the preparation of financial statements for external purposes in accordance with generally accepted accounting principles;
 - (c) Evaluated the effectiveness of the registrant's disclosure controls and procedures and presented in this report our conclusions about the effectiveness of the disclosure controls and procedures, as of the end of the period covered by this report based on such evaluation; and
 - (d) Disclosed in this report any change in the registrant's internal control over financial reporting that occurred during the registrant's most recent fiscal quarter (the registrant's fourth fiscal quarter in the case of an annual report) that has materially affected, or is reasonably likely to materially affect, the registrant's internal control over financial reporting; and
5. The registrant's other certifying officer(s) and I have disclosed, based on our most recent evaluation of internal control over financial reporting, to the registrant's auditors and the audit committee of the registrant's board of directors (or persons performing the equivalent functions):
 - (a) All significant deficiencies and material weaknesses in the design or operation of internal control over financial reporting which are reasonably likely to adversely affect the registrant's ability to record, process, summarize and report financial information; and
 - (b) Any fraud, whether or not material, that involves management or other employees who have a significant role in the registrant's internal control over financial reporting.

/s/ Natalie Derse

Natalie Derse

Chief Financial Officer

Date: May 15, 2025

**Certification Pursuant to
18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

I, Vincent Pilette, Chief Executive Officer, President and Director of Gen Digital Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge: (i) the Company's annual report on Form 10-K for the year ended March 28, 2025, to which this Certification is attached (the Form 10-K), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and (ii) the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Vincent Pilette

Vincent Pilette

Chief Executive Officer, President and Director

Date: May 15, 2025

This Certification which accompanies the Form 10-K is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

**Certification Pursuant to
18 U.S.C. Section 1350, as adopted pursuant to
Section 906 of the Sarbanes-Oxley Act of 2002**

I, Natalie Derse, Chief Financial Officer of Gen Digital Inc. (the "Company"), do hereby certify, pursuant to 18 U.S.C. Section 1350, as adopted pursuant to Section 906 of the Sarbanes-Oxley Act of 2002, that, to my knowledge: (i) the Company's annual report on Form 10-K for the year ended March 28, 2025, to which this Certification is attached (the Form 10-K), fully complies with the requirements of Section 13(a) or 15(d) of the Securities Exchange Act of 1934, as amended, and (ii) the information contained in the Form 10-K fairly presents, in all material respects, the financial condition and results of operations of the Company.

/s/ Natalie Derse

Natalie Derse

Chief Financial Officer

Date: May 15, 2025

This Certification which accompanies the Form 10-K is not deemed filed with the Securities and Exchange Commission and is not to be incorporated by reference into any filing of the Company under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended (whether made before or after the date of the Form 10-K), irrespective of any general incorporation language contained in such filing.

GEN DIGITAL INC.

COMPENSATION RECOUPMENT POLICY

As Adopted and Approved by the Board of Directors (the “Board”)
of Gen Digital Inc. (the “Company”) on October 3, 2023

Last Reviewed on October 7, 2024

The Committee and the Board have determined that it is in the Company’s best interests to adopt and implement a compensation recoupment policy (the “Policy”) for Executive Officers, in light of its desire to ensure that all recipients of cash and equity incentive-based compensation awards abide by the Company’s reasonable standards of conduct.

The Committee believes these recoupment provisions are appropriate in light of the significant value and importance the Company places on cash and equity incentive-based compensation.

In the event of a Restatement, the Company will seek to recoup or require forfeiture of all Covered Amounts from a Covered Person. Such recovery, in the case of a Restatement, will be made without regard to any individual knowledge or responsibility related to the Restatement. Notwithstanding the foregoing, if the Company is required to undertake a Restatement, the Company will not be required to recover the Covered Amounts if the Committee determines it Impracticable to do so, after exercising a normal due process review of all the relevant facts and circumstances. If such Covered Amounts were not awarded or paid on a formulaic basis, the Company will seek to recover the amount that the Committee determines in good faith should be recouped.

The Committee shall, in such circumstances as it deems appropriate, recoup or require forfeiture of any Covered Amounts in the event of any Covered Person’s (i) act or omission resulting in a material violation of the Company’s Code of Conduct, Financial Code of Ethics or other Company policy (“Misconduct”) or (ii) awareness of or willful blindness to Misconduct that occurred in an area over which the Covered Person had supervisory authority.

Any recoupment or forfeiture of Covered Amounts shall be disclosed to the extent (i) the Board or Committee determines such disclosure is appropriate or (ii) otherwise as required by applicable law.

The foregoing recoupment provisions may be contained in whole or in part in the Company’s bonus or incentive arrangements and employment agreements and are in addition to any other remedies available to the Company under applicable law. The remedies under this Policy are in addition to, and not in lieu of, any legal and equitable claims the Company or any of its affiliates may have or any actions that may be imposed by law enforcement agencies, regulators, administrative bodies, or other authorities. Further, the exercise by the Committee of any rights pursuant to this Policy will not impact any other rights that the Company or any of its affiliates may have with respect to any Covered Person subject to this Policy.

Please refer to Exhibit A attached hereto (the “Definitions Exhibit”) for the definitions of capitalized terms used throughout this Policy, and to Exhibit B attached hereto (the “Additional Provisions Exhibit”) for additional provisions of this Policy.

EXHIBIT A**GEN DIGITAL INC.****COMPENSATION RECOUPMENT POLICY****DEFINITION EXHIBIT**

“Applicable Period” means (a) in the case of any Restatement, the three (3) completed fiscal years of the Company immediately preceding the earlier of (i) the date the Board, a committee of the Board, or the officer or officers of the Company authorized to take such action if Board action is not required, concludes (or reasonably should have concluded) that a Restatement is required or (ii) the date a court, regulator, or other legally authorized body directs the Company to prepare a Restatement, and (b) in the case of any Misconduct, such period as the Committee or Board determines to be appropriate in light of the scope and nature of the Misconduct. The “Applicable Period” also includes any transition period (that results from a change in the Company’s fiscal year) within or immediately following the three completed fiscal years identified in the preceding sentence.

“Committee” means the Company’s committee of independent directors responsible for executive compensation decisions, or in the absence of such a committee, a majority of the independent directors serving on the Board.

“Covered Amount” means (a) in the case of any Restatement, the amount of any Incentive Compensation (calculated on a pre-tax basis) Received by a Covered Person during the Applicable Period that is in excess of the amount that otherwise would have been Received if the calculation were based on the Restatement, and (b) in the case of any Misconduct, the amount of any Incentive Compensation (calculated on a pre-tax basis) awarded or paid to a Covered Person during the Applicable Period that the Committee determines, in its sole discretion, to be appropriate in light of the scope and nature of the Misconduct. For the avoidance of doubt, in the case of any Restatement, Covered Amounts do not include any Incentive Compensation Received by a person (i) before such person began service in a position or capacity meeting the definition of an Executive Officer, (ii) who did not serve as an Executive Officer at any time during the performance period for that Incentive Compensation, or (iii) during any period the Company did not have a class of its securities listed on a national securities exchange or a national securities association. For the avoidance of doubt, in the case of any Restatement, for Incentive Compensation based on (or derived from) stock price or total shareholder return where the Covered Amounts are not subject to mathematical recalculation directly from the information in the applicable Restatement, the amount will be determined by the Committee based on a reasonable estimate of the effect of the Restatement on the stock price or total shareholder return upon which the Incentive Compensation was Received (in which case, the Company will maintain documentation of such determination of that reasonable estimate and provide such documentation to the Company’s applicable listing exchange).

“Covered Person” means (a) in the case of any Restatement, any person who is, or was at any time, during the Applicable Period, an Executive Officer of the Company, and (b) in the case of any Misconduct, any person who was an Executive Officer at the time of the Misconduct. For the avoidance of doubt, a Covered Person may include a former Executive Officer that left the Company, retired, or transitioned to an employee role (including after serving as an Executive Officer in an interim capacity) during the Applicable Period.

“Effective Date” means October 2, 2023.

“Exchange Act” means Securities Exchange Act of 1934, as amended.

“Executive Officer” means the Company’s president, principal executive officer, principal financial officer, principal accounting officer (or if there is no such accounting officer, the controller), any vice-president in charge

of a principal business unit, division, or function (such as sales, administration, or finance), any other officer who performs a policy-making function, or any other person (including an officer of the Company's parent(s) or subsidiaries) who performs similar policy-making functions for the Company.

“Financial Reporting Measure” means a measure that is determined and presented in accordance with the accounting principles used in preparing the Company's financial statements (including, but not limited to, “non-GAAP” financial measures, such as those appearing in the Company's earnings releases or Management Discussion and Analysis), and any measure that is derived wholly or in part from such measure. Stock price and total shareholder return (and any measures derived wholly or in part therefrom) shall be considered Financial Reporting Measures.

“Impracticable.” The Committee may determine in good faith that recovery of Covered Amounts is “Impracticable” (a) in the case of any Restatement, if: (i) pursuing such recovery would violate home country law of the jurisdiction of incorporation of the Company where that law was adopted prior to November 28, 2022 and the Company provides an opinion of home country counsel to that effect acceptable to the Company's applicable listing exchange; (ii) the direct expense paid to a third party to assist in enforcing this Policy would exceed the Covered Amounts and the Company has (A) made a reasonable attempt to recover such amounts and (B) provided documentation of such attempts to recover to the Company's applicable listing exchange; or (iii) recovery would likely cause an otherwise tax-qualified retirement plan, under which benefits are broadly available to employees of the Company, to fail to meet the requirements of Section 401(a)(13) or Section 411(a) of the Internal Revenue Code of 1986, as amended, and (b) in the case of any Misconduct, in its sole discretion, in light of the scope and nature of the Misconduct.

“Incentive Compensation” means any compensation that is granted, earned, or vested based wholly or in part upon the attainment of a Financial Reporting Measure. Incentive Compensation does not include any base salaries (except with respect to any salary increases earned wholly or in part based on the attainment of a Financial Reporting Measure performance goal); bonuses paid solely at the discretion of the Committee or Board that are not paid from a “bonus pool” that is determined by satisfying a Financial Reporting Measure performance goal; bonuses paid solely upon satisfying one or more subjective standards and/or completion of a specified employment period; non-equity incentive plan awards earned solely upon satisfying one or more strategic measures or operational measures; and equity awards that vest solely based on the passage of time and/or attaining one or more non-Financial Reporting Measures. Notwithstanding the foregoing, in the case of any Misconduct, Incentive Compensation will include all forms of cash and equity incentive compensation, including, without limitation, cash bonuses and equity awards that are received or vest solely based on the passage of time and/or attaining one or more non-Financial Reporting Measures.

“Received.” Incentive Compensation is deemed “Received” in the Company's fiscal period during which the Financial Reporting Measure specified in the Incentive Compensation award is attained, even if the payment or grant of the Incentive Compensation occurs after the end of that period.

“Restatement” means an accounting restatement of any of the Company's financial statements filed with the Securities and Exchange Commission under the Exchange Act, or the Securities Act of 1933, as amended, due to the Company's material noncompliance with any financial reporting requirement under U.S. securities laws, regardless of whether the Company or Covered Person misconduct was the cause for such restatement. “Restatement” includes any required accounting restatement to correct an error in previously issued financial statements that is material to the previously issued financial statements (commonly referred to as “Big R” restatements), or that would result in a material misstatement if the error were corrected in the current period or left uncorrected in the current period (commonly referred to as “little r” restatements).

EXHIBIT B

GEN DIGITAL INC.

COMPENSATION RECOUPMENT POLICY

ADDITIONAL PROVISIONS EXHIBIT

1. Legal and Compliance Violations

Compliance with the Company's Code of Conduct, Financial Code of Ethics or other Company policies is a pre-condition to earning Incentive Compensation.

In the event of Misconduct (whether or not in connection with a Restatement), the Company may seek recovery of Covered Amounts even if the Misconduct did not result in an award or payment greater than would have been awarded or paid absent the Misconduct.

In the event of Misconduct, in determining whether to seek recovery and the amount, if any, by which the payment or award should be reduced, the Committee may consider—among other things—the seriousness of the Misconduct, whether the Covered Person was unjustly enriched, whether seeking the recovery would prejudice the Company's interests in any way, including in a proceeding or investigation, and any other factors it deems relevant to the determination.

3. Other Actions

The Committee may, subject to applicable law, seek recovery in the manner it chooses, including by seeking reimbursement from the Covered Person of all or part of the compensation awarded or paid, by electing to withhold unpaid compensation, by set-off, or by rescinding or canceling unvested stock.

In the reasonable exercise of its business judgment under this Policy, the Committee may in its sole discretion determine whether and to what extent additional action is appropriate to address the circumstances surrounding a Restatement or Misconduct to minimize the likelihood of any recurrence and to impose such other discipline as it deems appropriate.

4. No Indemnification or Reimbursement

Notwithstanding the terms of any other policy, program, agreement or arrangement, in no event will the Company or any of its affiliates indemnify or reimburse a Covered Person for any loss under this Policy and in no event will the Company or any of its affiliates pay premiums on any insurance policy that would cover a Covered Person's potential obligations with respect to Covered Amounts under this Policy.

5. Administration of Policy

The Committee will have full authority to administer this Policy. The Committee will, subject to the provisions of this Policy and Rule 10D-1 of the Exchange Act, and the Company's applicable exchange listing standards, make such determinations and interpretations and take such actions in connection with this Policy as it deems necessary, appropriate or advisable. All determinations and interpretations made by the Committee will be final, binding and conclusive.

6. Acknowledgement by Covered Persons; Condition to Eligibility for Incentive Compensation

The Company will provide notice and seek acknowledgement of this Policy, in substantially the form included as Exhibit C attached hereto, from each Covered Person, provided that the failure to provide such notice or obtain such acknowledgement will have no impact on the applicability or enforceability of this Policy. After the Effective Date, the Company must be in receipt of a Covered Person's acknowledgement as a condition to such Covered Person's eligibility to receive Incentive Compensation. All Incentive Compensation subject to this Policy will not be earned, even if already paid, until the Policy ceases to apply to such Incentive Compensation and any other vesting conditions applicable to such Incentive Compensation are satisfied.

7. Amendment; Termination

The Board or the Committee may amend or terminate this Policy at any time.

8. Effectiveness

Except as otherwise determined in writing by the Committee, this Policy will apply to any Incentive Compensation that (a) in the case of any Restatement, is Received by a Covered Person on or after the Effective Date, and (b) in the case of Misconduct, is awarded or paid to a Covered Person on or after the Effective Date. Further, as of the Effective Date, this Policy amends and supersedes in their entirety any prior compensation recoupment policy and any recoupment provisions which appear in a Covered Person's equity award agreements or otherwise (the "Prior Policies"). Notwithstanding the foregoing, the Prior Policies shall remain in full force and effect as to any compensation that, without the existence, and satisfaction, of conditions as set forth in the Prior Policies, may otherwise have been deemed earned prior to the Effective Date. This Policy will survive and continue notwithstanding any termination of a Covered Person's employment with the Company and its affiliates.

9. Successors

This Policy shall be binding and enforceable against all Covered Persons and their successors, beneficiaries, heirs, executors, administrators, or other legal representatives.

10. Governing Law

To the extent not preempted by U.S. federal law, this Policy will be governed by and construed in accordance with the laws of the State of Arizona, without reference to principles of conflict of laws.

Exhibit C

GEN DIGITAL INC.

COMPENSATION RECOUPMENT POLICY

EMAIL ACKNOWLEDGMENT

Dear [Name],

Gen Digital Inc. (the “Company”) has adopted the attached Compensation Recoupment Policy in response to recent SEC rules and DOJ guidance. This policy outlines the Company's ability to recover incentive compensation in certain circumstances.

To be eligible to receive incentive compensation going forward, please review the policy and use the voting button or reply to this e-mail with the statement: "I acknowledge that I have read and understood, and agree to be subject to the terms of, the Gen Digital Inc. Compensation Recoupment Policy."

Thank you for your attention to this matter.

Sincerely,