
UNITED STATES SECURITIES AND EXCHANGE COMMISSION

Washington, D.C. 20549

Form 10-Q

(Mark One)

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

For the Quarterly Period Ended January 2, 2026

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 the 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

Former name or former address, if changed since last report:

Not applicable

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 |
| Contingent Value Rights | GENVR | The Nasdaq Stock Market LLC |

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. (Check one):

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 is a shell company (as defined in Rule 12b-2 of the Exchange Act). Yes No

The number of shares of Gen common stock, \$0.01 par value per share, outstanding as of February 3, 2026 was 605,663,774 shares.

GEN DIGITAL INC.
FORM 10-Q
Quarterly Period Ended January 2, 2026
TABLE OF CONTENTS

| | Page | |
|---|---|--------------------|
| <u>PART I. FINANCIAL INFORMATION</u> | | |
| Item 1. | Financial Statements (Unaudited) | 3 |
| | Condensed Consolidated Balance Sheets | 3 |
| | Condensed Consolidated Statements of Operations | 4 |
| | Condensed Consolidated Statements of Comprehensive Income (Loss) | 5 |
| | Condensed Consolidated Statements of Stockholders' Equity (Deficit) | 6 |
| | Condensed Consolidated Statements of Cash Flows | 8 |
| | Notes to Condensed Consolidated Financial Statements | 9 |
| Item 2. | Management's Discussion and Analysis of Financial Condition and Results of Operations | 27 |
| Item 3. | Quantitative and Qualitative Disclosures About Market Risk | 35 |
| Item 4. | Controls and Procedures | 36 |
| <u>PART II. OTHER INFORMATION</u> | | |
| Item 1. | Legal Proceedings | 38 |
| Item 1A. | Risk Factors | 38 |
| Item 2. | Unregistered Sales of Equity Securities and Use of Proceeds | 59 |
| Item 5. | Other Information | 60 |
| Item 6. | Exhibits | 61 |
| Signatures | | 62 |

"Gen," "we," "us," "our," and "the Company" refer to Gen Digital Inc. and all of its subsidiaries. Gen, Norton, Avast, LifeLock, MoneyLion, Avira, AVG, Reputation Defender, 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.

PART I. FINANCIAL INFORMATION

Item 1. Financial Statements (Unaudited)

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

| | January 2, 2026 | March 28, 2025 |
|--|-----------------|----------------|
| ASSETS | | |
| Current assets: | | |
| Cash, cash equivalents and restricted cash | \$ 619 | \$ 1,006 |
| Accounts receivable, net | 361 | 171 |
| Other current assets | 257 | 245 |
| Assets held for sale | 16 | 22 |
| Total current assets | 1,253 | 1,444 |
| Property and equipment, net | 69 | 60 |
| Intangible assets, net | 2,212 | 2,267 |
| Goodwill | 10,847 | 10,237 |
| Deferred income tax assets | 1,258 | 1,218 |
| Other long-term assets | 192 | 269 |
| Total assets | \$ 15,831 | \$ 15,495 |
| LIABILITIES AND STOCKHOLDERS' EQUITY (DEFICIT) | | |
| Current liabilities: | | |
| Accounts payable | \$ 83 | \$ 94 |
| Accrued compensation and benefits | 116 | 105 |
| Current portion of long-term debt | 240 | 291 |
| Contract liabilities | 1,822 | 1,846 |
| Other current liabilities | 427 | 515 |
| Total current liabilities | 2,688 | 2,851 |
| Long-term debt | 8,167 | 7,968 |
| Long-term contract liabilities | 84 | 77 |
| Deferred income tax liabilities | 220 | 222 |
| Long-term income taxes payable | 1,583 | 1,420 |
| Other long-term liabilities | 757 | 688 |
| Total liabilities | 13,499 | 13,226 |
| Commitments and contingencies (Note 18) | | |
| Stockholders' equity (deficit): | | |
| Common stock and additional paid-in capital, \$0.01 par value; 3,000 shares authorized; 606 and 617 shares issued and outstanding as of January 2, 2026 and March 28, 2025, respectively | 2,281 | 2,066 |
| Accumulated other comprehensive income (loss) | 19 | (33) |
| Retained earnings (accumulated deficit) | 32 | 236 |
| Total stockholders' equity (deficit) | 2,332 | 2,269 |
| Total liabilities and stockholders' equity (deficit) | \$ 15,831 | \$ 15,495 |

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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

| | Three Months Ended | | Nine Months Ended | |
|---------------------------------------|--------------------|-------------------|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 | January 2, 2026 | December 27, 2024 |
| Net revenues | \$ 1,240 | \$ 986 | \$ 3,717 | \$ 2,925 |
| Cost of revenues | 268 | 193 | 801 | 577 |
| Gross profit | 972 | 793 | 2,916 | 2,348 |
| Operating expenses: | | | | |
| Sales and marketing | 307 | 182 | 901 | 549 |
| Research and development | 96 | 84 | 305 | 248 |
| General and administrative | 70 | 108 | 204 | 224 |
| Amortization of intangible assets | 55 | 43 | 164 | 130 |
| Restructuring and other costs | 11 | 2 | 25 | 4 |
| Total operating expenses | 539 | 419 | 1,599 | 1,155 |
| Operating income (loss) | 433 | 374 | 1,317 | 1,193 |
| Interest expense | (137) | (141) | (439) | (443) |
| Other income (expense), net | 13 | (25) | (36) | (8) |
| Income (loss) before income taxes | 309 | 208 | 842 | 742 |
| Income tax expense (benefit) | 117 | 49 | 381 | 241 |
| Net income (loss) | \$ 192 | \$ 159 | \$ 461 | \$ 501 |
| Net income (loss) per share - basic | \$ 0.31 | \$ 0.26 | \$ 0.75 | \$ 0.81 |
| Net income (loss) per share - diluted | \$ 0.31 | \$ 0.26 | \$ 0.74 | \$ 0.80 |
| Weighted-average shares outstanding: | | | | |
| Basic | 611 | 616 | 615 | 618 |
| Diluted | 618 | 623 | 622 | 624 |

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

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

(Unaudited, in millions)

| | Three Months Ended | | Nine Months Ended | |
|--|--------------------|-------------------|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 | January 2, 2026 | December 27, 2024 |
| Net income (loss) | \$ 192 | \$ 159 | \$ 461 | \$ 501 |
| Other comprehensive income (loss), net of taxes: | | | | |
| Foreign currency translation gain (loss) | 16 | (69) | 55 | (47) |
| Net unrealized gain (loss) on interest rate derivative instruments | (1) | 9 | (3) | (10) |
| Other comprehensive income (loss), net of taxes | 15 | (60) | 52 | (57) |
| Comprehensive income (loss) | <u>\$ 207</u> | <u>\$ 99</u> | <u>\$ 513</u> | <u>\$ 444</u> |

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

GEN DIGITAL INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited, in millions, except share amounts)

| Three months ended January 2, 2026 | 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 October 3, 2025 | 617 | \$ 2,236 | \$ 4 | \$ 217 | \$ 2,457 |
| Net income (loss) | — | — | — | 192 | 192 |
| Other comprehensive income (loss), net of taxes | — | — | 15 | — | 15 |
| Shares withheld for taxes related to vesting of stock units | — | (4) | — | — | (4) |
| Repurchases of common stock ⁽¹⁾ | (11) | (3) | — | (300) | (303) |
| Cash dividends declared (\$0.125 per share of common stock) and dividend equivalents accrued | — | (2) | — | (77) | (79) |
| Stock-based compensation | — | 54 | — | — | 54 |
| Balance as of January 2, 2026 | <u>606</u> | <u>\$ 2,281</u> | <u>\$ 19</u> | <u>\$ 32</u> | <u>\$ 2,332</u> |

| Nine months ended January 2, 2026 | 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 March 28, 2025 | 617 | \$ 2,066 | \$ (33) | \$ 236 | \$ 2,269 |
| Net income (loss) | — | — | — | 461 | 461 |
| Other comprehensive income (loss), net of taxes | — | — | 52 | — | 52 |
| Common stock issued under employee stock incentive plans | 7 | 7 | — | — | 7 |
| Shares withheld for taxes related to vesting of stock units | (2) | (52) | — | — | (52) |
| Repurchases of common stock ⁽¹⁾ | (16) | (3) | — | (434) | (437) |
| Cash dividends declared (\$0.375 per share of common stock) and dividend equivalents accrued | — | (7) | — | (231) | (238) |
| Stock-based compensation | — | 176 | — | — | 176 |
| Fair value of replacement awards issued in connection with business acquisitions | — | 21 | — | — | 21 |
| Fair value of CVR issued in connection with business acquisitions | — | 73 | — | — | 73 |
| Balance as of January 2, 2026 | <u>606</u> | <u>\$ 2,281</u> | <u>\$ 19</u> | <u>\$ 32</u> | <u>\$ 2,332</u> |

(1) Amount includes excise tax on share repurchases.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

GEN DIGITAL INC.
CONDENSED CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY (DEFICIT)
(Unaudited, in millions, except share amounts)

| Three months ended December 27, 2024 | 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 September 27, 2024 | 616 | \$ 1,995 | \$ 14 | \$ 89 | \$ 2,098 |
| Net income (loss) | — | — | — | 159 | 159 |
| Other comprehensive income (loss), net of taxes | — | — | (60) | — | (60) |
| Cash dividends declared (\$0.125 per share of common stock) and dividend equivalents accrued | — | (2) | — | (77) | (79) |
| Stock-based compensation | — | 33 | — | — | 33 |
| Balance as of December 27, 2024 | <u>616</u> | <u>\$ 2,026</u> | <u>\$ (46)</u> | <u>\$ 171</u> | <u>\$ 2,151</u> |

| Nine months ended December 27, 2024 | 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 March 29, 2024 | 623 | \$ 2,227 | \$ 11 | \$ (98) | \$ 2,140 |
| Net income (loss) | — | — | — | 501 | 501 |
| Other comprehensive income (loss), net of taxes | — | — | (57) | — | (57) |
| Common stock issued under employee stock incentive plans | 5 | 6 | — | — | 6 |
| Shares withheld for taxes related to vesting of restricted stock units | (1) | (25) | — | — | (25) |
| Repurchases of common stock ⁽¹⁾ | (11) | (274) | — | — | (274) |
| Cash dividends declared (\$0.375 per share of common stock) and dividend equivalents accrued | — | (5) | — | (232) | (237) |
| Stock-based compensation | — | 97 | — | — | 97 |
| Balance as of December 27, 2024 | <u>616</u> | <u>\$ 2,026</u> | <u>\$ (46)</u> | <u>\$ 171</u> | <u>\$ 2,151</u> |

(1) Amount includes excise tax on share repurchases.

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements

GEN DIGITAL INC.
CONDENSED CONSOLIDATED STATEMENTS OF CASH FLOWS
(Unaudited, in millions)

| | Nine Months Ended | |
|--|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 |
| OPERATING ACTIVITIES: | | |
| Net income (loss) | \$ 461 | \$ 501 |
| Adjustments: | | |
| Amortization and depreciation | 374 | 315 |
| Impairments and write-offs of current and long-lived assets | — | 2 |
| Stock-based compensation expense | 175 | 97 |
| Loss on sale of Instacash Advances | 146 | — |
| Deferred income taxes | — | (50) |
| Gain on sale of nonfinancial assets | (15) | — |
| Non-cash operating lease expense | 13 | 11 |
| Change in fair value and impairment of non-marketable equity investments | 79 | 30 |
| Legal contract dispute cost | — | 42 |
| Foreign currency remeasurement loss (gain) | 86 | (14) |
| Other | 35 | 10 |
| Changes in operating assets and liabilities, net of acquisitions: | | |
| Accounts receivable, net | (66) | (34) |
| Accounts payable | (52) | 35 |
| Accrued compensation and benefits | 11 | 16 |
| Contract liabilities | (1) | (27) |
| Income taxes payable | (113) | (136) |
| Instacash Advances held for sale, net | (148) | — |
| Other assets | 72 | 75 |
| Other liabilities | 9 | (125) |
| Net cash provided by (used in) operating activities | 1,066 | 748 |
| INVESTING ACTIVITIES: | | |
| Purchases of property and equipment | (19) | (12) |
| Purchase of non-marketable equity investments | — | (4) |
| Payments for acquisitions, net of cash acquired | (876) | — |
| Proceeds from sale of non-marketable equity investments | 13 | — |
| Proceeds from the sale of property | 21 | — |
| Proceeds from sale of nonfinancial assets | 40 | — |
| Other | (1) | (1) |
| Net cash provided by (used in) investing activities | (822) | (17) |
| FINANCING ACTIVITIES: | | |
| Repayments of debt | (660) | (147) |
| Proceeds from issuance of debt, net of issuance costs of \$9 million | 741 | — |
| Net proceeds from sales of common stock under employee stock incentive plans | 7 | 6 |
| Tax payments related to vesting of stock units | (52) | (25) |
| Dividends and dividend equivalents paid | (236) | (236) |
| Repurchases of common stock | (434) | (272) |
| Net cash provided by (used in) financing activities | (634) | (674) |
| Effect of exchange rate fluctuations on cash, cash equivalents and restricted cash | 3 | (20) |
| Change in cash, cash equivalents and restricted cash | (387) | 37 |
| Beginning cash, cash equivalents and restricted cash | 1,006 | 846 |
| Ending cash, cash equivalents and restricted cash | \$ 619 | \$ 883 |

The accompanying notes are an integral part of these Condensed Consolidated Financial Statements.

GEN DIGITAL INC.
NOTES TO CONDENSED CONSOLIDATED FINANCIAL STATEMENTS
(Unaudited)

Note 1. Description of Business and Significant Accounting Policies

Business

Gen Digital Inc. is a global company powering Digital Freedom through its family of consumer brands including Norton, Avast, LifeLock, MoneyLion, and more. Our portfolio spans Cyber Safety Platform and Trust-Based Solutions, delivering services that enable people to grow, manage, and protect their digital and financial lives. From cybersecurity and online privacy to identity protection and financial empowerment, our products and services are designed to meet the real-world needs of today's digital generation.

Basis of presentation

The accompanying unaudited Condensed Consolidated Financial Statements have been prepared in accordance with generally accepted accounting principles in the United States (U.S. GAAP) for interim financial information. In the opinion of management, the unaudited Condensed Consolidated Financial Statements contain all adjustments, consisting only of normal recurring items, except as otherwise noted, necessary for the fair presentation of our financial position, results of operations and cash flows for the interim periods. These unaudited Condensed Consolidated Financial Statements should be read in conjunction with the audited Consolidated Financial Statements included in our Annual Report on Form 10-K for the fiscal year ended March 28, 2025. The results of operations for the three and nine months ended January 2, 2026 are not necessarily indicative of the results expected for the entire fiscal year.

Fiscal calendar

We have a 52/53-week fiscal year ending on the Friday closest to March 31. Unless otherwise stated, references to three and nine month periods in this report relate to fiscal periods ended January 2, 2026 and December 27, 2024. The three months ended January 2, 2026 and December 27, 2024 each consisted of 13 weeks. The nine months ended January 2, 2026 consisted of 40 weeks, whereas the nine months ended December 27, 2024 consisted of 39 weeks. Our 2026 fiscal year consists of 53 weeks and ends on April 3, 2026.

Use of estimates

The preparation of Condensed 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 Condensed 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, provision for credit losses, valuation of our contingent value rights (CVRs), 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 Condensed Consolidated Financial Statements.

Significant accounting policies

Significant accounting policies assumed and adopted as a result of our acquisition of MoneyLion.

Revenue Recognition

We adopted additional revenue recognition policies for Trust-Based Solutions that differ from our prior subscription-based software revenue model. Refer to our revenue recognition policy in our Annual Report on Form 10-K for the fiscal year ended March 28, 2025. Specifically, MoneyLion recognizes revenue from stand-ready referral arrangements based on variable transaction prices within the period in which services are provided, to the extent it is probable that a significant reversal of cumulative revenue recognized will not occur when the uncertainty associated with the variable consideration is resolved. Refer to Note 3 for discussion on revenue recognition related to our Instacash Advances.

Net Interest Income on Notes Receivables

Net interest income on notes receivables is generated by interest earned on our Credit Builder Loan product, which are classified as notes receivables within accounts receivable, net on the Condensed Consolidated Balance Sheet.

Interest income and the related accrued interest receivables on notes receivables are accrued based upon the daily principal amount outstanding except for loans that are on nonaccrual status. We recognize interest income using the effective interest method. Our policy is to suspend recognition of interest income on notes receivables and place the loan on nonaccrual status when the account is 60 days or more past due on a contractual basis or when, in our estimation, the collectability of the account is uncertain and has not yet been charged-off.

Allowance for Losses

We maintain an allowance for credit losses on trade receivables, notes receivables and related accrued interest, and retained Instacash Advances to cover current expected credit losses as of the balance sheet date. The allowance is recorded through a provision for credit losses, and subsequent charge-offs, net of recoveries, are applied directly against this allowance. The allowance is based on management's assessment of several factors, with primary consideration given to recent trends in delinquencies and charge-offs, given the short-term nature of our receivables.

Our policy is to charge-off notes receivables, related accrued interest, and certain trade receivables, net of expected recoveries, in the month an account becomes 90 days contractually past due. If an account is deemed to be uncollectible prior to this date, we will charge-off the receivable in the month it is determined to be uncollectible. We determine the past due status using the contractual payment terms (credit quality indicator).

Sale of Instacash Advances

Sales of Instacash Advances (the amount advanced to the customer) are accounted for as a sale when we determine that the Instacash Advances meet all the necessary criteria, including legal isolation for transferred assets, lack of constraint on the transferee to pledge or exchange the transferred assets for their benefit and the transfer of control. As a result, we no longer record these Instacash Advances in our Condensed Consolidated Financial Statements. We have also concluded that our continuing involvement in the sales arrangement does not affect this determination. We retain the servicing rights for the Instacash Advances sold and receive a market-based service fee for servicing the assets sold.

Instacash Advances held for sale are recorded at the lower of cost or fair value. If fair value is lower than cost, the difference between cost and fair value is recorded as a component of loss on sale within our sales and marketing expense in the Condensed Consolidated Statement of Operations. If we no longer have the intent to sell Instacash Advances held for sale, they are reclassified to Accounts Receivables, net.

Contingent Value Rights

We account for warrants as either equity-classified or liability-classified instruments based on an assessment of the warrant's specific terms and applicable authoritative guidance in ASC 480, *Distinguishing Liabilities from Equity* and ASC 815, *Derivatives and Hedging*. The assessment considers whether the warrants are freestanding financial instruments pursuant to ASC 480, meet the definition of liability pursuant to ASC 480, and whether the warrants meet all the requirements for equity classification under ASC 815, including whether the warrants are indexed to our own common stock, among other conditions for equity classification. The currently outstanding CVRs issued as part of the MoneyLion acquisition consideration are classified as equity under these conditions.

Government Regulation

We are subject to various state and federal laws and regulations in each of the states in which we operate, which are subject to change and may impose significant costs or limitations on the way we conduct or expand our business. Our consumer loans are originated under individual state laws, which may carry different rate and rate limits, and have varying terms and conditions depending upon the state in which they are offered. We are also subject to state licensing requirements of each individual U.S. state in which we operate, including with respect to certain consumer lending, life insurance and mortgage products and services that we offer directly or to which we connect consumers through third parties. Other governmental regulations include, but are not limited to, imposed limits on certain charges, insurance products and required licensing and qualifications.

Restricted Cash

Restricted cash consists of cash required to be held in reserve by our vendors to support loan and Instacash Advance processing and funding activities. All cash accounts are held in federally insured institutions, which may at times exceed federally insured limits.

With the exception of those discussed in Note 2 and new significant accounting policies as a result of our acquisition of MoneyLion, there have been no material changes to our significant accounting policies as of and for the three and nine months ended January 2, 2026, as compared to the significant accounting policies described in our Annual Report on Form 10-K for the fiscal year ended March 28, 2025.

Note 2. Recent Accounting Standards

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 will adopt the standard in our Annual Report on Form 10-K for the fiscal year ended April 3, 2026. The adoption of the standard will modify our disclosures but will not have an impact on our consolidated financial position, results of operations or statement of cash flows.

ASU 2024-03, 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.

ASU 2025-06, Intangibles - Goodwill and Other - Internal-Use Software (Subtopic 350-40): Targeted Improvements to the Accounting for Internal-Use Software. In September 2025, the FASB issued new guidance to improve the operability of the guidance by removing all references to software development project stages so that the guidance is neutral to different software development methods, including methods that entities may use to develop software in the future. This is effective for annual reporting periods beginning after December 15, 2027, and interim reporting periods within those annual reporting periods. We are currently evaluating the impact of the adoption of this guidance on our Condensed Consolidated Financial Statements and disclosures.

Note 3. Sale of Instacash Advances

Instacash Advance Product Overview

Instacash Advances are our non-recourse earned wage access (EWA) product that provides customers with early access to their anticipated income deposits. Customers who link a bank account can access Instacash Advances at any time during a regular deposit period, up to an approved limit. This product gives customers financial flexibility to address short-term cash needs.

Instacash Advance eligibility is based on verification of the customer's identity, the linked bank account and identification of recurring income deposits. Repayments are made via pre-authorized bank debits, which customers may cancel without penalty, modify, defer, or reschedule within allowable limits. Customers must be current on Instacash Advance repayments in order to access new ones. Instacash Advances do not bear interest or mandatory fees. There are no fees for standard fund delivery, although expedited delivery is available for an optional fee (Turbo Fee). Customers may also leave an optional tip (Tip) for use of the service.

Accounting for Instacash Advances

Instacash Advances are not loans. The customer has no contractual obligation to repay an Instacash Advance although the customer must be current on Instacash Advance repayments to request another Instacash Advance. At the point of Instacash Advance origination, the customer requests an available Instacash Advance amount, decides whether to incur an optional Turbo Fee and leave a Tip, confirms the scheduled repayment date and authorizes automatic debit repayment. In the absence of directly applicable authoritative guidance, although Instacash Advances do not meet the U.S. GAAP definition of financial assets, we believe that financial asset accounting is the most relevant for financial reporting purposes, as there is a history of customers repaying the amount advanced.

We originate Instacash Advances with an intent to immediately sell, and sales of Instacash Advances are accounted for as sales under ASC 860, *Transfers and Servicing (ASC 860)*, when all required conditions are met, including legal isolation of the transferred assets, no constraints on the transferee's ability to pledge or exchange the assets, and no effective control over the assets.

Instacash Advances are sold pursuant to a Master Receivables Purchase Agreement (the Purchase Agreement) with Sound Point Capital Management LP (Sound Point). The Purchase Agreement allows the purchasers to acquire, on a committed basis and subject to certain conditions and concentration limits, a majority of our eligible Instacash Advances, up to an aggregate facility limit of \$225 million at any given time. The Purchase Agreement has an initial two-year term beginning on June 30, 2024, with a one-year extension option upon mutual agreement. During the three and nine months ended January 2, 2026, we sold \$1,084 million and \$2,912 million, respectively, of Instacash Advances under the Purchase Agreement and had \$24 million of unused capacity as of January 2, 2026. Optional Turbo Fees and Tips associated with Instacash Advances are excluded from the sale and are not transferred under the Purchase Agreement.

Each Instacash Advance portfolio is initially priced at a fixed discount based on historical portfolio performance and loss rates. Future purchase prices are subject to adjustment based on the updated portfolio performance and changes to the applicable discount rate.

Consistent with ASC 860, Instacash Advances sold under the Purchase Agreement are removed from our balance sheet. We retain the associated servicing rights and earn a market-based servicing fee. Turbo Fees and Tips associated with Instacash Advances are not transferred under the Purchase Agreement. Turbo Fees and Tips are recognized after performance is completed and cash is collected.

Instacash Advances that have been originated and are pending sale under the Purchase Agreement are classified as held for sale and are measured at the lower of cost or fair value. During the three and nine months ended January 2, 2026, we recognized \$55 million and \$146 million, respectively, in loss on the mark-to-market and sale of Instacash Advances, which is recorded in sales and marketing in our Condensed Consolidated Statement of Operations. If an Instacash Advance does not qualify for sale pursuant to the Purchase Agreement or if the intent to sell ceases, the Instacash Advance is reclassified to Accounts receivable, net, and carried at net realizable value.

In connection with the Purchase Agreement, MoneyLion Technologies Inc. (the Servicer), a wholly owned subsidiary of ours, entered into a Servicing Agreement with Sound Point and the purchasers party thereto. Under this agreement, we are responsible for servicing the sold receivables, including collections, remittances, and reporting. We earn a fixed percentage of net collections as a servicing fee, which is recognized as income when collections are received. As of January 2, 2026, we were responsible for servicing \$275 million of Instacash Advances sold under the Purchase Agreement. For the three and nine months

ended January 2, 2026, we recognized \$16 million and \$42 million, respectively, in servicing income, recorded in Net revenues in our Condensed Consolidated Statement of Operations. As of January 2, 2026, we have \$23 million payable to Sound Point relating to the servicing activity, which will be settled using restricted cash and receivables from payment processors recorded in Other current assets.

Refer to Note 7 for a breakdown of our Instacash Advances balance, which are included in accounts receivable, net in our Condensed Consolidated Balance Sheets.

Note 4. Business Combinations

Acquisition of MoneyLion

On December 10, 2024, we entered into a definitive agreement to acquire MoneyLion. 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.

Under the terms of the definitive agreement, each share of Class A common stock, par value \$0.0001 per share, of MoneyLion, that was issued and outstanding as of immediately prior to the effective time of the acquisition was automatically cancelled, extinguished, and converted into the right to receive cash in an amount equal to \$82.00, without interest thereon. Additionally, 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, of 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 MoneyLion's closing stock price per share was forfeited and canceled for no consideration. We paid cash consideration of approximately \$935 million for 100% of MoneyLion's issued and outstanding common stock and in-the-money outstanding stock options.

In addition, for each share owned, MoneyLion shareholders received at closing one 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 April 17, 2027. As of the close of the acquisition, we issued 12 million CVRs representing a fair value of approximately \$73 million. Refer to Note 14 for further discussion on the CVRs.

Additionally, all outstanding and unvested restricted stock units (RSUs) and performance share units (PSUs) were assumed and converted into 4 million 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 total fair value of these converted restricted stock awards was approximately \$92 million, which \$21 million was for pre-combination services and therefore, represents purchase consideration and \$71 million will be recognized as stock-compensation expense over the requisite service period.

Consideration transferred

The total preliminary consideration for the acquisition of MoneyLion was approximately \$970 million, net of cash acquired, and consisted of the following:

| (In millions) | April 17, 2025 |
|--|----------------|
| Cash consideration for outstanding MoneyLion common shares | \$ 935 |
| Fair value of assumed and converted equity awards | 21 |
| Fair value of CVRs | 73 |
| Total consideration | 1,029 |
| Less cash acquired | 59 |
| Net consideration transferred | \$ 970 |

Fair value of assets acquired and liabilities assumed

We accounted for the acquisition of MoneyLion as a business combination. The identifiable assets acquired, and liabilities assumed of MoneyLion were recorded at their estimated fair values as of the acquisition date. 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. Third-party valuation specialists were also utilized for certain estimates.

Our preliminary allocation of the aggregate purchase price, based on the estimated fair values of the assets acquired and liabilities assumed, as of the acquisition date, inclusive of measurement period adjustments, is as follows:

| (In millions) | April 17, 2025 |
|------------------------------------|----------------|
| Assets: | |
| Accounts receivable ⁽¹⁾ | \$ 140 |
| Other current assets | 51 |
| Assets held for sale | 14 |
| Property and equipment | 2 |
| Operating lease assets | 14 |
| Intangible assets | 347 |
| Goodwill | 567 |
| Other long-term assets | 51 |
| Total assets acquired | 1,186 |
| Liabilities: | |
| Accounts payable | 41 |
| Current liabilities | 108 |
| Contract liabilities | 1 |
| Operating lease liabilities | 14 |
| Other long-term obligations | 52 |
| Total liabilities assumed | 216 |
| Total purchase price | \$ 970 |

(1) Gross accounts receivable at acquisition date and the amount of receivables expected to be collected are materially the same.

The allocation of the purchase price is based upon a preliminary valuation, as additional information becomes available, our estimates and assumptions may be subject to refinement within the measurement period, which may be up to one year from the acquisition date. Adjustments to the purchase price may require adjustments to goodwill prospectively. The primary areas of preliminary purchase price allocation that are not yet finalized include certain tax and litigation matters. During the third quarter of fiscal 2026, we recorded measurement period adjustments resulting in an increase to goodwill of \$8 million, net of tax, primarily related to pre-acquisition litigation of MoneyLion, which resulted in an increase of \$2 million to other long-term assets and an increase of \$10 million to other long-term obligations.

The preliminary goodwill of \$567 million represents the excess of the consideration transferred over the fair values of the assets acquired and liabilities assumed. It is attributable to the expected synergies of the acquisition, including future cost savings from planned integration of infrastructure, facilities, personnel and systems, and other benefits that are anticipated to be generated by combining both companies. Goodwill is allocated to our Trust-Based Solutions Segment. The goodwill recognized is not expected to be deductible for U.S. tax purposes. See Note 6 for further information on goodwill.

Preliminary identified intangible assets and their respective useful lives, as of April 17, 2025, are as follows:

| (In millions, except for useful lives) | Fair Value | Weighted-Average Estimated Useful Life (Years) |
|---|---------------|--|
| Customer and partner relationships ⁽¹⁾ | \$ 102 | 3 |
| Developed technology ⁽²⁾ | 161 | 5 |
| Finite-lived trade names and other ⁽³⁾ | 84 | 8 |
| Total identified intangible assets | <u>\$ 347</u> | |

- (1) Customer and partner relationships include marketplace partner relationships, banking partner relationships, and customer relationships of \$42 million, \$4 million, and \$56 million, respectively. Marketplace partner relationships were valued using the multi-period excess earnings method (MPEEM), which is a form of the income approach, which considers significant assumptions like discount rate, long-term growth rate, and attrition factor. Banking partner relationships and customer relationships were valued using the replacement cost approach. The replacement cost approach is a valuation method that relies on estimating the replacement costs of assets based on the cost that a market participant would incur to generate the acquired portfolio of relationships.
- (2) Developed technology was valued using the Relief-from-Royalty method, which is a form of the income approach, which considers significant assumptions like long-term growth rates, royalty rates, discount rates, and obsolescence rates.
- (3) Finite-lived trade names and other include content library and the MoneyLion trade name intangibles of \$14 million and \$70 million, respectively. Content library was valued using the replacement cost approach, which relies on estimating the replacement cost of the asset based on the cost of a market participant would incur to reconstruct a substitute asset of comparable utility. The MoneyLion trade name was valued using the Relief-from-Royalty method, which considers significant assumptions like long-term growth rates, royalty rates, discount rates, and probability of use.

Financing

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. We incurred \$9 million of debt issuance costs associated with the Incremental Term B Facility, which was capitalized and included in long-term debt in our Condensed Consolidated Balance Sheets. See Note 10 for further information about this debt instrument and the related debt covenants.

Impact on operating results

Our results of operations for the three and nine months ended January 2, 2026 includes \$218 million and \$588 million, respectively, of net revenues attributable to MoneyLion beginning April 17, 2025. It is impracticable to provide after-tax earnings attributable to MoneyLion subsequent to the acquisition due to the integration of our operations. We do not consider MoneyLion to be a separate operating unit or separate reporting segment, but rather an integrated brand, selling and marketing strategy within our Trust-Based Solutions segment.

We recognized immaterial transaction costs for the three and nine months ended January 2, 2026. These costs were primarily associated with legal and professional services, which were expensed as incurred and included in general and administrative expenses in our Condensed Consolidated Statement of Operations.

Unaudited pro forma information

The following unaudited pro forma financial information represents the combined historical results for the three and nine months ended January 2, 2026 and December 27, 2024, as if the acquisition had been completed on March 30, 2024, the first day of fiscal 2025. The results below include the alignment of fiscal reporting periods and the impact of nonrecurring proforma adjustments, including amortization of acquired intangible assets, interest on debt issued to finance the acquisition, stock-based compensation related to awards issued in conjunction with the acquisition, acquisition-related transaction costs, accounting policy alignment and the income tax effect of 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) | Three Months Ended | | Nine Months Ended | |
|-------------------|--------------------|-------------------|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 | January 2, 2026 | December 27, 2024 |
| Net revenues | \$ 1,240 | \$ 1,118 | \$ 3,749 | \$ 3,304 |
| Net income (loss) | \$ 205 | \$ 129 | \$ 488 | \$ 433 |

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 2025.

Note 5. Revenues

Disaggregation of revenues

The following table summarizes the components of our net revenues:

| (In millions) | Three Months Ended | | Nine Months Ended | |
|---|--------------------|-------------------|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 | January 2, 2026 | December 27, 2024 |
| Subscription and service revenue ⁽¹⁾ | \$ 1,236 | \$ 986 | \$ 3,705 | \$ 2,925 |
| Net interest income on notes receivable | 4 | — | 12 | — |
| Net revenues | \$ 1,240 | \$ 986 | \$ 3,717 | \$ 2,925 |

(1) Subscription and service revenue includes amounts related to our Instacash Advances of \$127 million and \$338 million, during the three and nine months ended January 2, 2026, respectively. Refer to Note 3 for additional information regarding our Instacash Advances.

Contract liabilities

During the three and nine months ended January 2, 2026, we recognized \$740 million and \$1,677 million from the contract liabilities balances at October 3, 2025 and March 28, 2025, respectively. During the three and nine months ended December 27, 2024, we recognized \$742 million and \$1,620 million from the contract liabilities balances as of September 27, 2024 and March 29, 2024, respectively.

Remaining performance obligations

Remaining performance obligations represent contracted revenue that has not been recognized, which include contract liabilities and, when applicable, amounts that will be billed and recognized as revenue in future periods. As of January 2, 2026, we had \$1,250 million of remaining performance obligations, excluding customer deposit liabilities of \$656 million, of which we expect to recognize approximately 94% as revenue over the next 12 months.

See Note 17 for tabular disclosures of disaggregated revenue by reportable segment and geographic region.

Note 6. Goodwill and Intangible Assets

Goodwill

Subsequent to the completion of our acquisition of MoneyLion on April 17, 2025, our portfolio now spans two reportable segments, Cyber Safety Platform and Trust-Based Solutions. See Note 17 for additional information on our reportable segments and Note 4 for additional information on our acquisition of MoneyLion.

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. As a result of the change in reportable segments, our reporting units also changed. We used the relative fair value method to allocate goodwill to the associated reporting units. In connection with the preparation of our Condensed Consolidated Financial Statements for the fiscal quarter ended July 4, 2025, we tested goodwill for impairment immediately before and after the change. As a result of these analyses, we determined that goodwill was not impaired before or after the change.

To determine the fair value of a reporting unit, we utilized a combination of the income and market approaches, applying equal weighting to both. The income approach is estimated through discounted cash flow analysis, which requires us to use significant estimates and assumptions, including long-term growth rates, discount rates, and other inputs. The market approach estimates the fair value of the reporting unit by utilizing the market comparable method, which is based on various market-based valuation multiples.

The changes in the carrying amount of goodwill allocated to our reportable segments are as follows:

| (In millions) | Cyber Safety Platform | Trust-Based Solutions | Total |
|-------------------------------|-----------------------|-----------------------|-----------|
| Balance as of March 28, 2025 | \$ 7,371 | \$ 2,866 | \$ 10,237 |
| Acquisitions | — | 567 | 567 |
| Translation adjustments | 31 | 12 | 43 |
| Balance as of January 2, 2026 | \$ 7,402 | \$ 3,445 | \$ 10,847 |

Intangible assets, net

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

| (In millions) | January 2, 2026 | | | March 28, 2025 | | |
|--------------------------------------|-----------------------|--------------------------|---------------------|-----------------------|--------------------------|---------------------|
| | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount | Gross Carrying Amount | Accumulated Amortization | Net Carrying Amount |
| Customer relationships | \$ 1,222 | \$ (572) | \$ 650 | \$ 1,159 | \$ (442) | \$ 717 |
| Developed technology | 1,451 | (766) | 685 | 1,332 | (595) | 737 |
| Other | 180 | (42) | 138 | 98 | (24) | 74 |
| Total finite-lived intangible assets | 2,853 | (1,380) | 1,473 | 2,589 | (1,061) | 1,528 |
| Indefinite-lived trade names | 739 | — | 739 | 739 | — | 739 |
| Total intangible assets | <u>\$ 3,592</u> | <u>\$ (1,380)</u> | <u>\$ 2,212</u> | <u>\$ 3,328</u> | <u>\$ (1,061)</u> | <u>\$ 2,267</u> |

Amortization expense for purchased intangible assets is summarized below:

| (In millions) | Three Months Ended | | Nine Months Ended | | Condensed Consolidated Statements of Operations Classification |
|----------------------------------|--------------------|-------------------|-------------------|-------------------|--|
| | January 2, 2026 | December 27, 2024 | January 2, 2026 | December 27, 2024 | |
| Customer relationships and other | \$ 55 | \$ 43 | \$ 164 | \$ 130 | Operating expenses |
| Developed technology | 67 | 56 | 198 | 171 | Cost of revenues |
| Total | <u>\$ 122</u> | <u>\$ 99</u> | <u>\$ 362</u> | <u>\$ 301</u> | |

As of January 2, 2026, future amortization expense related to intangible assets that have finite lives is as follows by fiscal year:

| (In millions) | |
|-------------------|-----------------|
| Remainder of 2026 | \$ 115 |
| 2027 | 460 |
| 2028 | 456 |
| 2029 | 281 |
| 2030 | 110 |
| Thereafter | 51 |
| Total | <u>\$ 1,473</u> |

Asset purchase agreement

In October 2025, we entered into a purchase agreement to sell certain developed technology and assets for \$40 million plus the assumption of liabilities related to our digital identity offering to a third-party, who previously licensed the use of the intellectual property from us. We completed the transaction in November 2025. Pursuant to the sale, we derecognized developed technology and other assets, net of associated liabilities, with an aggregate carrying value of approximately \$22 million. We accounted for the transaction as a sale of nonfinancial assets under ASC Topic 610-20, *Gains and Losses from the Derecognition of Nonfinancial assets*. We recognized a gain on sale of nonfinancial assets of approximately \$15 million during the three and nine months ended January 2, 2026, which is included as part of Other income (expense), net in our Condensed Consolidated Statement of Operations.

Note 7. Supplementary Information
Cash, cash equivalents and restricted cash:

| (In millions) | January 2, 2026 | March 28, 2025 |
|--|-----------------|-----------------|
| Cash | \$ 332 | \$ 462 |
| Cash equivalents | 284 | 544 |
| Restricted cash | 3 | — |
| Total cash, cash equivalents and restricted cash | <u>\$ 619</u> | <u>\$ 1,006</u> |

Accounts receivable, net:

| (In millions) | January 2, 2026 | March 28, 2025 |
|---------------------------------|-----------------|----------------|
| Trade receivable | \$ 237 | \$ 173 |
| Notes receivable | 132 | — |
| Instacash Advances | 1 | — |
| Allowance for doubtful accounts | (9) | (2) |
| Total accounts receivable, net | <u>\$ 361</u> | <u>\$ 171</u> |

Assets held for sale:

| (In millions) | January 2, 2026 | March 28, 2025 |
|----------------------------------|-----------------|----------------|
| Properties held for sale | \$ — | \$ 22 |
| Instacash Advances held for sale | 16 | — |
| Total assets held for sale | <u>\$ 16</u> | <u>\$ 22</u> |

Properties held for sale

In October 2025, we completed the sale of certain land and buildings in Dublin, Ireland, which were previously classified to assets held for sale during the fourth quarter of fiscal year 2023 for cash consideration of \$12 million, net of transaction costs, and recognized an immaterial gain on sale.

Instacash Advances held for sale

Instacash Advances held for sale as of January 2, 2026, represent Instacash Advances that we originated and are pending sale under the Purchase Agreement. Refer to Note 3 for additional information regarding the sale of our Instacash Advances.

Short-term contract liabilities:

| (In millions) | January 2, 2026 | March 28, 2025 |
|---------------------------------------|-----------------|-----------------|
| Deferred revenue | \$ 1,166 | \$ 1,189 |
| Customer deposit liabilities | 656 | 657 |
| Total short-term contract liabilities | <u>\$ 1,822</u> | <u>\$ 1,846</u> |

Supplemental cash flow information:

| (In millions) | Nine Months Ended | |
|--|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 |
| Income taxes paid (received), net of refunds | \$ 371 | \$ 394 |
| Interest expense paid | \$ 465 | \$ 445 |
| Cash paid for amounts included in the measurement of operating lease liabilities | \$ 15 | \$ 13 |
| Originations of certain Instacash Advances held for sale | \$ (2,912) | \$ — |
| Proceeds from the sale of certain Instacash Advances | \$ 2,764 | \$ — |

Non-cash operating activities:

| | | |
|--|--------|---------|
| Operating lease assets obtained in exchange for operating lease liabilities | \$ 18 | \$ 4 |
| Reduction (increase) of operating lease assets as a result of lease terminations and modifications | \$ (6) | \$ (13) |

Non-cash investing and financing activities:

| | | |
|--|------|------|
| Purchases of property and equipment in current liabilities | \$ — | \$ 1 |
|--|------|------|

Note 8. Financial Instruments and Fair Value Measurements

For financial instruments 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 on a recurring basis

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

| (In millions) | January 2, 2026 | | | March 28, 2025 | | |
|------------------------------------|-----------------|---------------|--------------|----------------|---------------|-------------|
| | Fair Value | Level 1 | Level 2 | Fair Value | Level 1 | Level 2 |
| Assets: | | | | | | |
| Money market funds | \$ 264 | \$ 264 | \$ — | \$ 544 | \$ 544 | \$ — |
| Time deposits | 20 | — | 20 | — | — | — |
| Interest rate swaps ⁽¹⁾ | — | — | — | 3 | — | 3 |
| Total assets | \$ 284 | \$ 264 | \$ 20 | \$ 547 | \$ 544 | \$ 3 |

(1) The fair value of the interest rate swaps are less than \$1 million as of January 2, 2026.

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 January 2, 2026 and March 28, 2025, the carrying value of our non-marketable equity investments was \$16 million and \$109 million, respectively, and is included in Other long-term assets in our Condensed Consolidated Balance Sheets.

During the three and nine months ended January 2, 2026, we sold an equity interest in a non-marketable equity investment. In connection with the sale, we received both cash proceeds and non-cash proceeds in the form of an equity investment. We recognized a gain of \$11 million, which is included in Other income (expense), net in our Condensed Consolidated Statement of Operations. We also recognized other immaterial losses on sale of our non-marketable equity investments during the three and nine months ended January 2, 2026, in Other income (expense), net in our Condensed Consolidated Statement of Operations.

We recognized impairments of \$10 million and \$90 million on our non-marketable equity investments during the three and nine months ended January 2, 2026, respectively, in Other income (expense), net in our Condensed Consolidated Statement of Operations. We recognized an impairment of \$30 million on our non-marketable equity investments during the three and nine months ended December 27, 2024, in Other income (expense), net in our Condensed Consolidated Statement of Operations.

Current and long-term debt

As of January 2, 2026 and March 28, 2025, the total fair value of our current and long-term fixed rate debt was \$2,514 million and \$2,475 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 5 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:

| (In millions) | Three Months Ended | | Nine Months Ended | |
|--------------------------|--------------------|-------------------|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 | January 2, 2026 | December 27, 2024 |
| Operating lease costs | \$ 5 | \$ 3 | \$ 14 | \$ 10 |
| Short-term lease costs | — | 1 | 1 | 2 |
| Variable lease costs | 1 | 1 | 3 | 3 |
| Total lease costs | \$ 6 | \$ 5 | \$ 18 | \$ 15 |

Other information related to our operating leases was as follows:

| | January 2, 2026 | March 28, 2025 |
|---------------------------------------|-----------------|----------------|
| Weighted-average remaining lease term | 4.3 years | 4.7 years |
| Weighted-average discount rate | 6.09 % | 5.71 % |

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

As of January 2, 2026, the maturities of our lease liabilities by fiscal year are as follows:

| (In millions) | | |
|------------------------------------|----|-----|
| Remainder of 2026 | \$ | 3 |
| 2027 | | 23 |
| 2028 | | 16 |
| 2029 | | 14 |
| 2030 | | 12 |
| Thereafter | | 8 |
| Total lease payments | | 76 |
| Less: Imputed interest | | (9) |
| Present value of lease liabilities | \$ | 67 |

Note 10. Debt

The following table summarizes components of our debt:

| (In millions, except percentages) | January 2, 2026 | March 28, 2025 | Effective Interest Rate |
|--|-----------------|----------------|-------------------------|
| Term A Facility due September 12, 2027 | \$ 2,949 | \$ 3,519 | SOFR + % |
| 6.75% Senior Notes due September 30, 2027 | 900 | 900 | 6.75 % |
| Term B Facility due September 12, 2029 | 2,349 | 2,386 | SOFR + % |
| 7.125% Senior Notes due September 30, 2030 | 600 | 600 | 7.13 % |
| Incremental Term B Facility due April 16, 2032 | 746 | — | SOFR + % |
| 6.25% Senior Notes due April 1, 2033 | 950 | 950 | 6.25 % |
| Total principal amount | 8,494 | 8,355 | |
| Less: unamortized discount and issuance costs | (87) | (96) | |
| Total debt | 8,407 | 8,259 | |
| Less: current portion | (240) | (291) | |
| Total long-term debt | \$ 8,167 | \$ 7,968 | |

As of January 2, 2026, the future contractual maturities of debt by fiscal year are as follows:

| (In millions) | | |
|---------------------------------|----|-------|
| Remainder of 2026 | \$ | 60 |
| 2027 | | 240 |
| 2028 | | 3,649 |
| 2029 | | 44 |
| 2030 | | 2,237 |
| Thereafter | | 2,264 |
| Total future maturities of debt | \$ | 8,494 |

Other debt

In December 2021, ROAR 2 SPV Finance LLC, a wholly owned indirect subsidiary of MoneyLion Inc. that was previously consolidated as a variable interest entity (VIE) (the ROAR 2 SPV Borrower), entered into a credit agreement (the ROAR 2 SPV Credit Facility) to finance a portion of MoneyLion's notes receivables. Under this arrangement, MoneyLion sold certain originated loans and receivables to the ROAR 2 SPV Borrower, which pledged these receivables and related cash flows, along with required cash collateral, to secure borrowings under the ROAR 2 SPV Credit Facility. The underlying loans and receivables were originated and serviced by other wholly owned subsidiaries. The ROAR 2 SPV Borrower was evaluated for consolidation and previously was determined to be a VIE requiring consolidation. In December 2025, the ROAR 2 SPV Credit Facility was repaid and expired in accordance with its terms and there is no longer a variable interest. We continue to consolidate ROAR 2 SPV Finance LLC as a wholly-owned subsidiary under the voting equity interest model.

Debt covenant compliance

The Amended Credit Agreement, which includes our Term Loans and Revolving Facility, 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 a change of control event.

As of January 2, 2026, we were in compliance with all financial debt covenants.

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 rates 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.

As of January 2, 2026 and March 28, 2025, the notional amounts of foreign exchange contracts not designated as hedging instruments were \$279 million and \$230 million, respectively.

Interest 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 Condensed Consolidated Statements of Operations. Cash flows related to these hedges are classified under operating activities in our Condensed Consolidated Statements of Cash Flows.

As of January 2, 2026 and March 28, 2025, the notional amount of interest rate swap contracts designated as cash flow hedges were \$1,000 million. As of January 2, 2026, we estimate that an immaterial amount of net deferred losses related to our interest rate hedges will be recognized in earnings over the next 12 months.

Summary

The activity related to our foreign currency exchange forward contracts and interest rate swaps was immaterial as of January 2, 2026 and March 28, 2025, and for the three and nine months ended January 2, 2026 and December 27, 2024.

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.

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 included the reduction of our workforce, contract terminations, facilities closures, the sale of underutilized facilities, and stock-based compensation charges for accelerated equity awards to certain terminated employees. As of January 2, 2026, we have incurred cumulative costs of \$138 million related to the September 2022 Plan. The majority of actions under the plan were completed by March 28, 2025, and thus the remaining activity and accrual balance are immaterial and we anticipate incurring only immaterial additional expenses during fiscal year 2026 as the plan winds down.

April 2025 Plan

In connection with our acquisition of MoneyLion, our Board of Directors approved a restructuring plan (the April 2025 Plan). Actions under this plan include the reduction of our workforce, contract terminations, facilities consolidation, asset write-offs and other restructuring costs. The total estimated cost of the plan is approximately \$30 million, of which \$19 million has been incurred to date under the April 2025 Plan. As of January 2, 2026, we had a restructuring liability of \$8 million related to the April 2025 Plan.

Note 13. Income Taxes

The following table summarizes our effective tax rate for the periods presented:

| (In millions, except percentages) | Three Months Ended | | Nine Months Ended | |
|-----------------------------------|--------------------|-------------------|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 | January 2, 2026 | December 27, 2024 |
| Income (loss) before income taxes | \$ 309 | \$ 208 | \$ 842 | \$ 742 |
| Income tax expense (benefit) | \$ 117 | \$ 49 | \$ 381 | \$ 241 |
| Effective tax rate | 38 % | 24 % | 45 % | 32 % |

Our effective tax rate for the three and nine months ended January 2, 2026 and three and nine months ended December 27, 2024, differs from the federal statutory income tax rate primarily due to state taxes, changes in unrecognized tax benefits and related interest and penalties, foreign exchange impacts, increases in valuation allowances, and the U.S. taxation on foreign earnings.

On July 4, 2025, the One Big Beautiful Bill Act (the Act) was enacted into law in the United States. The Act includes various provisions that are applicable to us beginning in fiscal year 2026. These provisions include an allowance to accelerate tax deductions of certain capital expenditures, research & experimentation expenditures, and an increase to the annual limitation of tax-deductible interest expenses. The impacts of the Act are included in our operating results for the three and nine months ended January 2, 2026. The Act has not had, and is not expected to have, a material impact on our effective tax rate.

Note 14. Stockholders' Equity

Dividends

On February 5, 2026, we announced that our Board of Directors declared a cash dividend of \$0.125 per share of common stock to be paid in March 2026. All shares of common stock issued and outstanding and all RSUs and performance-based restricted stock units (PRUs) as of the record date will be entitled to the dividend and dividend equivalent rights, 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 and the 4 million assumed RSUs under the MoneyLion Plan will not be entitled to dividend equivalent rights (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.

Contingent value rights

In connection with the acquisition of MoneyLion, we issued 12 million equity-classified CVRs to MoneyLion shareholders and optionholders. The CVRs entitle holders to receive a contingent payment of \$23.00 per CVR, payable in shares of Gen's common stock, if our average volume-weighted average share price equals or exceeds \$37.50 over any 30 consecutive trading days from December 10, 2024 until April 17, 2027. The CVRs were recorded as a component of additional paid-in capital at a fair value of approximately \$73 million as of the acquisition date, based on a Monte-Carlo simulation valuation model. As of January 2, 2026, there were 12 million CVRs outstanding. Refer to Note 4 for additional information regarding the CVRs and our acquisition of MoneyLion.

Stock repurchase program

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 January 2, 2026, we had \$2,294 million remaining under the authorization to be completed in future periods.

The following table summarizes activity related to our stock repurchase program during three and nine months ended January 2, 2026 and December 27, 2024:

| (In millions, except per share amounts) | Three Months Ended | | Nine Months Ended | |
|---|--------------------|-------------------|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 | January 2, 2026 | December 27, 2024 |
| Number of shares repurchased | 11 | — | 16 | 11 |
| Average price per share | \$ 26.57 | \$ — | \$ 26.94 | \$ 24.65 |
| Aggregate purchase price | \$ 300 | \$ — | \$ 434 | \$ 272 |

Accumulated other comprehensive income (loss)

Accumulated other comprehensive income (loss), net of taxes, consisted of foreign currency translation adjustments and unrealized gain (loss) on derivative instruments:

| (In millions) | Foreign Currency Translation Adjustments | Unrealized Gain (Loss) On Derivative Instruments | Total |
|---|--|--|---------|
| Balance as of March 28, 2025 | \$ (36) | \$ 3 | \$ (33) |
| Other comprehensive income (loss), net of taxes | 55 | (3) | 52 |
| Balance as of January 2, 2026 | \$ 19 | \$ — | \$ 19 |

Note 15. Stock-Based Compensation

MoneyLion equity awards

In connection with our acquisition of MoneyLion, all the outstanding RSUs and certain PSUs of the MoneyLion Inc. Amended and Restated Omnibus Incentive Plan (the MoneyLion Plan) were assumed and converted into 4 million unvested RSUs. The assumed and converted awards generally retain the terms and conditions under which they were originally granted. Upon vesting, the assumed and converted RSUs and any additional shares granted will settle into shares of our common stock.

The following table sets forth the stock-based compensation expense recognized for our equity incentive plans:

| (In millions) | Three Months Ended | | Nine Months Ended | |
|---|--------------------|-------------------|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 | January 2, 2026 | December 27, 2024 |
| Cost of revenues | \$ (4) | \$ 1 | \$ (1) | \$ 3 |
| Sales and marketing | 21 | 9 | 64 | 27 |
| Research and development | 12 | 9 | 39 | 27 |
| General and administrative | 23 | 14 | 71 | 40 |
| Restructuring and other costs | 1 | — | 2 | — |
| Total stock-based compensation expense | \$ 53 | \$ 33 | \$ 175 | \$ 97 |
| Income tax benefit for stock-based compensation expense | \$ (9) | \$ (4) | \$ (26) | \$ (12) |

As of January 2, 2026, the total unrecognized stock-based compensation expense related to our unvested stock-based awards was \$412 million, which will be recognized over an estimated weighted-average amortization period of 2.56 years.

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 employee equity awards. The 12 million CVRs are excluded from the diluted net income per share calculation as the contingent conditions for issuance of common shares have not yet been met within the period.

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

| (In millions, except per share amounts) | Three Months Ended | | Nine Months Ended | |
|--|--------------------|-------------------|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 | January 2, 2026 | December 27, 2024 |
| Net income (loss) | \$ 192 | \$ 159 | \$ 461 | \$ 501 |
| Net income (loss) per share - basic | \$ 0.31 | \$ 0.26 | \$ 0.75 | \$ 0.81 |
| Net income (loss) per share - diluted | \$ 0.31 | \$ 0.26 | \$ 0.74 | \$ 0.80 |
| Weighted-average shares outstanding - basic | 611 | 616 | 615 | 618 |
| Dilutive potentially issuable shares: | | | | |
| Employee equity awards | 7 | 7 | 7 | 6 |
| Weighted-average shares outstanding - diluted | 618 | 623 | 622 | 624 |
| Anti-dilutive shares excluded from diluted net income per share calculation: | | | | |
| Employee equity awards | 6 | — | 6 | — |

Note 17. Segment and Geographic Information

Our Chief Operating Decision Maker (CODM) is our Chief Executive Officer, who manages and reviews financial information presented on an operating segment basis for the purpose of making decisions and assessing financial performance. The CODM assesses operating performance of each segment based on regularly provided segment revenue, segment operating income (loss) and margin, by comparing actual margin results to historical results and previously forecasted financial information. Operating results by segment include costs or expenses directly attributable to each segment, and costs or expenses that are leveraged across our portfolio and therefore allocated between our two segments. Our CODM reviews expenses on a consolidated basis and the expenses associated with our corporate investments.

Prior to fiscal year 2026, we operated as one reportable segment, with consolidated net income (loss) serving as the primary measure of segment profit or loss. Subsequent to the completion of our acquisition of MoneyLion on April 17, 2025, our portfolio now spans two reportable segments, Cyber Safety Platform and Trust-Based Solutions, with the primary measure of segment profit or loss being updated to segment operating income (loss).

Cyber Safety Platform includes our security, comprehensive suites, and privacy products, which deliver technology solutions and superior threat protection to help people navigate the digital world, securely, privately and with confidence. Trust-Based Solutions includes our identity, reputation, and financial wellness products, which provide innovative solutions and insights that empower consumers to manage their identity, reputation and finances confidently.

The “Corporate” category includes expenses that are not allocated to either Cyber Safety Platform or Trust-Based Solutions for purposes of making operating decisions or assessing segment-level financial performance. The expenses include restructuring and other costs, acquisition and integration costs, litigation settlement charges, and amortization of intangible assets. Our operating segments are not evaluated using asset information. Our CODM delegates the review of the segment performance to the general manager of each respective segment. There are no intersegment transactions. The accounting policies for segment reporting are the same as for our consolidated financial statements.

The following table presents details of our reportable segments and the “Corporate” category:

| | Cyber Safety Platform | Trust-Based Solutions | Corporate | Consolidated |
|---|-----------------------|-----------------------|-----------|--------------|
| | (In millions) | | | |
| Three Months Ended January 2, 2026 | | | | |
| Net Revenues | \$ 819 | \$ 421 | \$ — | \$ 1,240 |
| Other segment items ⁽¹⁾ | 316 | 295 | — | 611 |
| Operating income (loss) | \$ 503 | \$ 126 | \$ (196) | \$ 433 |
| Nine Months Ended January 2, 2026 | | | | |
| Net Revenues | \$ 2,502 | \$ 1,215 | \$ — | \$ 3,717 |
| Other segment items ⁽¹⁾ | 969 | 846 | — | 1,815 |
| Operating income (loss) | \$ 1,533 | \$ 369 | \$ (585) | \$ 1,317 |
| Three Months Ended December 27, 2024 | | | | |
| Net Revenues | \$ 799 | \$ 187 | \$ — | \$ 986 |
| Other segment items ⁽¹⁾ | 320 | 89 | — | 409 |
| Operating income (loss) | \$ 479 | \$ 98 | \$ (203) | \$ 374 |
| Nine Months Ended December 27, 2024 | | | | |
| Net Revenues | \$ 2,368 | \$ 557 | \$ — | \$ 2,925 |
| Other segment items ⁽¹⁾ | 953 | 264 | — | 1,217 |
| Operating income (loss) | \$ 1,415 | \$ 293 | \$ (515) | \$ 1,193 |

(1) Other segment items for our Cyber Safety Platform and Trust-Based Solutions include product costs, infrastructure and facilities expense, and compensation and benefits excluding stock-based compensation and expenses identified in "Corporate".

The table below are the reconciling items included in "Corporate" category:

| (In millions) | Three Months Ended | | Nine Months Ended | |
|--|--------------------|-------------------|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 | January 2, 2026 | December 27, 2024 |
| Amortization of intangible assets | \$ 122 | \$ 99 | \$ 362 | \$ 301 |
| Stock-based compensation | 53 | 33 | 175 | 97 |
| Unallocated cost of revenue and operating expenses | 21 | 71 | 48 | 117 |
| Total | <u>\$ 196</u> | <u>\$ 203</u> | <u>\$ 585</u> | <u>\$ 515</u> |

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) | Three Months Ended | | Nine Months Ended | |
|--------------------|--------------------|-------------------|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 | January 2, 2026 | December 27, 2024 |
| Americas | \$ 880 | \$ 647 | \$ 2,623 | \$ 1,924 |
| EMEA | 263 | 240 | 788 | 706 |
| APJ | 97 | 99 | 306 | 295 |
| Total net revenues | <u>\$ 1,240</u> | <u>\$ 986</u> | <u>\$ 3,717</u> | <u>\$ 2,925</u> |

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

Revenues from customers inside the U.S. were \$824 million and \$2,452 million during the three and nine months ended January 2, 2026, respectively, and \$589 million and \$1,752 million during the three and nine months ended December 27, 2024, respectively. No other individual country accounted for more than 10% of revenues.

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

| (In millions) | January 2, 2026 | March 28, 2025 |
|--|-----------------|-----------------|
| U.S. | \$ 216 | \$ 647 |
| International | 403 | 359 |
| Total cash, cash equivalents and restricted cash | <u>\$ 619</u> | <u>\$ 1,006</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) | January 2, 2026 | March 28, 2025 |
|-----------------------------------|-----------------|----------------|
| U.S. | \$ 59 | \$ 50 |
| Other countries ⁽¹⁾ | 10 | 10 |
| Total property and equipment, net | <u>\$ 69</u> | <u>\$ 60</u> |

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

Significant customers and e-commerce partners

No individual end-user customer accounted for 10% or more of our net revenues during the nine months ended January 2, 2026 and December 27, 2024.

E-commerce partners that accounted for over 10% of our total billed and unbilled accounts receivable, prior to allowance of doubtful accounts, were as follows:

| | January 2, 2026 | March 28, 2025 |
|----------------------|-----------------|----------------|
| E-commerce partner A | — % | 11 % |

Note 18. Commitments and Contingencies

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 Condensed 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 Condensed 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 Condensed 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.

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 infringed two 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 a third patent 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 judgment to the Federal Circuit Court of Appeals, which remains pending.

At this time, our current estimate of probable losses from this matter is approximately \$609 million, which we have accrued and recorded as part of Other long-term liabilities in the Condensed 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.

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 our 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. We engaged in ongoing negotiations with the FTC staff and 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. Avast appealed the decision, which was affirmed by the Czech DPA on April 10, 2024. Avast 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. On October 7, 2025, the court affirmed the decision regarding liability; however, it vacated the DPA's decision regarding the determination of the fine. Both the DPA and the Company have filed cassation complaints with the Supreme Administrative Law Court. At this stage, the fine has been returned but the matter remains pending. We have accrued an immaterial amount as our current estimate of probable loss from this matter.

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 filed. We have reached an agreement in principle to resolve this matter, subject to final documentation and approval. The expected cost to resolve the matter is immaterial, and we do not expect the resolution to have a material adverse effect on our financial condition, results of operations or cash flows.

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, a subsidiary of MoneyLion (collectively, the "Seller Members"), brought a civil action in the Southern District of New York ("SDNY") against MoneyLion Technologies Inc. alleging, among other things, breaches of the Membership Interest Purchase Agreement (the "MIPA") governing the acquisition of MALKA. MoneyLion filed counterclaims against the Sellers Members alleging, among other things, fraud, negligent misrepresentation, conversion, breach of fiduciary duties and breach of contract. The court issued

its decision on September 29, 2025, finding that MoneyLion breached the parties' agreements and awarding the Sellers Members damages and attorneys' fees and costs, for which we have accrued \$48 million as a pre-acquisition contingency in Other long-term obligations in our Condensed Consolidated Balance Sheet. On October 28, 2025, MoneyLion filed a notice of appeal. See Note 4 for details regarding our purchase price allocation for our acquisition of MoneyLion.

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 SDNY against MoneyLion Technologies Inc., ML Plus LLC and the Company's 37 state lending subsidiaries, alleging violations of the Military Lending Act and the Consumer Financial Protection Act. The matter was fully resolved pursuant to a stipulated final judgment and order approved by the court on November 24, 2025. As part of the settlement, MoneyLion is providing refunds to relevant consumers. There is no fine involved in the settlement. The impact of the settlement was not material.

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. The Company maintains that the Attorney General's claims are without merit and is vigorously defending against the lawsuit. However, if a loss is incurred, we will adjust the acquisition accounting for MoneyLion if it occurs within the measurement period.

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 the three and nine months ended January 2, 2026, we incurred \$10 million and \$18 million, respectively, related to the estimated accrual and final resolutions of our litigation contingencies in our Condensed Consolidated Statements of Operations. During the three and nine months ended December 27, 2024, we incurred \$63 million and \$103 million, respectively, related to the estimated accrual and final resolutions of our litigation contingencies in our Condensed Consolidated Statements of Operations.

Item 2. Management's Discussion and Analysis of Financial Condition and Results of Operations

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; beliefs regarding our business and strategies; 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, but not limited to, our acquisition of MoneyLion), expectations about certain markets, divestitures, restructurings, stock repurchases, financings, debt repayments, investment activities and our liquidity; 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; retaliatory trade regulations and policies; economic disruptions caused by the potential impact of volatility and conflict in the geopolitical and economic environment; general uncertainty in the financial and capital markets; 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 Part II Item 1A. Risk Factors, of this Quarterly Report on Form 10-Q and Item 1A. Risk Factors of our Annual Report on Form 10-K for the fiscal year ended March 28, 2025. 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.

OVERVIEW

Gen Digital Inc. is a global company powering Digital Freedom through its family of trusted consumer brands including Norton, Avast, LifeLock, MoneyLion, and more. Our portfolio spans Cyber Safety Platform and Trust-Based Solutions, delivering intuitive, AI-powered services that enable people to confidently grow, manage, and protect their digital and financial lives. From cybersecurity and online privacy to identity protection and financial empowerment, our products and services are designed to meet the real-world needs of today's digital generation. Through a foundation of trust and innovation, our brands deliver the protection and confidence people need to thrive in a digital-first world.

Our Cyber Safety Platform delivers technology solutions and superior threat protection to help people navigate the digital world, securely, privately and with confidence. Our Trust-Based Solutions provide innovative solutions and insights that empower consumers to manage their identity, reputation and finances confidently to achieve freedom.

Fiscal calendar

We have a 52/53-week fiscal year ending on the Friday closest to March 31. The three months ended January 2, 2026 and December 27, 2024 each consisted of 13 weeks. The nine months ended January 2, 2026 consisted of 40 weeks, whereas the nine months ended December 27, 2024 consisted of 39 weeks. Our 2026 fiscal year consists of 53 weeks and ends on April 3, 2026.

Key financial metrics

The following tables provide our key financial metrics for the periods presented:

| (In millions, except for per share amounts) | Three Months Ended | | Nine Months Ended | |
|---|--------------------|-------------------|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 | January 2, 2026 | December 27, 2024 |
| Net revenues | \$ 1,240 | \$ 986 | \$ 3,717 | \$ 2,925 |
| Operating income (loss) | \$ 433 | \$ 374 | \$ 1,317 | \$ 1,193 |
| Net income (loss) | \$ 192 | \$ 159 | \$ 461 | \$ 501 |
| Net income (loss) per share - diluted | \$ 0.31 | \$ 0.26 | \$ 0.74 | \$ 0.80 |

| (In millions) | As Of | |
|--|-----------------|----------------|
| | January 2, 2026 | March 28, 2025 |
| Cash, cash equivalents and restricted cash | \$ 619 | \$ 1,006 |
| Contract liabilities | \$ 1,906 | \$ 1,923 |

Below are our financial highlights for the third quarter of fiscal 2026, compared to the corresponding period in the prior year:

- Net revenues increased \$254 million, primarily due to higher sales in both our Cyber Safety Platform products and Trust-Based Solutions, including an increase of \$218 million due to the acquisition of MoneyLion, reported in Trust-Based Solutions.
- Operating income increased \$59 million, primarily due to increased net revenues described above, largely offset by an increase in marketing costs, payment processing fees, amortization of intangible assets and compensation related expenses.
- Net income increased \$33 million and net income per share increased \$0.05, primarily due to an increase in operating income as discussed above and a decrease in other income (expense), net resulting from impairment of our non-marketable equity investments and gain on sale of nonfinancial assets. This is partially offset by an increase in income tax expense.

Below are our financial highlights for the first nine months of fiscal 2026, compared to the corresponding period in the prior year:

- Net revenues increased \$792 million, primarily due to higher sales in both our Cyber Safety Platform products and Trust-Based Solutions, including an increase of \$588 million due to the acquisition of MoneyLion, and an increase of \$87 million due to the favorable impact from the additional week in the first quarter of fiscal 2026.
- Operating income increased \$124 million, primarily due to increased net revenues described above, largely offset by an increase in marketing costs, payment processing fees, amortization of intangible assets and compensation related expenses.
- Net income decreased \$40 million and net income per share decreased \$0.06, primarily due to an increase in income tax expense partially offset by an increase in operating income as discussed above.
- Cash, cash equivalents and restricted cash decreased by \$387 million compared to March 28, 2025, primarily due to the cash consideration paid for our acquisition of MoneyLion, principal payments of our Term A and B facilities and share repurchases. This is partially offset by proceeds from the issuance of our Incremental Term Loan B and cash generated from operating activities during the first nine months of fiscal 2026.
- Contract liabilities decreased \$17 million compared to March 28, 2025, primarily due to billing seasonality.

Acquisition of MoneyLion

On April 17, 2025, we completed our acquisition of MoneyLion Inc. (MoneyLion). 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. See Note 4 of the Notes to the Condensed Consolidated Financial Statements for further information about the acquisition.

GLOBAL MACROECONOMIC CONDITIONS

As a global company, our results of operations and cash flows may be influenced by global macroeconomic conditions and their impact on customer behavior. Global macroeconomic conditions include, but are not limited to, increased tariffs and an uncertain global trade environment, foreign currency exchange rate fluctuations, the impact of interest rate fluctuations, elevated inflation, ongoing and new geopolitical conflicts, the impacts of current and future trade regulations, instability in the global banking sector, slow growth and recession risks, and changes in legislation or regulations and actions by regulators, including changes in enforcement and administrative policies, any of which may be difficult to predict and may persist for an extended period.

Despite challenging global macroeconomic conditions and although we recognize that inflation and broader economic uncertainty can influence customer behavior, 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 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 on our business, please see Part 1, Item III and "Risk Factors" in Part II, Item 1A below.

CRITICAL ACCOUNTING ESTIMATES

The preparation of our Condensed Consolidated Financial Statements and related notes in accordance with generally accepted accounting principles in the U.S. 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.

Our critical accounting policies and estimates were disclosed in Item 7, Management's Discussion and Analysis of Financial Condition and Results of Operations included in our Annual Report on Form 10-K for the fiscal year ended March 28, 2025 and significant policies adopted as a result of our acquisition of MoneyLion are included in Note 1 on this Form 10-Q. There have been no other material changes in the matters for which we make critical accounting estimates in the preparation of our Condensed Consolidated Financial Statements during the three and nine months ended January 2, 2026.

RESULTS OF OPERATIONS

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

| | Three Months Ended | | Nine Months Ended | |
|-----------------------------------|--------------------|-------------------|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 | January 2, 2026 | December 27, 2024 |
| Net revenues | 100 % | 100 % | 100 % | 100 % |
| Cost of revenues | 22 | 20 | 22 | 20 |
| Gross profit | 78 | 80 | 78 | 80 |
| Operating expenses: | | | | |
| Sales and marketing | 25 | 18 | 24 | 19 |
| Research and development | 8 | 9 | 8 | 8 |
| General and administrative | 6 | 11 | 5 | 8 |
| Amortization of intangible assets | 4 | 4 | 4 | 4 |
| Restructuring and other costs | 1 | 0 | 1 | 0 |
| Total operating expenses | 43 | 42 | 43 | 39 |
| Operating income (loss) | 35 | 38 | 35 | 41 |
| Interest expense | (11) | (14) | (12) | (15) |
| Other income (expense), net | 1 | (3) | (1) | — |
| Income (loss) before income taxes | 25 | 21 | 23 | 25 |
| Income tax expense (benefit) | 9 | 5 | 10 | 8 |
| Net income (loss) | 15 % | 16 % | 12 % | 17 % |

Note: Percentages may not add due to rounding.

Net revenues

| (In millions, except for percentages) | Three Months Ended | | | Nine Months Ended | | |
|---------------------------------------|--------------------|-------------------|-------------|-------------------|-------------------|-------------|
| | January 2, 2026 | December 27, 2024 | Change in % | January 2, 2026 | December 27, 2024 | Change in % |
| Net revenues | \$ 1,240 | \$ 986 | 26 % | \$ 3,717 | \$ 2,925 | 27 % |

Three Months Ended January 2, 2026 Compared with Three Months Ended December 27, 2024

Net revenues increased \$254 million, due to a \$20 million increase in sales of our Cyber Safety Platform products and a \$234 million increase in sales of our Trust-Based Solutions, including a \$218 million increase in Trust-Based Solutions due to the acquisition of MoneyLion.

Nine Months Ended January 2, 2026 Compared with Nine Months Ended December 27, 2024

Net revenues increased \$792 million, due to a \$134 million increase in sales of our Cyber Safety Platform products and a \$658 million increase in sales of our Trust-Based Solutions, including a \$588 million increase in Trust-Based Solutions due to the acquisition of MoneyLion. Net revenues also increased \$87 million due to the favorable impact from the additional week in the first quarter of fiscal 2026, impacting both segment financials. Specifically, the additional week contributed \$56 million to our Cyber Safety Platform and \$31 million to Trust-Based 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

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:

| (In millions) | Three Months Ended | | Nine Months Ended | |
|-----------------------|--------------------|-------------------|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 | January 2, 2026 | December 27, 2024 |
| Cyber Safety Platform | \$ 819 | \$ 799 | \$ 2,502 | \$ 2,368 |
| Trust-Based Solutions | 421 | 187 | 1,215 | 557 |
| Total net revenues | \$ 1,240 | \$ 986 | \$ 3,717 | \$ 2,925 |
| Direct revenues | \$ 1,025 | \$ 871 | \$ 3,089 | \$ 2,585 |
| Partner revenues | 215 | 115 | 628 | 340 |
| Total net revenues | \$ 1,240 | \$ 986 | \$ 3,717 | \$ 2,925 |
| Total bookings | \$ 1,319 | \$ 1,035 | \$ 3,743 | \$ 2,912 |

| (In millions) | As of | |
|----------------------|-----------------|-------------------|
| | January 2, 2026 | December 27, 2024 |
| Total paid customers | 78 | 67 |

Revenue from Cyber Safety Platform increased \$20 million and \$134 million, respectively, during the three and nine months ended January 2, 2026 due to growth across our cyber safety membership offerings and, for the nine month period, the additional week in the first quarter of fiscal 2026. Revenue from Trust-Based Solutions increased \$234 million and \$658 million, respectively, during the three and nine months ended January 2, 2026 primarily due to the acquisition of MoneyLion, continued growth in our identity point solutions and, for the nine month period, the additional week in the first quarter of fiscal 2026.

Direct revenue reflects subscriptions sold directly through e-commerce or mobile channels, and revenue generated from financial transactions directly made through Gen properties or marketplaces.

Partner revenue reflects partner-sourced and channel revenue via retailers, employee benefits, telcos, publishers, and strategic partnerships, including revenue generated from product usage or products sold through our financial marketplace.

Total bookings are defined as customer orders received that are expected to generate net revenues in the future. We present the operational metric of bookings because it reflects customers' demand for our products and services and to assist readers in analyzing our performance in future periods.

We define paid customers as active users of our products and solutions, including subscribers with an active paid subscription to our products at the end of the reported period. Paid customers also includes product users with a unique account and at least one revenue-generating transaction in the relevant active period of each respective product category, whether through our first-party personal finance products, transacting through our financial marketplaces, or generating revenue through product usage. We exclude users on free trials and those who have not actively transacted in the relevant period of each respective product category.

In order to properly reflect our customer cohorts that contribute to revenue given the dynamic nature of consumers and our product portfolio, our methodology is subject to change from time to time. The methodologies used to measure these metrics require judgment and we regularly review our metrics to improve their accuracy. However, 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

| | Three Months Ended | | Nine Months Ended | |
|----------|--------------------|-------------------|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 | January 2, 2026 | December 27, 2024 |
| Americas | 71 % | 66 % | 71 % | 66 % |
| EMEA | 21 % | 24 % | 21 % | 24 % |
| APJ | 8 % | 10 % | 8 % | 10 % |

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

Percentage of revenue in Americas increased primarily due to our acquisition of MoneyLion during the three and nine months ended January 2, 2026 as compared to the three and nine months ended December 27, 2024.

Cost of revenues

| (In millions, except for percentages) | Three Months Ended | | | Nine Months Ended | | |
|---------------------------------------|--------------------|-------------------|-------------|-------------------|-------------------|-------------|
| | January 2, 2026 | December 27, 2024 | Change in % | January 2, 2026 | December 27, 2024 | Change in % |
| | Cost of revenues | \$ 268 | \$ 193 | 39 % | \$ 801 | \$ 577 |

Three Months Ended January 2, 2026 Compared with Three Months Ended December 27, 2024

Cost of revenues increased \$75 million, primarily due to a \$43 million increase in partner revenue share mainly in Trust-Based Solutions, a \$16 million increase in payment processing fees and an \$11 million increase in amortization of intangible assets.

Nine Months Ended January 2, 2026 Compared with Nine Months Ended December 27, 2024

Cost of revenues, including the impact of one additional week, increased \$224 million, primarily due to a \$133 million increase in partner revenue share mainly in Trust-Based Solutions, a \$40 million increase in payment processing fees and a \$27 million increase in amortization of intangible assets.

Operating expenses

| (In millions, except for percentages) | Three Months Ended | | | Nine Months Ended | | |
|---------------------------------------|---------------------|-------------------|-------------|-------------------|-------------------|-------------|
| | January 2, 2026 | December 27, 2024 | Change in % | January 2, 2026 | December 27, 2024 | Change in % |
| | Sales and marketing | \$ 307 | \$ 182 | 69 % | \$ 901 | \$ 549 |
| Research and development | 96 | 84 | 14 % | 305 | 248 | 23 % |
| General and administrative | 70 | 108 | (35)% | 204 | 224 | (9)% |
| Amortization of intangible assets | 55 | 43 | 28 % | 164 | 130 | 26 % |
| Restructuring and other costs | 11 | 2 | 450 % | 25 | 4 | 525 % |
| Total operating expenses | \$ 539 | \$ 419 | 29 % | \$ 1,599 | \$ 1,155 | 38 % |

Three Months Ended January 2, 2026 Compared with Three Months Ended December 27, 2024

Sales and marketing expense increased \$125 million, primarily due to a \$55 million increase in loss on sale of Instacash Advances, a \$41 million increase in marketing expenses, a \$13 million increase in headcount costs and a \$12 million increase in stock-based compensation expense.

Research and development expense increased \$12 million, primarily due to a \$4 million increase in headcount costs, a \$3 million increase in stock-based compensation expense and a \$3 million increase in equipment expenses.

General and administrative expense decreased \$38 million, primarily due to a \$53 million decrease in litigation settlement expense. This is partially offset by a \$9 million increase in stock-based compensation expense.

Amortization of intangible assets increased \$12 million, primarily due to our acquisition of MoneyLion.

Restructuring and other costs increased \$9 million, primarily due to an increase in severance and termination benefits in connection with the April 2025 Plan. See Note 12 of the Notes to the Condensed Consolidated Financial Statements for details of the fiscal 2026 restructuring activities.

Nine Months Ended January 2, 2026 Compared with Nine Months Ended December 27, 2024

Sales and marketing expense, including the impact of one additional week, increased \$352 million, primarily due to a \$146 million increase in loss on sale of Instacash Advances, a \$102 million increase in marketing expenses, a \$53 million increase in headcount costs and a \$37 million increase in stock-based compensation expense.

Research and development expense, including the impact of one additional week, increased \$57 million, primarily due to a \$28 million increase in headcount costs, a \$12 million increase in stock-based compensation expense and a \$7 million increase in occupancy and IT costs.

General and administrative expense, including the impact of one additional week, decreased \$20 million, primarily due to a \$86 million decrease in litigation settlement expense. This is partially offset by a \$31 million increase in stock-based compensation expense, an \$18 million increase in headcount costs and an \$7 million increase in provision for credit losses on accounts receivables, net.

Amortization of intangible assets increased \$34 million, primarily due to our acquisition of MoneyLion.

Restructuring and other costs increased \$21 million, primarily due to an increase in severance and termination benefits in connection with the September 2022 and April 2025 Plans. See Note 12 of the Notes to the Condensed Consolidated Financial Statements for details of the fiscal 2026 restructuring activities.

Non-operating income (expense), net

| (In millions) | Three Months Ended | | Nine Months Ended | |
|--|--------------------|-------------------|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 | January 2, 2026 | December 27, 2024 |
| Interest expense | \$ (137) | \$ (141) | \$ (439) | \$ (443) |
| Interest income | 5 | 6 | 20 | 20 |
| Foreign exchange gain (loss) | 2 | (1) | 4 | 1 |
| Change in fair value and impairment of non-marketable equity investments | (10) | (30) | (79) | (30) |
| Gain on sale of nonfinancial assets | 15 | — | 15 | — |
| Gain (loss) on sale of property | 1 | — | (1) | — |
| Other | — | — | 5 | 1 |
| Total non-operating income (expense), net | \$ (124) | \$ (166) | \$ (475) | \$ (451) |

Three Months Ended January 2, 2026 Compared with Three Months Ended December 27, 2024

Non-operating income (expense), net, decreased by \$42 million, primarily due to a \$20 million decrease in impairment of our non-marketable equity investments and a \$15 million gain on sale of nonfinancial assets in the third quarter of fiscal 2026.

Nine Months Ended January 2, 2026 Compared with Nine Months Ended December 27, 2024

Non-operating income (expense), net, increased by \$24 million, primarily due to a \$49 million increase in change in fair value and impairment of our non-marketable equity investments. This is partially offset by a \$15 million gain on sale of nonfinancial assets in the third quarter of fiscal 2026.

Provision for income taxes

| (In millions, except for percentages) | Three Months Ended | | Nine Months Ended | |
|---------------------------------------|--------------------|-------------------|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 | January 2, 2026 | December 27, 2024 |
| Income (loss) before income taxes | \$ 309 | \$ 208 | \$ 842 | \$ 742 |
| Income tax expense (benefit) | \$ 117 | \$ 49 | \$ 381 | \$ 241 |
| Effective tax rate | 38 % | 24 % | 45 % | 32 % |

Our effective tax rate for the three and nine months ended January 2, 2026 and three and nine months ended December 27, 2024, differs from the federal statutory income tax rate primarily due to state taxes, changes in unrecognized tax benefits and related interest and penalties, foreign exchange impacts, increases in valuation allowances, and the U.S. taxation on foreign earnings.

On July 4, 2025, the One Big Beautiful Bill Act (the Act) was enacted into law in the United States. The Act includes various provisions that are applicable to us beginning in fiscal year 2026. These provisions include an allowance to accelerate tax deductions of certain capital expenditures, research & experimentation expenditures, and an increase to the annual limitation of tax-deductible interest expenses. The impacts of the Act are included in our operating results for the three and nine months ended January 2, 2026. The Act has not had, and is not expected to have, a material impact on our effective tax rate.

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 were therefore 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 Condensed Consolidated Financial Statements in the near term. Moreover, in June 2025, the G7 agreed to exclude United States MNEs from certain aspects of the Pillar Two global minimum tax rules (the G7 Statement) in exchange for the United States not imposing retaliatory taxes in the Act. We will continue to monitor and reflect the impact of such legislative changes, including the G7 Statement, which has not yet been incorporated into the OECD framework, in future Condensed 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 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 January 2, 2026, 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 II, Item 1A below.

Cash flows

The following summarizes our cash flow activities:

| (In millions) | Nine Months Ended | |
|---------------------------------|-------------------|-------------------|
| | January 2, 2026 | December 27, 2024 |
| Net cash provided by (used in): | | |
| Operating activities | \$ 1,066 | \$ 748 |
| Investing activities | \$ (822) | \$ (17) |
| Financing activities | \$ (634) | \$ (674) |

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

Cash from operating activities

Net cash provided by operating activities of \$1,066 million for the nine months ended January 2, 2026 was primarily comprised of net income adjusted for the net effect of non-cash items. Changes in working capital sources and uses of cash include decreases in Instacash Advances held for sale, income taxes payable, accounts receivable, net and accounts payable.

Cash from investing activities

Net cash used in investing activities of \$822 million for the nine months ended January 2, 2026 was primarily related to the cash consideration paid for our acquisition of MoneyLion.

Cash from financing activities

Net cash used in financing activities of \$634 million for the nine months ended January 2, 2026 was primarily due to mandatory and voluntary prepayments of our Term A and B Facilities, repurchases of common stock under our repurchase program and quarterly dividend payments. This was partially offset by proceeds from the issuance of our Incremental Term Loan B of \$741 million, net of debt issuance cost.

Cash and cash equivalents

As of January 2, 2026, we had cash and cash equivalents of \$616 million, excluding restricted cash, of which \$403 million was held by our foreign subsidiaries. Our cash, cash equivalents and short-term investments 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 foreign 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 nine months ended January 2, 2026 and December 27, 2024, we executed repurchases of 16 million and 11 million of our common stock under our existing stock repurchase program for an aggregate amount of \$434 million and \$272 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 January 2, 2026, our total outstanding principal amount of indebtedness is summarized as follows. See Note 10 of the Notes to the Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for further information on our debt.

| (In millions) | January 2, 2026 |
|---------------|-----------------|
| Term Loans | \$ 6,044 |
| Senior Notes | 2,450 |
| Total debt | <u>\$ 8,494</u> |

The Amended Credit Agreement contains customary representations and warranties and affirmative and negative covenants, including compliance with specified financial ratios. As of January 2, 2026, we were in compliance with all debt covenants. See Note 10 of the Notes to the Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for further information regarding financial ratios and debt covenant compliance.

Dividends

On February 5, 2026, we announced a cash dividend of \$0.125 per share of common stock to be paid in March 2026. Any future dividends and dividend equivalents will be subject to the approval of 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. As of January 2, 2026, the remaining balance of our stock repurchase authorization was \$2,294 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

See Note 12 of the Notes to the Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q for cash flow information associated with our restructuring activities.

Significant contractual obligations

Our principal commitments consist of principal and interest payments related to our debt instruments, obligations under our purchase agreements, obligations under various non-cancellable leases and potential other legal contingencies. 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 January 2, 2026, we are unable to make reasonably reliable estimates of the period of cash settlement with the respective taxing authorities. Therefore, \$1,578 million in long-term income taxes payable has been excluded from our quarterly review of timing of contractual obligations.

There have been no material changes, outside the ordinary course of business, to the contractual obligations reported in our Annual Report. For additional information about our debt obligations and certain other contingencies, see Note 10 and Note 18, respectively, of the Notes to the Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Item 3. 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.

Interest rate risk

As of January 2, 2026, we had \$2,450 million in aggregate principal amount of fixed-rate Senior Notes outstanding, with a carrying amount and a fair value of \$2,514 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 January 2, 2026, we also had \$6,044 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 \$60 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 \$2 million increase or \$2 million decrease in the fair values of our floating to fixed rate interest swaps on January 2, 2026.

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 Condensed 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 Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

Item 4. 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 report.

(b) Changes in Internal Control over Financial Reporting

There were no changes in Gen's internal control over financial reporting or in other factors that occurred during the third quarter of fiscal 2026 that has materially affected, or is reasonably likely to materially affect, our internal control over financial reporting.

On April 17, 2025, we completed our acquisition of MoneyLion and are currently integrating MoneyLion into our operations and internal control processes. Pursuant to the SEC's guidance that an assessment of a recently acquired business may be omitted from the scope of the evaluation for a period up to one year following the acquisition, the scope of our assessment of internal control over financial reporting is ongoing. We are currently assessing the control environment related to our acquisition of MoneyLion and have designed and implemented new controls as needed.

MoneyLion Material Weakness

A material weakness is a deficiency or a combination of deficiencies in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of a registrant's financial statement will not be prevented or detected on a timely basis.

Prior to the acquisition by Gen, MoneyLion reported an identified material weakness in its internal control over financial reporting. As a result, MoneyLion concluded that, as of December 31, 2024, its disclosure controls and procedures were not effective in providing reasonable assurance that information required to be disclosed in reports filed or submitted under the Exchange Act was recorded, processed, summarized, and reported within the time periods specified by SEC rules and forms. The material weakness identified relates to MoneyLion's Credit Builder Loan product, involving certain cash disbursements made to customer escrow accounts that were not in accordance with the product's terms. While the related transactions were properly

reflected in the financial statements and no misstatements were identified, the control deficiency could have resulted in unauthorized disbursements of cash. Accordingly, this deficiency was determined to constitute a material weakness. MoneyLion has undertaken steps to remediate the material weakness and we are evaluating the steps that have been taken under Gen's control framework.

(c) 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.

PART II. OTHER INFORMATION

Item 1. *Legal Proceedings*

Information with respect to this Item may be found under the heading "Litigation contingencies" in Note 18 of the Notes to the Condensed Consolidated Financial Statements in this Form 10-Q, which information is incorporated herein by reference.

Item 1A. *Risk Factors*

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.
- 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 have 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 Quarterly Report on Form 10-Q, including the matters set forth below.

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,” “Quantitative and Qualitative Disclosures About Market Risk” and “Controls and Procedures.” 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 clients. We expect our competition to continue to increase, as there are generally no substantial barriers to entry into 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, including AI internally developed and AI present in third party solutions, 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 into 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;
- 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, the value they place on our solutions and availability of the 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 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.

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 marketplace 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 marketplace platform, which could have a material adverse impact on our ability to maintain or increase our marketplace 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. We define product partners as providers of the financial and non-financial products and services that we offer in our marketplaces, including financial institutions, financial services providers and other affiliate partners. We define channel partners as organizations that allow us to reach a wide base of consumers, including but not limited to news sites, content publishers, product comparison sites and financial institutions.

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;
- 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 technology 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. 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 in 2019. 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 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. 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 (CFPB) 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. We have in the past, and may again in the future, enter into settlements, consent decrees and similar arrangements with the FTC, the CFPB, state attorneys generals and other state regulators, and other sovereign regulators and competition authorities such as the United Kingdom's Competition and Markets Authority (CMA).

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 Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

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 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 lending 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 lending 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.

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 have 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 Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

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 Advances, 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 Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q.

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 January 2, 2026, we had an aggregate of \$8,494 million of outstanding indebtedness that will mature in calendar years 2025 through 2030, 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 Condensed Consolidated Financial Statements included in this Quarterly Report on Form 10-Q 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 fiscal years 2024, 2025, and to date in 2026, 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;
- 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.

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 (CVR Consideration) if, on any date prior to the second anniversary of the closing, (i) 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 (ii) we undergo a change of control (each, a "CVR Requirement" and collectively the "CVR Requirements"). To the extent neither of the CVR Requirements are met, the CVR holders would not be entitled to receive the CVR Consideration. 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 our Annual Report on Form 10-K for the fiscal year ended March 28, 2025 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 recent changes due to the One Big Beautiful Bill Act, and the potential for additional future federal tax law changes put forward by Congress including potentially increased corporate tax rates, new minimum taxes and other changes to the way that our U.S. tax liability has previously been calculated

following the 2017 Tax Cuts and Jobs Act. Such recent and 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 rate of 15% for multinational companies (“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. Additionally, on June 28, 2025, the G7 released a joint statement that it had reached an understanding with the United States for a side-by-side system based on certain accepted principles, including that U.S.-parented groups would be exempt from certain provisions of Pillar Two. 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 continue to assess the overall impact of potential changes as developments occur, consistent with our practice to monitor all changes in tax laws, and will 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 2. Unregistered Sales of Equity Securities and Use of Proceeds

Repurchase of equity securities

Stock repurchases during the three months ended January 2, 2026 were as follow:

| (In millions, except per share data) | Total Number of Shares Purchased (1) | Average Price Paid per Share | Total Number of Shares Purchased as Part of Publicly Announced Program | Maximum Dollar Value of Shares That May Yet Be Purchased Under the Plans or Programs (2) |
|---|---|---|---|---|
| October 4, 2025 to October 31, 2025 | — | \$ — | — | \$ 2,594 |
| November 1, 2025 to November 28, 2025 | 11 | \$ 26.57 | 11 | \$ 2,294 |
| November 29, 2025 to January 2, 2026 | — | \$ — | — | \$ 2,294 |
| Total number of shares repurchased | <u>11</u> | | <u>11</u> | |

(1) The number of shares repurchased is reported on trade date.

(2) Under our stock repurchase program, shares may be repurchased on the open market and through accelerated stock repurchase transactions. As of January 2, 2026, we have \$2,294 million remaining authorized to be completed in future periods with no expiration date.

Item 5. Other Information

Insider adoption or termination of trading arrangements

During the fiscal quarter ended January 2, 2026, none of our directors or officers 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 6. Exhibits

| Exhibit Number | Exhibit Description | Incorporated by Reference | | | | Filed/Furnished with this 10-Q |
|----------------|--|---------------------------|-------------|---------|-----------|--------------------------------|
| | | Form | File Number | Exhibit | File Date | |
| 10.1(*) | Gen Digital Inc. Executive Severance and Retention Plan | 8-K | 001-42603 | 10.1 | 11/7/2025 | |
| 31.01 | Certification of Chief Executive Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | | | | | X |
| 31.02 | Certification of Chief Financial Officer pursuant to Section 302 of the Sarbanes-Oxley Act of 2002. | | | | | X |
| 32.01† | Certification of Chief Executive Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. | | | | | X |
| 32.02† | Certification of Chief Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act of 2002. | | | | | X |
| 101 | The following financial information from Gen Digital Inc.'s Quarterly Report on Form 10-Q for the quarter ended January 2, 2026 are formatted in iXBRL (Inline eXtensible Business Reporting Language): (i) Condensed Consolidated Balance Sheets, (ii) Condensed Consolidated Statements of Operations, (iii) Condensed Consolidated Statements of Comprehensive Income (Loss), (iv) Condensed Consolidated Statements of Stockholders' Equity (Deficit), (v) Condensed Consolidated Statements of Cash Flows, and (vi) Notes to the Condensed Consolidated Financial Statements, tagged as blocks of text and including detailed tags. | | | | | X |
| 104 | Cover Page Interactive Data File (formatted as Inline XBRL and contained in Exhibit 101) | | | | | X |

* Indicates a management contract or compensatory plan or arrangement.

† 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.

SIGNATURES

Pursuant to the requirements of the Securities Exchange Act of 1934, as amended, the Registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

GEN DIGITAL INC.
(Registrant)

By: /s/ Vincent Pilette
Vincent Pilette
Chief Executive Officer, President and Chairman of the Board

By: /s/ Natalie Derse
Natalie Derse
Chief Financial Officer

February 6, 2026

Certification

I, Vincent Pilette, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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 Chairman of
the Board*

Date: February 6, 2026

Certification

I, Natalie Derse, certify that:

1. I have reviewed this quarterly report on Form 10-Q 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: February 6, 2026

**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 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 quarterly report on Form 10-Q for the period ended January 2, 2026, to which this Certification is attached (the "Form 10-Q"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended, and (ii) the information contained in the Form 10-Q 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 Chairman of the Board

Date: February 6, 2026

This Certification which accompanies the Form 10-Q 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-Q), 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 quarterly report on Form 10-Q for the period ended January 2, 2026, to which this Certification is attached (the "Form 10-Q"), fully complies with the requirements of Section 13(a) of the Securities Exchange Act of 1934, as amended, and (ii) the information contained in the Form 10-Q 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: February 6, 2026

This Certification which accompanies the Form 10-Q 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-Q), irrespective of any general incorporation language contained in such filing.