dynatrace

Annual Report and Proxy Statement

FY22

Cloud done right.

Dear Fellow Stockholders:

I am incredibly proud of Dynatrace's exceptional performance in fiscal 2022, surpassing the $1 billion milestone in annualized revenue as of Q4 FY2022. This is a significant achievement and serves as a testament to the strength of our market, our differentiated platform, and the durability of our business model.

The Market Opportunity

Our market opportunity is enormous, sized at $50 billion and growing. We continue to see organizations prioritizing their digital transformation initiatives and accelerating their movement to the cloud with observability and application security becoming essential elements.

What many companies realize as they scale, however, is that the dynamic nature of modern clouds introduces incredible complexity. Companies are looking to reduce this complexity with comprehensive observability, incorporating all forms of data across multiple aspects of their technology stack. They want more than just dashboards. They want answers and intelligent automation from their data along with remediation capabilities to operate more efficiently.

The strength and differentiation of our platform is what drives customers to choose Dynatrace. We uniquely deliver end-to-end observability, leveraging our AIOps engine to provide comprehensive situational awareness of their IT ecosystems as well as the root cause behind outages or performance issues.

Driving Profitable Growth[1]

We believe our fiscal 2022 results are a strong indication that the Dynatrace platform is well positioned in the growing market we serve. Annual recurring revenue (ARR), a key metric for the business, was $995 million in fiscal 2022, with Adjusted ARR growth of 35% for the second straight year. We are also committed to operating a balanced business that focuses on profitability, with our non-GAAP operating margin and Unlevered Free Cash Flow margin both at 25% of revenue.

[1]Our financial performance includes several non-GAAP measures. A reconciliation of GAAP to non-GAAP financial measures is available at ir.dynatrace.com

"Our vision is a world where software works perfectly."

The foundation for sustainable, long-term ARR growth continues to be the addition of new logos to the Dynatrace platform as well as the on-going expansion of existing customers. We ended fiscal 2022 with 21% growth in new logo additions. As customers experience the value of the Dynatrace platform, they expand their workloads and broaden their use of our additional modules, evidenced by a net expansion rate consistently at or above 120%.

Investing in Our Future

Our vision is a world where software works perfectly, and we endeavor to be the brand that is top of mind when the world's largest enterprises demand "cloud done right." We aspire to enable flawless and secure digital interactions. To achieve this, we are investing in both product innovation as well as our go-to-market model to gain leverage through an expanding partner ecosystem.

Finally, a key differentiator for Dynatrace is our people. We are strengthening an already vibrant culture built on innovation, agility and collaboration, and we remain steadfast in fostering an inclusive workplace that thrives on employee diversity.

I want to thank the nearly 3,600 Dynatracers for building long-term value for our stockholders and our customers. We are passionate about our future as we believe Dynatrace is well positioned to capitalize on the tremendous market opportunity ahead.

Respectfully,

Rick McConnell

Rick McConnell
Chief Executive Officer
dynatrace

DYNATRACE, INC.
1601 Trapelo Road, Suite 116
Waltham, Massachusetts 02451

Dear Dynatrace Stockholder:

I am pleased to invite you to attend the 2022 Annual Meeting of Stockholders, or the Annual Meeting, of Dynatrace, Inc., or Dynatrace, to be held online on Wednesday, August 24, 2022 at 1:00 p.m. Eastern Time. You may attend the meeting virtually via the Internet at www.virtualshareholdermeeting.com/DT2022, where you will be able to vote electronically and submit questions. Details regarding the meeting and the business to be conducted are more fully described in the accompanying Notice of 2022 Annual Meeting of Stockholders and Proxy Statement.

Pursuant to the Securities and Exchange Commission rules that allow issuers to furnish proxy materials to stockholders over the Internet, we are posting the proxy materials on the Internet and delivering a notice of the Internet availability of the proxy materials. On or about July 14, 2022, we will begin mailing to our stockholders a Notice of Internet Availability of Proxy Materials, or the Notice, containing instructions on how to access online or request a printed copy of our Proxy Statement for the 2022 Annual Meeting of Stockholders and our Annual Report on Form 10-K for the year ended March 31, 2022.

Your vote is important. Whether or not you plan to attend the Annual Meeting, I hope you will vote as soon as possible. You may vote over the Internet, by telephone or virtually in person at the Annual Meeting or, if you requested printed copies of proxy materials, you also may vote by mailing a proxy card. Please review the instructions on the Notice or on the proxy card regarding your voting options.

Thank you for being a Dynatrace stockholder. We look forward to seeing you at our Annual Meeting.

Sincerely,

Rick McConnell

Rick McConnell
Chief Executive Officer

YOUR VOTE IS IMPORTANT

In order to ensure your representation at the meeting, whether or not you plan to attend the meeting, please vote your shares as promptly as possible by following the instructions on your Notice or, if you requested printed copies of your proxy materials, by following the instructions on your proxy card. Your vote will help to ensure the presence of a quorum at the meeting and that your shares are represented at the Annual Meeting. If you hold your shares through a broker, your broker is not permitted to vote on your behalf on the election of directors or the advisory vote on the compensation of our named executive officers unless you provide specific instructions to the broker by completing and returning any voting instruction form that the broker provides (or following any instructions that allow you to vote your broker-held shares via telephone or the Internet). For your vote to be counted, you will need to communicate your vote before the date of the Annual Meeting. Voting your shares in advance will not prevent you from attending the Annual Meeting, revoking your earlier submitted proxy or voting your stock virtually at the Annual Meeting.

DYNATRACE, INC.
1601 Trapelo Road, Suite 116
Waltham, Massachusetts 02451

NOTICE OF 2022 VIRTUAL ANNUAL MEETING OF STOCKHOLDERS
To be held August 24, 2022

Notice is hereby given that Dynatrace, Inc. will hold its 2022 Annual Meeting of Stockholders, or the Annual Meeting, online on Wednesday, August 24, 2022 at 1:00 p.m. Eastern Time, for the following purposes:

- To elect three Class III directors, Ambika Kapur Gadre, Steve Rowland and Kenneth "Chip" Virnig to hold office until the 2025 annual meeting of stockholders and until their successors are duly elected and qualified, subject to their earlier resignation or removal;
- To ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2023;
- To conduct a non-binding, advisory vote to approve the compensation of our named executive officers; and
- To transact any other business that properly comes before the Annual Meeting (including adjournments and postponements thereof).

Our Board of Directors recommends that you vote “FOR” the director nominees named in Proposal One, “FOR” the ratification of the appointment of Ernst & Young LLP as our independent registered public accounting firm as described in Proposal Two, and “FOR” the approval of, on a non-binding advisory basis, the compensation of our named executive officers as described in Proposal Three.

Only stockholders of record at the close of business on July 1, 2022 are entitled to notice of and to vote at the Annual Meeting as set forth in the Proxy Statement. You may attend, vote and participate at the Annual Meeting by visiting www.virtualshareholdermeeting.com/DT2022 and entering the 16-digit control number included in the Notice of Internet Availability of Proxy Materials, on the proxy card, or in the instructions included with the proxy materials dated July 14, 2022. You are entitled to attend the Annual Meeting only if you were a stockholder as of the close of business on July 1, 2022, the Record Date, or hold a valid proxy for the Annual Meeting. If you are a stockholder of record or hold shares through a broker, trustee, or nominee, your ownership as of the Record Date will be verified prior to admittance into the Annual Meeting. Access to the webcast will begin at 12:45 p.m. Eastern Time on August 24, 2022. For instructions on how to vote your shares, please refer to the instructions on the Notice of Availability of Proxy Materials you received in the mail, the section titled “How do I vote?” beginning on page 2 of this Proxy Statement or, if you requested to receive printed proxy materials, your enclosed proxy card.

By Order of the Board of Directors,

Rick McConnell

Rick McConnell
Chief Executive Officer
Waltham, Massachusetts
July 14, 2022

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DYNATRACE, INC.
1601 Trapelo Road, Suite 116
Waltham, Massachusetts 02451

PROXY STATEMENT
FOR THE 2022 VIRTUAL ANNUAL MEETING OF STOCKHOLDERS
TO BE HELD AUGUST 24, 2022

This proxy statement contains information about the 2022 Annual Meeting of Stockholders, or the Annual Meeting, of Dynatrace, Inc., which will be held online on August 24, 2022 at 1:00 p.m. Eastern Time. If you are a stockholder of record as of the close of business on July 1, 2022, you may attend the meeting virtually via the Internet at www.virtualshareholdermeeting.com/DT2022, where you will be able to vote electronically and submit questions. We encourage participants to access the meeting prior to the start time. Online check-in will begin 15 minutes prior to the start of the Annual Meeting, at 12:45 p.m. Eastern Time, and participants should allow ample time for check-in procedures. Please see the “General Information” section of this proxy statement that accompanies this notice for more details regarding the logistics of the virtual Annual Meeting, including the ability of stockholders to submit questions during the Annual Meeting, and technical details and support related to accessing the virtual platform. The Board of Directors of Dynatrace, Inc., or our Board, is using this proxy statement to solicit proxies for use at the Annual Meeting. In this proxy statement, the terms “Dynatrace,” "the Company," “we,” “us,” and “our” refer to Dynatrace, Inc. The mailing address of our principal executive offices is Dynatrace, Inc., 1601 Trapelo Road, Suite 116, Waltham, Massachusetts 02451.

All properly submitted proxies will be voted in accordance with the instructions contained in those proxies. If no instructions are specified, the proxies will be voted in accordance with the recommendation of our Board with respect to each of the matters set forth in the accompanying Notice of Meeting. You may revoke your proxy at any time before it is exercised at the meeting by giving our corporate secretary written notice to that effect.

We made this proxy statement and our Annual Report to Stockholders for the fiscal year ended March 31, 2022 available to stockholders on or about July 14, 2022.

Important Notice Regarding the Availability of Proxy Materials for
the 2022 Annual Meeting of Stockholders to be Held on August 24, 2022:

This proxy statement and our 2022 Annual Report to Stockholders are
available for viewing, printing and downloading at www.proxyvote.com.

A copy of our Annual Report on Form 10-K for the fiscal year ended March 31, 2022, as filed with the Securities and Exchange Commission, or SEC, except for exhibits, will be furnished without charge to any stockholder upon written request to Dynatrace, Inc., 1601 Trapelo Road, Suite 116, Waltham, Massachusetts 02451, Attention: Corporate Secretary or by email to ir@dynatrace.com. This proxy statement and our Annual Report on Form 10-K for the fiscal year ended March 31, 2022 are also available on the SEC’s website at *www.sec.gov* and on our website at *https://ir.dynatrace.com/.*

DYNATRACE, INC.
PROXY STATEMENT
FOR THE 2022 VIRTUAL ANNUAL MEETING OF STOCKHOLDERS

GENERAL INFORMATION

When are this proxy statement and the accompanying materials scheduled to be sent to stockholders?

We have elected to provide access to our proxy materials to our stockholders via the Internet. Accordingly, on or about July 14, 2022, we will begin mailing a Notice of Internet Availability of Proxy Materials, or the Notice. Our proxy materials, including the Notice of 2022 Annual Meeting of Stockholders, this proxy statement and the accompanying proxy card or, for shares held in street name (i.e. held for your account by a broker or other nominee), a voting instruction form, and the 2022 Annual Report for the year ended March 31, 2022, or the 2022 Annual Report, will be mailed or made available to stockholders on the Internet on or about the same date.

Why did I receive the Notice instead of a full set of proxy materials?

Pursuant to rules adopted by the SEC, for most stockholders, we are providing access to our proxy materials over the Internet rather than printing and mailing our proxy materials. We believe following this process will expedite the receipt of such materials and will help lower our costs and reduce the environmental impact of our annual meeting materials. Therefore, the Notice was mailed to holders of record and beneficial owners of our common stock starting on or about July 14, 2022. The Notice provides instructions as to how stockholders may access and review our proxy materials, including the Notice of 2022 Annual Meeting of Stockholders, this proxy statement, the proxy card and our 2022 Annual Report, on the website referred to in the Notice or, alternatively, how to request that a copy of the proxy materials, including a proxy card, be sent to them by mail. The Notice also provides voting instructions. In addition, stockholders of record may request to receive the proxy materials in printed form by mail or electronically by e-mail on an ongoing basis for future stockholder meetings. Please note that, while our proxy materials are available at the website referenced in the Notice, and our Notice of 2022 Annual Meeting of Stockholders, this proxy statement and our 2022 Annual Report are available on our website, *www.dynatrace.com*, no other information contained on either website is incorporated by reference in or considered to be a part of this proxy statement.

Who is soliciting my vote?

Our Board is soliciting your vote for the Annual Meeting.

When is the Record Date for the Annual Meeting?

The Record Date for determination of stockholders entitled to vote at the Annual Meeting was the close of business on July 1, 2022.

How many votes can be cast by all stockholders?

There were 287,259,635 shares of our common stock, par value $0.001 per share, outstanding on July 1, 2022, all of which are entitled to vote with respect to all matters to be acted upon at the Annual Meeting. Each stockholder of record is entitled to one vote for each share of our common stock held by such stockholder. None of our shares of preferred stock were outstanding as of July 1, 2022.

How do I attend the Annual Meeting virtually?

This year's Annual Meeting will be held virtually. To attend and participate in the Annual Meeting, stockholders will need to access the live webcast of the meeting. To do so, stockholders of record will need to visit *www.virtualshareholdermeeting.com/DT2022* and enter the 16-digit control number provided in the Notice, on the proxy card, or in the instructions included with the printed proxy materials.

If you wish to submit a question during the Annual Meeting, you may log into, and submit a question on, the virtual meeting platform by following the instructions included there. During the formal portion of the meeting, all questions presented should relate directly to the proposal under discussion. Questions from multiple stockholders on the same topic or that are otherwise related to a particular topic may be grouped, summarized and answered together. If questions submitted are irrelevant to the business of the Annual Meeting or are out of order or not otherwise suitable for the conduct of the Annual Meeting, as determined by the chair or corporate secretary in their reasonable judgment, we may choose to not address them. If there are any matters of individual concern to a stockholder and not of general concern to all stockholders, or if a question posed was not otherwise answered, such matters may be raised separately after the Annual Meeting.

Our Annual Meeting will be governed by the Annual Meeting's Rules of Conduct, which will address the ability of stockholders to ask questions during the meeting and rules for how questions will be recognized and addressed. The Annual Meeting's Rules of Conduct will be available on *www.virtualshareholdermeeting.com/DT2022* prior to the Annual Meeting.

What if I have technical issues during the Annual Meeting?

The virtual meeting platform is supported across browsers and devices running the most updated version of applicable software and plug-ins. Participants should give themselves plenty of time to log in and ensure they have a strong internet connection, and they can hear streaming audio prior to the start of the meeting.

Approximately 15 minutes prior to the start of and through the conclusion of the Annual Meeting, a support team will be ready to assist stockholders with any technical difficulties they may have accessing or hearing the virtual meeting. If you encounter technical difficulties with the virtual meeting platform on the meeting day, please call the technical support number that will be posted on the meeting website.

Additional information regarding matters addressing technical and logistical issues, including technically support during the Annual Meeting, will be available at *www.virtualshareholdermeeting.com/DT2022*.

How do I vote?

If shares of our common stock are registered directly in your name with Computershare, our transfer agent, you are considered the “stockholder of record” with respect to those shares. As the stockholder of record, you may vote by any of the methods listed below:

Virtually In Person

You may attend the Annual Meeting virtually via the internet at *www.virtualshareholdermeeting.com/DT2022* and you may vote during the meeting. Access to the webcast will begin at 12:45 pm Eastern Time on August 24, 2022, and you should allow ample time for check-in procedures. In order to be able to attend the Annual Meeting, you will need the 16-digit control number, provided in the Notice, on the proxy card, or in the instructions included with the proxy materials dated July 14, 2022.

By Internet or by Phone Before the Annual Meeting

You may vote by proxy by completing an electronic proxy card over the Internet or by telephone by following the instructions provided in the Notice until 11:59 p.m. Eastern Time on August 23, 2022.

By Mail

If you requested printed copies of the proxy materials, you may vote by proxy by mailing your proxy card as described in the proxy materials. In order to be counted, proxies submitted by mail must be received before the start of the Annual Meeting.

If shares of our common stock are held on your behalf in a brokerage account or by a bank or other nominee, you are considered to be the beneficial owner of shares that are held in “street name” (i.e., a “street name stockholder”) and the Notice was forwarded to you by your broker or nominee, who is considered the stockholder of record with respect to those shares. As the beneficial owner, you have the right to direct your broker, bank or other nominee as to how to vote your shares. Please follow the instructions from your broker, bank or other nominee to vote by Internet, telephone or by mail. Street name stockholders may not vote virtually in person at the Annual Meeting unless they receive a legal proxy from their respective brokers, banks or other nominees giving them the right to vote virtually in person at the Annual Meeting. If you request a printed copy of our proxy materials by mail, your broker, bank or other nominee will provide a voting instruction form for you to use.

What is the effect of giving a proxy?

If you are a stockholder of record and complete and submit your proxy before the Annual Meeting, the persons named as proxies will vote the shares represented by your proxy in accordance with your instructions. If you submit a proxy without giving voting instructions, your shares will be voted in the manner recommended by our Board on all matters presented in this proxy statement, and as the persons named as proxies may determine in their discretion with respect to any other matters properly presented at the Annual Meeting. You may also authorize another person or persons to act for you as proxy in a writing, signed by you or your authorized representative, specifying the details of those proxies’ authority. The original writing must be given to each of the named proxies, although it may be sent to them by electronic transmission if, from that transmission, it can be determined that the transmission was authorized by you.

If any other matters are properly presented for consideration at the Annual Meeting, including, among other things, consideration of a motion to adjourn the Annual Meeting to another time or place (including, without limitation, for the purpose of soliciting additional proxies), the persons named in your proxy and acting thereunder will have discretion to vote on those matters in accordance with their best judgment. We do not currently anticipate that any other matters will be raised at the Annual Meeting.

How do I revoke my proxy?

If you are a stockholder of record, you may revoke your proxy by (1) following the instructions on the Notice and entering a new proxy vote by mail that we receive before the start of the Annual Meeting or over the Internet or by phone by the cutoff time of 11:59 p.m. Eastern Time on August 23, 2022, (2) attending and voting virtually at the Annual Meeting (although attendance at the Annual Meeting will not in and of itself revoke a proxy), or (3) by filing an instrument in writing revoking the proxy or another duly executed proxy bearing a later date with our Corporate Secretary. Any written notice of revocation or subsequent proxy card must be received by our Corporate Secretary prior to the taking of the vote at the Annual Meeting. Such written notice of revocation or subsequent proxy card should be hand delivered to our Corporate Secretary or sent to our principal executive offices at Dynatrace, Inc., 1601 Trapelo Road, Suite 116 Waltham, Massachusetts 02451, Attention: Corporate Secretary.

If a broker, bank, or other nominee holds your shares, you must contact such broker, bank, or nominee in order to find out how to change your vote.

How is a quorum reached?

A majority of the shares entitled to vote, present in person or represented by proxy, will constitute a quorum for the transaction of business at the Annual Meeting. As of the Record Date, there were 287,259,635 shares of our common stock outstanding. Therefore, a quorum will be present if 143,629,819 shares of our common stock are present, virtually in person or by proxy, representing a majority of all issued and outstanding shares of common stock entitled to vote as of the Record Date.

Shares that are voted “abstain” or “withheld” and broker “non-votes” are counted as present for purposes of determining whether a quorum is present at the Annual Meeting. If a quorum is not present, the meeting may be adjourned until a quorum is obtained.

What vote is required to adopt the proposals?

Each director nominated via Proposal No. 1 that receives a plurality of the votes properly cast on the election of such director, will be elected, meaning that the three director nominees receiving the most votes "FOR" votes will be elected. Withholding authority to vote your shares with respect to one or more director nominees will have no effect on the election of those nominees. Broker non-votes will also have no effect.

For Proposal No. 2, a majority of the votes properly cast is required to ratify the appointment of Ernst & Young LLP as our independent registered public accounting firm for the fiscal year ending March 31, 2023. Abstentions and broker non-votes will have no effect on this proposal. However, we expect there will be no broker non-votes on this proposal since brokers have discretionary voting authority with respect to this proposal.

For Proposal No. 3, a majority of the votes properly cast is required to approve the compensation of our named executive officers. Abstentions and broker non-votes will have no effect on this proposal. Since this proposal is an advisory vote, the result will not be binding on us, our Board or its Compensation Committee. However, the Board values input from stockholders, and the Compensation Committee will consider the outcome of the vote when making future decisions regarding the compensation of our named executive officers.

What are broker "non-votes"?

If your shares are held in “street name” by a brokerage firm, your brokerage firm is required to vote your shares according to your instructions. A broker non-vote occurs when a broker has not received voting instructions from the beneficial owner of the shares and the broker cannot vote the shares because the matter is not considered a routine matter under NYSE rules for which brokers have discretionary authority to vote (a “discretionary matter”). If you do not give instructions to your brokerage firm, (i) the brokerage firm will still be able to vote your shares with respect to our sole “discretionary matter”, Proposal No. 2, the ratification of Ernst & Young LLP, and (ii), will not be allowed to vote your shares with respect to our “non-discretionary matters”, Proposal No. 1 and Proposal No. 3.

Who pays the cost for soliciting proxies?

We are making this solicitation and will pay the entire cost of preparing and distributing the Notice and our proxy materials and soliciting votes. If you choose to access the proxy materials or vote over the Internet, you are responsible for any Internet access charges that you may incur. Our officers and employees may, without compensation other than their regular compensation, solicit proxies through further mailings, personal conversations, facsimile transmissions, e-mails, or otherwise. We have hired Broadridge Financial Solutions, Inc. to assist us in the distribution of proxy materials. Proxy solicitation expenses that we will pay include those for preparation, mailing, returning, and tabulating the proxies. We have also retained Innisfree M&A Incorporated to aid in and advise on certain matters relating to the Annual Meeting for a fee estimated not to exceed $10,000.

How may stockholders submit matters for consideration at an annual meeting?

Requirements for Stockholder Proposals to be Brought Before the Annual Meeting

Our bylaws provide that, for nominations of persons for election to our Board or other proposals to be considered at an annual meeting of stockholders, a stockholder must give written notice, received by our corporate secretary at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting. However, our bylaws also provide that, in the event that the date of the annual meeting is advanced by more than 30 days or delayed by more than 60 days from the first anniversary of the preceding year's annual meeting, or if no annual meeting were held in the preceding year, a stockholder's notice must be so received no earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of (A) the 90th day prior to such annual meeting and (B) the tenth day following the day on which notice of the date of such annual meeting was mailed or public disclosure of the date of such annual meeting was made, whichever first occurs.

The advance notice requirements under our bylaws for the 2023 Annual Meeting of Stockholders are as follows: a stockholder's notice shall be timely delivered to our Secretary at the address set forth above not earlier than the close of business on April 26, 2023 and not later than the close of business on May 26, 2023. However, if the date of our 2023 Annual Meeting of Stockholders occurs more than 30 days before or 60 days after August 24, 2023, the anniversary of the Annual Meeting, a stockholder notice will be timely if it is received at the address set forth above by the later of the close of business on (A) the 90th day prior to such annual meeting or (B) the tenth day following the day on which public disclosure of the date of the meeting is made.

Requirements for Stockholder Proposals to be Considered for Inclusion

In addition to the requirements stated above, any stockholder who wishes to submit a proposal intended to be included in the proxy statement for the next annual meeting of our stockholders in 2023 must comply with Rule 14a-8 under the Securities Exchange Act of 1934, as amended, or the Exchange Act. For such proposals to be included in our proxy materials relating to our 2023 annual meeting of stockholders, all applicable requirements of Rule 14a-8 must be satisfied and we must receive such proposals no later than March 16, 2023. If the date of our annual meeting is moved by more than 30 days from the date contemplated at the time of the previous year's proxy statement, then notice must be received within a reasonable time before we begin to print and send proxy materials. If the date of our annual meeting is moved, we will publicly announce the deadline for submitting a proposal in a press release or in a document filed with the SEC.

In addition, to comply with the universal proxy rules (once effective), stockholders who intend to solicit proxies in support of director nominees other than the Company's nominees must provide notice that sets forth the information required by Rule 14a-19 under the Securities Exchange Act of 1934 no later than June 25, 2023.

How can I know the voting results?

We plan to announce preliminary voting results at the Annual Meeting and will publish final results in a Current Report on Form 8-K to be filed with the SEC within four business days following the Annual Meeting.

PROPOSAL NO. 1 – ELECTION OF CLASS III DIRECTORS

Our Board currently consists of ten members. In accordance with the terms of our certificate of incorporation and bylaws, our Board is divided into three classes, Class I, Class II and Class III, with members of each class serving staggered three-year terms. Directors are expected to be elected to hold office for such three-year term or until the election and qualification of their successors in office, subject to their earlier resignation or removal. The members of the classes are divided as follows:

- the Class I directors are Rick McConnell, Michael Capone and Stephen Lifshatz and their terms will expire at the annual meeting of stockholders to be held in 2023;
- the Class II directors are Seth Boro, Jill Ward and Kirsten Wolberg and their terms will expire at the annual meeting of stockholders to be held in 2024; and
- the Class III directors are Ambika Kapur Gadre, or Ambika Kapur, Steve Rowland, Kenneth “Chip” Virnig and Paul Zuber and their terms will expire at the Annual Meeting.

Upon the expiration of the term of a class of directors, directors in that class will be eligible to be elected for a new three-year term at the annual meeting of stockholders in the year in which their term expires.

Paul Zuber is not standing for re-election at the Annual Meeting and, as a result, his term as a director will end at the Annual Meeting and the Board will be reduced to nine members.

Our Board has nominated Ambika Kapur, Steve Rowland and Kenneth “Chip” Virnig for election as the Class III directors at the Annual Meeting. The nominees are presently directors and have indicated a willingness to continue to serve as directors, if elected. If any of the nominees become unable or unwilling to serve, however, the proxies may be voted for a substitute nominee selected by our Board.

Nominees for Election as Class III Directors

The following table identifies our nominees for director and sets forth their principal occupation and business experience during the last five years and their ages as of July 1, 2022.

Name	Positions and Offices Held with Dynatrace, Inc.	Director Since	Age
Ambika Kapur	Director	2022	54
Steve Rowland	Director	2021	54
Kenneth "Chip" Virnig	Director	2015	38

Ambika Kapur has served on our board since January 27, 2022. In addition, she has served as VP of product marketing for the Network and Advanced Security Business Group at VMware Inc. (NYSE: VMW) since November 2018. From September 2016 to November 2018, she served as President of Xplicable LLC, a strategic consulting group with a focus on cybersecurity. Her responsibilities in this role including serving as Chief Product Officer at DataTribe, a startup foundry that invests in and co-builds world-class startups focused on generational leaps in cybersecurity and data science. From November 2011 to September 2016, she served as VP of product management at Bracket Computing, a cloud security provider acquired by VMware in 2018. From July 2007 to November 2011, she served as head of product and marketing for Cisco System’s Security Technology Business Unit (NASDAQ: CSCO). Ms. Kapur holds an M.A. degree in economics from the Delhi School of Economics at the University of Delhi. Our Board believes that Ms. Kapur’s go-to-market and industry experience qualify her to serve on our Board.

Steve Rowland has served on our Board since July 2021. In addition, he has served as Chief Revenue Officer of Okta, Inc. (NASDAQ: OKTA) since March 2021, and as Executive Advisor and Limited Partner at the Atlanta-based VC firm, Forté Ventures LP since May 2019. Prior to these roles, from August 2019 to March 2021, he served as Vice President, Americas at Splunk Inc. (NASDAQ: SPLK). From October 2015 to August 2019, he served as President at DataStax, Inc. He has also held executive leadership roles at other technology companies including Apigee Corp., Blue Coat Systems LLC and BMC Software Inc. Mr. Rowland holds a B.S. in engineering from Texas A&M University. Our Board believes that Mr. Rowland’s leadership and go-to-market experience and his overall knowledge of our industry qualify him to serve on our Board.

Kenneth “Chip” Virnig has served on our Board since January 2015. Since September 2018, he has served as Partner at Thoma Bravo, and from July 2015 to September 2018 he served as Principal at Thoma Bravo. Mr. Virnig joined Thoma Bravo in 2008 and served as Vice President prior to his promotion to Principal. Prior to that Mr. Virnig worked as an analyst in the investment banking group at Merrill Lynch & Co. from July 2006 to July 2008. He previously served on the board of directors of SailPoint Technologies Holdings, Inc. (NYSE: SAIL) until March 2019 and currently serves as a director of several software and technology service companies in which certain private equity funds advised by Thoma Bravo hold an investment. Examples include Barracuda Networks, Inc., Flexera Software, LLC, Hyland Software, Inc., Imperva, Inc., Kofax, Ltd., LogRhythm, Inc., Proofpoint, Inc., Qlik Technologies, Inc., Sophos Limited, Talend, Inc., and UserZoom, Inc. Mr. Virnig received a B.A. in Business Economics, Commerce, Organizations and Entrepreneurship from Brown University. Our Board believes that Mr. Virnig's board and industry experience and his overall knowledge of our business qualify him to serve on our Board.

Vote Required

The election of directors requires a plurality of the votes properly cast "FOR" each nominee. Votes to "withhold" and broker non-votes will have no effect on the election of the nominees.

Our Board recommends voting "FOR" the election of Ambika Kapur, Steve Rowland and Kenneth "Chip" Virnig as the Class III directors, to serve for a three-year term ending at the annual meeting of stockholders to be held in 2025.

Directors Continuing in Office

The following table identifies our directors continuing in office and sets forth their principal occupation and business experience during the last five years and their ages as of July 1, 2022.

Name	Positions and Offices Held with Dynatrace	Director Since	Class and Year in Which Term Will Expire	Age
Rick McConnell	Chief Executive Officer, Director	2021	Class I – 2023	56
Michael Capone	Director	2019	Class I – 2023	55
Stephen Lifshatz	Director	2019	Class I – 2023	63
Seth Boro	Director	2015	Class II – 2024	46
Jill Ward	Director, Board Chair	2019	Class II – 2024	62
Kirsten Wolberg	Director	2021	Class II – 2024	54

Class I Directors (Term Expires at 2023 Annual Meeting)

Rick McConnell has served as our Chief Executive Officer and on our Board since December 2021. He has over 30 years of experience scaling multi-billion-dollar organizations, developing winning cultures, building broad-based product portfolios and establishing go-to-market strategies and execution plans to drive category leadership. Mr. McConnell worked at Akamai Technologies (NASDAQ: AKAM) from 2011 to 2021, where he held multiple positions, including President and General Manager of the Security Technology Group since March 2021, and President and General Manager of Akamai's Web Division from May 2016 through February 2021. From 2004 to 2011, he worked at Cisco Systems Inc. (NASDAQ: CSCO) in various senior executive roles. He joined Cisco when the company acquired Latitude Communications, where he was President and Chief Executive Officer. Mr. McConnell holds a B.A. in Quantitative Economics and an M.B.A., both from Stanford University. Our Board believes that based on Mr. McConnell's knowledge of our company and our business, and his service as our Chief Executive Officer, Mr. McConnell is qualified to serve on our Board.

Michael Capone has served on our Board since July 2019. Mr. Capone has served as the Chief Executive Officer of Qlik Technologies, Inc., which is owned by affiliates of Thoma Bravo, since January 2018. Prior to that, Mr. Capone served as the Chief Operating Officer of Medidata Solutions, Inc. (NASDAQ: MDSO) from October 2014 to December 2017. Prior to joining Medidata, Mr. Capone worked in various executive positions at Automatic Data Processing, Inc., or ADP (NASDAQ: ADP), serving as Corporate Vice President of Product Development and Chief Information Officer from July 2008 to September 2014, and Senior Vice President and General Manager of ADP's Global HR/Payroll Outsourcing Business from July 2005 to June 2008. He also served on the board of directors of Ellie Mae, which was owned by private equity funds advised by Thoma Bravo, between May 2019 and September 2020. Mr. Capone holds a B.S. in Computer Science from Dickinson College and an M.B.A. in Finance from Pace University. Our Board believes that Mr. Capone's board and business experience and his overall knowledge of our industry qualify him to serve on our Board.

Stephen Lifshatz has served on our Board since July 2019. Mr. Lifshatz served as the Chief Financial Officer for Lytx, a private video telematics company, from May 2018 through September 2021. Prior to joining Lytx, from January 2017 through May 2018, Mr. Lifshatz was engaged as an independent consultant by several private equity firms to assist in the development and expansion of certain of their portfolio companies. Prior to that, Mr. Lifshatz served as Chief Financial Officer of Fleetmatics Group PLC (NYSE: FLTX) from December 2010 to December 2016. Mr. Lifshatz had also served as Chief Financial Officer of four additional private and public companies during his career. Mr. Lifshatz served on the board of directors of Amicas, Inc. (NASDAQ: AMCS) from June 2007 until June 2010, as well as on the board or advisory board of several companies. Mr. Lifshatz holds a B.S. in Accounting and Marketing from Skidmore College. Our Board believes that Mr. Lifshatz's board and business experience and his overall knowledge of our industry qualify him to serve on our Board.

Class II Directors (Term Expires at 2024 Annual Meeting)

Seth Boro has served on our Board since January 2015. Mr. Boro has served as a Managing Partner at Thoma Bravo since 2013. He joined Thoma Bravo in 2005 and became a Partner in 2010, serving in that capacity until becoming a Managing Partner in 2013. Mr. Boro was previously an associate with the private equity firm Summit Partners from July 2000 to May 2003 and an analyst with Credit Suisse from July 1999 to July 2000. Mr. Boro currently serves on the board of directors of SolarWinds Corporation (NYSE: SWI) and previously served on the board of directors of SailPoint Technologies Holdings, Inc. (NYSE: SAIL) until November 2018. He currently serves as a director of several software and technology service companies in which certain private equity funds advised by Thoma Bravo hold an investment. Example companies include Barracuda Networks, Calabrio, Inc., ConnectWise, Inc., Flexera Software, LLC, Hyland Software, Inc., Imperva, Inc., Kofax, Ltd., LogRhythm, Inc., Sophos Limited and Venafi, Inc. Mr. Boro also serves or has previously served on the board of directors of other cyber security companies. Examples include Blue Coat Systems, Inc., Entrust, Inc., McAfee, LLC, SonicWALL, Inc. and Tripwire, Inc. Mr. Boro received his M.B.A. from the Stanford Graduate School of Business and is a graduate of Queen's University School of Business (Canada), where he received a Bachelor of Commerce degree. Our Board believes that Mr. Boro's board and industry experience qualify him to serve on our Board.

Jill Ward has served on our Board since September 2019 and as Chairperson of our Board since January 2021. From October 2018 to February 2020, Ms. Ward served as an operating partner of Lead Edge Capital, a growth equity investment firm. Ms. Ward has served as a member of the board of directors of HubSpot (NYSE: HUBS) since October 2017 and as a member of the board of directors of Informatica (NYSE: INFA) since June 2021. Ms. Ward served as a member of the board of directors of Carbon Black, Inc. (Nasdaq: CBLK) from December 2018 until its acquisition by VMware, Inc. in October 2019 and she served as President and Chief Operating Officer of Fleetmatics from 2015 until its acquisition by Verizon Communications in 2016. Prior to Fleetmatics Group PLC (NYSE: FLTX), from 2001 to 2014, Ms. Ward served as Vice President and then Senior Vice President and General Manager at Intuit Inc. (NASDAQ: INTU). Ms. Ward's experience also includes leadership roles at Telespectrum, Fidelity Investments, and Bain & Company. Ms. Ward holds an M.B.A. from the Amos Tuck School of Business Administration at Dartmouth College and a B.A. from Wellesley College. Our Board believes that Ms. Ward's board and business experience and her overall knowledge of our industry qualify her to serve on our Board.

Kirsten O. Wolberg has served on our board of directors since March 2021. From November 2017 to February 2021, Ms. Wolberg served as the Chief Technology and Operations Officer for DocuSign, Inc. (NASDAQ: DOCU). From January 2012 to October 2017, Ms. Wolberg was a Vice President at PayPal, Inc., a subsidiary of PayPal Holdings, Inc. (NASDAQ: PYPL), where she served in various executive roles including as Vice President, Technology from 2012 to 2015. Prior to that, Ms. Wolberg was Chief Information Officer for Salesforce (NYSE: CRM) from May 2008 to September 2011. In addition, Ms. Wolberg serves on the board of directors of lender Sallie Mae (NASDAQ: SLM), enterprise technology companies CalAmp Corp. (NASDAQ: CAMP) insurance technology company, Pie Insurance Holdings, Inc., a natural language processing company, Pryon Inc., music platform company Epidemic Sound AB, and a non-profit organization in the workforce development space, Jewish Vocational Services. Ms. Wolberg holds an M.B.A. from the J.L. Kellogg Graduate School of Management at Northwestern University and a B.S. in Business Administration from the University of Southern California. Our Board believes that Ms. Wolberg's board and enterprise technology experience and her overall knowledge of the SaaS software industry qualify her to serve on our Board.

There are no family relationships between or among any of our directors or executive officers. The principal occupation and employment during the past five years of each of our directors was carried on, in each case except as specifically identified above, with a corporation or organization that is not a parent, subsidiary or other affiliate of us. Messrs. Boro and Virnig have been designated as nominees for election to our Board by Thoma Bravo, LLP, as provided under our charter, see "Certain Sponsor Rights", below. There is no other arrangement or understanding between any of our directors and any other person or persons pursuant to which he or she is to be selected as a director. There are no material legal proceedings to which any of our directors or any associate of any such director is a party adverse to us or any of our subsidiaries or in which any such person has a material interest adverse to us or any of our subsidiaries.

Executive Officers Who Are Not Directors

The following table identifies our executive officers who are not members of our Board, and sets forth their current positions at Dynatrace and their ages as of July 1, 2022.

Name	Position Held with Dynatrace	Officer Since	Age
Kevin Burns	Chief Financial Officer and Treasurer	2016	52
Bernd Greifeneder	Chief Technology Officer	2014	50
Stephen J. Pace	Chief Revenue Officer	2016	62

Kevin Burns has served as our Senior Vice President, Chief Financial Officer and Treasurer since September 2016. Mr. Burns was also the Treasurer and Secretary of SIGOS LLC, an affiliate of Dynatrace, until July 2018. Prior to his role at Dynatrace, Mr. Burns was the President, Chief Financial Officer and Chief Operating Officer of iCAD Inc. (NASDAQ: ICAD) from April 2011 until September 2016. From April 2008 until May 2010, Mr. Burns was Senior Vice President, Chief Financial Officer of AMICAS, Inc. (NASDAQ: AMCS), and he was the Vice President of Finance and Corporate Development from November 2004 until March 2008. Mr. Burns holds a B.S. from Babson College and an M.B.A. from Babson College's Franklin W. Olin Graduate School of Business.

Bernd Greifeneder has served as our Senior Vice President, Chief Technology Officer since December 2014. Mr. Greifeneder co-founded dynaTrace Software GmbH in 2005, where he was the Chief Executive Officer until 2008, and the Chief Technology Officer until December 2014. Prior to this, Mr. Greifeneder held a variety of roles at Segue Software Inc. from January 1998 to February 2005, including Project Lead, Chief Technology Officer of Global Technologies and Chief Software Architect. Mr. Greifeneder holds a B.S. in Computer Science and an M.S. in Computer Science from Johannes Kepler Universität Linz, Austria.

Stephen J. Pace has served as our Senior Vice President, Chief Revenue Officer since November 2021 and as our Senior Vice President, Global Sales from March 2016 to November 2021. Prior to this, Mr. Pace was the Senior Vice President, Global Sales for Raytheon Cyber Products, Inc., a subsidiary of Raytheon Company (NYSE: RTN), from January 2014 until February 2016. Prior to his role at Raytheon, Mr. Pace was Executive Vice President of Global Sales and Advisory Board Member at Rapid Focus Security, Inc. (d/b/a Pwnie Express), from January 2013 until January 2014 and he remained an advisor to the company until November 2019. He has also held various North American and Global Sales and Marketing roles with Seagate Software (acquired by Veritas), GeoTrust (acquired by Verisign), NaviSite (acquired by Time Warner), and IBM (NYSE: IBM). Mr. Pace holds a B.S. in Electrical Engineering, with honors, from Pennsylvania State University and has been an Advisory Board member since 2008 in the College of Information Science and Technology at Pennsylvania State University.

The principal occupation and employment during the past five years of each of our executive officers was carried on, in each case except as specifically identified above, with a corporation or organization that is not a parent, subsidiary or other affiliate of us. There is no arrangement or understanding between any of our executive officers and any other person or persons pursuant to which he was or is to be selected as an executive officer. There are no material legal proceedings to which any of our executive officers or any associate of any such executive officer is a party adverse to us or any of our subsidiaries or in which any such person has a material interest adverse to us or any of our subsidiaries.

CORPORATE GOVERNANCE

Certain Sponsor Rights

We have a relationship with our equity sponsor, Thoma Bravo, LLC, or Thoma Bravo, who has made significant equity investments in us. As of July 1, 2022, Thoma Bravo beneficially owned 84,298,270 shares of our common stock, representing approximately 29.35% of our common stock. During 2022, 2021 and 2020, Messrs. Boro, Virnig, and Zuber each served on our Board as nominees of Thoma Bravo.

Our charter provides that for so long as Thoma Bravo beneficially owns at least (i) 20% (but less than 30%) of our outstanding shares of common stock, Thoma Bravo will have the right to nominate a number of directors to our board equal to the lowest whole number that is greater than 30% of the total number of directors (but in no event fewer than two directors); (ii) 10% (but less than 20%) of our outstanding shares of common stock, Thoma Bravo will have the right to nominate a number of directors to our board equal to the lowest whole number that is greater than 20% of the total number of directors (but in no event fewer than one director); and (iii) at least 5% (but less than 10%) of our outstanding shares of common stock, Thoma Bravo will have the right to nominate one director to our board. As of July 1, 2022, pursuant to our charter, Thoma Bravo is entitled to nominate four of our directors.

Director Nomination Process

Our Nominating and Corporate Governance Committee is responsible for identifying individuals qualified to become members of our Board, consistent with criteria approved by our board, and recommending such persons to be nominated for election as directors, except where we are legally required by contract, law or otherwise to provide third parties with the right to nominate.

The process followed by our Nominating and Corporate Governance Committee to identify and evaluate director candidates includes requests to board members and others for recommendations, meetings from time to time to evaluate biographical information and background material relating to potential candidates, and interviews of selected candidates by management, recruiters, members of the committee and our board. During fiscal 2022, our Nominating and Corporate Governance Committee engaged the services of a globally-recognized recruiting firm to assist in identifying, obtaining and assessing background information relating to potential candidates. The qualifications, qualities and skills that our Nominating and Corporate Governance Committee believes must be met by a committee-recommended nominee for a position on our Board are as follows:

- High standards of personal and professional ethics and integrity.
- Proven achievement and competence in the nominee’s field, business acumen and the ability to exercise sound business judgment.
- Skills, background including racial, ethnic and gender diversity, and experience that are complementary to those of the existing board.
- The ability to assist and support management and make significant contributions to our success.
- An understanding of the fiduciary responsibilities that are required of a member of the Board and the commitment of time and energy necessary to diligently carry out those responsibilities.

The Nominating and Corporate Governance Committee will consider candidates properly recommended by security holders holding at least three (3%) of our common stock continuously for at least twenty-four (24) months before the date of the recommendation. Any such proposals should be submitted to our corporate secretary at our principal executive offices no later than the close of business on the 90th day nor earlier than the close of business on the 120th day prior to the one-year anniversary of the date of the preceding year’s annual meeting and should include appropriate biographical and background material to allow the Nominating and Corporate Governance Committee to properly evaluate the potential director candidate and the number of shares of our stock beneficially owned by the stockholder proposing the candidate. Stockholder proposals should be addressed to Dynatrace, Inc., 1601 Trapelo Road, Suite 116, Waltham, MA 02451, Attention: Corporate Secretary. Assuming that biographical and background material has been provided on a timely basis in accordance with our bylaws, any recommendations received from stockholders will be evaluated in the same manner as potential nominees proposed by the Nominating and Corporate Governance Committee. If our Board directors determines to nominate a stockholder-recommended candidate and recommends his or her election, then his or her name will be included on our proxy card for the next annual meeting of stockholders. See “Stockholder Proposals” for a discussion of submitting stockholder proposals.

Director Independence

Our Board has undertaken a review of the independence of each director. Based on information provided by each director concerning his or her background, employment and affiliations, our Board has determined that none of our directors (other than Mr. McConnell) has any relationships that would interfere with the exercise of independent judgment in carrying out the responsibilities of a director and that each of these directors is “independent” as that term is defined under the listing standards of the New York Stock Exchange, or NYSE. In making these determinations, our Board considered the current and prior relationships that each non-employee director has with our company and all other facts and circumstances our Board deemed relevant in determining their independence and eligibility to serve on the committees of our Board, including the transactions involving them described in the section titled “Certain Relationships and Related Party Transactions.”

Board Committees

Our Board has established a standing Audit Committee, a Compensation Committee, a Nominating and Corporate Governance Committee and a Cybersecurity Committee. Each of these committees operates under a charter that satisfies the applicable standards of the SEC and NYSE, if any. Each committee reviews its respective charter at least annually.

A current copy of the charter for each of the Audit Committee, Compensation Committee, Nominating and Corporate Governance Committee and Cybersecurity Committee is posted on the governance section of our website, *https://ir.dynatrace.com/corporate-governance/governance-documents*. We have adopted a Code of Business Conduct and Ethics that applies to our Board and all of our officers and employees. In addition, we have adopted Corporate Governance Guidelines that formalize certain fundamental board policies and practices. Both of these documents are posted on the governance section of our website, *https://ir.dynatrace.com/corporate-governance/governance-documents*.

Audit Committee

Stephen Lifshatz, Jill Ward and Steve Rowland serve on the Audit Committee, which is chaired by Mr. Lifshatz. Our Board has determined that each member of the Audit Committee is "independent" for Audit Committee purposes as that term is defined in the rules of the SEC and the applicable NYSE rules, and each has sufficient knowledge in financial and auditing matters to serve on the Audit Committee. Our Board has designated Mr. Lifshatz as an "Audit Committee financial expert," as defined under the applicable rules of the SEC. During the fiscal year ended March 31, 2022, the Audit Committee met six times, made recommendations to the Board during Board meetings, took other actions through written consent, and met informally at other times without taking action. The report of the Audit Committee is included in this proxy statement under "Report of the Audit Committee." The Audit Committee's responsibilities include:

- assisting our Board in its oversight of the integrity of our financial statements and our compliance with legal and regulatory requirements
- selecting a qualified firm to serve as the independent registered public accounting firm to audit our financial statements;
- helping ensure the independence and performance of the independent registered public accounting firm;
- discussing the scope and results of the audit with the independent registered public accounting firm to audit our financial statements;
- developing procedures for employees to submit concerns anonymously about questionable accounting or audit matters;
- reviewing our policies on risk assessment and risk management;
- reviewing related party transactions;
- reviewing our earnings releases and the financial information and guidance that we disclose publicly;
- evaluating the performance, responsibilities and staffing of our internal audit function; and
- approving or, as required, pre-approving auditing and permissible non-audit services, other than de minimis non-audit services, and the terms of such services, to be performed by our independent registered public accounting firm.

Compensation Committee

Michael Capone, Stephen Lifshatz and Kirsten Wolberg serve on the Compensation Committee, which is chaired by Mr. Capone. Our Board has determined that each member of the Compensation Committee meets the requirements of a "non-employee director" pursuant to Rule 16b-3 under the Exchange Act, and is "independent" for Compensation Committee purposes as that term is defined in the applicable SEC and NYSE rules. During the fiscal year ended March 31, 2022, the Compensation Committee met five times, made recommendations to the Board during Board meetings, and took other actions through written consent. The Compensation Committee's responsibilities include:

- reviewing and approving the goals and objectives relating to the compensation of our executive officers, including any long-term incentive components of our compensation programs;
- evaluating the performance of our executive officers in light of the goals and objectives of our compensation programs and determining the compensation of each executive officer other than our chief executive officer based on such evaluation;
- evaluating the performance of our chief executive officer in light of the goals and objectives of his compensation programs, and determining the compensation of our chief executive officer, in consultation with the Board;
- reviewing and approving, subject, if applicable, to stockholder approval, our executive compensation programs;
- reviewing and approving the terms and conditions of our performance-based incentive plans, and serving as the administrator of our equity-based incentive plans;
- reviewing the operation and efficacy of our executive compensation programs in light of their goals and objectives, including the alignment of our compensation programs with our strategies and efforts related to diversity, equity and inclusion and environmental, social, and governance, or ESG, matters;
- reviewing and assessing risks arising from our compensation programs;
- reviewing and recommending to the Board the appropriate structure and amount of compensation for our directors;

- reviewing and approving, subject, if applicable, to stockholder approval, material changes in our employee benefit plans; and
- establishing and periodically reviewing policies for the administration of our equity compensation plans.

Nominating and Corporate Governance Committee

Paul Zuber, Ambika Kapur, and Kenneth "Chip" Virnig serve on the Nominating and Corporate Governance Committee, which is chaired by Mr. Zuber. Mr. Zuber is not standing for re-election at the Annual Meeting, and as a result, his term as a director will end at the Annual Meeting. Jill Ward will replace Mr. Zuber as chair of the Nominating and Corporate Governance Committee at that time. Mr. Capone served until January 2022 when Ms. Kapur was appointed to the Nominating and Corporate Governance Committee. Our Board has determined that each member of the Nominating and Corporate Governance Committee is "independent" for Nominating and Corporate Governance Committee purposes as that term is defined in the rules of the SEC and the applicable NYSE rules. The Nominating and Corporate Governance Committee's responsibilities include:

- identifying, evaluating and recommending qualified persons to serve on our Board;
- considering and making recommendations to our Board regarding the composition and chairs of the committees of our Board;
- developing and making recommendations to our Board regarding corporate governance guidelines and matters and periodically reviewing such guidelines and recommending any changes;
- overseeing annual evaluations of our Board's performance, including committees of our Board and management; and
- providing oversight of the Company's strategy, policies, practices and reporting regarding ESG matters and reviewing and assessing the Company's policies and practices related to ESG matters.

The Nominating and Corporate Governance Committee considers candidates for membership to our Board suggested by our board members, including our chief executive officer. Additionally, in selecting nominees for directors, the Nominating and Corporate Governance Committee will review candidates properly recommended by stockholders in the same manner and using the same general criteria as candidates recruited by the committee and/or recommended by our Board. Any stockholder who wishes to recommend a candidate for consideration by the committee as a nominee for director should follow the procedures described in this proxy statement under the heading "Stockholder Proposals." The Nominating and Corporate Governance Committee will also consider whether to nominate any person proposed by a stockholder in accordance with the provisions of our bylaws relating to stockholder nominations as described later in this proxy statement under the heading "Stockholder Proposals."

Identifying and Evaluating Director Nominees. Our Board is responsible for filling vacancies on our Board and for nominating candidates for election by our stockholders each year in the class of directors whose term expires at the relevant annual meeting. Our Board delegates the selection and nomination process to the Nominating and Corporate Governance Committee, with the expectation that other members of the Board, and of management, will be requested to take part in the process as appropriate.

Generally, the Nominating and Corporate Governance Committee identifies candidates for director nominees in consultation with other members of our Board, with management, through the use of search firms or other advisors, through the recommendations submitted by stockholders or through such other methods as the Nominating and Corporate Governance Committee deems to be helpful to identify candidates. During the fiscal year ended March 31, 2022, True Capital Partners, LLC was retained to assist in identifying potential candidates, and obtaining and assessing related background information, for director nominees. Once candidates have been identified, the Nominating and Corporate Governance Committee confirms that the candidates meet all of the minimum qualifications for director nominees established by the Nominating and Corporate Governance Committee. The Nominating and Corporate Governance Committee may gather information about the candidates through interviews, detailed questionnaires, comprehensive background checks or any other means that the Nominating and Corporate Governance Committee deems to be appropriate in the evaluation process. The Nominating and Corporate Governance Committee then meets as a group to discuss and evaluate the qualities and skills of each candidate, both on an individual basis and taking into account the overall composition and needs of our Board. Based on the results of the evaluation process, the Nominating and Corporate Governance Committee recommends candidates for the Board's approval to fill a vacancy or as director nominees for election to the Board by our stockholders each year in the class of directors whose term expires at the relevant annual meeting. During the fiscal year ended March 31, 2022, the Nominating and Corporate Governance Committee met five times, made recommendations to the Board during Board meetings, and took other actions through written consent.

Cybersecurity Committee

Paul Zuber, Michael Capone, Kenneth "Chip" Virnig and Kirsten Wolberg serve on the Cybersecurity Committee, which is chaired by Ms. Wolberg. Mr. Zuber, who served as chair of the Cybersecurity Committee until 27 January 2022, is not standing for re-election at the Annual Meeting, and as a result his term as a director will end at the Annual Meeting. The Cybersecurity Committee's responsibilities primarily include providing oversight of our policies, plans, and programs relating to cybersecurity and data protection risks associated with our products, services, and business operations; providing feedback on cybersecurity related matters, including but not limited to strategies, objectives, capabilities, initiatives, and policies; and oversight of other tasks related to our cybersecurity functions. From August 2019 to January 2021, the Cybersecurity Committee was a subcommittee of the Audit Committee. The

Cybersecurity Committee was reconstituted as a committee of the Board in January 2021, and during the fiscal year ended March 31, 2022, the Cybersecurity Committee met four times and made recommendations to the Board during board meetings.

Board and Committee Meetings Attendance

Our Board met fourteen times during fiscal year 2022. During fiscal year 2022, each member of the Board attended in person or participated in 75% or more of the aggregate of (i) the total number of meetings of the Board (held during the period for which such person has been a director) and (ii) the total number of meetings held by all committees of the Board on which such person served (during the periods that such person served).

Director Attendance at Annual Meeting of Stockholders

Directors are responsible for attending the annual meeting of stockholders to the extent practicable. Six out of nine of our then-serving directors attended our 2021 annual meeting.

Policy on Trading, Pledging and Hedging of Company Stock

Certain transactions in our securities (such as purchases and sales of publicly traded put and call options, and short sales) create a heightened compliance risk or could create the appearance of misalignment between management and stockholders. In addition, securities held in a margin account or pledged as collateral may be sold without consent if the owner fails to meet a margin call or defaults on the loan, thus creating the risk that a sale may occur at a time when an officer or director is aware of material, non-public information or otherwise is not permitted to trade in our securities. Our insider trading policy expressly prohibits short sales and derivative transactions of our stock by our officers, directors, employees and certain designated consultants and contractors, including short sales of our securities and the purchase or sale of puts, calls, or other derivative securities of the company or any derivative securities that provide the economic equivalent of ownership. Any waiver of this policy requires the approval of our Audit Committee. To date, no such requests have been made or approved.

Code of Business Conduct and Ethics

We have adopted a written code of business conduct and ethics that applies to our directors, officers and employees, including our principal executive officer, principal financial officer, principal accounting officer and controller, and persons performing similar functions. A current copy of the code is posted on the governance section of our website, which is located at *https://ir.dynatrace.com/corporate-governance/governance-documents*. We intend to disclose any amendment or waiver of a provision of our Code of Business Conduct and Ethics that applies to our principal executive officer, principal financial officer, or persons performing similar functions, by posting such information on our website available at *https://ir.dynatrace.com* and/or in our public filings with the SEC. To date, there have been no waivers granted under our Code of Business Conduct and Ethics.

Board Leadership Structure and Board's Role in Risk Oversight

Currently, the role of board chair is separated from the role of chief executive officer. We believe that separating these positions allows our chief executive officer to focus on our day-to-day business, while allowing the chair of the board to lead the Board in its fundamental role of providing advice to, and independent oversight, of management. Our Board recognizes the time, effort, and energy that the chief executive officer is required to devote to his position in the current business environment, as well as the commitment required to serve as our chair, particularly as the Board's oversight responsibilities continue to grow. While our bylaws and our corporate governance guidelines do not require that our chair and chief executive officer positions be separate, our Board believes that having separate positions is the appropriate leadership structure for us at this time and demonstrates our commitment to good corporate governance.

Risk is inherent to every business, and how well a business manages risk can ultimately determine its success. We face a number of risks, including risks relating to our financial condition, development and commercialization activities, operations, strategic direction, and intellectual property. Management is responsible for the day-to-day management of risks we face, while our Board, as a whole and through its committees, has responsibility for the oversight of risk management. In its risk oversight role, our Board has the responsibility to satisfy itself that the risk management processes designed and implemented by management are adequate and functioning as designed.

The role of our Board in overseeing the management of our risks is conducted primarily through committees of the Board, as disclosed in the descriptions of each of the committees above and in the charters of each of the committees. The Audit Committee has undertaken a comprehensive enterprise risk management program to identify, prioritize as to likelihood and magnitude, and continuously monitor the various risks that we face and how they are being addressed. The full Board (or the appropriate board committee in the case of risks that are under the purview of a particular committee) discusses with management our major risk exposures, their potential impact on us, and the steps we take to manage them. When a committee of our Board is responsible for evaluating and overseeing the management of a particular risk or risks, the chair of the relevant committee reports on the discussion to the full Board. This enables the Board and its committees to coordinate the risk oversight role, particularly with respect to risk interrelationships.

Environmental, Social and Governance Commitments

We are committed to making a positive global impact. In 2022, we conducted our first materiality assessment to identify the ESG risks and opportunities of highest priority to our company and our stakeholders. The findings of this inaugural assessment will inform our ongoing ESG strategy and our first ESG Report, which we intend to publish in the summer of 2023. The information below related to our ESG initiatives supplements the information contained in our 2022 Annual Report under the heading "Human Capital Management – Diversity and Inclusion."

Materiality Assessment. A summary report of the findings of our inaugural materiality assessment conducted in 2022 is available at https://www.dynatrace.com/company/sustainability/. We engaged an independent, small, women-owned ESG strategy and communications consulting firm to lead this assessment and provide guidance on navigating environmental, social, human capital, and governance topics. The assessment results were reviewed with our leadership team, including our chief executive officer, chief financial officer, and general counsel, and the report was shared with the Board.

Board Oversight of ESG. Board oversight of ESG matters primarily occurs through the Committees of the Board. As noted elsewhere in the proxy, our ESG strategy and related disclosures are under the oversight of the Nominating and Corporate Governance Committee of the Board as reflected in its charter, and reviewed at least annually. The Audit Committee also is engaged to provide regular oversight of our ethics and compliance, as is the Cybersecurity Committee with respect to data privacy and security matters. The Compensation Committee provides oversight with respect to Company-wide compensation plans and programs, and the alignment of our compensation and benefit programs with our ESG initiatives. The Board or its Committees offers management feedback on ESG best practices that help guide development of our various ESG initiatives.

Environmental

Dynatrace is committed to protecting the environment by monitoring and managing our business operations to better understand and continuously reduce our negative impact on the environment. We strive to reuse or recycle our corporate IT equipment (computers, phones, etc.) across all our global office locations, and follow international guidelines for the disposal of electronic waste. Asset recycling is completed through our third-party vendor, Dell Technologies, which has represented to us that its asset recovery services follow all local guidelines for asset disposal and data destruction.

Several of our office locations, including our Waltham, MA headquarters, are powered by 100% renewable energy. All of our office space is leased, and in retaining office space we prioritize space in LEED certified buildings or a local equivalent.

We continue to pursue additional ways to prioritize clean energy, reduce water usage, and increase the adoption of environmentally sustainable practices. We are currently conducting a greenhouse gas (GHG) emissions and water consumption accounting analysis to inventory baseline environmental data from fiscal 2022, and so we can better understand and manage our carbon footprint.

Social

Global Inclusion & Diversity. We are focused on building an inclusive culture and sustaining a diverse workforce through a variety of company initiatives, such as training for employees around diversity and inclusion-related topics designed to create a culture of belonging. As we continue to grow, we embrace teammates with unique perspectives and backgrounds which advances our ability to creatively problem-solve and develop products that work for our customers globally.

In 2021, we formed a team dedicated to diversity, equity and inclusion, or DE&I, that is establishing hiring goals focused on increasing gender and ethnic diversity. We believe bringing transparency into our current representation in these areas is a critical first step. In fiscal 2022, women represented 24% of our global employee population and Black, Indigenous, and people of color, or BIPOC, representation was 24% of our United States employee population. This demographic data informs our DE&I strategy development.

Dynatrace continues to be recognized as an employer of choice clinching awards around the globe in 2021 and 2022. Some of our notable recognitions include being named #1 IT company in Austria, #1 Company in Upper Austria and #6 Company overall in Austria ranked by Trend in cooperation with Statista, Kununu, and XING. We were included in Inc's Best-Led Companies of 2021 list, Boston Globe's Top 25 Local Companies List, BuiltIn Boston's Best Places to Work in Boston and Bay Area lists, BuiltIn's Best Large Companies to Work For list and Detroit Free Press' Top Workplace list. Dynatrace was also honorably mentioned in a number of categories by Comparably's workplace awards including Best Company Outlook, Best Global Culture and Best Places to Work in Boston. In addition, we continue to establish active employee-led resource groups, or Dynaspaces, including Dynaspace for Women, Dynaspace for Black Employees, Dynaspace for LGBTQ+ Employees, and Dynaspace for Men of Color. These groups provide resources, programs, and safe spaces for our employees to bring their authentic selves to work. Most recently we launched the Dynatrace Work Model program, which allows employees to select the best work mode for them across in-office, remote and hybrid options.

Community Involvement. We strive to be an active contributor in the communities where our employees, live and work. Dynatrace employees have the opportunity to participate in our volunteer paid time-off program and work with charitable organizations they are passionate about. Additionally, many of our regional office locations host volunteer days with valued local organizations. Earlier this year, Dynatrace announced a partnership with the Girls in Tech Australia chapter to support programming aimed to connect and inspire women pursuing careers in technology. In response to the 2022 Russian invasion of Ukraine, Dynatrace employees responded immediately, volunteering over 300 hours and funding 700 refugee beds. In addition, Dynatrace and our employees donated money to the Red Cross and UNICEF, supplied goods and furnished shelters, and provided transportation. We plan to partner with more local organizations around the world as we continue to expand our community involvement program.

Governance

Board Diversity. We believe it is essential to have directors representing diversity in many dimensions of background, identity and experience, and the Nominating and Corporate Governance Committee of our Board has adopted a policy regarding the qualifications sought in our Board members that encompasses a candidate's diversity. In 2022, Ambika Kapur, a person of Asian descent, was added to the Board as a new independent director, increasing the representation of women on our Board alongside Jill Ward (our Board Chair) and Kirsten Wolberg.

Human Rights. We have adopted a human rights policy based on international standards, and global approaches to environmental sustainability, diversity, and inclusion. Our expectations in these areas for suppliers are also reflected in our supplier code of conduct. These commitments and policies are available at *https://www.dynatrace.com/company/sustainability/*.

Stockholder Outreach

During fiscal 2022, we conducted outreach to all of our 25 largest stockholders and other investors, who collectively held 73% (43% excluding Thoma Bravo) of our outstanding shares, to express an interest in meeting with them to discuss governance matters at Dynatrace. We engaged with more than half of those investors and discussed a broad range of ESG topics with them. These engagement efforts led to meaningful conversations, which provided the Board and management with a valuable understanding of certain investors' perspectives. When the Board conducted its regular evaluation of corporate governance matters, it discussed the input received, and the evaluation process was reflective of those perspectives. We were encouraged by the feedback we received and look forward to continuing our dialogue with our stockholders in fiscal 2023.

Information Security

Information has become one of the most valuable assets of modern businesses, and protecting it, in an ever-changing threat landscape, requires a multi-tiered approach.

We are focused on security, compliance and privacy measures to meet industry and regulatory expectations to secure our customers' data. Dynatrace runs primarily on the Amazon Web Services (AWS) cloud-computing service and benefits from Amazon's secure data centers, which are certified for ISO 27001, PCI-DSS Level 1, and SOC 1 / SSAE-16. Recently, we've added hosting options for Microsoft Azure and Google Cloud Platform, with similar certifications. We provide security awareness and data protection training and continuously hone our detection and response capabilities. We test the robustness of our platform through internal and external security assessments, including penetration tests conducted by certified independent auditors, maintaining a SOC2 Type II certification and FedRAMP authorization, and source code reviews.

Compensation Committee Interlocks and Insider Participation

None of the members of our Compensation Committee is or has been an officer or employee of our Company. None of our executive officers currently serves, or in the past year has served, as a member of the board or compensation committee (or other board committee performing equivalent functions) of any entity that has one or more of its executive officers serving on our Board or Compensation Committee.

Communication with the Directors of Dynatrace

Any interested party with concerns about our Company may report such concerns to our Board by submitting a written communication to the attention of the Board as a whole or to one or more individual directors by name, at the following address:

Dynatrace, Inc.
1601 Trapelo Road, Suite 116
Waltham, MA 02451
United States
Attn: General Counsel

Communications to the Board may also be sent to CorporateSecretary@dynatrace.com. You may also indicate whether you are a stockholder, customer, supplier, or other interested party.

We will forward such communication to each director to who such communication is addressed, and to the Chair of the Board in his or her capacity as representative of the Board. Our General Counsel will review these communications and reserves the right not to forward communications if they are deemed inappropriate, consist of individual grievances or other interests that are personal to the party submitting the communication and could not reasonably be construed to be of concern to stockholders or other constituencies of the Company, solicitations, advertisements, surveys, "junk" mail or mass mailings.

The Audit Committee oversees the procedures for the receipt, retention, and treatment of complaints received by Dynatrace regarding accounting, internal accounting controls, audit matters, fraud, financial misconduct or potential violations of our code of conduct, including the confidential, anonymous submission by employees of concerns regarding such matters. Dynatrace has established a reporting portal at *www.dynatrace.com/ethics/* for reporting such concerns online or by telephone to +1 800-493-0611 (toll free in the United States) or the other numbers listed on the portal. A complaining party may also submit a confidential report to the Audit Committee by sending a letter c/o Dynatrace, Inc., 1601 Trapelo Road, Suite 116, Waltham, MA 02451; Attention: Audit Committee Chair.

Director Compensation

The table below presents the total compensation for each person who served as a non-employee director during fiscal year 2022. Directors may be reimbursed for travel and other expenses directly related to their activities as directors. Directors who also serve as employees receive no additional compensation for their service as directors. During a portion of fiscal year 2022, each of Mr. Van Siclen, our former Chief Executive Officer, and Mr. McConnell, our current Chief Executive Officer, were a member of our Board, as well as an employee, and received no additional compensation for their services as a director. See the section titled "Executive Compensation" for more information about Mr. Van Siclen and Mr. McConnell's respective compensation for fiscal year 2022. In addition, our non-employee directors receive an annual cash retainer payable quarterly, reflected below.

Name (1)	Fees Earned or Paid in Cash ($) (2)	Stock Award ($) (3)	All Other Compensation ($)	Total ($)
Seth Boro(4)	37,194	200,376	—	237,570
Michael Capone(5)	60,000	200,376	—	260,376
Ambika Kapur(6)	7,111	400,330	—	407,441
Stephen Lifshatz(4)	60,344	200,376	—	260,720
James K. Lines(7)(8)	21,263	—	—	21,263
Steve Rowland(9)	30,913	435,669	—	466,582
Kenneth "Chip" Virnig(4)(7)	45,000	200,376	—	245,376
Jill Ward	80,000	200,376	—	280,376
Kirsten Wolberg(10)	44,725	200,376	—	245,101
Paul Zuber(8)(11)	55,000	200,376	—	255,376

(1) Messrs. Boro and Virnig are representatives of Thoma Bravo LLC and the Thoma Bravo Funds. Mr. Lines is a senior operating partner of Thoma Bravo LLC, and Mr. Zuber is an operating partner of Thoma Bravo LLC.
(2) Amounts represent cash compensation earned during fiscal year 2022 for services rendered by each member of the Board. The amounts are based on their service on the Board and each committee, pro-rated based on the days served during the 2022 fiscal year.
(3) The amounts represent the aggregate grant date fair value of restricted stock units granted to our directors during fiscal year 2022, computed in accordance with FASB ASC Topic 718. The assumptions used in calculating the grant date fair value of the restricted stock units reported in this column are set forth in Note 13 to our audited consolidated financial statements included in our 2022 Annual Report. As of March 31, 2022, Ms. Ward held 10,187 unvested restricted stock units, each of Messrs. Boro, Virnig, and Zuber held 3,010 unvested restricted stock units, each of Messrs. Capone and Lifshatz held 12,385 unvested restricted stock units and Ms. Wolberg held 8,560 unvested restricted stock units. Upon joining the Board, Mr Rowland received an initial grant of 6,900 unvested restricted stock units and a pro-rated annual grant of 510 unvested restricted stock units and Ms. Kapur received an initial grant of 8,170 unvested restricted stock units, all of which are unvested as of March 31, 2022.
(4) Mr. Boro resigned from the Compensation Committee and Mr. Lifshatz was appointed to the Compensation Committee, effective July 15, 2021. Each received a retainer pro-rated for the days served during the 2022 fiscal year.
(5) Mr. Capone resigned from the Nominating and Corporate Governance Committee effective January 27, 2022.
(6) Ms. Kapur was appointed to the Board and the Nominating and Corporate Governance Committee on January 27, 2022. Ms. Kapur received an initial equity grant upon joining the Board and a retainer pro-rated for the days served during the 2022 fiscal year.
(7) Mr. Lines did not stand for re-election at the 2021 annual stockholders meeting and stood down from the Audit and Compensation Committees on August 26, 2021.
(8) Messrs. Lines and Zuber are not employees of Thoma Bravo LLC, its affiliates or the Thoma Bravo Funds. Messrs. Lines and Zuber are considered independent contractors of Thoma Bravo and may have business or investment activities unrelated to Thoma Bravo.
(9) Mr. Rowland was appointed to the Board effective July 15, 2021, and to the Audit Committee on August 26, 2022. Mr. Rowland received an initial equity grant upon joining the Board, as well as a pro-rated annual grant and a retainer pro-rated for the days served during the 2022 fiscal year.

(10) Ms. Wolberg was appointed to the Compensation Committee effective August 26, 2021, and became Chair of the Cyber Security Committee on January 27, 2022. Ms. Wolberg received a retainer upon her appointments pro-rated for the days served during the 2022 fiscal year.

(11) Mr. Zuber resigned as Chair of the Cyber Security Committee effective January 27, 2022, and continues to serve as a member until the expiration of his term at the Annual Meeting.

Non-Employee Director Compensation Policy

Our Non-Employee Director Compensation Policy is designed to ensure that the compensation of non-employee directors aligns the directors' interests with the long-term interests of the stockholders, that the structure of the compensation is simple, transparent and easy for stockholders to understand and that our directors are fairly compensated. Employee directors do not receive additional compensation for their services as directors. This policy is also intended to provide a total compensation package that enables us to attract and retain qualified and experienced individuals to serve as directors.

Under the policy, upon initial election or appointment to the Board, new non-employee directors shall receive a restricted stock unit award with a value of $400,000, 25% of which will vest upon the one-year anniversary of the grant date and the balance will vest ratably over twelve equal quarterly installments, or the Initial Grant. In each subsequent year of a non-employee director's tenure, the non-employee director will receive a restricted stock unit award with a value of $200,000, which will vest in full upon the earlier to occur of the first anniversary of the grant date or the date of the next annual meeting of stockholders. In July 2021, the Compensation Committee adopted guidelines allowing the Committee in its discretion to pro-rate the first annual equity award for a director who joins the Board within six months of the next annual meeting of stockholders, based on the number of months served rounded up to the nearest month. Vesting of any equity award will cease if a director resigns from our Board or otherwise ceases to serve as a director, unless the Board determines that circumstances warrant continuation of vesting. In addition, all such awards are subject to full accelerated vesting upon the change in control of our Company (as defined in the policy).

In addition, each non-employee director is paid an annual retainer of $35,000 for their services. Such cash retainers are paid in quarterly installments, and may be pro-rated based on the number of actual days served by the director during such calendar quarter. Ms. Ward, as Chair of the Board, receives an annual retainer of $35,000.

Committee members also receive additional annual retainers. These additional payments for service on a committee are due to the workload and broad-based responsibilities of the committees. These committee retainers are as follows:

Committee	Member Annual Fee	Chair Annual Fee
Audit Committee	$ 10,000	$ 20,000
Compensation Committee	$ 7,500	$ 15,000
Nominating and Corporate Governance Committee	$ 5,000	$ 10,000
Cybersecurity Committee	$ 5,000	$ 10,000

Director Ownership Guidelines

In July 2021, our Board adopted equity ownership guidelines to further align the interests of our directors with those of our stockholders. Under the guidelines, our directors are expected to hold common stock valued at a multiple of five (5) times their current annual cash retainer fee for board service within five (5) years of becoming subject to the guidelines. For purposes of these guidelines, stock ownership only includes shares for which the director has direct or indirect ownership or control and includes restricted stock units, but does not include unexercised stock options, unvested restricted stock units and other unvested, unsettled and/or unexercised equity awards.

Rule 10b5-1 Sales Plans

Our directors and executive officers may adopt written plans, known as Rule 10b5-1 plans, in which they will contract with a broker to buy or sell shares of our common stock on a periodic basis. Under a Rule 10b5-1 plan, a broker executes trades pursuant to parameters established by the director or executive officer when entering into the plan, without further direction from them. The director or executive officer may amend a Rule 10b5-1 plan in some circumstances and may terminate a plan at any time. Our directors and executive officers also may buy or sell additional shares outside of a Rule 10b5-1 plan when they are not in possession of material nonpublic information, and subject to compliance with the terms of our insider trading policy.

PROPOSAL NO. 2 – RATIFICATION OF THE APPOINTMENT OF ERNST & YOUNG LLP AS DYNATRACE'S INDEPENDENT REGISTERED PUBLIC ACCOUNTING FIRM FOR THE FISCAL YEAR ENDING MARCH 31, 2023

Our independent registered public accounting firm for the fiscal year ending March 31, 2022 was BDO USA, LLP, or BDO. After considering a change in our independent registered accounting firm, our Audit Committee appointed Ernst & Young LLP, or EY, as our independent registered public accounting firm to perform the audit of our consolidated financial statements, including internal controls over financial reporting, for the fiscal year ending March 31, 2023. We are asking our stockholders to ratify this appointment.

The Audit Committee is solely responsible for selecting our independent registered public accounting firm for the fiscal year ending March 31, 2023. Stockholder approval is not required to appoint EY as our independent registered public accounting firm. However, the Board believes that submitting the appointment of EY to the stockholders for ratification is good corporate governance. A majority of the votes properly cast is required in order to ratify the appointment of EY. If the stockholders do not ratify this appointment, the Audit Committee will reconsider whether to retain EY. If the selection of EY is ratified, the Audit Committee, at its discretion, may direct the appointment of a different independent registered public accounting firm at any time it decides that such a change would be in the best interest of our Company and our stockholders.

A representative of EY is expected to be present at the Annual Meeting and will have an opportunity to make a statement if he or she desires to do so and to respond to appropriate questions from our stockholders. We do not expect that a representative of BDO will attend the Annual Meeting.

Change in Independent Registered Public Accounting Firm

As previously disclosed in a Current Report on Form 8-K filed with the SEC on June 3, 2022, on May 31, 2022, the Audit Committee (1) dismissed BDO as our independent registered public accounting firm effective as of that date and (2) approved the appointment of EY as our new independent registered public accounting firm, subject to completion of EY's standard client acceptance procedures and execution of an engagement letter. In accordance with such approval, the engagement of EY became effective on June 30, 2022. BDO had served as the Company's independent registered public accounting firm from 2015 through the period ended March 31, 2022.

BDO's reports on the Company's financial statements for the fiscal years ended March 31, 2022 and 2021 did not contain any adverse opinion or disclaimer of opinion and were not qualified or modified as to uncertainty, audit scope or accounting principles.

During the fiscal years ended March 31, 2022 and 2021 and the subsequent interim period through May 31, 2022, there were no "disagreements" (as defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to Item 304 of Regulation S-K) with BDO on any matter of accounting principles or practices, financial statement disclosure, or auditing scope or procedure, which disagreements, if not resolved to the satisfaction of BDO, would have caused BDO to make reference to the subject matter of such disagreements in connection with its reports on the financial statements for such periods.

During the fiscal years ended March 31, 2022 and 2021 and the subsequent interim period through May 31, 2022, there were no "reportable events" (as defined in Item 304(a)(1)(v) of Regulation S-K), except that, as previously disclosed, the Company reported that there was a material weakness in the Company's internal control over financial reporting for the periods ended March 31, 2020, June 30, 2020, September 30, 2020 and December 31, 2020. In preparing the global tax provision for those prior periods, the Company determined it did not maintain effective internal controls over accounting for income taxes in connection with the preparation and review of the Company's global tax provision, and particularly in the area of realizability of tax attributes such as foreign tax credits and other domestic deferred tax assets. During the fiscal year ended March 31, 2021, management implemented a remediation plan that included: (1) hiring tax specialists to assist in the preparation of the Company's tax provision as needed, (2) enhancing the Company's documentation and management review of tax balances, and (3) implementing changes and improvements in the Company's internal control over financial reporting environment. This material weakness did not result in a misstatement of the Company's financial statements and was remediated as of March 31, 2021. This reportable event was discussed among the Company's management, the Audit Committee, our Board and BDO. BDO has been authorized by the Company to respond fully to the inquiries of EY, the successor accountant, concerning this reportable event.

During the fiscal years ended March 31, 2022 and 2021 and the subsequent interim period through May 31, 2022, neither the Company nor anyone acting on its behalf consulted EY regarding the application of accounting principles to a specified transaction, either completed or proposed or the type of audit opinion that might be rendered on Dynatrace's financial statements or any matter that was either the subject of a disagreement (as that term is defined in Item 304(a)(1)(iv) of Regulation S-K and the related instructions to that Item) or a reportable event (as that term is defined in Item 304(a)(1)(v) of Regulation S-K).

BDO has furnished the Company with a letter addressed to the SEC stating that it agrees with the above statements, a copy of which is filed as Exhibit 16.1 to our Current Report on Form 8-K filed with the SEC on June 3, 2022.

We incurred the following fees from BDO for the audit of the consolidated financial statements and for other services provided during the years ended March 31, 2022 and 2021.

	2022	2021
Audit fees [1]	$ 2,573,423	$ 3,464,501
Audit related fees [2]	$ 15,530	$ 30,025
Tax fees [3]	$ 35,656	$ 73,521
All other fees	—	—
Total fees	$ 2,624,609	$ 3,568,047

(1) Audit fees consist of fees for professional services performed for the audit of our annual consolidated financial statements and the required review of quarterly consolidated financial statements and other procedures performed by the independent registered accounting firm in order for them to be able to form an opinion on our consolidated financial statements. These fees also cover services that are normally provided by independent registered accounting firm in connection with statutory and regulatory filings or engagements, including SEC registration statements associated with offerings.

(2) Audit-related fees consist of fees for assurance and related services that traditionally are performed by independent registered accounting firm that are reasonably related to the performance of the audit or review of the financial statements. Audit related fees in the above table represent fees related to certain services associated with statutory financial statements for our international subsidiaries.

(3) Tax fees consist of fees for all professional services performed by professional staff in our independent registered accounting firm's tax division, except those services related to the audit of our consolidated financial statements. These include fees for tax compliance, tax planning and tax advice, including federal, state and local issues. Services may also include assistance with tax audits and appeals before the IRS and similar state and local agencies, as well as federal, state and local tax issues related to due diligence.

Audit Committee Pre-approval Policy and Procedures

Our Audit Committee has adopted policies and procedures relating to the approval of all audit and non-audit services that are to be performed by our independent registered public accounting firm. This policy provides that we will not engage our independent registered public accounting firm to render audit or non-audit services unless the service is specifically approved in advance by our Audit Committee or the engagement is entered into pursuant to the pre-approval procedure described below, except for services for which the aggregate cost is below a specified *de minimus* dollar amount.

From time to time, our Audit Committee may pre-approve specified types of services that are expected to be provided to us by our independent registered public accounting firm during the next 12 months. Any such pre-approval details the particular service or type of services to be provided and is also generally subject to a maximum dollar amount.

During our 2022 and 2021 fiscal years, no services were provided to us by BDO other than in accordance with the pre-approval policies and procedures described above.

Vote Required

The approval of this proposal requires the affirmative vote of a majority of the votes properly cast. Abstentions and broker non-votes will have no effect on this proposal. However, we expect there will be no broker non-votes on this proposal since brokers have discretionary voting authority with respect to this proposal.

Our Board recommends voting "FOR" Proposal No. 2 to ratify the appointment of Ernst & Young LLP as Dynatrace's independent registered public accounting firm for the fiscal year ending March 31, 2023.

REPORT OF THE AUDIT COMMITTEE

The Audit Committee is a committee of the Board comprised solely of financially literate independent directors as required by the listing standards of the New York Stock Exchange and the rules and regulations of the SEC. The Audit Committee is appointed by the Board to assist the Board in fulfilling its oversight responsibilities with respect to (1) the integrity of our financial statements and financial reporting process and systems of internal controls regarding finance, accounting, and compliance with legal and regulatory requirements, (2) the qualifications, independence, and performance of our independent registered public accounting firm, (3) the performance of our internal audit function, if any, and (4) other matters as set forth in the charter of the Audit Committee approved by the Board.

Management is responsible for the preparation of our financial statements and the financial reporting process, including its system of internal control over financial reporting and its disclosure controls and procedures. The independent registered public accounting firm is responsible for performing an audit of our financial statements in accordance with the standards of the Public Company Accounting Oversight Board (PCAOB) and issuing a report thereon. The Audit Committee's responsibility is to monitor and oversee these processes as more specifically set forth in its charter.

In connection with these responsibilities, the Audit Committee reviewed and discussed with management and the independent registered public accounting firm our audited consolidated financial statements for the fiscal year ended March 31, 2022. The Audit Committee also discussed with the independent registered public accounting firm the matters required to be discussed by the PCAOB's Auditing Standard No. 1301, *Communication with Audit Committees*. In addition, the Audit Committee received the written disclosures and the letter from the independent registered public accounting firm as required by the applicable requirements of the PCAOB regarding the independent registered public accounting firm's communication with the Audit Committee concerning independence and has discussed with the independent registered public accounting firm their independence.

Based on the reviews and discussions referred to above, the Audit Committee recommended to the Board that the audited consolidated financial statements be included in our Annual Report on Form 10-K for the fiscal year ended March 31, 2022 that was filed with the SEC.

THE AUDIT COMMITTEE OF THE BOARD OF
DIRECTORS OF DYNATRACE, INC.
Stephen Lifshatz, Chair
Steve Rowland
Jill Ward

The information contained in this report shall not be deemed to be (1) "soliciting material," (2) "filed" with the SEC, (3) subject to Regulations 14A or 14C of the Exchange Act, or (4) subject to the liabilities of Section 18 of the Exchange Act. This report shall not be deemed incorporated by reference into any of our other filings under the Exchange Act or the Securities Act of 1933, as amended, or the Securities Act, except to the extent that we specifically incorporate it by reference into such filing. In addition, this report shall not be deemed filed under either the Securities Act or the Exchange Act.

PROPOSAL NO. 3 – NON-BINDING, ADVISORY VOTE TO APPROVE THE COMPENSATION OF OUR NAMED EXECUTIVE OFFICERS

Section 14A of the Exchange Act requires that we provide our stockholders with the opportunity to vote to approve, on a non-binding, advisory basis, not less frequently than once every three years, the compensation of our named executive officers as disclosed in our annual proxy statement in accordance with the compensation disclosure rules of the SEC.

As described in detail under the heading “Compensation Discussion and Analysis,” we seek to closely align the interests of our named executive officers with the interests of our stockholders. Our compensation program is designed to reward our named executive officers for the achievement of short-term and long-term financial, operational, and strategic goals and the achievement of increased total stockholder return, while at the same time avoiding the encouragement of unnecessary or excessive risk-taking.

Stockholders are urged to read the “Compensation Discussion and Analysis” and “Executive Compensation” sections of this proxy statement, which discuss how our executive compensation policies and practices implement our compensation philosophy, and contain tabular information and narrative discussion about the compensation of our named executive officers. Our Board and the Compensation Committee believe that these policies and practices are effective in implementing our compensation philosophy and in achieving our compensation program goals.

The vote on this resolution is not intended to address any specific element of compensation but rather the overall compensation of our named executive officers and the philosophy, policies and practices described in this proxy statement. The vote is advisory, which means that the vote is not binding on us, our Board or the Compensation Committee. Although non-binding, our Board and the Compensation Committee place a very high value on the opinions that stockholders express in their votes, and will review the voting results and take them into consideration as they deem appropriate when making future decisions regarding our executive compensation program.

At our 2021 annual meeting of stockholders, our stockholders voted on a proposal regarding the frequency of holding a non-binding, advisory vote on the compensation of our named executive officers. More than 99% of the votes cast on the frequency proposal were cast in favor of holding a non-binding, advisory vote on the compensation of our named executive officers annually, which was consistent with the recommendation of our Board. Our Board considered the voting results with respect to the frequency proposal and other factors, and the Board currently intends for the Company to hold a non-binding, advisory vote on the compensation of our Named Executive Officers every year until the next required advisory vote on the frequency of holding the non-binding, advisory vote on the compensation of our named executive officers, which vote is required at least every six years.

Accordingly, we are asking our stockholders to vote on the following resolution at the Annual Meeting:

> RESOLVED, that the stockholders of Dynatrace, Inc. approve, on a non-binding, advisory basis, the compensation of the company’s named executive officers, as disclosed in this proxy statement pursuant to Item 402 of Regulation S-K, including in the Compensation Discussion and Analysis, the compensation tables and the narrative disclosures that accompany the compensation tables.

Vote Required

The approval of this proposal requires the affirmative vote of a majority of the votes properly cast. Abstentions and broker non-votes will have no effect on this proposal. As noted above, the vote is advisory, which means that the vote is not binding on the Company, our Board or the Compensation Committee.

Our Board recommends that you vote "FOR" the approval of, on an advisory basis, the compensation of our named executive officers, as disclosed in this proxy statement.

COMPENSATION DISCUSSION AND ANALYSIS

This Compensation Discussion and Analysis describes the Company's executive compensation program as it relates to the following "named executive officers":

- Rick McConnell, our Chief Executive Officer since December 13, 2021
- John Van Siclen, our former Chief Executive Officer through December 13, 2021
- Kevin Burns, our Chief Financial Officer
- Stephen J. Pace, our Chief Revenue Officer
- Bernd Greifeneder, our Chief Technology Officer

The following discussion should be read together with the compensation tables and related disclosures set forth below.

Executive Summary

CEO Transition

On November 15, 2021, we announced that, in connection with his planned retirement, Mr. Van Siclen would resign upon mutual agreement with the Board as the Company's Chief Executive Officer and as a member of the Board, which resignation was effective on December 13, 2021. In connection with Mr. Van Siclen's retirement, Mr. Van Siclen agreed to provide transitional consulting services to us through May 31, 2022. Also on November 15, 2021, we announced that Mr. McConnell had entered into an employment agreement with us, pursuant to which he became our Chief Executive Officer and was appointed as a member of our Board effective as of December 13, 2021.

Business Overview and Fiscal Year **2022** *Performance Highlights*

We are a growing and profitable global technology company that delivers the market-leading software intelligence platform, purpose-built for dynamic, multi-cloud environments. The goal of our compensation programs is to ensure that the interests of our employees, including our named executive officers, are aligned with the interests of our stockholders and our business goals and that the total compensation paid to each of our named executive officers is fair, reasonable and competitive.

During fiscal year 2022, we made significant progress on our business goals, with strong results across all our key operating metrics, including the following achievements that impacted executive compensation:

- Annual Recurring Revenue* was $995 million, growing 31% year-over-year in constant currency;
- Total revenue was $925 million, representing 32% year-over-year growth in constant currency; and
- Non-GAAP operating income* was $234 million, or 25% of revenue.

* See below under the heading "*A Note on non-GAAP Measures & Key Metrics*".

We provide our executive officers with a significant portion of their compensation through cash incentive compensation determined based upon the achievement of financial performance metrics, as well as through equity compensation, more than half of which is also determined based upon achievement of those metrics. These two elements of executive compensation are aligned with the interests of our stockholders because the amount of compensation ultimately received will be directly related to our financial and operational performance. Equity compensation derives its value from the appreciation of shares of our common stock, which in the future is likely to fluctuate based on our financial and operational performance.

As described in more detail below, under the heading "*Fiscal Year* 2022 *Annual Incentive Program*," based on our performance during fiscal year 2022, our Compensation Committee and Board determined that we achieved over 100% of our company goals for fiscal year 2022.

A Note on Non-GAAP Measures & Key Metrics

As further described below, our executives are in certain ways measured and rewarded based on the Company's or their personal achievement of certain non-GAAP financial measures, including non-GAAP operating income, and certain operational metrics, such as Annual Recurring Revenue. A reconciliation of the differences between each non-GAAP financial measure and the comparable GAAP financial measure, are provided in Appendix A, "*Reconciliation of Non-GAAP Measures*".

Non-GAAP Operating Income is defined as operating income adjusted to exclude share-based compensation, employer payroll taxes on employee stock transactions, amortization of other intangibles and certain restructuring and other gains and losses.

Annual Recurring Revenue is defined as the daily revenue of all subscription agreements that are actively generating revenue as of the last day of the reporting period multiplied by 365. We exclude from our calculation of total Annual Recurring Revenue any revenues derived from month-to-month agreements and/or product usage overage billings.

Fiscal Year 2022 Executive Compensation Program Highlights

Our fiscal 2022 compensation program for our named executive officers reflects our overarching philosophy of pay-for-performance. Highlights of our executive compensation program include:

- *Competitive Base Salarie*s: After evaluating the competitive positioning of our named executive officers' base salaries in the context of our overall compensation philosophy, the Compensation Committee approved base salary increases between 3.3% and 7.5% for fiscal 2022.

- *Challenging Annual Incentive Goal*s: Our named executive officers were eligible to earn an annual incentive based on our level of achievement of rigorous corporate financial goals for the year. Based on our strong growth and profitability for the year, including 32% ARR growth on a constant currency basis, our executives earned between 116% and 122% of their target annual incentives.

- *Performance-Based Restricted Stock Units or PSUs*: In 2021, our Compensation Committee approved the introduction of PSUs as a component of the long-term incentive compensation of our named executive officers. PSUs granted in fiscal 2022 represented 50% of the target equity value awarded to named executive officers and are eligible to be earned based on achievement of ARR and Non-GAAP Operating Income goals for fiscal 2022. PSUs granted in fiscal 2022 were earned at approximately 122% of target and will vest over a total a 4-year time horizon from the grant date.

- *Special Equity Grant*: In May 2021, our Compensation Committee approved a one-time grant of PSUs for executive officers. These PSUs were granted in recognition of our strong performance and value creation from our initial public offering in 2019, to provide additional retention and motivation through a critical phase of our Company's growth, and to support retention in a highly competitive market for talent. Special PSUs are eligible to be earned only to the extent that challenging ARR goals for fiscal 2022, fiscal 2023, and fiscal 2024 are achieved.

- *Competitive CEO New Hire Compensation*: In designing Mr. McConnell's new hire compensation package, our Compensation Committee sought the advice of its compensation consultant, Compensia, reviewed new hire compensation packages for recently hired CEOs at comparable companies, and considered the new hire practices of our compensation peer group and the technology industry. The compensation approved in connection with Mr. McConnell's appointment was highlighted by competitive cash compensation in line with market norms among peer companies, as well as an initial equity grant that was heavily weighted toward challenging performance goals evaluated over multi-year performance periods.

Overview of Executive Compensation Program

Executive Compensation Philosophy and Objectives

Our executive compensation program is guided by our overarching philosophy of paying for demonstrable performance. Consistent with this philosophy, we have designed our executive compensation program to achieve the following primary goals:

- attract, motivate and retain top-performing senior executives;
- establish compensation opportunities that are competitive and reward performance; and
- align the interests of our senior executives with the interests of our stockholders to drive the creation of sustainable long-term value.

Executive Compensation Program Design

Our executive compensation program is designed to be reasonable and competitive, and balance our goal of attracting, motivating, rewarding and retaining top-performing senior executives with our goal of aligning their interests with those of our stockholders. The Compensation Committee annually evaluates our executive compensation program to ensure that it is consistent with our short-term and long-term goals and the dynamic nature of our business.

The compensation of our named executive officers in fiscal year 2022 consisted of the following elements:

	Purpose	Features
Base salary	To provide a fair and competitive base level of compensation for services rendered	Fixed annual salary targeted at or above the 50th percentile of our peer group
Annual Short-Term Incentive Compensation	To motivate and reward for achievements relative to our goals and expectations for each fiscal year	Annual cash bonus with payment of a targeted amount contingent on achievement of corporate financial results, with payout on a sliding scale depending on over or under-achievement of corporate financial results
Equity Incentive Compensation	To align executives' interests with those of our stockholders and provide an incentive for our executives to remain with us	Long-term incentives are granted in the form of RSUs and PSUs vesting over 4 years. PSUs represent 50% of the target value of annual equity awards, and can be earned on a sliding scale from 0% up to 150% of target based on the Company's level of achievement of challenging financial goals In addition, in Fiscal 2022 the Compensation Committee approved a special one-time performance-based grant with challenging long-term goals to reinforce our pay-for-performance objectives and support long-term retention
Other Benefits	To provide market-competitive benefits to enable our executives to maintain their health and welfare, and to save for their retirement	Benefit plans such as medical, dental, and life and disability insurance plans; 401(K) plan; we do not provide material executive perquisites or supplemental executive benefits

During 2021, with support from Compensia, the Compensation Committee undertook a comprehensive review of our approach to executive compensation. This review incorporated market perspectives from our peer group companies as well as consideration given to our compensation objectives and desired emphasis on at-risk compensation to support our pay-for-performance culture.

Following this review, the Compensation Committee approved the introduction of PSUs to all executive officers, including our named executive officers, as a component of fiscal 2022 compensation. PSUs represented 50% of the annual long-term incentive equity value granted to named executive officers and replaced stock options as a component of our compensation program. The Compensation Committee views this change as part of an ongoing evolution in our compensation programs that aligns with the growth and maturity of our business. The Compensation Committee will continue to monitor our programs in the context of evolving market practice and our compensation objectives to ensure that we continue to attract, motivate and retain talented executives who can support our growth and long-term stockholder value creation.

In addition to our direct compensation elements, the following features of our compensation program are designed to align our executive team with stockholder interests and with market best practices:

What We Do	What We Don't Do
✓ Maintain an industry-specific peer group for benchmarking pay	× Allow hedging or pledging of equity
✓ Target pay based on market norms	× Allow for re-pricing of stock options
✓ Deliver executive compensation primarily through performance-based pay (cash and equity)	× Provide excessive perquisites
✓ Offer market-competitive benefits for executives that are consistent with the rest of our employees	× Provide supplemental executive retirement plans
✓ Consult with an independent compensation consultant on compensation levels and practices	× Provide tax gross-up payments for any change-of-control payments

Governance of Executive Compensation Program

Role of our Compensation Committee and Board of Directors

The Compensation Committee discharges many of the responsibilities of our Board relating to the compensation of our executive officers, including our named executive officers. The Compensation Committee oversees and evaluates our compensation and benefits policies generally, and the compensation plans, policies and practices applicable to our chief executive officer and other executive officers. As described below, the Compensation Committee retains a compensation consultant to provide support in its review and assessment of our executive compensation program.

At the beginning of each fiscal year, the Compensation Committee reviews and approves the primary elements of compensation, including base salary increases, annual cash bonuses, and annual equity awards, for each of our named executive officers. In addition, the Compensation Committee may deem it advisable to review and approve subsequent compensation arrangements for our executive officers, including our named executive officers.

Role of our Chief Executive Officer and Other Executive Officers

Our senior human resources and legal executives support the Compensation Committee in designing our executive compensation program and analyzing competitive market practices. In addition, members of management, including our Chief Executive Officer, regularly participate in Compensation Committee meetings to provide input on our compensation philosophy and objectives.

Our Chief Executive Officer also evaluates the performance of our executive officers and provides recommendations to our Compensation Committee regarding the compensation of our executive officers (other than with respect to his own compensation). The Compensation Committee reviews and discusses these recommendations and proposals with our Chief Executive Officer and uses them as one factor in determining and approving the compensation for our Named Executive Officers. None of our executive officers attends any portion of Compensation Committee meetings at which his or her compensation is discussed.

Role of the Compensation Consultant

For fiscal year 2022, our Compensation Committee engaged Compensia, Inc., or Compensia, as its independent compensation consultant, to advise on executive compensation matters including: overall compensation program design, peer group development and updates, and benchmarking executive officer and board of director compensation programs. Compensia reports directly to our compensation committee. Our compensation committee has assessed the independence of Compensia consistent with NYSE listing standards and has concluded that the engagement of Compensia does not raise any conflict of interest.

Use of Competitive Market Data and Peer Groups

The Compensation Committee directs Compensia to provide it with competitive market data and analysis based on a select group of peer companies and published compensation survey data, as well as information about current market practices and trends, compensation structures and peer group compensation ranges. The competitive market data Compensia provides is based on a compensation peer group selected and approved by the Compensation Committee with input and guidance from Compensia, and published compensation survey data in cases where there is insufficient data for specific executive positions with the peer group companies. The compensation peer group is comprised of companies that are considered similar to us at the time of selection based on industry, business focus, and various financial criteria, including revenue, profitability, market capitalization and revenue growth rate.

Our compensation peer group is reviewed annually and adjusted as the Compensation Committee determines to be appropriate.

Based on these criteria, our peer group for fiscal year 2021 and the first half of fiscal year 2022, as approved by our Compensation Committee, was comprised of the following 16 companies:

Fiscal 2022 Peer Group

Alteryx	Cornerstone OnDemand	New Relic	Proofpoint
Aspen Technology	HubSpot	Paycom Software	PTC
Ceridian HCM Holding	Mimecast	Paylocity Holding	Qualys
Cloudera	MongoDB	Pegasystems	SolarWinds

Our executive compensation benchmarking also included survey data provided by Radford, a business unit of Aon Hewitt Consulting, or Radford, representing publicly-traded software companies with revenue levels and market capitalization levels comparable to ours. Radford did not provide compensation consulting services to the Compensation Committee during fiscal 2022.

Notwithstanding the similarities of the fiscal 2022 peer group to Dynatrace, due to the nature of our business and our industry, we compete for executive talent with many public companies that are larger and more established than we are or that possess greater resources than we do, and with smaller private companies that may be able to offer greater equity compensation potential.

In determining the compensation of our executive officers, our Compensation Committee considered the market data provided by Compensia, survey data provided by Radford, as well as other factors outlined below in "Governance of Executive Compensation Program—Compensation-Setting Factors." The Compensation Committee generally does not specifically benchmark the compensation of any individual to a precise percentile within the range of compensation found in the market and survey data. In addition, the Compensation Committee does not have a set formula by which it determines how much of the named executive officer's compensation is fixed rather than variable or at risk.

The Compensation Committee and the Board also considered other criteria, including market factors, the experience level of the executive and the executive's performance against established company and individual goals, in determining variations to this general target range.

Compensation-Setting Factors

Our Board and Compensation Committee review compensation annually for all our executive officers. In setting executive base salaries and bonuses and granting equity incentive awards, the Compensation Committee and the Board consider compensation for comparable positions in the market, the historical compensation levels of our executives, company-wide and individual performance as compared to our expectations and objectives, our desire to motivate our employees to achieve short and long-term results that are in the best interests of our stockholders, and the desire to incent a long-term commitment to our Company. We target a general competitive position, based on independent third-party benchmark analytics to inform the mix of base salary, bonus and long-term equity incentives.

Our Compensation Committee has historically determined our executives' compensation, and in determining the compensation of our Chief Executive Officer our Compensation Committee consults with the full Board. Our Compensation Committee typically reviews and discusses management's proposed compensation with the Chief Executive Officer for all executives other than the Chief Executive Officer. Based on those discussions and its discretion, taking into account the factors noted above, the Compensation Committee discusses and ultimately approves the base salaries and cash incentive bonuses for our executive officers without members of management present. The Compensation Committee also reviews its decisions with the full Board, and considers any input received.

When reviewing and approving the amount of each compensation element and the target total compensation opportunity for our executive officers, the Compensation Committee considers the following factors:

- our performance against the annual corporate goals established by the Compensation Committee and our Board in consultation with management;
- each executive officer's skills, experience and qualifications relative to other similarly situated executives at the companies in our compensation peer group;
- the scope of each executive officer's role compared to other similarly situated executives at the companies in our compensation peer group;
- the performance of each individual executive officer, based on an assessment of his or her contributions to our overall performance, ability to lead his or her department and work as part of a team, all of which reflect our core values;
- compensation parity among our executive officers;
- our retention goals;
- our financial performance relative to our peers;
- the compensation practices of our compensation peer group and the positioning of each executive officer's compensation in a ranking of peer company compensation levels; and
- the recommendations provided by our Chief Executive Officer with respect to the compensation of our other executive officers.

These factors provide the framework for determining the compensation of each of our executive officers, including our named executive officers. The Compensation Committee does not assign relative weights or rankings to these factors, and do not consider any single factor as determinative in the compensation of our executive officers. Rather, the Compensation Committee and our Board, as applicable, rely on their own knowledge and judgment in assessing these factors and making compensation decisions.

Consideration of Say-On-Pay Advisory Vote

We were previously an "emerging growth company" as defined in the Jumpstart Our Business Startups Act of 2012, as amended; therefore, we were not required to hold a non-binding, advisory vote on the compensation of our named executive officers (a "Say-on-Pay" vote) until our 2022 annual meeting. In accordance with the preference of our stockholders, as expressed in an advisory vote on the frequency of the Say-on-Pay vote in 2021, we intend to hold an annual Say-on-Pay vote. Because we place very high value on the opinions of our stockholders, the Board and the Compensation Committee will consider the outcome of the "Say-on-Pay" vote described in Proposal No. 3 of this Proxy Statement, as well as feedback received from stockholders throughout the year, when making compensation decisions for our executive officers in the future.

Primary Elements of Executive Compensation Program

Base Salary

We provide base salaries to our named executive officers to provide them with a fair and competitive base level of compensation for services rendered during the year. Typically, at the beginning of each fiscal year, the Compensation Committee reviews base salaries for our executive officers, including our named executive officers, to determine if an increase is appropriate. In reviewing the base salary of our Chief executive Officer, our Compensation Committee consults with the full Board of Directors. In addition, base salaries may be adjusted in the event of a promotion or significant change in responsibilities. Our Compensation Committee has historically determined our executives' base salaries. Our Compensation Committee typically reviews and discusses with the chief executive officer the proposed compensation for our named executive officers other than the chief executive officer.

Fiscal 2022 *Base Salary*

The table below sets forth the adjustments to base salary for each of our named executive officers:

Name	Fiscal Year 2021 Base Salary ($)	Fiscal Year 2022 Base Salary ($)	% Change
Rick McConnell(1)	—	610,000	— %
John Van Siclen	575,000	610,000	6.09 %
Kevin Burns	415,000	435,000	4.82 %
Stephen Pace	400,000	430,000	7.50 %
Bernd Greifeneder(2)	361,482	373,511	3.33 %

(1) Mr. McConnell entered into employment with us as our Chief Executive Officer in December 2021.

(2) For Mr. Greifeneder, the amounts reported are based on an exchange rate of EUR 1.00:USD 1.1067 as of March 31, 2022 and EUR 1.00:USD 1.172 as of March 31, 2021 as set forth on Bloomberg.

Annual Short-Term Incentive Plan

Our cash incentive bonus plan motivates and rewards our executives for achievements relative to our goals and expectations for each fiscal year. Each named executive officer has a target bonus opportunity, defined as a percentage of his annual base salary. Following the end of each fiscal year, our Compensation Committee determines the annual cash incentive bonuses paid to our named executive officers based upon our financial performance relative to our plan and achievement of corporate objectives for the year.

Target Annual Bonuses

At the beginning of each fiscal year, the Compensation Committee reviews and approves the target annual bonus for each of our executive officers, including our named executive officers. The Compensation Committee considers the factors described in "Governance of Executive Compensation Program—Compensation-Setting Factors" above, with an emphasis on market data from our compensation peer group for comparable positions. Target annual bonuses are determined with respect to the same corporate objectives and formula for all of our executive officers, including our named executive officers, who are at the same level, and represent a specific percentage of annual base salary (except that for Mr. Pace a portion of his bonus is determined with respect to the Company's worldwide bookings). In reviewing the target annual bonus of our Chief Executive Officer, our Compensation Committee consults with the full Board.

Fiscal Year 2022 *Target Annual Bonuses*

In the first quarter of fiscal 2022, the Compensation Committee reviewed the target annual bonuses of our executive officers, including our named executive officers. The Compensation Committee considered the factors described in "*Governance of Executive*

Compensation Program—Compensation-Setting Factors" above, particularly the market data from the companies in the compensation peer group, and approved the fiscal year 2022 target annual bonuses of our named executive officers below:

Named Executive Officer	Fiscal Year 2021 Target Bonus (% of base Salary)	Fiscal Year 2022 Target Bonus (% of base Salary)
Rick McConnell (1)	—%	100%
John Van Siclen	100%	100%
Kevin Burns	70%	75%
Stephen Pace (2)	100%	100%
Bernd Greifeneder	60%	60%

(1) Mr. McConnell entered into employment with us as our Chief Executive Officer in December 2021.
(2) Mr. Pace's bonuses for both fiscal years 2022 and 2021 were targeted at 100% of his base salary, of which 30% was based on the same corporate objectives as the other executive officers, and 70% was based on bookings.

Fiscal Year 2022 Corporate Performance Targets

When designing the Company's executive bonus plan for the 2022 fiscal year, or the 2022 Bonus Plan, the Compensation Committee determined that the 2022 Bonus Plan should align the interests of our executives with those of our investors, and reward performance that would increase the value of the Company to our stockholders. Accordingly, in April 2021, the Compensation Committee decided that payments under the 2022 Bonus Plan would depend on the Company's achievement of Annual Recurring Revenue, or ARR, and non-GAAP Operating Income, or NGOI (as defined above under the heading *Executive Summary – A Note on Non-GAAP Measures & Key Metrics*) goals for fiscal 2022, with ARR weighed at 60% and NGOI at 40%. For purposes of the bonus plan, ARR performance was evaluated on a constant currency basis.

	Threshold		On-Target	Maximum		
Measure	**Percentage**	**Value ($000s)**	**Value ($000s)**	**Percentage**	**Value ($000s)**	**Weighting**
Annual Recurring Revenue	95%	950,475	1,000,500	110%	1,100,550	60%
Non-GAAP Operating Income	90%	179,820	199,800	120%	239,760	40%
Percentage of target bonus earned	50%		100%	150%		

Under the 2022 Bonus Plan, no bonus was payable with respect to a particular measure (ARR or NGOI) if the percentage achievement was below the threshold indicated above (95% or 90%, respectively). If either ARR or NGOI was achieved at or above the threshold value/percentage indicated above, the payout with respect to those measures was between 50% and 150% of the target bonus, interpolated on a straight-line basis. The maximum total payout could not exceed 150% of the executives' on-target bonuses.

Fiscal Year 2022 Corporate Bonus Results

In May 2022, the Compensation Committee determined that the Company performance was equal to 101.3% and 117.0% of ARR and NGOI targets for the year, respectively. As a result, the weighted payout for the fiscal 2022 Corporate Bonus Plan was equal to 120.99% of target.

Performance Measure	Target ($000s)	Achievement ($000s)	Achievement %	Payout %	Weight %
Annual Recurring Revenue	1,000,500	1,013,800*	101.3%	106.7%	60%
Non-GAAP Operating Income	199,800	233,770	117.0%	142.5%	40%

* Annual Recurring Revenue achievement for compensation purposes included a one-time adjustment related to the impact of ceasing business in Russia.

Fiscal 2022 Chief Revenue Officer Commission Plan

In light of Mr. Pace's role as our Chief Revenue Officer, the Compensation Committee believes it is appropriate to tie a significant portion of his annual cash incentive opportunity to our bookings performance during the year. As such, 30% of Mr. Pace's target bonus was tied to the same 2022 Bonus Plan applicable to other named executive officers, while the remaining 70% of his target bonus was determined as a commission on the Company's total bookings, as follows:

Achievement Range		Commission Rate	
Percentage	Quota ($ M)	Product	Renewal
0 – 100%	0 – 370	0.0522%	0.0290%
100 – 105%	370 – 389	0.0653%	
105% – 110%	389 – 407	0.0783%	
110+%	407+	0.0914%	

The applicable commission percentage was determined according to cumulative bookings, and commissions were earned on the rate applicable for only the portion of the annual quota attained on a per-tier basis, even if the value of a single transaction crossed multiple bands. The higher commission rates were not applied retroactively to the lower tiers. For purposes of Mr. Pace's commission plan, "bookings" was, for each contract signed with a customer during fiscal 2022, the total amount payable under over the entire term of the contract divided by the total number of days in the term of the contract, then multiplied by 365.

Based on our actual fiscal 2022 bookings of $403.7 million, the Chief Revenue Officer Plan was earned at 113.9% of target.

Fiscal Year 2022 Bonus Payouts

In light of the achievement under our 2022 Bonus Plan and, for Mr. Pace, our bookings, the percentage of base salary and the actual cash incentive bonus amounts as a percentage of base salary that were approved by our Compensation Committee and paid to our named executive officers in fiscal year 2022 are set forth in the table below.

Named Executive Officer	Fiscal Year 2022 Target Cash Incentive Award (% of 2022 Base Salary)	Fiscal Year 2022 Target Cash Incentive Award Opportunity ($)	Fiscal Year 2022 Cash Incentive Award Payment ($)	Fiscal Year 2022 Actual Cash Incentive Award Payment (% of 2022 Target Cash Incentive Award Opportunity)
Rick McConnell[(1)]	100%	182,164	220,408	120.99%
John Van Siclen	100%	610,000	738,063	120.99%
Kevin Burns	75%	326,250	394,743	120.99%
Stephen Pace	100%	430,000	498,964	116.04%
Bernd Greifeneder [(2)]	60%	224,107	271,156	120.99%

(1) Mr. McConnell commenced employment as our Chief Executive Officer in December 2021. Accordingly, his fiscal year 2022 cash incentive award was prorated to reflect his partial year of employment.

(2) For Mr. Greifeneder, the amounts reported are based on an exchange rate of EUR 1.00:USD 1.1067 as of March 31, 2022 as set forth on Bloomberg.

Long-Term Incentives

Our long-term program is designed to:

- align executives' interests with those of our stockholders by providing incentives (restricted stock units) that will increase in value if our share price rises;
- align executives' interests with those of our stockholders by providing incentives (performance-based restricted stock units) having a value that depends on achievement of corporate financial measures (ARR and NGOI); and
- provide a meaningful incentive for our executives to remain with us for the long-term.

The market for qualified and talented executives is highly competitive and we compete for talent with many companies that have greater resources than we do. Accordingly, we believe equity compensation is a crucial component of any competitive executive compensation package we offer.

Equity Awards: Restricted Stock Units and Performance-Based Restricted Stock Units

Annual 2022 Equity Awards

In April 2021, in recognition of achievements and performance during fiscal year 2021 and in order to align our executives' interests with those of our stockholders and provide financial incentives for our executives to remain with the Company, our Compensation Committee approved the grant on May 15, 2021 of time-vested restricted stock awards, or RSUs, under our 2019 Equity Incentive Plan, or the 2019 Plan, to each of our named executive officers. In addition, in order to more closely tie the compensation of our executive officers to Company performance, and consistent with our pay-for-performance philosophy, we introduced performance-based RSUs, or PSUs, into our fiscal 2022 equity program for our executives.

More specifically, for annual equity awards to our executives in fiscal year 2022, our Compensation Committee granted 50% of the awards in the form of RSUs, and 50% in the form of PSUs, or the Annual 2022 PSUs. The target long-term incentives for each participant are expressed as a U.S. dollar value, with the final number of shares issued calculated based on the trailing 30-day average closing price as reported on the NYSE through the date of grant. The following table sets forth the number of RSUs and the target number of PSUs granted to our named executive officers in fiscal year 2022:

Named Executive Officer(1)	Grant Date	Grant Date Target Value ($)	Time-Based RSUs (# Shares)	Performance-Based RSUs (# Shares at Target)
John Van Siclen	May 15, 2021	$6,000,000	59,300	59,300
Kevin Burns	May 15, 2021	$3,400,000	33,600	33,600
Stephen Pace	May 15, 2021	$3,200,000	31,650	31,650
Bernd Greifeneder	May 15, 2021	$3,000,000	29,650	29,650

(1) Mr. McConnell commenced employment as our Chief Executive Officer in December 2021. Mr. McConnell's equity awards are described under the heading "*Equity Awards: Restricted Stock Units and Performance Restricted Stock Units— CEO Equity Awards"* below.

The time-based RSUs vest over four years, with 25% of the shares vesting on the first anniversary of the date of grant and the remainder vesting in twelve equal quarterly installments over the following three years, provided that the executive officer remains employed by the Company through the applicable vesting date.

The PSUs vest based on the satisfaction of both a four-year time condition and a one-year performance condition, with 25% of the earned Annual 2022 PSUs vesting on the first anniversary of the grant date or, if later, the date on which achievement of the PSU metrics is determined for the Performance Period, and the remainder vesting in twelve equal quarterly installments over the following three years. The number of shares that may be earned pursuant to the Annual 2022 PSUs is based 60% upon the Company's achievement of an ARR target, and 40% upon the Company's achievement of a NGOI target (each as defined above under the heading *Executive Summary – A Note on Non-GAAP Measures & Key Metrics*). Set forth in the table below are the threshold, target and maximum ARR and NGOI goals for the Annual 2022 PSUs, the actual ARR and NGOI results for 2022 and achievement of the ARR and NGOI goals as a percentage of target. For purposes of the Annual 2022 PSUs, ARR performance was evaluated on a constant currency basis.

		Performance Goals ($000s)				
	Weighting	Threshold (50% Payout)	Target (100% Payout)	Maximum (150% Payout)	Actual Achievement ($000s)	Achievement as a Percentage of Target (%)
ARR	60%	950,475	1,000,500	1,100,550	1,013,800*	101.3%
NGOI	40%	179,820	199,800	239,760	233,770	117.0%

* ARR achievement for compensation purposes included a one-time adjustment related to the impact of ceasing business in Russia.

In May 2022, the Compensation Committee determined that the Company performance was equal to 101.3% and 117.0% of ARR and NGOI targets for the year, respectively. As a result, the weighted payout for the Annual 2022 PSUs was equal to 120.99% of target.

Special PSUs

In April 2021, our Compensation Committee also approved the grant effective May 15, 2022 of a one-time special PSU grant to our executives, the Special PSUs. Our Compensation Committee considered the Special PSUs a valuable and important tool for motivating and retaining executives through a critical phase of our Company's growth, building on the significant stockholder value creation from our initial public offering, or IPO, in 2019 and providing incentive for future growth. In determining the magnitude of the Special PSUs for each of our named executive officers, our Compensation Committee generally sought to align total long-term incentive values, including the value of Annual 2022 equity awards and annualized value of the Special PSUs, with the 75th percentile of competitive market data. The Compensation Committee considered this market positioning appropriate in the context of our strong

Company performance, the contributions of our executives to our growth and significant shareholder value creation, the highly competitive market for talent in the software sector, and the challenging multi-year goals required to be achieved in order for Special PSUs to vest.

The table below sets forth the target number of Special PSUs granted to our named executive officers in fiscal 2022:

Named Executive Officer[(1)]	**Grant Date**	**Special Performance-Based RSUs (# Shares at Target)**
John Van Siclen	May 15, 2021	89,000
Kevin Burns	May 15, 2021	89,000
Stephen Pace	May 15, 2021	31,700
Bernd Greifeneder	May 15, 2021	29,700

(1) Mr. McConnell commenced employment as our Chief Executive Officer in December 2021. Mr. McConnell's equity awards are described under the heading "*Equity Awards: Restricted Stock Units and Performance Restricted Stock Units— CEO Equity Awards"* below.

One-third of the Special PSUs are eligible to vest on each of the first three anniversaries of the date of grant, subject to the Company's achievement of an ARR target for the specified fiscal year and provided that the executive officer remains employed by the Company through the applicable vesting date. Set forth in the table below are the threshold, target and maximum ARR goals for the Special PSUs for 2022, the actual ARR results for 2022 and achievement of the ARR goal as a percentage of target for fiscal year 2022. For purposes of the Special PSUs, ARR performance was evaluated on a constant currency basis.

	ARR Achievement ($000s)				
	Threshold (50% Payout)	**Target (100% Payout)**	**Maximum (150% Payout)**	**Actual Achievement ($000s)**	**Achievement as a Percentage of Target (%)**
Fiscal Year 2022*	950,475	1,000,500	1,100,550	1,013,800**	101.3%

* While the Company believes in transparency and discloses as much information to stockholders as is necessary to understand how our executive compensation program works, we believe that disclosing the Fiscal Year 2023 and Fiscal Year 2024 goals on a prospective basis would provide our competitors with insight regarding confidential business strategies without meaningfully adding to our stockholders' understanding of the metric, and would thereby result in competitive harm to the Company. We believe that the goals represent challenging, yet attainable, forward-looking incentive goals, and we will disclose such goals and actual performance on a retrospective basis for Special PSUs that vest each year.

** ARR achievement for compensation purposes included a one-time adjustment related to the impact of ceasing business in Russia.

No Special PSUs will vest with respect to any year if the Company fails to achieve 95% of the applicable target ARR for that year, and the overall number of shares that may be issued pursuant to the Special PSUs with respect to any year shall not exceed 150% of the target award for such year. The Special PSUs are not carried forward from year to year – if the Special PSUs are not earned in any given year, they are terminated for that year.

CEO Equity Awards

On November 15, 2021, we announced that, in connection with his planned retirement, Mr. Van Siclen would resign upon mutual agreement with the Board as the Company's Chief Executive Officer and as a member of the Board, which resignation was effective on December 13, 2021. Also on November 15, 2021, we announced that Mr. McConnell had entered into an employment agreement with us, pursuant to which he became our Chief Executive Officer and was appointed as a member of our Board effective as of December 13, 2021.

In designing Mr. McConnell's compensation package, our Compensation Committee, advised by its independent compensation consultant Compensia, sought to deliver a competitive level of compensation that aligns with our desired pay-for-performance culture and objectives. Our Compensation Committee reviewed, with input from Compensia, market data among companies in our compensation peer group as well as new-hire equity compensation among recently hired Chief Executive Officers of comparable public companies. In addition to market data, our Compensation Committee considered the highly competitive market for a talented, experienced technology executive and the relevance of Mr. McConnell's background and experience.

Based on these considerations, in connection with his commencement of employment with us on December 13, 2021, Mr. McConnell was granted:

- 168,800 time-based RSUs, 50% of which shall vest in two equal installments on November 15, 2022 and November 15, 2023, and the remaining 50% of which shall vest over four years, in each case subject to Mr. McConnell's continued service with us.

- 168,800 PSUs, 50% of which are eligible to vest upon achievement of the ARR targets for fiscal year 2023 and 50% of which are eligible to vest upon achievement of the ARR targets for fiscal year 2024.

The Compensation Committee believes that a mix of time-vesting RSUs and PSUs with challenging multi-year performance objectives represents a competitive approach that reinforces a strong pay-for-performance culture and aligns the interests of our newly appointed CEO with the interests of our stockholders. The performance goals of the PSUs awarded to Mr. McConnell mirror the fiscal 2023 and fiscal 2024 goals of the Special PSUs described above. This structure reinforces a long-term pay-for-performance philosophy for our Chief Executive Officer, and supports alignment with the incentives of our other named executive officers.

Benefits and Other Compensation

Health and Welfare Benefits

Our executive officers, including our named executive officers, are eligible to participate in the same employee benefit plans that are generally available to all of our employees working in the same country, subject to the satisfaction of certain eligibility requirements, such as medical, dental, and life and disability insurance plans. We pay, on behalf of our employees, all or a portion of the premiums for health, life and disability insurance.

401(k) Plan

We maintain a tax-qualified 401(k) retirement plan for eligible employees in the United States to save for retirement on a tax advantaged basis. Under our 401(k) plan, employees may elect to defer up to 90% of their eligible compensation subject to applicable annual limits set pursuant to the Internal Revenue Code. Our 401(k) plan permits participants to make both pre-tax and certain after-tax (Roth) deferral contributions. The retirement plan is intended to qualify under Section 401(a) of the Internal Revenue Code. We match 50% of employees' contributions to the 401(k) Plan up to 6% of compensation. Employees are 100% vested in their contributions to the 401(k) plan.

Perquisites

Currently, we do not view perquisites or other personal benefits as a significant component of our executive compensation program. Accordingly, we do not provide perquisites to our named executive officers. In the future, we may provide perquisites or other personal benefits in limited circumstances, such as where we believe it is appropriate to assist an individual named executive officer in the performance of his or her duties, to make him more efficient and effective, and for recruitment, motivation or retention purposes.

Other Benefits

We do not offer any defined benefit pension plans or non-qualified deferred compensation arrangements for our employees.

Employment Agreements

We have entered into employment agreements with each of our named executive officers, which provide assurances of specified benefits to our named executive officers in the event of an involuntary termination of their employment for reasons other than for death, disability, or in the case of cause or a voluntary termination of their employment for good reason, in either case, under the circumstances described in their employment agreements. The terms of these agreements were developed with input from Compensia regarding severance practices at comparable companies, and is designed to attract, retain and reward senior level employees.

We believe that these protections serve our retention objectives by helping our named executive officers and other key employees maintain continued focus and dedication to their responsibilities to maximize stockholder value, including in the event of a transaction that could result in a change in control of the Company. For more information, see the section titled "*Potential Payments Upon Termination or Change in Control.*"

Other Compensation Practices and Policies

Executive Stock Ownership Guidelines

In July 2021, our Board adopted equity ownership guidelines to further align the interests of our executive officers with those of our stockholders. Under the guidelines, our chief executive officer is expected to hold common stock valued at a multiple of five (5) times his base salary and our other executive officers are expected to hold common stock valued at a multiple of two (2) times their base salary. For purposes of these guidelines, stock ownership only includes shares for which the executive has direct or indirect ownership or control, but does not include unexercised stock options, unvested restricted stock units and other unvested, unsettled and/or unexercised equity awards. Executives are expected to meet their ownership guidelines within five (5) years of becoming subject to the guidelines.

Clawback Policy

In July 2021, our Board adopted a compensation recovery, or "clawback," policy providing that, in the event of a restatement of financial results due to material non-compliance by the Company with any financial reporting requirement under the federal securities laws, the Compensation Committee will review the facts and circumstances that led to the obligation to file the restatement, including whether an executive officer engaged in misconduct that contributed to our obligation to file the restatement. Depending on the outcome of this review, the Company may recover from our executive officers all excess incentive-based compensation received by our executive officers during the three-year period preceding the date on which our Board determines that we are required to prepare a restatement. Excess compensation means the value of the incentive compensation (cash bonus and equity awards) received by an executive officer during the three-year period preceding the publication of the restated financial statement to the extent that the Compensation Committee determines that then value received was in excess of the amount that such executive officer would have received had such incentive compensation been calculated based on the financial results reported in the restated financial statement. If the amount of any such incentive-based compensation would have been lower had the level of achievement of the applicable financial performance metric(s) been calculated based on the restated financial results, the Compensation Committee, in its sole discretion and to the extent permitted by applicable law, may require that an executive officer repay the incremental portion of such incentive-based compensation.

Policy on Pledging and Hedging of Company Stock

Certain transactions in our securities (such as purchases and sales of publicly traded put and call options, and short sales) create a heightened compliance risk or could create the appearance of misalignment between management and stockholders. In addition, securities held in a margin account or pledged as collateral may be sold without consent if the owner fails to meet a margin call or defaults on the loan, thus creating the risk that a sale may occur at a time when an officer or director is aware of material, non-public information or otherwise is not permitted to trade in our securities. Our insider trading policy expressly prohibits short sales and derivative transactions of our stock by our officers, directors, employees and certain designated consultants and contractors, including short sales of our securities and the purchase or sale of puts, calls, or other derivative securities of the company or any derivative securities that provide the economic equivalent of ownership. Any waiver of this policy requires the approval of our Audit Committee. To date, no such requests have been made or approved.

Policy Regarding the Timing of Equity Awards

Under a policy adopted by our Compensation Committee, we have adopted the following equity award grant practices and procedures. We do not time our equity grants either to take advantage of a depressed stock price, or an anticipated increase in stock price, and we have limited the amount of discretion that can be exercised in connection with the timing of awards. We generally make awards only on pre-determined dates to ensure that equity awards cannot be timed to take advantage of material, non-public information. Beginning in May 2022, our annual awards are granted after our fourth quarter and fiscal year financial results have been announced publicly. Our program requires that the number of shares subject to awards being granted to be determined by the trailing 30-day average closing price of our common stock.

If extraordinary circumstances arise such that the Compensation Committee or the Board determines it is advisable to grant an equity award at a time other than as set forth above, the Compensation Committee may consider and approve any such grant. Grants of equity awards for new hires or promotions are generally made once per month, by unanimous written consent of our Compensation Committee, effective on the fifteenth day of each month. Grants of equity awards to current employees (other than in connection with a promotion) will generally be made, if at all, on an annual basis during our first fiscal quarter, effective on June 5, either at a meeting of the Compensation Committee, which meeting will be established in advance with notice to the Compensation Committee in accordance with the Compensation Committee charter, or by unanimous consent in writing.

Tax and Accounting Considerations

Deductibility of Executive Compensation

Generally, Section 162(m) of the Internal Revenue Code, or the Code, disallows a federal income tax deduction for public corporations of remuneration in excess of $1 million paid in any fiscal year to certain specified executive officers. For taxable years beginning before January 1, 2018 (i) these executive officers consisted of a public corporation's chief executive officer and up to three other executive officers (other than the chief financial officer) whose compensation is required to be disclosed to stockholders under the Securities Exchange Act of 1934, as amended, because they are our most highly-compensated executive officers and (ii) qualifying "performance-based compensation" was not subject to this deduction limit if specified requirements are met.

Pursuant to the Tax Cuts and Jobs Act of 2017, for taxable years beginning after December 31, 2017, the remuneration of a public corporation's chief financial officer is also subject to the deduction limit. In addition, subject to certain transition rules (which apply to remuneration provided pursuant to written binding contracts which were in effect on November 2, 2017 and which are not subsequently materially modified), for taxable years beginning after December 31, 2017, the exemption from the deduction limit for "performance-based compensation" is no longer available. Consequently, for fiscal years beginning after December 31, 2017, all remuneration in excess of $1 million paid to a specified executive will not be deductible.

In designing our executive compensation program and determining the compensation of our executive officers, including our named executive officers, the Compensation Committee considers a variety of factors, including the potential impact of the deduction limit under Section 162(m) of the Code However, the Compensation Committee will not necessarily limit executive compensation to that which is or may be deductible under Section 162(m) of the Code. The Compensation Committee will consider various alternatives to preserving the deductibility of compensation payments and benefits to the extent consistent with its compensation goals. The Compensation Committee believes that our stockholders' interests are best served if its discretion and flexibility in awarding compensation is not restricted, even though some compensation awards may result in non-deductible compensation expense.

Taxation of "Parachute" Payments

Sections 280G and 4999 of the Code provide that executive officers and directors who hold significant equity interests and certain other service providers may be subject to significant additional taxes if they receive payments or benefits in connection with a change in control of the company that exceeds certain prescribed limits, and that the company (or a successor) may forfeit a deduction on the amounts subject to this additional tax. We have not agreed to provide any executive officer, including any named executive officers, with a "gross-up" or other reimbursement payment for any tax liability that the executive officer might owe as a result of the application of Sections 280G or 4999 of the Code.

Section 409A of the Internal Revenue Code

Section 409A of the Code imposes additional significant taxes in the event that an executive officer, director or service provider receives "deferred compensation" that does not satisfy the requirements of Section 409A of the Code. Although we do not maintain a nonqualified deferred compensation plan, Section 409A of the Code may apply to certain severance arrangements, bonus arrangements and equity awards. We structure all our severance arrangements, bonus arrangements and equity awards in a manner to either avoid the application of Section 409A or, to the extent doing so is not possible, to comply with the applicable requirements of Section 409A of the Code.

Accounting for Stock-Based Compensation

We follow Financial Accounting Standards Board Accounting Standards Codification Topic 718 Compensation—Stock Compensation, or ASC 718, for our stock-based compensation awards. ASC 718 requires us to measure the compensation expense for all share-based payment awards made to our employees and non-employee members of our Board, including options to purchase shares of our common stock and other stock awards, based on the grant date "fair value" of these awards. This calculation is performed for accounting purposes and reported in the executive compensation tables required by the federal securities laws, even though the recipient of the awards may never realize any value from their awards.

Compensation Risk Assessment

We believe that our executive compensation program does not encourage excessive or unnecessary risk taking. As described more fully above, we structure our pay to consist of both fixed and variable compensation, particularly in connection with our pay-for-performance compensation philosophy. We believe this structure motivates our executives to produce superior short- and long-term results that are in the best interests of our Company and stockholders in order to attain our ultimate objective of increasing stockholder value, and we have established, and our Compensation Committee endorses, several controls to address and mitigate compensation related risk. As a result, we do not believe that our compensation programs are reasonably likely to have a material adverse effect on us.

REPORT OF THE COMPENSATION COMMITTEE

The Compensation Committee has reviewed and discussed the Compensation Discussion and Analysis section of this proxy statement with management. Based on the review and discussions, the Compensation Committee recommended to the Board of Directors that the Compensation Discussion and Analysis section be included in this proxy statement, which is incorporated by reference in our annual report on Form 10-K for the fiscal year ended March 31, 2022.

THE COMPENSATION COMMITTEE OF THE BOARD
OF DIRECTORS OF DYNATRACE, INC.
Michael Capone, Chair
Stephen Lifshatz
Kirsten O. Wolberg

The information contained in this report shall not be deemed to be (1) "soliciting material," (2) "filed" with the SEC, (3) subject to Regulations 14A or 14C of the Exchange Act, or (4) subject to the liabilities of Section 18 of the Exchange Act. This report shall not be deemed incorporated by reference into any of our other filings under the Exchange Act or the Securities Act, except to the extent that we specifically incorporate it by reference into such filing.

EXECUTIVE COMPENSATION

Summary Compensation Table

The following table presents the compensation awarded to, earned by and paid during the fiscal years ended March 31, 2022, 2021 and 2020 for each of our named executive officers.

	Year	Salary ($)	Bonus	Stock Awards ($)[1]	Option Awards ($)[2]	Non-Equity Incentive Plan Compensation ($)[3]	All other compensati on ($)	Total ($)
Rick McConnell	2022	184,848	250,000[4]	20,310,016	—	220,408[5]	5,424[6]	20,970,696
Chief Executive Officer								
John Van Siclen	2022	427,462	—	9,690,768	13,701[7]	738,063	193,662[8]	11,063,656
Former Chief Executive Officer	2021	575,000	—	3,554,028	3,566,695	737,392	15,500	8,448,615
	2020	575,000	—	1,328,000	3,503,089	575,000	33,463	6,014,552
Kevin Burns	2022	435,000	—	7,291,416	—	394,743	11,773[9]	8,132,932
Chief Financial Officer	2021	405,000	—	1,483,047	1,486,542	372,543	11,698	3,758,830
	2020	385,000	—	704,000	1,875,071	231,000	19,019	3,214,090
Stephen J. Pace	2022	430,000	—	4,434,600	—	498,964[10]	18,558[11]	5,382,122
Chief Revenue Officer	2021	400,000	—	1,483,047	1,486,542	493,014[10]	15,366	3,877,969
	2020	400,000	—	608,000	1,602,679	392,349[10]	28,956	3,031,984
Bernd Greifeneder	2022	373,511[12]	1,175[13]	4,154,520	—	271,156[12]	—	4,800,362
Chief Technology Officer	2021	357,953[12]	—	1,334,412	1,338,140	278,144[12]	—	3,308,649

(1) The amounts reported in this column reflect the aggregate grant date fair value of time-based restricted stock units and performance-based restricted stock units granted to our Named Executive Officers during the fiscal years ended March 31, 2022, 2021 and 2020, computed in accordance with FASB ASC Topic 718. Such aggregate grant date fair value does not take into account any estimated forfeitures related to service-vesting conditions. The assumptions used in calculating the grant date fair value of the restricted stock units reported in this column are set forth in Note 12 to our audited consolidated financial statements included in our 2022 Annual Report. The amounts reported in this column reflect the accounting cost for these stock awards, and may not correspond to the actual economic value that will be received by the Named Executive Officers upon vesting of the awards. In the case of performance-based restricted stock units granted during fiscal year 2022, the aggregate grant date fair value is reported at the probable outcome. The aggregate grant date fair value of performance-based restricted stock units granted during the fiscal year 2022 assuming maximum achievement (150%) is $15,232,512 for Mr. McConnell, $10,383,966 for Mr. Van Siclen, $8,584,452 for Mr. Burns, $4,435,767 for Mr. Pace and $4,155,687 for Mr. Greifeneder.

(2) The amounts reported in this column reflect the aggregate grant date fair value of stock options granted to our Named Executive Officers during the fiscal years ended March 31, 2022, 2021 and 2020, computed in accordance with FASB ASC Topic 718. Such aggregate grant date fair value does not take into account any estimated forfeitures related to service-vesting conditions. The assumptions used in calculating the grant date fair value of the restricted stock units reported in this column are set forth in Note 12 to our audited consolidated financial statements included in our 2022 Annual Report. The amounts reported in this column reflect the accounting cost for these options, and may not correspond to the actual economic value that will be received by the Named Executive Officers upon vesting of the awards.

(3) The amounts reported in this column, except as otherwise described below, represent bonuses paid under our Annual Short-Term Incentive Plan based on company performance during the fiscal years ended March 31, 2022, 2021 and 2020.

(4) Represents Mr. McConnell's signing bonus when joining the Company as Chief Executive Officer.

(5) Represents Mr. McConnell's pro-rated fiscal year 2022 cash incentive award.

(6) Amounts reported for fiscal year 2022 represent $4,581 in 401(k) plan matching contributions and $843 in disability insurance premiums.

(7) Such amount for Mr. Van Siclen reflects the incremental fair value associated with the amendment to Mr. Van Siclen's stock option awards to extend the exercisability of such stock option awards through the first anniversary of the termination of Mr. Van Siclen's consulting services.

(8) Amounts reported for fiscal year 2022 represent $177,419 in consultancy fees received by Mr. Van Siclen between December 14 and March 31, 2022, $7,000 for President's Club, $5,812 in 401(k) plan matching contributions and $3,431 in disability insurance premiums.

(9) Amounts reported for fiscal year 2022 represent $8,850 in 401(k) plan matching contributions and $2,923 in disability insurance premiums.

(10) Amount reported for fiscal 2022 includes $342,882 earned by Mr. Pace pursuant to his sales commission plan during fiscal year 2022. Amounts reported include $324,542 and $272,349 earned by Mr. Pace pursuant to his sales commission plan during fiscal year 2021 and 2020, respectively.

(11) Amounts reported for fiscal year 2022 represent $7,000 for President's Club, $7,936 in 401(k) plan matching contributions and $3,622 in disability insurance premiums.

(12) For Mr. Greifeneder, the USD amounts are based on an exchange rate of 1 EUR:USD 1.1067 for fiscal year 2022 and 1 EUR:USD 1.172 for fiscal year 2021 set forth on Bloomberg.

(13) Represents a patent program bonus payment.

Grants of Plan-Based Awards for Fiscal Year 2022

The following table shows information regarding grants of plan-based awards during the fiscal year ended March 31, 2022 to the Company's named executive officers.

		Estimated Future Payouts Under Non-Equity Incentive Plan Awards			Estimated Future Payouts Under Equity Incentive Plan Awards			All other Stock Awards: Number of Shares of Stock or units (#)	All other Option Awards: Number of Securities Underlying Options (#)	Exercise or Base Price of Option Awards ($/Sh)	Grant date fair value of Stock and Option Awards
Name	Grant Date	Threshold ($)	Target ($)	Maximum ($)	Threshold (#)	Target (#)	Maximum (#)				
Rick McConnell		305,000	610,000	915,000	—	—	—				
	12/13/2021							84,400	—	—	5,077,504
	12/13/2021							84,400	—	—	5,077,504
	12/13/2021				84,400	168,800	253,200				10,155,008
John Van Siclen		305,000	610,000	915,000	—	—	—				
	5/15/2021							59,300	—	—	2,768,124
	5/15/2021				29,650	59,300	88,950	—	—	—	2,768,124
	5/15/2021				44,500	89,000	133,500	—	—	—	4,154,520
Kevin Burns		163,125	326,250	489,375	—	—	—				
	5/15/2021							33,600	—	—	1,568,448
	5/15/2021				16,800	33,600	50,400	—	—	—	1,568,448
	5/15/2021				44,500	89,000	133,500	—	—	—	4,154,520
Stephen Pace		64,500	129,000	193,500	—	—	—				
	5/15/2021							31,650	—	—	1,477,422
	5/15/2021				15,825	31,650	47,475		—	—	1,477,422
	5/15/2021				15,850	31,700	47,550		—	—	1,479,756
Bernd Greifeneder		112,053	224,107	336,160	—	—	—				
	5/15/2021							29,650	—	—	1,384,062
	5/15/2021				14,825	29,650	44,475	—	—	—	1,384,062
	5/15/2021				14,850	29,700	44,550	—	—	—	1,386,396

Outstanding Equity Awards at 2022 Fiscal Year End Table

The following table presents information regarding all outstanding equity-based awards held by each of our named executive officers on March 31, 2022.

		Option Awards				Stock Awards			
Name	Grant Date	Number of Securities Underlying Unexercised Options Exercisable	Number of Securities Underlying Unexercised Options Unexercisable (1)	Option Exercise Price ($)	Option Expiration Date	Number of Shares or Units of Stock That Have Not Vested (#)(2)	Market Value of Shares or Units of Stock That Have Not Vested ($)(3)	Equity Incentive Plan Awards: Number of Unearned Shares, Units or Other Rights That Have Not Vested (#)	Equity Incentive Plan Awards: Market or Payout Value of Unearned Shares, Units or Other Rights That Have Not Vested ($)(3)
Rick McConnell	12/13/2021					168,800[4]	7,950,480	—	—
	12/13/2021					—	—	84,400[5]	3,975,240
John Van Siclen	7/31/2019	345,628	207,372[8]	16.00	7/31/2029				
	5/15/2020	124,075	159,525	33.03	5/15/2030				
	7/31/2019					31,125[9]	1,465,988	—	—
	5/15/2020					60,525	2,850,728	—	—
	5/15/2021					59,300	2,793,030	—	—
	5/15/2021					71,747[6]	3,379,284	—	—
	5/15/2021					31,639[7]	1,490,197	29,667[5]	1,397,316
Kevin Burns	7/31/2019	18,500	111,000[8]	16.00	7/31/2029				
	5/15/2020	7,388	66,485	33.03	5/15/2030				
	7/31/2019					16,500[9]	777,150	—	—
	5/15/2020					25,256	1,189,558	—	—
	5/15/2021					33,600	1,582,560	—	—
	5/15/2021					40,652[6]	1,914,709	—	—
	5/15/2021					31,639[7]	1,490,197	29,667[5]	1,397,316
Stephen J. Pace	7/31/2019	15,812	94,872[8]	16.00	7/31/2029				
	5/15/2020	7,388	66,485	33.03	5/15/2030				
	7/31/2019					14,250[9]	671,175	—	—
	5/15/2020					25,256	1,189,558	—	—
	5/15/2021					31,650	1,490,715	—	
	5/15/2021					38,293[6]	1,803,600	—	—
	5/15/2021					11,269[7]	530,770	10,567[5]	497,706
Bernd Greifeneder	7/31/2019	151,878	91,122[8]	16.00	7/31/2029				
	5/15/2020	46,550	59,850	33.03	5/15/2030				
	7/31/2019					13,500[9]	635,850	—	—
	5/15/2020					22,725	1,070,348	—	—
	5/15/2021					29,650	1,396,515	—	—
	5/15/2021					35,873[6]	1,689,618	—	—
	5/15/2021					10,558[7]	497,282	9,900[5]	466,290

(1) Unless otherwise set forth below, the stock options become vested and exercisable as follows: 25% of each award will vest on the first anniversary of the grant date and the remainder in 12 equal quarterly installments thereafter.
(2) Unless otherwise set forth below, the restricted stock units vest over four years, with 25% vesting on the first anniversary of the grant date and the remainder in 12 equal quarterly installments thereafter.
(3) Based on the closing price on March 31, 2022 of $47.10 per share.
(4) Fifty-percent (50%) of these restricted stock units vest in two equal installments on November 15, 2022 and November 15, 2023, and the remaining 50% vest over four years, with 25% vesting on November 15, 2022 and the remainder in 12 equal quarterly installments thereafter.
(5) Represents the number of Special PSUs that are eligible to vest based upon achievement of ARR targets assuming threshold performance (with 50% eligible to vest for fiscal year 2023 and 50% eligible to vest for fiscal year 2024), assuming threshold performance. Any Special PSUs, once earned, will vest upon May 15, 2023 (in the case of the portion that vests upon fiscal year 2023 performance) and May 15, 2024 (in the case of the portion that vests upon fiscal year 2024 performance).
(6) Represents Annual PSUs that were earned as of the last day of fiscal year 2022, based on attainment of pre-defined ARR and NGOI which were attained at 120.99% of target. These Annual PSUs, once earned, vest over four years, with 25% of the shares vesting on the first anniversary of the date of grant and the remainder in 12 equal quarterly installments thereafter.

(7) Represents the portion of Special PSUs that were earned as of the last day of fiscal year 2022, based on achievement of pre-defined ARR goals for fiscal year 2022. These Special PSUs vest upon the first anniversary of the date of grant.
(8) The stock options become vested and exercisable as follows: 25% of each award vested on August 15, 2020 and then 1/12th of the balance vests on each quarterly anniversary thereafter, such that 100% of the award will be vested on the fourth anniversary of August 15, 2019.
(9) The restricted stock units granted to our named executive officers on July 31, 2019 vest and settle over four years, with 25% vesting on August 15, 2020 and the remainder vesting in 12 equal quarterly installments thereafter.

***Option Exercises and Stock Vested in Fiscal Year* 2022**

The following table sets forth, for each of the named executive officers, information with respect to the exercise of stock options and the vesting of restricted stock unit awards during the year ended March 31, 2022.

	Option Awards		Stock Awards	
Name	**Number of shares acquired on exercise (#)**	**Value realized on exercise ($)(1)**	**Numbers of shares acquired on vesting (#)**	**Value realized on vesting ($)(2)**
Rick McConnell	—	—	—	—
John Van Siclen	—	—	67,825	3,625,531
Kevin Burns	210,827	8,787,073	30,644	1,644,781
Stephen Pace	91,766	3,524,160	29,144	1,560,297
Bernd Greifeneder	—	—	26,675	1,429,361

(1) Amount disclosed in this column was calculated based on the difference between the fair market value of our common stock on the date of exercise and the exercise price of the options.
(2) Amounts disclosed in this column were calculated based on the fair market value of our common stock on the date upon which the restricted stock awards vested or, if the vesting date is not a trading day, based upon the closing price on the last trading day immediately preceding the vesting date.

Potential Payments Upon Termination or Change of Control

Employment Agreements or Offer Letters with Named Executive Officers

We initially entered into employment agreements with each of the named executive officers in connection with his employment with us, which set forth the terms and conditions of employment of each individual, including base salary, target annual bonus opportunity and standard employee benefit plan participation. Effective on our IPO in August 2019, we entered into new employment agreements with each of Messrs. Van Siclen, Pace and Burns, which replaced each named executive officer's existing employment offer letters and other employment arrangements, as described below.

In addition, each of our named executive officers has entered into an agreement with us which contains protections of confidential information, requires the assignment of inventions and contains other restrictive covenants.

Rick McConnell

Rick McConnell is party to an employment agreement with us that became effective in December 2021. This employment agreement has no specific term and constitutes at-will employment. In connection with his appointment as Chief Executive Officer the Company, the Company entered into an Employment Agreement with Mr. McConnell providing for: (i) a base salary of $610,000 per year, (ii) a one-time cash sign-on bonus equal to $250,000, subject to repayment in full if Mr. McConnell's employment is terminated by us for cause as defined in his employment agreement or if he resigns other than for good reason, as such term is defined in his employment agreement, in either case prior to March 31, 2023, (iii) eligibility to receive cash incentive compensation with a target of 100% of his base salary, subject to the terms of any applicable incentive compensation plan(s), (iv) a grant of 168,800 RSUs, 50% of which shall vest in two equal installments on November 15, 2022 and November 15, 2023 (the "Two Year RSUs"), and the remaining 50% of which shall vest over four (4) years, in each case subject to Mr. McConnell's continued service with the Company, (v) a grant of 168,800 restricted stock units, 50% of which shall vest upon achievement of certain fiscal year performance metrics in 2023 and 50% of which shall vest upon achievement of certain fiscal year performance metrics in 2024, subject to Mr. McConnell's continued service with the Company. Mr. McConnell is also entitled to participate in all employee benefit plans and vacation policies in effect for our U.S. employees.

John Van Siclen

John Van Siclen was party to an employment agreement with us that became effective in August 2019, but which was terminated upon his resignation as our Chief Executive Officer effective December 13, 2021. In connection with his resignation, Mr. Van Siclen entered into a transition agreement, which provided that, subject to his execution of a release of claims and his compliance with noncompetition obligations through May 31, 2023, (i) Mr. Van Siclen would serve as a consultant through May 31, 2022 and receive consulting fees of $50,000 per month, (ii) Mr. Van Siclen would be eligible for his bonus for fiscal year 2022, (iii) Mr. Van Siclen would continue to vest in his outstanding equity grants through the end of the consulting period, and the date for Mr. Van Siclen to exercise any stock options that are vested through the end of his consulting relationship would be extended for a one year period after such date (or until the original expiration date of the option, if earlier), and (iv) we would continue to provide certain insurance benefits until December 13, 2022.

Kevin Burns

Kevin Burns is party to an employment agreement with us that became effective in August 2019. This employment agreement has no specific term and constitutes at-will employment. Mr. Burns' current annual base salary is $435,000, which will be reviewed annually and is subject to change from time to time by our Compensation Committee in its discretion. Mr. Burns is also eligible to receive an annual bonus based upon the achievement of business metrics established by our Compensation Committee under and subject to the terms of our annual short-term incentive plan. Mr. Burns' current target bonus is 75% of his base salary and is subject to review and change from time to time by our Board in its discretion. Mr. Burns is also entitled to participate in all employee benefit plans and vacation policies in effect for our U.S. employees.

As previously disclosed in a Current Report on Form 8-K filed on May 18, 2022, Kevin Burns notified the Company of his intent to resign from his position as Chief Financial Officer and Principal Financial Officer of the Company. Mr. Burns will remain employed with the Company through the end of calendar 2022 to ensure a smooth transition of his duties once a new chief financial officer and principal financial officer is appointed. The date for Mr. Burns to exercise any stock options that are vested through the end of his employment will be extended for a one-year period after such date (or until the original expiration date of the option, if earlier). Mr. Burns' notice to resign is not the result of any disagreements with the Company on any matter relating to the Company's operations, policies or practices.

Stephen Pace

Stephen Pace is party to an employment agreement with us that became effective in August 2019. This employment agreement has no specific term and constitutes at-will employment. Mr. Pace's current annual base salary is $430,000, which will be reviewed annually and is subject to change from time to time by our Compensation Committee in its discretion. Mr. Pace is also eligible to receive an annual bonus 70% of which is based upon sales commissions, and 30% of which is based upon the achievement of business metrics established by our Compensation Committee under and subject to the terms of our annual short-term incentive plan. Mr. Pace's current target bonus, including both sales commissions and amounts earned under our short-term incentive plan, is 100% of his base salary and is subject to review and change from time to time by our Board in its discretion. Mr. Pace is also entitled to participate in all employee benefit plans and vacation policies in effect for our U.S. employees.

Bernd Greifeneder

Bernd Greifeneder is party to an employment agreement with us that became effective in August 2019. This employment agreement has no specific term. Mr. Greifeneder's current annual base salary is $373,511, which will be reviewed annually and is subject to change from time to time by our Compensation Committee in its discretion. Mr. Greifeneder is also eligible to receive an annual bonus based upon the achievement of business metrics established by our Compensation Committee under and subject to the terms of our annual short-term incentive plan. Mr. Greifeneder's current target bonus is 60% of his base salary and is subject to review and change from time to time by our Compensation Committee or Board in its discretion. Mr. Greifeneder is also entitled to participate in all employee benefit plans and vacation policies in effect for our Austrian employees.

Severance and Potential Payments Upon a Change in Control

Pursuant to the employment agreements with our named executive officers, if a named executive officer's employment is terminated by us without cause, or good cause as defined in the employment agreements, or by the named executive officer for good reason (for Mr. Greifeneder, good cause), as defined in the employment agreements, or in connection with a change of control as defined in our 2019 Plan and subject to the execution and effectiveness of a separation agreement, including a general release of claims in our favor, the named executive officers will be entitled to receive the benefits described below.

Rick McConnell

Pursuant to Mr. McConnell's employment agreement, in the event that Mr. McConnell's employment is terminated without cause, as such term is defined in his employment agreement, or if Mr. McConnell terminates his employment for good reason, as such term is defined in the employment agreement, and if he executes a separation and release agreement, we will be obligated to (i) pay him a cash severance payment equal to the sum of 12-months of his then-current base salary, the amount of any bonus earned in respect of the prior fiscal year that would have been paid if Mr. McConnell's employment had not been terminated and 100% of his target bonus for the then-current year, with payments made ratably over a 12 month period, (ii) if the date of termination is before March 31, 2023, fully accelerate the Two Year RSUs as of the later of (A) the date of termination or (B) the effective date of the separation and release agreement, and (iii) if he elects healthcare continuation coverage under the law known as "COBRA," pay up to 12-monthly payments equal to the monthly employer contribution that the Company would have made to provide health insurance to Mr. McConnell if he had remained employed by the Company. If Mr. McConnell's employment is terminated without cause or Mr. McConnell terminates his employment for good reason either 3 months before or during the 12-month period after a change in control, and if he executes a separation and release agreement, then in lieu of the payments and benefits set forth above, he would be entitled to (i) a lump-sum cash severance payment equal to the sum of 24 months of Mr. McConnell's then-current base salary and the amount of any bonus earned in respect of the prior fiscal year that would have been paid if his employment had not been terminated, (ii) acceleration of all unvested equity awards, as of the later of (A) the date of termination or (B) the effective date of a separation and release agreement, and (iii) if he elects healthcare continuation coverage under COBRA, the Company will pay up to 18-monthly payments equal to the monthly employer contribution that the Company would have made to provide health insurance to Mr. McConnell if he had remained employed by the Company.

John Van Siclen

As noted above, Mr. Van Siclen's employment agreement was terminated upon his resignation, and Mr. Van Siclen was not entitled to receive any severance payments or benefits.

Kevin Burns

Pursuant to Mr. Burns' employment agreement, in the event that Mr. Burns' employment is terminated by us without cause, as such term is defined in his employment agreement, or if Mr. Burns terminates his employment for good reason, as such term is defined in his employment agreement, and if he executes a separation and release agreement, we will be obligated to (i) pay him a cash severance payment equal to the sum of 12-months of his then-current base salary and the amount of any bonus earned and not yet paid in respect of the prior fiscal year that would have been paid if his employment had not been terminated, and (ii) if he elects healthcare continuation coverage under COBRA, pay up to 12-monthly payments equal to the monthly employer contribution that we would have made to provide health insurance to Mr. Burns if he had remained employed by us. If Mr. Burns' employment with us is terminated by us without cause or Mr. Burns terminates his employment for good reason either 3-months before or during the 12-month period after a change of control, and if he executes a separation and release agreement, he would be entitled to (i) a lump-sum cash severance payment equal to the sum of 18-months of his then-current base salary and the amount of any bonus earned in respect of the prior fiscal year that would have been paid if his employment had not been terminated, (ii) acceleration of all equity awards, as of the later of (A) the date of termination or (B) the effective date of a separation and release agreement, and (iii) if he elects healthcare continuation coverage under COBRA, pay up to 18-monthly payments equal to the monthly employer contribution that we would have made to provide health insurance to Mr. Burns if he had remained employed by us.

Stephen Pace

Pursuant to Mr. Pace's employment agreement, in the event that Mr. Pace's employment is terminated by us without cause, as such term is defined in his employment agreement, or if Mr. Pace terminates his employment for good reason, as such term is defined in his employment agreement, and if he executes a separation and release agreement, we will be obligated to (i) pay him a cash severance payment equal to the sum of 12-months of his then-current base salary and the amount of any bonus earned and not yet paid in respect of the prior fiscal year that would have been paid if Mr. Pace's employment had not been terminated, and (iii) if he elects healthcare continuation coverage under COBRA, pay up to 12-monthly payments equal to the monthly employer contribution that we would have made to provide health insurance to Mr. Pace if he had remained employed by us. If Mr. Pace's employment is terminated by us without cause or Mr. Pace terminates his employment for good reason either 3-months before or during the 12-month period after a change of control, and if he executes a separation and release agreement, he would be entitled to (i) a lump-sum cash severance payment equal to the sum of 18-months of his then-current base salary and the amount of any bonus earned in respect of the prior fiscal year that would have been paid if Mr. Pace's employment had not been terminated, and (ii) acceleration of all equity awards, as of the later of (A) the date of termination or (B) the effective date of a separation and release agreement, and (iii) if he elects healthcare continuation coverage under COBRA, pay up to 18 monthly payments equal to the monthly employer contribution that we would have made to provide health insurance to Mr. Pace if Mr. Pace had remained employed by us.

Bernd Greifeneder

Pursuant to Mr. Greifeneder's employment agreement, in the event that Mr. Greifeneder's employment is terminated by either party, the terminating party must give the other at least six (6) months' prior notice, which may be waived in the other's party's discretion. In the event that Mr. Greifeneder's employment is terminated by us without cause, as such term is defined in his employment agreement, or if Mr. Greifeneder terminates his employment for cause, as such term is defined in his employment agreement, and if he executes a separation and release agreement, we will be obligated to (i) pay him a cash severance payment equal to the sum of six (6) months of his then-current base salary, plus the amount of any accrued statutory claims. If Mr. Greifeneder's employment with us is terminated by us without cause or by Mr. Greifeneder either 3-months before or during the 12-month period after a change of control, and if he executes a separation and release agreement, he would be entitled to a (i) lump-sum cash severance payment equal to 12-months of his then-current base salary, (ii) acceleration of all unvested equity awards effective upon the earlier of (A) the date that employment is effectively terminated or (B) the day that Mr. Greifeneder goes on garden leave in lieu of notice, and (iii) honor and pay his accrued statutory claims.

Estimated Payment and Benefits Upon Termination or Change of Control

The amount of compensation and benefits payable to each named executive officer who was employed on March 31, 2022 under our current employment agreements in various termination and change in control situations has been estimated in the tables below. As described above, Mr. Van Siclen was not eligible for any severance benefits in connection with his resignation. The value of the equity vesting acceleration was calculated for each of the tables below based on the assumption that the change in control and the named executive officer's employment termination occurred on March 31, 2022. The per share closing price of the Company's stock on the NYSE as of March 31, 2022 was $47.10, which was used as the value of the Company's stock in the change in control. The value of the option vesting acceleration was calculated by multiplying the number of unvested option shares subject to vesting acceleration as of March 31, 2022, by the difference between the per share closing price of the Company's stock as of March 31, 2022, and the per share exercise price for such unvested option shares. The value of restricted stock unit vesting acceleration was calculated by multiplying the number of unvested restricted stock units subject to vesting acceleration as of March 31, 2022, by the per share closing price of the Company's stock as of March 31, 2022.

The following table describes the potential payments and benefits upon employment termination for Mr. McConnell, as if his employment terminated as of March 31, 2022.

Executive Benefits and Payment upon Termination	Resignation For Good Reason Not in Connection with a Change in Control ($)	Termination by Company without Cause Not in Connection with a Change in Control ($)	Termination by Company without Cause or Voluntary Resignation for Good Reason within 3 months prior or 12 months Following a Change in Control ($)
Compensation:			
Cash Severance	1,220,000	1,220,000	1,220,000
Acceleration of Equity Awards	3,975,240	3,975,240	15,900,960
Health care continuation	9,776	9,776	14,663
Total	5,205,016	5,205,016	17,135,623

The following table describes the potential payments and benefits upon employment termination for Mr. Burns, as if his employment terminated as of March 31, 2022.

Executive Benefits and Payment upon Termination	Resignation For Good Reason Not in Connection with a Change in Control ($)	Termination by Company without Cause Not in Connection with a Change in Control ($)	Termination by Company without Cause or Voluntary Resignation for Good Reason within 3 months prior or 12 months Following a Change in Control ($)
Compensation:			
Cash Severance	435,000	435,000	652,500
Acceleration of Equity Awards	—	—	14,136,302
Health care continuation	9,776	9,776	14,663
Total	444,776	444,776	14,803,465

The following table describes the potential payments and benefits upon employment termination for Mr. Pace, as if his employment terminated as of March 31, 2022.

Executive Benefits and Payment upon Termination	Resignation For Good Reason Not in Connection with a Change in Control ($)	Termination by Company without Cause Not in Connection with a Change in Control ($)	Termination by Company without Cause or Voluntary Resignation for Good Reason within 3 months prior or 12 months Following a Change in Control ($)
Compensation:			
Cash Severance	430,000	430,000	645,000
Acceleration of Equity Awards	—	—	10,567,145
Health care continuation	8,017	8,017	12,026
Total	438,017	438,017	11,224,171

The following table describes the potential payments and benefits upon employment termination for Mr. Greifeneder, as if his employment terminated as of March 31, 2022.

Executive Benefits and Payment upon Termination (1)	Resignation For Good Reason Not in Connection with a Change in Control ($)	Termination by Company without Cause Not in Connection with a Change in Control ($)	Termination by Company without Cause or Voluntary Resignation for Good Reason within 3 months prior or 12 months Following a Change in Control ($)
Compensation:			
Cash Severance	186,756	186,756	373,511
Acceleration of Equity Awards	—	—	9,898,176
Health care continuation	—	—	—
Total	186,756	186,756	10,271,687

(1) For Mr. Greifeneder, the amounts reported for fiscal ended March 31, 2022, the USD amounts are based on an exchange rate of 1 EUR:USD 1.1067 for the reporting period as set forth on Bloomberg.

CEO Pay Ratio

Our compensation and benefits philosophy and the overall structure of our compensation and benefit programs are broadly similar across the organization to encourage and reward all employees who contribute to our success. We strive to ensure the pay of every employee reflects the level of their job impact and responsibilities and is competitive within our peer group. Our ongoing commitment to pay equity is critical to our success in supporting a diverse workforce with opportunities for all employees to grow, develop, and contribute.

We are required by applicable SEC rules to disclose information about the CEO Pay Ratio, or the ratio of the annual total compensation of our chief executive officer to the annual total compensation of our median employee, or the CEO Pay Ratio.

Methodology

We identified our median employee, the employee with compensation at the median of annual total compensation of all our employees excluding our chief executive officer, based on the following:

- To identify our median employee, we considered the individuals employed by us on March 31, 2022, or our Determination Date, whether employed on a full-time, part-time or temporary basis. We did not include any contractors or other non-employee workers in our employee population. On March 31, 2022, our global employee population excluding our chief executive officer consisted of 3,616 employees, with 1,268 in the United States, 911 in Austria, 339 in Poland and 1,098 in 31 other countries.
- To identify our median employee, we used a consistently applied compensation measure consisting of the annual base salary on March 31, 2022, the target incentive cash compensation for fiscal 2022 (including corporate bonus plan and commission plans under our sales and services incentive plans) and the grant date fair value for equity awards granted during fiscal 2022. We selected these compensation elements because they represent our principal broad-based compensation elements. We did not perform adjustments to the base salaries of part-time employees to calculate what they would have been paid on a full-time basis and did not make any cost-of-living adjustments. We converted all local

currencies to USD based on the applicable internal exchange rates in effect on March 31, 2022, reflecting the average of the daily closing rates in March as reported by the Xignite service.

Using this methodology, we determined that the median employee was a full-time salaried employee working as a software engineer in Austria who was awarded equity during fiscal 2022.

CEO Pay Ratio

Once our median employee was identified, we calculated the median employee's annual total compensation in accordance with the requirements of, and using the same currency exchange rate used in, the Summary Compensation Table.

Our median employee compensation as calculated using Summary Compensation Table requirements was $93,075. We had two individuals in the role of chief executive officer during fiscal 2022. We elected to use the compensation of Mr. McConnell, our active chief executive officer as of March 31, 2022, for purposes of determining the pay ratio. Mr. McConnell joined the Company as our Chief Executive Officer in December 2021 and as a result, our CEO Pay Ratio for fiscal 2022 includes special one-time payments and new hire equity awards that were part of his new hire compensation. Our chief executive officer's compensation as reported in the Summary Compensation Table and then annualized was $21,785,440. Therefore, our CEO Pay Ratio is approximately 234:1. For additional information on Mr. McConnell's new hire compensation, see "*Equity Awards: Restricted Stock Units and Performance Restricted Stock Units— CEO Equity Awards*" in the Compensation Discussion and Analysis section above.

This information is being provided for compliance purposes and is a reasonable estimate calculated in a manner consistent with SEC rules, based on our internal records and the methodology described above. The SEC rules for identifying the median compensated employee allow companies to adopt a variety of methodologies, to apply certain exclusions and to make reasonable estimates and assumptions that reflect their employee populations and compensation practices. Accordingly, the pay ratio reported by other companies may not be comparable to the pay ratio reported above, as other companies have different employee populations and compensation practices, operate in different countries and may use different methodologies, exclusions, estimates and assumptions in calculating their own pay ratios. We are a global company with more than 65% of our employees located outside the United States. As a result, our employee population is different than other companies. Neither the Compensation Committee nor management of the company used the CEO Pay Ratio measure in making compensation decisions.

EQUITY COMPENSATION PLAN INFORMATION

The following table sets forth information regarding our equity compensation plans as of March 31, 2022.

Plan Category	Number of Securities to be Issued Upon Exercise of Outstanding Options, Warrants and Rights	Weighted-average Exercise Price of Outstanding Options, Warrants and Rights ($)(1)	Number of Securities Remaining Available for Future Issuance Under Equity Compensation Plans (Excluding Securities Reflected in Column (a))
Equity compensation plans approved by stockholders(2)	12,147,068(3)	21.87	48,645,780(4)
Equity compensation plans not approved by stockholders	—	—	—
Total	12,147,068	21.87	48,645,780

(1) The weighted-average exercise price is calculated based solely on the exercise prices of the outstanding options to purchase shares of our common stock. It does not reflect the shares of our common stock that will be issued upon the vesting of outstanding awards of RSUs, which have no exercise price.

(2) These plans consist of our 2019 Plan and the 2019 Employee Stock Purchase Plan, or ESPP.

(3) This number includes 6,967,543 shares of our common stock subject to outstanding options and 5,179,525 shares of our common stock subject to outstanding RSU awards granted under our 2019 Plan.

(4) This number includes 37,458,426 shares of our common stock available for issuance under our 2019 Plan, and 11,187,354 shares reserved for issuance under our ESPP. The number of shares available for issuance under the 2019 Equity Incentive Plan automatically increase each April 1 by 4% of the outstanding number of shares of our common stock on the immediately preceding March 31 or such lesser number of shares as determined by our Board or Compensation Committee. The number of shares available for issuance under the ESPP automatically increase each April 1 by (i) 1% of the outstanding number of shares of our common stock on the immediately preceding March 31; (ii) 3,500,000 shares of Common Stock or (iii) or such number of shares as determined by our Board or Compensation Committee.

CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS

In addition to the director and executive compensation arrangements, including employment, termination of employment and change in control arrangements, the following is a description of each transaction since March 31, 2021, and each currently proposed transaction, in which:

- we have been or are to be a participant;
- the amount involved exceeded or is expected to exceed $120,000; and
- any of our directors, executive officers or holders of more than 5% of our outstanding capital stock, or any immediate family member of, or person sharing the household with, any of these individuals or entities, had or will have a direct or indirect material interest.

Registration Rights

On July 30, 2019, we entered into a registration rights agreement, or the Registration Rights Agreement, with the Thoma Bravo Funds and certain other holders of our capital stock. Pursuant to the Registration Rights Agreement, we agreed to pay all registration expenses (other than underwriting discounts and commissions and subject to certain limitations set forth therein) of the holders of the shares registered pursuant to the registrations described below. The registration rights are subject to certain conditions and limitations, including the right of the underwriters to limit the number of shares to be included in an underwritten offering and our right to delay or withdraw a registration statement under certain circumstances.

Pursuant to the Registration Rights Agreement, the holders of a majority of the outstanding Investor Registrable Securities (as defined therein), or the Majority Holders, are entitled to request an unlimited number of Long-Form Registrations (as defined therein) and an unlimited number of Short-Form Registrations (as defined therein). Additionally, for so long as a Shelf Registration Statement (as defined therein) is and remains effective, the Majority Holders will have the right at any or from time to time to elect to sell their respective Shelf Registrable Securities (as defined therein) pursuant to a Shelf Offering (as defined therein), and the Majority Holders may request to engage in an Underwritten Block Trade (as defined therein) off of a Shelf Registration Statement. The other parties to the Registration Rights Agreement may include their Registrable Securities in a Long-Form Registration, Short-Form Registration or Shelf Offering. With the consent of the Majority Holders, the other parties to the Registration Rights Agreement may include their Registrable Securities in an Underwritten Block Trade.

If at any time we propose to register the offer and sale of shares of our common stock under the Securities Act (other than in a registration on Form S-4, Form S-8 or any successor form, or a registration of securities solely relating to an offering and sale to our employees, directors or consultants pursuant to any employee equity plan or other employee benefit plan arrangement, or a registration of non-convertible debt securities) then we must notify the holders of Registrable Securities of such proposal to allow them to include a specified number of their shares of our common stock in such registration, subject to certain marketing and other limitations.

Limitation of Liability and Indemnification of Officers and Directors

Our charter contains provisions that limit the liability of our directors for monetary damages to the fullest extent permitted by Delaware law. Consequently, our directors are not personally liable to us or our stockholders for monetary damages for any breach of fiduciary duties as directors, except liability for the following:

- any breach of their duty of loyalty to our company or our stockholders;
- any act or omission not in good faith or that involves intentional misconduct or a knowing violation of law;
- unlawful payments of dividends or unlawful stock repurchases or redemptions as provided in Section 174 of the Delaware General Corporation Law, or DGCL; or
- any transaction from which they derived an improper personal benefit.

Any amendment to, or repeal of, these provisions will not eliminate or reduce the effect of these provisions in respect of any act, omission or claim that occurred or arose prior to that amendment or repeal. If the DGCL is amended to provide for further limitations on the personal liability of directors of corporations, then the personal liability of our directors will be further limited to the greatest extent permitted by the DGCL.

In addition, our bylaws provide that we will indemnify, to the fullest extent permitted by law, any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or was one of our directors or officers or is or was serving at our request as a director or officer of another corporation, partnership, joint venture, trust or other enterprise. Our bylaws will provide that we may indemnify to the fullest extent permitted by law any person who is or was a party or is threatened to be made a party to any action, suit or proceeding by reason of the fact that he or she is or was one of our employees or agents or is or was serving at our request as an employee or agent of another corporation, partnership, joint venture, trust or other enterprise. Our bylaws also provide that we must advance expenses incurred by or on behalf of a director or executive officer in advance of the final disposition of any action or proceeding, subject to limited exceptions.

Further, we have entered into indemnification agreements with each of our directors and executive officers that may be broader than the specific indemnification provisions contained in the DGCL. These indemnification agreements require us, among other things, to indemnify our directors and executive officers against liabilities that may arise by reason of their status or service. These indemnification agreements also require us to advance all expenses incurred by the directors and executive officers in investigating or defending any such action, suit or proceeding. We believe that these agreements are necessary to attract and retain qualified individuals to serve as directors and executive officers.

The limitation of liability and indemnification provisions that are included in our charter and bylaws and in indemnification agreements that we have entered into with our directors and executive officers may discourage stockholders from bringing a lawsuit against our directors and executive officers for breach of their fiduciary duties. They may also reduce the likelihood of derivative litigation against our directors and executive officers, even though an action, if successful, might benefit us and other stockholders. Further, a stockholder's investment may be adversely affected to the extent that we pay the costs of settlement and damage awards against directors and executive officers as required by these indemnification provisions. At present, we are not aware of any pending litigation or proceeding involving any person who is or was one of our directors, officers, employees or other agents or is or was serving at our request as a director, officer, employee or agent of another corporation, partnership, joint venture, trust or other enterprise, for which indemnification is sought, and we are not aware of any threatened litigation that may result in claims for indemnification.

We have obtained insurance policies under which, subject to the limitations of the policies, coverage is provided to our directors and executive officers against loss arising from claims made by reason of breach of fiduciary duty or other wrongful acts as a director or executive officer, including claims relating to public securities matters, and to us with respect to payments that may be made by us to these directors and executive officers pursuant to our indemnification obligations or otherwise as a matter of law.

Certain of our non-employee directors may, through their relationships with their employers, be insured and/or indemnified against certain liabilities incurred in their capacity as members of our Board.

The underwriting agreement relating to our IPO and the underwriting agreement relating to this offering provide for indemnification by the underwriters of us and our officers and directors for certain liabilities arising under the Securities Act or otherwise.

Insofar as indemnification for liabilities arising under the Securities Act may be permitted to directors, executive officers or persons controlling our company pursuant to the foregoing provisions, we have been informed that, in the opinion of the SEC, such indemnification is against public policy as expressed in the Securities Act and is therefore unenforceable.

Related Person Transaction Policy

Our Board has adopted a formal written policy providing that our Audit Committee is responsible for conducting a reasonable prior review of the material facts of all "related party transactions," which are transactions, arrangements or relationships (or any series of similar transactions, arrangements or relationships), to which we are a party, and in which a related person has, had or will have a direct or indirect material interest. For purposes of this policy, a related person is defined as a director, executive officer, nominee for director or greater than 5% beneficial owner of our capital stock, in each case since the beginning of the most recently completed year, and any of their immediate family members. In determining whether to approve or ratify any such transaction, our Audit Committee will take into account, among other factors it deems appropriate, (i) whether the transaction is on terms no less favorable than terms generally available to unaffiliated third parties under the same or similar circumstances, (ii) the extent of the related party's interest in the transaction and (iii) whether the related party transaction is otherwise consistent with the interests of our Company and stockholders.

The Audit Committee reviewed all transactions that took place between us and related persons since April 1, 2021 regardless of the dollar amount involved, including the following for which the amount received by the Company was in excess of $120,000:

> During fiscal 2022, Hyland Software, Inc. paid the Company $1,257,834 for the purchase of certain software and services in a transaction entered into at arms-length on market terms and conditions. Certain Thoma Bravo entities have also invested in Hyland Software Inc., and one of our directors serves on the board of directors of Hyland Software, Inc.

The Audit Committee determined that this transaction did not impact the independence of any of our directors.

PRINCIPAL STOCKHOLDERS

The following table sets forth information, to the extent known by us or ascertainable from public filings, with respect to the beneficial ownership of our common stock as of July 1, 2022 by:

- each of our directors;
- each of our named executive officers;
- all of our current directors and executive officers as a group; and
- each person, or group of affiliated persons, who is known by us to beneficially owner of greater than 5.0% of our common stock.

The column entitled "Shares of Common Stock Beneficially Owned" is based on a total of 287,259,635 shares of our common stock outstanding as of July 1, 2022.

Beneficial ownership is determined in accordance with the rules and regulations of the SEC and includes voting or investment power with respect to our common stock. Shares of our common stock subject to options that are currently exercisable or exercisable within 60 days of July 1, 2022 are considered outstanding and beneficially owned by the person holding the options for the purpose of calculating the percentage ownership of that person but not for the purpose of calculating the percentage ownership of any other person. Except as otherwise noted, the persons and entities in this table have sole voting and investing power with respect to all of the shares of our common stock beneficially owned by them, subject to community property laws, where applicable. Except as otherwise indicated in the table below, addresses of named beneficial owners is c/o Dynatrace, Inc., 1601 Trapelo Road, Suite 116, Waltham, MA 02451.

	Shares of Common Stock Beneficially Owned	
Name of Beneficial Owner	**Number**	**Percent**
Named Executive Officers and Directors:		
Rick McConnell(1)	20,500	*
John Van Siclen(2)	840,620	*
Kevin Burns(3)	138,050	*
Stephen Pace(4)	105,096	*
Bernd Greifeneder(5)	1,063,345	*
Seth Boro(6)	20,510	*
Michael Capone(7)	26,760	*
Ambika Kapur	—	*
Stephen Lifshatz(8)	26,760	*
Steve Rowland(9)	2,235	*
Kenneth "Chip" Virnig(10)	20,510	*
Jill Ward(11)	21,169	*
Kirsten Wolberg(12)	5,323	*
Paul Zuber(13)	3,510	*
All current executive officers and directors as a group (13 persons)	1,453,768	*
5% Stockholders:		
Thoma Bravo Funds(14)	84,298,270	29.35 %
The Vanguard Group(15)	18,373,006	6.40 %
FMR LLC(16)	14,969,054	5.21 %

* Represents beneficial ownership of less than one percent of the outstanding shares of common stock.

(1) Consists of 20,000 shares of common stock held by the Rick McConnell Trust dated July 30, 2013 and 500 shares of common stock held by the Anne Marie McConnell Trust dated July 16, 2021, with Rick McConnell and his spouse, Anne McConnell, each serving as the sole trustee of their respective trusts. As a result, Mr. McConnell may be deemed to have beneficial ownership of the shares held by each trust.

(2) Consists of 72,282 shares of common stock, and 521,990 shares issuable upon exercise of stock options, held directly by Mr. Van Siclen, and 246,348 shares of common stock held by John W. Van Siclen 2019 Irrevocable Trust. Concord Trust Company is the trustee of the John W. Van Siclen 2019 Irrevocable Trust.

(3) Consists of 40,189 shares of common stock, and 87,861 shares issuable upon exercise of stock options, and/or that may be acquired upon the vesting of RSUs, in each case, within 60 days of July 1, 2022 held directly by Mr. Burns, and 10,000 shares of common stock held by The Kevin C. Burns Irrevocable GST Trust of 2018. Judith Burns is the trustee of the Kevin C. Burns Irrevocable GST Trust of 2018. As such, Mr. Burns may be deemed to have shared voting and investment power with respect to all of the shares of common stock and restricted stock held by such trust.

(4) Consists of 25,943 shares of common stock and 79,153 shares issuable upon exercise of stock options, and/or that may be acquired upon the vesting of RSUs, in each case, within 60 days of July 1, 2022, held directly by Mr. Pace.
(5) Consists of 812,373 shares of common stock and 250,972 shares issuable upon exercise of stock options, and/or that may be acquired upon the vesting of RSUs, in each case, within 60 days of July 1, 2022, held directly by Mr. Greifeneder.
(6) Consists of 17,500 shares of common stock and 3,010 shares that may be acquired upon the vesting of RSUs, within 60 days of July 1, 2022, held directly by Mr. Boro.
(7) Consists of 22,187 shares of common stock and 4,573 shares that may be acquired upon the vesting of RSUs, within 60 days of July 1, 2022, held directly by Mr. Capone.
(8) Consists of 22,187 shares of common stock and 4,573 shares that may be acquired upon the vesting of RSUs, within 60 days of July 1, 2022, held directly by Mr. Lifshatz.
(9) Consists of 2,235 shares that may be acquired upon the vesting of RSUs, within 60 days of July 1, 2022 held directly by Mr. Rowland.
(10) Consists of 17,500 shares of common stock and 3,010 shares that may be acquired upon the vesting of RSUs, within 60 days of July 1, 2022, held directly by Mr. Virnig.
(11) Consists of 16,963 shares of common stock and 4,206 shares that may be acquired upon the vesting of RSUs, within 60 days of July 1, 2022 held directly by Ms. Ward.
(12) Consists of 1,850 shares of common stock and 3,473 shares that may be acquired upon the vesting of RSUs, within 60 days of July 1, 2022 held directly by Ms. Wolberg.
(13) Consists of 500 shares of common stock held by DSL 2020, LLC for which the initial member is Mr. Zuber, as trustee of the Concordia 2020 Irrevocable Trust and 3,010 shares that may be acquired upon the vesting of RSUs, within 60 days of July 1, 2022 held directly by Mr. Zuber. Mr. Zuber may be deemed to have shared voting and investment power with respect to the shares of common stock held by such trust.
(14) This information is as of December 31, 2020 and is based solely on a Schedule 13G/A filed by the funds related to Thoma Bravo listed below with the SEC on February 16, 2021. Consists of 9,246,909 shares held directly by Thoma Bravo Fund X, L.P., or TB Fund X, 2,022,690 shares held directly by Thoma Bravo Fund X-A, L.P., or TB Fund X-A, 43,554,893 shares held directly by Thoma Bravo Fund XI, L.P., or TB Fund XI, 21,874,339 shares held directly by Thoma Bravo Fund XI-A, L.P., or TB Fund XI-A, 960,861 shares held directly by Thoma Bravo Executive Fund XI, L.P., or TB Exec Fund, 793,391 shares held directly by Thoma Bravo Special Opportunities Fund I, L.P., or TB SOF, and 5,845,187 shares held directly by Thoma Bravo Special Opportunities Fund I AIV, L.P., or TB SOF AIV. Thoma Bravo Partners X, L.P., or TB Partners X is the general partner of each of TB Fund X, TB Fund X-A, TB SOF and TB SOF AIV. Thoma Bravo Partners XI, L.P., or TB Partners XI, is the general partner of each of TB Fund XI, TB Fund XI-A and TB Exec Fund. Thoma Bravo, LLC is the general partner of each of TB Partners X and TB Partners XI. By virtue of the relationships described in this footnote, Thoma Bravo, LLC may be deemed to exercise voting and dispositive power with respect to the shares held directly by TB Fund X, TB Fund X-A, TB Fund XI, TB Fund XI-A, TB Exec Fund, TB SOF and TB SOF AIV. The principal business address of the entities identified herein is c/o Thoma Bravo, LLC, 150 North Riverside Plaza, Suite 2800, Chicago, Illinois 60606.
(15) This information is as of December 31, 2021 and is based solely on a Schedule 13G/A filed by the Vanguard Group ("Vanguard") with the SEC on February 9, 2022. Vanguard reported that it has sole dispositive power over 18,089,838 shares, shared dispositive power over 283,168 shares, and shared voting power over 150,379 shares. The mailing address of The Vanguard Group is 100 Vanguard Blvd., Malvern, PA 19355.
(16) This information is as of December 31, 2021 and is based solely on a Schedule 13G filed by the FMR LLC and Abigail P. Johnson with the SEC on February 9, 2022 and represents shares held by various accounts managed by FMR LLC. Abigail P. Johnson is a Director, the Chairman, and the Chief Executive Officer of FMR LLC. Members of the Johnson family, including Abigail P. Johnson, are the predominant owners, directly or through trusts, of Series B voting common shares of FMR LLC, representing 49% of the voting power of FMR LLC. The Johnson family group and all other Series B shareholders have entered into a shareholders' voting agreement under which all Series B voting common shares will be voted in accordance with the majority vote of Series B voting common shares. Accordingly, through their ownership of voting common shares and the execution of the shareholders' voting agreement, members of the Johnson family may be deemed, under the Investment Company Act of 1940, to form a controlling group with respect to FMR LLC. Neither FMR LLC nor Abigail P. Johnson has the sole power to vote or direct the voting of the shares owned directly by the various investment companies registered under the Investment Company Act ("Fidelity Funds") advised by Fidelity Management & Research Company LLC ("FMR Co. LLC"), a wholly owned subsidiary of FMR LLC, which power resides with the Fidelity Funds' Boards of Trustees. FMR Co. LLC carries out the voting of the shares under written guidelines established by the Fidelity Funds' Boards of Trustees. The business address of FMR LLC and Abigail P. Johnson is 245 Summer Street, Boston, MA 02210.

ADDITIONAL INFORMATION

Householding

Some banks, brokers and other nominee record holders may be participating in the practice of "householding" proxy statements and annual reports. This means that only one copy of our documents, including the annual report to stockholders and proxy statement, may have been sent to multiple stockholders sharing an address unless we have received contrary instructions from one or more of such stockholders. We will promptly deliver a separate copy of either document to you upon written or oral request to Dynatrace, Inc., 1601 Trapelo Road, Suite 116, Waltham, MA 02451, Attention: Corporate Secretary, telephone: (781) 530-1000. If you want to receive separate copies of the proxy statement or annual report to stockholders in the future, or if you are receiving multiple copies and would like to receive only one copy per household, you should contact your bank, broker or other nominee record holder, or you may contact us at the above address and phone number.

Stockholder Proposals

A stockholder who would like to have a proposal considered for inclusion in our 2023 proxy statement must submit the proposal in accordance with the procedures outlined in Rule 14a-8 of the Exchange Act so that it is received by us no later than March 16, 2023. However, if the date of the 2023 Annual Meeting of Stockholders is changed by more than 30 days from the date of the previous year's meeting, then the deadline is a reasonable time before we begin to print and send our proxy statement for the 2023 Annual Meeting of Stockholders. SEC rules set standards for eligibility and specify the types of stockholder proposals that may be excluded from a proxy statement. Stockholder proposals should be addressed to Dynatrace, Inc., 1601 Trapelo Road, Suite 116, Waltham, MA 02451, Attention: Corporate Secretary.

If a stockholder wishes to propose a nomination of persons for election to our Board or present a proposal at an annual meeting but does not wish to have the proposal considered for inclusion in our proxy statement and proxy card, our bylaws establish an advance notice procedure for such nominations and proposals. Stockholders at an annual meeting may only consider proposals or nominations specified in the notice of meeting or brought before the meeting by or at the direction of the Board or by a stockholder of record on the record date for the meeting, who is entitled to vote at the meeting and who has delivered timely notice in proper form to our corporate secretary of the stockholder's intention to bring such business before the meeting.

The required notice must be in writing and received by our corporate secretary at our principal executive offices not less than 90 days nor more than 120 days prior to the first anniversary of the preceding year's annual meeting. However, in the event that the date of the annual meeting is advanced by more than 30 days, or delayed by more than 60 days, from the first anniversary of the preceding year's annual meeting, a stockholder's notice must be so received no earlier than the 120th day prior to such annual meeting and not later than the close of business on the later of (A) the 90th day prior to such annual meeting and (B) the tenth day following the day on which notice of the date of such annual meeting was mailed or public disclosure of the date of such annual meeting was made, whichever first occurs. For stockholder proposals to be brought before the 2023 Annual Meeting of Stockholders, the required notice must be received by our corporate secretary at our principal executive offices no earlier than April 26, 2023 and no later than May 26, 2023. Stockholder proposals and the required notice should be addressed to Dynatrace, Inc., 1601 Trapelo Road, Suite 116, Waltham, MA 02451, Attention: Corporate Secretary.

In addition, to comply with the universal proxy rules (once effective), stockholders who intend to solicit proxies in support of director nominees other than the Company's nominees must provide notice that sets forth the information required by Rule 14a-19 under the Securities Exchange Act of 1934 no later than June 25, 2023.

Other Matters

Our Board does not know of any other matters to be brought before the Annual Meeting. If any other matters not mentioned in this proxy statement are properly brought before the meeting, the individuals named in the enclosed proxy intend to use their discretionary voting authority under the proxy to vote the proxy in accordance with their best judgment on those matters.

Availability of Certain Documents

Accompanying this proxy statement and posted on the investor relations portion of our website at *www.dynatrace.com* with this proxy statement, is our 2022 Annual Report. The inclusion of our website address here and elsewhere in this proxy statement does not include or incorporate by reference the information on our website into this proxy statement. We will also mail without charge, upon written request, a copy of that Annual Report excluding exhibits. Requests can be made by written request to Dynatrace, Inc., 1601 Trapelo Road, Suite 116, Waltham, Massachusetts 02451, Attention: Corporate Secretary or by email to ir@dynatrace.com. This proxy statement and our 2022 Annual Report are also available on the SEC's website at *www.sec.gov* and on our website at *https://ir.dynatrace.com/*.

APPENDIX A
RECONCILIATION OF NON-GAAP MEASURES

	Year Ended March 31, 2022					
	GAAP	**Share-based compensation**	**Employer payroll taxes on employee stock transactions**	**Amortization of other intangibles**	**Restructuring & other**	**Non-GAAP**
Non-GAAP operating income:						
Cost of revenue	$172,876	$(12,863)	$(1,059)	$(15,513)	—	$143,441
Gross profit	756,569	12,863	1,059	15,513	—	786,004
Gross margin	81%					85%
Research and development	156,342	(21,316)	(1,879)	—	—	133,147
Sales and marketing	362,116	(35,957)	(2,305)	—	—	323,854
General and administrative	126,622	(29,400)	(701)	—	(1,284)	95,237
Amortization of other intangibles	30,157	—	—	(30,157)	—	—
Restructuring and other	25	—	—	—	(25)	—
Operating income	$81,307	$99,536	$5,944	$45,670	$1,309	$233,766
Operating margin	9%					25%

Non-GAAP financial measures do not have any standardized meaning and are therefore unlikely to be comparable to similarly titled measures presented by other companies. We consider these non-GAAP financial measures to be important because they provide useful indicators of its performance and liquidity measures. These measures are used to establish certain performance-based targets related to the compensation of our executives. Non-GAAP financial measures are presented for supplemental informational purposes only, should not be considered a substitute for financial information presented in accordance with GAAP, and may be different from non-GAAP financial measures presented by other companies.

We present constant currency amounts for Revenue and Annual Recurring Revenue to provide a framework for assessing how our underlying businesses performed excluding the effect of foreign currency rate fluctuations. To present this information, current and comparative prior period results for entities reporting in currencies other than United States dollars are converted into United States dollars using the average exchange rates from the comparative period rather than the actual exchange rates in effect during the respective periods. All growth comparisons relate to the corresponding period in the last fiscal year.

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

Form 10-K

(Mark One)

☒ **ANNUAL REPORT PURSUANT TO SECTION 13 OR 15(d) OF THE SECURITIES EXCHANGE ACT OF 1934**
For the fiscal year ended March 31, 2022

OR

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

Commission File Number 001-39010

Dynatrace, Inc.

(Exact name of registrant as specified in its charter)

Delaware	**47-2386428**
(State or other jurisdiction of incorporation or organization)	(I.R.S. Employer Identification No.)
1601 Trapelo Road, Suite 116 **Waltham, MA**	**02451**
(Address of principal executive offices)	(Zip code)

Registrant's telephone number, including area code: **(781) 530-1000**

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 $0.001 per share	DT	New York Stock Exchange

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

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

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

Indicate by check mark whether the Registrant has submitted electronically every Interactive Data File required to be submitted pursuant to Rule 405 of Regulation S-T (§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, smaller reporting company, or an emerging growth company. See the definitions of "large accelerated filer," "accelerated filer," "smaller reporting company," and "emerging growth company" in Rule 12b-2 of the Exchange Act.

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

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

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

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

The aggregate market value of common stock held by non-affiliates of the Registrant as of September 30, 2021, the last business day of the most recently completed second fiscal quarter, was $14.1 billion. This calculation does not reflect a determination that certain persons are affiliates of the Registrant for any other purpose.

The registrant had 286,843,026 shares of common stock outstanding as of May 22, 2022.

DOCUMENTS INCORPORATED BY REFERENCE

Portions of the Registrant's definitive Proxy Statement for the 2022 Annual Meeting of Shareholders are incorporated by reference in Part III of this Annual Report on Form 10-K. Such Proxy Statement will be filed with the U.S. Securities and Exchange Commission within 120 days of the Registrant's fiscal year ending March 31, 2022.

Except with respect to information specifically incorporated by reference in this Annual Report on Form 10-K, the Proxy Statement is not deemed to be filed as part of this Annual Report on Form 10-K.

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SPECIAL NOTE REGARDING FORWARD-LOOKING STATEMENTS

This Annual Report on Form 10-K ("Annual Report") contains forward-looking statements within the meaning of the federal securities laws, which statements involve substantial risks and uncertainties. Forward-looking statements generally relate to future events or our future financial or operating performance. All statements of historical fact included in this Annual Report regarding our strategy, future operations, financial position, estimated revenues and losses, projected costs, prospects, plans and objectives of management are forward-looking statements. In some cases, you can identify forward-looking statements because they contain words such as "may," "should," "expects," "plans," "anticipates," "could," "intends," "target," "projects," "contemplates," "believes," "estimates," "predicts," "potential" or "continue" or the negative of these words or other similar terms or expressions that concern our expectations, strategy, plans or intentions. When considering forward-looking statements, you should keep in mind the risk factors and other cautionary statements described under the heading "Risk Factors" included in this Annual Report. These forward-looking statements are based on management's current beliefs, based on currently available information, as to the outcome and timing of future events. Forward-looking statements contained in this Annual Report include, but are not limited to, statements about:

- our future financial performance, including our expectations regarding our revenue, annual recurring revenue, gross profit or gross margin, operating expenses, ability to generate cash flow, revenue mix and ability to maintain future profitability;
- our expectations regarding the potential impact of the novel coronavirus ("COVID-19") pandemic on our business, operations, and the markets in which we and our partners and customers operate;
- anticipated trends and growth rates in our business and in the markets in which we operate;
- our ability to maintain and expand our customer base and our partner network;
- our ability to sell our applications and expand internationally;
- our ability to anticipate market needs and successfully develop new and enhanced solutions to meet those needs;
- our ability to hire and retain necessary qualified employees to grow our business and expand our operations;
- the evolution of technology affecting our applications, platform and markets;
- our ability to adequately protect our intellectual property; and
- our ability to service our debt obligations.

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

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

SUMMARY OF THE MATERIAL RISKS ASSOCIATED WITH OUR BUSINESS

Our business is subject to numerous risks and uncertainties that you should be aware of in evaluating our business. These risks and uncertainties include, but are not limited to, the following:

- We have experienced rapid subscription revenue growth in recent periods, and our recent growth rates may not be indicative of our future growth.
- Market adoption of software intelligence solutions for observability, application performance monitoring, digital experience monitoring, infrastructure monitoring, AIOps, business intelligence and analytics, and application security is relatively new and may not grow as we expect, which may harm our business and prospects.
- Our business is dependent on overall demand for software intelligence solutions and therefore reduced spending on software intelligence solutions or overall adverse economic conditions may negatively affect our business, operating results and financial condition.
- The effects of the ongoing COVID-19 pandemic have materially affected how we and our customers are operating our businesses, and the duration and extent to which the pandemic and any related economic downturn will impact our future results of operations and overall financial performance remains uncertain.
- If we cannot successfully execute on our strategy and continue to develop and effectively market solutions that anticipate and respond to the needs of our customers, our business, operating results and financial condition may suffer.
- If our platform and solutions do not effectively interoperate with our customers' existing or future IT infrastructures, installations of our solutions could be delayed or canceled, which would harm our business.
- Our future revenues and operating results will be harmed if we are unable to acquire new customers, if our customers do not renew their contracts with us, or if we are unable to expand sales to our existing customers or develop new solutions that achieve market acceptance.
- Failure to effectively expand our sales and marketing capabilities could harm our ability to execute on our business plan, increase our customer base and achieve broader market acceptance of our applications.
- We face significant competition, which may adversely affect our ability to add new customers, retain existing customers and grow our business.
- If we are unable to maintain successful relationships with our partners, or if our partners fail to perform, our ability to market, sell and distribute our applications and services will be limited, and our business, operating results and financial condition could be harmed.
- Security breaches, computer malware, computer hacking attacks and other security incidents could harm our business, reputation, brand and operating results.
- Real or perceived errors, failures, defects or vulnerabilities in our solutions could adversely affect our financial results and growth prospects.
- Our substantial level of indebtedness could materially and adversely affect our financial condition.
- Failure to protect and enforce our proprietary technology and intellectual property rights could substantially harm our business, operating results and financial condition.
- Thoma Bravo has significant influence over matters requiring stockholder approval, which may have the effect of delaying or preventing changes of control, or limiting the ability of other stockholders to approve transactions they deem to be in their best interest.

PART I. FINANCIAL INFORMATION

ITEM 1. BUSINESS

Overview

Digital transformation is ubiquitous, with software defining how we bank, manufacturer, deliver healthcare, receive government services, and communicate with our colleagues, friends, and families. This transformation is happening in dynamic hybrid, multicloud environments, which bring a scale and frequency of change that is exponentially greater than that of the old data-center world.

Traditional approaches for developing, operating, monitoring, and securing software were not designed to keep pace with these modern cloud environments. What was once a well understood layering of applications running on operating systems on physical servers connected to physical networks has rapidly become virtualized into software at all levels. Applications are no longer monolithic and have become fragmented into thousands, potentially millions, of microservices, written in multiple software languages. These applications run in environments that extend across IaaS platforms, including Amazon Web Services, or AWS, Microsoft Azure, or Azure, and Google Cloud Platform, or GCP, and more traditional mainframe environments.

We believe the scale, complexity, and dynamic nature of modern hybrid, multicloud environments require a comprehensive observability, continuous runtime application security, and advanced AIOps strategy we refer to as software intelligence.

Dynatrace offers the market-leading software intelligence platform, purpose-built for dynamic hybrid, multicloud environments. As enterprises and public sector institutions embrace the cloud to effect their digital transformation, we designed our unified platform to address the growing complexity faced by IT, development, security, and business operations teams. The Dynatrace® platform combines comprehensive observability and continuous runtime application security with advanced AIOps to provide answers and intelligent automation from data, at enormous scale. This enables teams to modernize and automate cloud operations, deliver software faster and more securely, and ensure flawless digital experiences.

The Dynatrace platform provides the following key benefits:

- ***Single agent, fully automated configuration.*** Dynatrace® is installed as a single agent, OneAgent®, which automatically configures itself, and continuously discovers all components of the full stack to enable high fidelity data capture at enormous scale. OneAgent® dynamically profiles the performance of all components of the full stack with code-level precision, even as applications and environments update and change.
- ***Full-stack, all-in-one approach with deep cloud integrations.*** Dynatrace® combines Application and Microservices Monitoring, with Application Security, Infrastructure Monitoring, Digital Experience Management, Business Analytics, and Cloud Automation and in a single platform. We believe this all-in-one approach reduces the need for a variety of disparate tools and enables our customers to improve productivity and decision making while reducing operating costs. Dynatrace® provides out-of-the-box configuration for the leading cloud platforms, such as AWS, Azure, Google Cloud Platform, Red Hat OpenShift, VMware Tanzu, and SAP, as well as coverage for traditional on-premises systems, including mainframe and monolithic applications in a single, easy-to-use, intelligent platform.
- ***AI-powered, answer-centric insights.*** Davis®, our proprietary AI engine, dynamically baselines the performance of all components in the full stack, continually learning normal performance thresholds to provide precise answers when performance deviates from expected or desired conditions. Unlike ML-based correlation engines that rely on historical data for learning behavior and overwhelm IT professionals with hundreds of alerts, Dynatrace® provides a single problem resolution and precise root-cause determination. We believe the accuracy and precision of the answers delivered by Davis® enable our customers to shift from reactive to proactive remediation, providing a substantial advantage in time savings, resource efficiency, customer satisfaction, and business outcomes.
- ***Enterprise scale.*** Dynatrace® utilizes big data architecture and enterprise-proven cloud technologies that are engineered for large, complex hybrid, multicloud environments. With role-based access and advanced security functionality, we built the Dynatrace platform for enterprise-wide adoption by the largest organizations in the world.
- ***Flexible deployment options.*** We deploy our platform as a SaaS solution, with the option of retaining the data in the cloud, or at the edge in customer-provisioned infrastructure, which we refer to as Dynatrace® Managed. This offering allows customers the flexibility to maintain control of the environment where their data resides, whether in the cloud or on-premises, combining the simplicity of SaaS with the ability to adhere to their own data security and sovereignty requirements. Our Mission Control center automatically upgrades all Dynatrace® instances and offers on-premises cluster customers auto-deployment options that suit their specific enterprise management processes.

Our Growth Strategy

- ***Extend our technology and market leadership position.*** We intend to maintain our position as the market-leading software intelligence platform through increased investment in research and development and continued innovation. We expect to focus on expanding the functionality of Dynatrace® and investing in capabilities that address new market opportunities. We believe this strategy will enable new growth opportunities and allow us to continue to deliver differentiated high-value outcomes to our customers.
- ***Grow our customer base.*** We intend to drive new customer growth by expanding our direct sales force focused on the largest 15,000 global enterprise accounts, which generally have annual revenues in excess of $1 billion. The initial average Dynatrace® ARR for these new customers was approximately $120 thousand, in fiscal year 2022. In addition, we expect to leverage our global partner ecosystem to add new customers in geographies where we have direct coverage and work jointly with our partners. In other geographies, we utilize a multi-tier "master reseller" model, such as in Africa, Japan, the Middle East, and South Korea.
- ***Increase penetration within existing customers.*** We plan to continue to increase the penetration within our existing customers by expanding the breadth of our platform capabilities to provide for continued cross-selling opportunities. In addition, we believe the ease of implementation for Dynatrace® provides us the opportunity to expand adoption within our existing enterprise customers, across new customer applications, and into additional business units or divisions. Once customers are on the Dynatrace® platform, we have seen significant dollar-based net expansion due to the ease of use and power of our new platform. Sustained a net expansion rate at or above 120% for the sixteenth consecutive quarter.
- ***Enhance our strategic partner ecosystem.*** Our strategic partners include industry-leading global system integrators, software vendors, and cloud and technology providers. We intend to continue to invest in our partner ecosystem, with a particular emphasis on expanding our strategic alliances and cloud-focused partnerships with global system integrators, including Deloitte and DXC, and hyperscale cloud providers, including AWS, Microsoft Azure, Google Cloud Platform, and Red Hat.

The Dynatrace Software Intelligence Platform

The Dynatrace® Software Intelligence Platform provides application and microservices monitoring ("APM"), runtime application security, infrastructure monitoring, digital experience monitoring ("DEM"), business analytics, and cloud automation in an easy-to-use, highly automated, all-in-one solution. We engineered the Dynatrace platform to automatically capture a wide variety of high-fidelity application, infrastructure, user experience, and open-source telemetry data at scale. With this broad set of observability data, the Dynatrace platform dynamically maps all components and their dependencies in a full-stack hybrid, multicloud environment for real-time, continuous context. Davis® processes this observability data in real time to deliver answers to issues, bottlenecks, degradations, and more. In addition, the Dynatrace platform provides extensive automation, including continuous discovery, proactive anomaly detection, and optimization across the software lifecycle. We believe this combination of unparalleled observability, runtime application security, and advanced AI and automation across hybrid, multicloud ecosystems enables our customers to modernize and automate cloud operations more efficiently, develop and release higher quality software faster, and ensure flawless digital experiences consistently.

Applications and Microservices Monitoring

Our approach to APM changes how our customers monitor applications and manage transactions across highly complex hybrid, multicloud environments. Because modern clouds are dynamic, Dynatrace instrumentation is automatic. Because cloud applications run on shared infrastructure and leverage shared services, Dynatrace monitors the full stack to provide visibility into distributed transactions and underlying code and entity relationships and dependencies. Dynatrace gathers metrics and telemetry beyond transaction data, including user experience, log and event data, and data from the latest open source standards, such as OpenTelemetry. Davis®, our AI engine, analyzes all data in the context of a continuously updated topology, Smartscape®. This combination of capabilities allows our customers to easily manage and optimize even the most complex cloud environments, with continuous observability and insights into cloud operations, software delivery pipelines, and business outcomes.

Application Security

Optimized for cloud-native applications, containers, and Kubernetes, Dynatrace® Application Security automatically and continuously detects vulnerabilities in applications, libraries, and code at runtime. It also provides real-time detection and blocking to protect against injection attacks that exploit critical vulnerabilities, such as Log4Shell. It removes blind spots and helps ensure development teams aren't wasting time chasing false positives, and it provides the organizations with confidence in the security of their applications.

Infrastructure Monitoring

Dynatrace® Infrastructure Monitoring provides complete visibility into the infrastructure layer across public and private clouds and hybrid, multicloud environments. This coverage extends to the leading cloud platforms, including AWS, Microsoft Azure, Google Cloud Platform, VMWare Tanzu, Red Hat OpenShift, and Kubernetes, utilizing our OneAgent® instrumentation and powerful API ingestion capabilities to provide a single source of analysis across environments.

Digital Experience Management

Dynatrace® Digital Experience Management integrates three user experience capabilities into one solution—Real User Monitoring ("RUM"), Synthetic Monitoring, and Session Replay. Dynatrace® RUM automatically captures every user click, tap, and swipe from any device across targeted applications and automatically connects these to back-end services for a complete picture of the user journey. Dynatrace® Synthetic Monitoring simulates user experience across production and development environments in internally built and third-party applications, such as Salesforce, Zoom, NetSuite, and ServiceNow, to provide a proactive view into applications' and API performance and availability without the need for live users. Dynatrace® Session Replay delivers a movie-like review of a real user's experience with an application, including what they saw and clicked on, how they converted, or where they abandoned the application. These insights enable digital teams to create more perfect user experiences. They also help align IT, developer, and business teams with a singular view and source of digital truth.

Digital Business Analytics

Dynatrace® Digital Business Analytics leverages the data already flowing through the Dynatrace platform's APM and DEM Modules and Davis®, the AI engine, to provide precise, real-time answers that enable teams to understand how the performance of their digital services affects critical KPIs, such as feature adoption, conversion, orders, release validation, customer segmentation, and app store ratings. These insights enable teams to continuously improve user experience and accelerate the delivery of digital innovation.

Cloud Automation

Dynatrace® Cloud Automation leverages the observability and intelligence at the core of the Dynatrace platform and includes an embedded control plane to enable development, DevOps, and SRE teams to automate CI/CD, deployment, and release processes to accelerate release cycles, drive production reliability and meet business imperatives. Through shorter feedback loops between Dev and Ops teams and continuous release validation, DevOps and SRE teams can focus on delivering innovation faster and with less risk.

Research and Development

We have a strong organic research and development ("R&D") organization that is responsible for designing, developing, testing, and operating all aspects of our software intelligence offerings, including addressing new use cases, adding new innovative capabilities, extending the scale and scope of our technology, and embracing modern cloud and AI technologies while maintaining high quality.

We utilize an agile development process with 100% test automation to deliver approximately 25 major software releases per year and hundreds of minor releases, fixes and updates. We believe the full-stack monitoring required by dynamic multicloud environments requires a highly efficient and agile process to enable high-performing software across the diverse, dynamic cloud ecosystems of our customers.

Customers

As of March 31, 2022, we had more than 3,300 customers in over 90 countries. Our customers reflect diverse industries and include Air Canada, American Fidelity Assurance, Asics, BT Consumer, Dish Network Corporation, KeyBank, The Kroger Co., Porsche Informatik GmbH, SAP SE, Temenos AG, and U-Haul. No organization or customer accounted for more than 10% of our revenue for the years ended March 31, 2022, 2021, and 2020.

Sales and Marketing

We take Dynatrace® to market through a combination of our global direct sales team and a network of partners, including resellers, system integrators and managed service providers. We target the largest 15,000 global enterprise accounts, which generally have annual revenues in excess of $1 billion, which we believe see more value from our integrated full-stack platform.

Our sales and marketing organizations seek to promote the Dynatrace brand, our platform capabilities, and develop partnerships to drive revenue growth. We utilize a variety of go-to-market strategies, including search-engine optimization, online advertising, free software trials, events, online webinars, and broad content marketing strategies. We nurture our existing customer base through ongoing education, and training, including upsell and cross-sell opportunities. We do this primarily through our digital online channels, such as the Dynatrace News blog, Dynatrace Community, and Dynatrace University, as well as our customer event series 'Perform and DynatraceGo!'

Partners

We develop and maintain partnerships that help us market and deliver our products to our customers around the world. Our mission is to bring together industry experts and hands-on practitioners to create a world-class partner network. In addition, our partner network extends the sales reach of the Dynatrace® platform providing new sales opportunities, renewals of existing subscriptions, as well as upsell and cross-sell opportunities. Our partner network includes:

- ***Cloud providers.*** We work with many of the major cloud providers to increase awareness of our products and make it easy for customers to access our software. Our software is developed to run in and integrate with leading cloud providers, such as, AWS, Azure, and Google Cloud Platform. Our customers are also able to procure our software through leading marketplaces such as AWS, Azure, SAP, Google and IBM.
- ***Resellers.*** Our resellers market and sell our products throughout the world and provide a go-to-market channel in regions where we do not have a direct presence, such as Africa, Japan, the Middle East, and South Korea.
- ***Technology alliance partners.*** We partner with leading innovative technology organizations such as Atlassian, Red Hat, ServiceNow, and VMWare to develop integrations, best practices, and extended capabilities that help our customers and solution partners achieve faster time to market and enhanced value in dynamic multicloud environments.
- ***System integrators.*** We have a network of systems integrators, both global and regional, that help joint customers integrate our products into their multicloud ecosystems. These partners extend our scale and reach and collaborate with our direct sales teams, bringing domain expertise in technologies and industries along with additional offerings powered by Dynatrace®. As an example, Deloitte is leveraging the Dynatrace platform to power its expanded observability practice.

Professional Services

Our Dynatrace Services Organization empowers our customers to innovate, automate, and transform the way they work with the Dynatrace Platform. Our expertise and cloud modernization practices cover cloud ecosystem integration, automated incident management and problem resolution, DevOps CI/CD integration, user experience, business intelligence insights, digital business analytics, and more.

Dynatrace University is our global on-line, self-service education program that provides several learning options for customers and partners to develop their skills around monitoring, managing, integrating, and analyzing multicloud environments and application workloads with Dynatrace.

Support and SaaS Operations

Dynatrace ONE is our innovative onboarding and support service that is focused on simplifying and streamlining the experience our customers have with the company and our products. Dynatrace ONE uses in-product chat as the primary vehicle for customer interaction to drive adoption and growth, as well as to handle issues and user questions. We maintain a SaaS-like connection to tenants and clusters, both in the cloud and managed on customer provisioned infrastructure, using our "Mission Control" system, which allows us to streamline communication and accelerate resolution of issues. Dynatrace ONE is provided to all Dynatrace customers and includes automatic product updates and upgrades, online access to documentation, knowledge base, and discussion forums as well as access to Dynatrace University.

Dynatrace ONE Premium is an extra level of success and support services for customers who want to accelerate their adoption of our platform, increase their access to support globally 24/7, and extend their hours of expert coverage. Dynatrace ONE Premium offers dedicated expertise for customers with designated Product Specialists and Customer Success Managers familiar with the customer's environment, goals, and challenges to provide a customized success plan.

Intellectual Property

Dynatrace relies on a combination of patent, copyright, trademark, trade dress, and trade secret laws, as well as confidentiality procedures and contractual restrictions, to establish and protect our proprietary rights. These laws, procedures, and restrictions provide only limited protection. As of March 31, 2022, we had 98 issued patents, 75 of which are in the United States, and 35 pending applications, of which 22 are in the United States. Our issued patents expire at various dates through September 2040. We cannot be assured that any of our patent applications will result in the issuance of a patent or whether the examination process will require us to narrow the scope of the claims sought. Any future patents issued to us may be challenged, invalidated or circumvented. Any patents that may issue in the future with respect to pending or future patent applications may not provide sufficiently broad protection or may not prove to be enforceable in actions against alleged infringers.

We have registered “Dynatrace” and the “Dynatrace” logo as trademarks in the United States and other jurisdictions for our name and our product as well as certain other words and phrases that we use in our business, including “One Agent”, “PurePath”, “SmartScape” and “Davis”. We have registered numerous Internet domain names related to our business. We also license software from third parties for integration into our applications and utilize open-source software.

We enter into agreements with our employees, contractors, customers, partners, and other parties with which we do business to limit access to and disclosure of our proprietary information. We cannot be certain that the steps we have taken will prevent unauthorized use or reverse engineering of our technology. Moreover, others may independently develop technologies that are competitive with ours or that infringe our intellectual property. The enforcement of our intellectual property rights also depends on any legal actions against these infringers being successful, but these actions may not be successful, even when our rights have been infringed.

Furthermore, effective patent, trademark, trade dress, copyright, and trade secret protection may not be available in every country in which our products are available over the Internet. In addition, the legal standards relating to the validity, enforceability and scope of protection of intellectual property rights are uncertain and still evolving.

Competition

The market for software application monitoring and analytics solutions is evolving, complex, and defined by changing technology and customer needs. We expect competition to intensify in the future as competitors bundle new and more competitive offerings with their existing products and services, and as products and product enhancements are introduced into our markets. As we have expanded our capabilities beyond traditional APM, we increasingly compete with a wider range of vendors. We expect competition to continually evolve as enterprises shift to dynamic multicloud environments and as more mature vendors look to provide a holistic approach to monitoring.

The principal competitive factors in our markets are:

- artificial intelligence capabilities;
- automation;
- product features, functionality, and reliability;
- ease and cost of deployment, use and maintenance;
- deployment options and flexibility;
- customer, technology, and platform support;
- ability to easily integrate with customers software application and IT infrastructure environments;
- the quality of data collection and correlation;
- interoperability and ease of integration; and
- brand recognition.

While we believe we compete favorably on the basis of the foregoing factors, we may be at a competitive disadvantage to certain of our current and future competitors as they may be able to devote greater resources to the development and improvement of their products and services than we can and, as a result, may be able to respond more quickly to technological changes and customers’ changing needs. Moreover, because our market is changing rapidly, it is possible that new entrants, especially those with substantial resources, more efficient operating models, more rapid product development cycles or lower marketing costs, could introduce new products and services that disrupt the manner in which our all-in-one, highly automated approach addresses the needs of our customers and potential customers.

We compete either directly or indirectly with:

- APM vendors, such as Cisco and New Relic;
- Infrastructure monitoring vendors, such as BMC and Datadog;
- DEM vendors, such as Akamai and Catchpoint;
- Security vendors such as Palo Alto Networks and Splunk;
- Open source and commercial open source vendors such as Elastic and Grafana;
- Point solutions from public cloud providers; and
- IT operations management, AIOps, and business intelligence providers with offerings that cover some portion of the capabilities we provide.

In addition to the above companies, we also face potential competition from vendors in adjacent markets that may offer capabilities that overlap with ours. We may also face competition from companies entering our market, including large technology companies which that could expand their platforms or acquire one of our competitors.

Human Capital Management

Human Capital

We believe that our success is in large part due to the drive, creativity and the overall strength of our workforce. As of March 31, 2022, we had approximately 3,600 employees operating within over 30 countries, with 65% outside of the United States. In countries in which we operate we are subject to local labor law requirements. None of our employees are represented by a labor union and we have not experienced any work stoppages. We believe that our employee relations are strong.

The health and safety of our colleagues and anyone who enters our workplace around the world is of paramount importance to us. As a result of the ongoing COVID-19 pandemic, we continued to implement the work from home policy that was established in fiscal year 2021 to keep our employees safe in accordance with local and national health agency guidelines. We have introduced a hybrid work model which allows employees to maintain flexibility while also allowing for opportunities to return to the office as the pandemic recedes and safety concerns are abated in accordance with local authority guidelines.

Compensation and Benefits

Our compensation program is designed to attract, reward and retain talented individuals who possess the skills necessary to support our business, contribute to our strategic goals and create long-term value for our stockholders. We believe that our employees should have a strong work/life balance, develop and grow personally and professionally, and be able to save for their future. We provide employees with industry-competitive compensation and benefits, including retirement savings programs, the opportunity to invest in Dynatrace at a discount through our 2019 Employee Stock Purchase Plan ("ESPP"), and medical, dental, vision, and life and disability plans. Our benefits vary around the world due to local country regulations and cultural preferences.

Diversity and Inclusion

We believe that an equitable and inclusive environment comprised of diverse teams produces more creative solutions, results in better and more innovative products, and is important to our efforts to attract and retain key talent. We are focused on building an inclusive culture and sustaining a diverse workforce through a variety of company initiatives, such as employee training regarding unconscious bias and other diversity and inclusion-related topics designed to create a culture of belonging. We also provide resources and training to employees to ensure that as we continue to grow, we are hiring people of all types.

Additionally, Dynatrace continues to be recognized as an employer of choice earning awards around the globe in 2021 and 2022. Some notable awards include being named the #1 IT Company in Austria, #1 Company in Upper Austria and #6 Company overall in Austria ranked by Trend in cooperation with Statista, Kununu, and XING, as well as being included in Inc's Best-Led Companies of 2021 list, Boston Globe's Top 25 Local Companies List, BuiltIn Boston's Best Places to Work in Boston and Bay Area lists, BuiltIn's Best Large Companies to Work For list and Detroit Free Press' Top Workplace list. Dynatrace was also honorably mentioned in a number of categories by Comparably's workplace awards including Best Company Outlook, Best Global Culture and Best Places to Work in Boston.

Corporate Information

Our principal executive offices are located at 1601 Trapelo Road, Suite 116, Waltham, MA 02451 and our telephone number is (781) 530-1000. Our website address is www.dynatrace.com. Information contained on, or that can be accessed through, our website are not incorporated by reference into this Annual Report and should not be considered to be part of this Annual Report, and inclusions of our website address in this Annual Report are inactive textual references only.

The Dynatrace design logo and our other registered or common law trademarks, service marks or trade names appearing in this Annual Report are the property of Dynatrace LLC. This Annual Report includes our trademarks and trade names, including, without limitation, Dynatrace®, OneAgent®, SmartScape®, PurePath® and Davis®, which are our property and are protected under applicable intellectual property laws. Other trademarks and trade names referred to in this Annual Report are the property of their respective owners.

Available Information

Our Annual Reports on Form 10-K, Quarterly Reports on Form 10-Q, Current Reports on Form 8-K, including amendments and exhibits to these reports filed pursuant to Sections 13(a) and 15(d) of the Securities Exchange Act of 1934, as amended (the "Exchange Act") are available free of charge on the Investor Relations section of our website at www.dynatrace.com as soon as reasonably practicable after we file or furnish such material with the Securities and Exchange Commission ("SEC"). The SEC maintains an Internet website at http://www.sec.gov that contains reports, and other information regarding us and other companies that file materials with the SEC electronically.

ITEM 1A. RISK FACTORS

Investing in our common stock involves a high degree of risk. You should carefully consider the risks and uncertainties described below, together with all of the other information in this Annual Report on Form 10-K, including the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations" and our consolidated financial statements and related notes, before making a decision to invest in our common stock. The risks and uncertainties described below may not be the only ones we face. If any of the risks actually occur, our business, operating results, financial condition and prospects could be materially and adversely affected. In that event, the market price of our common stock could decline, and you could lose all or part of your investment.

Risks Related to Our Business and Industry

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

We have experienced rapid subscription revenue growth in recent periods. From the year ended March 31, 2020 to the year ended March 31, 2021, our subscription revenue grew 34%, from $487.8 million to $655.2 million, respectively. From the year ended March 31, 2021 to the year ended March 31, 2022, our subscription revenue grew 33%, from $655.2 million to $870.4 million, respectively. From the year ended March 31, 2020 to the year ended March 31, 2021, subscription revenue as a percentage of total revenue grew from 89% to 93%, respectively. From the year ended March 31, 2021 to the year ended March 31, 2022, subscription revenue as a percentage of total revenue grew from 93% to 94%, respectively. This subscription revenue growth may not be indicative of our future subscription revenue growth and we may not be able to sustain revenue growth consistent with recent history, or at all. We believe our ability to continue to increase our revenue depends on a number of factors, including, but not limited to:

- our ability to attract new customers and retain and increase sales to existing customers;
- our ability to continue to expand customer adoption of our Dynatrace® platform;
- our ability to develop our existing platform and introduce new solutions on our platform;
- continued growth of cloud-based services and solutions;
- our ability to continue to develop and offer products and solutions that are superior to those of our competitors;
- our ability to retain customers;
- our ability to expand into new geographies and markets, including the business intelligence, data analytics, and application security markets; and
- our ability to hire and retain sufficient numbers of sales and marketing, research and development and general and administrative personnel, and expand our global operations.

If we are unable to achieve any of these requirements, our subscription revenue growth will be adversely affected.

Our quarterly and annual operating results may be adversely affected due to a variety of factors, which could make our future results difficult to predict.

Our annual and quarterly revenue and operating results have fluctuated significantly in the past and may vary significantly in the future due to a variety of factors, many of which are outside of our control. Our financial results in any one quarter may not be meaningful and should not be relied upon as indicative of future performance. If our revenues, earnings or operating results fall below the expectations of investors or securities analysts in a particular quarter, or below any guidance that we may provide, the price of our common stock could decline. We may not be able to accurately predict our future billings, revenues, earnings or operating results. Some of the important factors that may cause our operating results to fluctuate from quarter to quarter or year to year include:

- fluctuations in the demand for our solutions, and the timing of purchases by our customers, particularly larger purchases;
- fluctuations in the rate of utilization by customers of the cloud to manage their business needs, or a slow-down in the migration of enterprise systems to the cloud;
- our ability to attract new customers and retain existing customers;
- our ability to expand into new geographies and markets, including the business intelligence, data analytics, and application security markets;
- the budgeting cycles and internal purchasing priorities of our customers;
- changes in customer renewal rates, churn and our ability to cross-sell additional solutions to our existing customers and our ability to up-sell additional quantities of previously purchased products to existing customers;
- the seasonal buying patterns of our customers;
- the payment terms and contract term length associated with our product sales and their effect on our billings and free cash flow;
- changes in customer requirements or market needs;
- the emergence of significant privacy, data protection, systems and application security or other threats, regulations or requirements applicable to the use of enterprise systems or cloud-based systems that we are not prepared to meet or that require additional investment by us;
- changes in the demand and growth rate of the market for software intelligence, monitoring, application security, and analytics solutions;
- our ability to anticipate or respond to changes in the competitive landscape, or improvements in the functionality of competing solutions that reduce or eliminate one or more of our competitive advantages;
- our ability to timely develop, introduce and gain market acceptance for new solutions and product enhancements;
- our ability to adapt and update our products and solutions on an ongoing and timely basis in order to maintain compatibility and efficacy with the frequently changing and expanding variety of software and systems that our products are designed to monitor;
- our ability to maintain and expand our relationships with strategic technology partners, who own, operate and offer the major platforms on which applications operate, with which we must interoperate and remain compatible, and from which we must obtain certifications and endorsements in order to maintain credibility and momentum in the market;
- our ability to control costs, including our operating expenses;
- our ability to efficiently complete and integrate any acquisitions or business combinations that we may undertake in the future;
- general economic, industry and market conditions, both domestically and in our foreign markets, including regional or geopoliticial conflicts or other disruptions to commerce;
- the emergence of new technologies or trends in the marketplace, or a change in the trends that are important to our strategy and the value of our platform in the marketplace;
- foreign currency exchange rate fluctuations;
- the timing of revenue recognition for our customer transactions, and the effect of the mix of time-based licenses, SaaS subscriptions and perpetual licenses on the timing of revenue recognition;
- extraordinary expenses, such as litigation or other dispute-related settlement payments; and
- future accounting pronouncements or changes in our accounting policies.

Any one of the factors referred to above or the cumulative effect of some of the factors referred to above may result in our operating results being below our expectations and the expectations of securities analysts and investors and any guidance that we may provide, or may result in significant fluctuations in our quarterly and annual operating results, including fluctuations in our key performance indicators. This variability and unpredictability could result in our failure to meet our business plan or the expectations of securities analysts or investors for any period. In addition, a significant percentage of our operating expenses are fixed in nature in the short term and based on forecasted revenue trends. Accordingly, in the event of revenue shortfalls, we are generally unable to mitigate the negative impact on margins in the short term.

Market adoption of software intelligence solutions for observability, application performance monitoring, digital experience monitoring, infrastructure monitoring, AIOps, business intelligence and analytics, and application security is relatively new and may not grow as we expect, which may harm our business and prospects.

The utilization of software intelligence solutions, such as the Dynatrace® platform, for observability, application performance monitoring, digital experience monitoring, infrastructure monitoring, AIOps, business intelligence and analytics, and application security is relatively new. We believe our future success will depend in large part on the growth, if any, in the demand for software intelligence solutions, particularly the demand for enterprise-wide solutions and our ability to provide solutions that meet such ever-evolving needs. We currently target the markets for observability, application performance monitoring ("APM"), infrastructure monitoring, AIOps, digital experience monitoring, business intelligence and analytics and application security. It is difficult to predict customer demand, adoption, churn and renewal rates for our new and existing solutions, the rate at which existing customers expand their usage of our solutions, the size and growth rate of the market for our solutions. Expansion in our addressable market depends on a number of factors, including the continued and growing reliance of enterprises on software applications to manage and drive critical business functions and customer interactions, increased use of microservices and containers, as well as the continued proliferation of mobile applications, large data sets, cloud computing and the Internet of Things. If our solutions do not achieve widespread adoption, we are not able to develop new solutions that meet customer needs or there is a reduction in demand for software intelligence solutions generally, it could result in reduced customer purchases, reduced renewal rates and decreased revenue, any of which will adversely affect our business, operating results and financial condition.

Our business is dependent on overall demand for software intelligence solutions and therefore reduced spending on software intelligence solutions or overall adverse economic conditions may negatively affect our business, operating results and financial condition.

Our business depends on the overall demand for software intelligence solutions, particularly demand from mid- to large-sized accounts worldwide, and the purchase of our solutions by such organizations is often discretionary. In an economic downturn or during periods of economic or political instability, our customers may reduce their operating or IT budgets, which could cause them to defer or forego purchases of software intelligence solutions, including ours. Customers may delay or cancel IT projects or seek to lower their costs by renegotiating vendor contracts or renewals. To the extent purchases of software intelligence solutions are perceived by existing customers and potential customers to be discretionary, our revenue may be disproportionately affected by delays or reductions in general IT spending. Weak or turbulent global economic conditions or a reduction in software intelligence spending, even if general economic conditions remain unaffected, could adversely impact our business, operating results and financial condition in a number of ways, including longer sales cycles, lower prices for our solutions, reduced subscription renewals and lower revenue. In addition, any negative economic effects or instability resulting from changes in the political environment and international relations in the United States or other key markets as well as resulting regulatory or tax policy changes may adversely affect our business and financial results.

As the market for software intelligence solutions is new and continues to develop, trends in spending remain unpredictable and subject to reductions due to the changing technology environment and customer needs as well as uncertainties about the future.

The effects of the ongoing COVID-19 pandemic have materially affected how we and our customers are operating our businesses, and the duration and extent to which the pandemic and any related economic downturn will impact our future results of operations and overall financial performance remains uncertain.

The global COVID-19 pandemic, and the related adverse public health developments, including orders to shelter-in-place, travel restrictions, and mandated business closures, have adversely affected workforces, organizations, customers, economies, and financial markets globally, leading to an economic downturn and increased market volatility. It also disrupted the normal operations of many businesses, including our business, and many of our customers' businesses.

As a result of the ongoing COVID-19 pandemic, we limited occupancy or temporarily closed our global offices, and suspended or limited company-related travel. A majority of all Dynatrace employees globally are continuing to work from home, and we changed many previously in-person employee, customer or industry events to virtual-only, such as our annual Sales Kickoff and Perform 2021. We also changed how we spend on marketing and lead generation activities, putting an increased focus on digital, on-line marketing and lead generation. We are returning to in-person events, such as Sales Kickoff 2022, where a large number of our employees are gathered in a single venue and may be exposed to or be infected by the coronavirus, which could have a negative impact on our productivity.

The conditions caused by the ongoing COVID-19 pandemic may affect our customers' and prospective customers' businesses, and may have an adverse impact on their ability or willingness to spend on software platforms or purchase our offerings or the timing of their purchasing decisions. The impact of the pandemic on our customers or prospective customers could also result in pricing discounts or extended payment terms; reductions in the amount or duration of customers' subscription contracts or term licenses; or increase customer attrition rates. All of the foregoing could adversely affect our future sales, operating results and overall financial performance.

While the Federally-imposed vaccine mandate has been rendered unenforceable, in the event that we are in the future required by the laws of the countries within which we operate to ensure that substantially all of our employees within those countries are fully vaccinated, some of our employees who fail or refuse to comply may be suspended or terminated or they may resign their employment, which could have a negative impact on our productivity, employee morale, sales, operating results and overall financial performance. If fail to comply with these requirements, our sales within those countries could be negatively impacted, and we could be exposed to additional legal claims.

The duration and extent of the impact from the ongoing COVID-19 pandemic depends on future developments that cannot be accurately predicted at this time, such as the continued transmission rate of the virus, the extent and effectiveness of current and future containment actions including actions that are mandated by local, regional and national governments, agencies and health authorities, the disruption caused by such actions, the efficacy of vaccines and rates of vaccination in various states and countries, the emergence of coronavirus variants such as the "omicron" variant and others as yet unknown, and the impact of these and other factors on our employees, customers, partners, vendors and the global economy. If we are not able to respond to and manage the impact of such events effectively, our business will be harmed.

To the extent the ongoing COVID-19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this "Risk Factors" section, including, in particular, risks related to our ability to secure customer renewals, the addition of new customers and increased revenue from existing customers, risks that our operating results could be negatively affected by changes in the sizes or types of businesses that purchase our platform and the risk that weakened global economic conditions may harm our industry, business and results of operations.

If we cannot successfully execute on our strategy and continue to develop and effectively market solutions that anticipate and respond to the needs of our customers, our business, operating results and financial condition may suffer.

The market for software intelligence solutions is at an early stage of development and is characterized by constant change and innovation, and we expect it to continue to rapidly evolve. Moreover, many of our customers operate in industries characterized by changing technologies and business models, which require them to develop and manage increasingly complex software application and IT infrastructure environments. Our future success, if any, will be based on our ability to consistently provide our customers with a unified, real-time view into the performance of their software applications and IT infrastructure, provide notification and prioritization of degradations and failures, perform root cause analysis of performance issues, and analyze the quality of their end users' experiences and the resulting impact on their businesses and brands. If we do not respond to the rapidly changing needs of our customers by developing and making available new solutions and solution enhancements that can address evolving customer needs on a timely basis, our competitive position and business prospects will be harmed.

In addition, the process of developing new technology is complex and uncertain, and if we fail to accurately predict customers' changing needs and emerging technological trends, our business could be harmed. We believe that we must continue to dedicate significant resources to our research and development efforts, including significant resources to developing new solutions and solution enhancements before knowing whether the market will accept them. For example, we made significant investments in our new application security offering. Our new solutions and solution enhancements, including our new application security offering, could fail to attain sufficient market acceptance for many reasons, including:

- delays in developing and releasing new solutions or enhancements to the market;
- delays or failures to provide updates to customers to maintain compatibility between Dynatrace® and the various applications and platforms being used in the customers' applications and multicloud environments;
- failures to accurately predict market or customer demands;
- inability of our sales and marketing teams or those of our partners to sell solutions for new markets and product categories;
- defects, errors or failures in the design or performance of our new solutions or solution enhancements;
- negative publicity about the performance or effectiveness of our solutions;
- the introduction or anticipated introduction of competing products by our competitors; and
- the perceived value of our solutions or enhancements relative to their cost.

In addition to developing new solutions or enhancements using internal resources, we may acquire technologies from a third party, or acquire another company. Such acquisition(s) could be unsuccessful for a variety of reasons, require significant management attention, disrupt our business, dilute stockholder value and adversely affect our results of operations. For a description of risks related to potential acquisitions, see below under "**Risks Related to Legal, Regulatory, Accounting, and Tax Matters**".

To the extent we are not able to continue to execute on our business model to timely and effectively develop or acquire and market applications to address these challenges and attain market acceptance, our business, operating results and financial condition will be adversely affected.

Further, we may make changes to our solutions that our customers do not value or find useful. We may also discontinue certain features, begin to charge for certain features that are currently free or increase fees for any of our features or usage of our solutions. If our new solutions, enhancements or pricing strategies do not achieve adequate acceptance in the market, our competitive position will be impaired, our revenue may decline or grow more slowly than expected and the negative impact on our operating results may be particularly acute, and we may not receive a return on our investment in the upfront research and development, sales and marketing and other expenses we incur in connection with new solutions or solution enhancements.

In addition, should customers incur damages as a result of our solutions' failure to perform as expected, for example by failing to detect security risks, the affected customer(s) may seek to terminate their contracts with or recover their damages from us and we may be exposed to reputational harm.

If our platform and solutions do not effectively interoperate with our customers' existing or future IT infrastructures, installations of our solutions could be delayed or canceled, which would harm our business.

Our success depends on the interoperability of our platform and solutions with third-party operating systems, applications, cloud platform, data and devices that we have not developed and do not control. Any changes in such operating systems, applications, cloud platforms, data or devices that degrade the functionality of our platform or solutions or give preferential treatment to competitive software could adversely affect the adoption and usage of our platform. We may not be successful in adapting our platform or solutions to operate effectively with these systems, applications, cloud platforms, data or devices. If it is difficult for our customers to access and use our platform or solutions, or if our platform or solutions cannot connect a broadening range of applications, data and devices, then our customer growth and retention may be harmed, and our business and operating results could be adversely affected.

Multicloud deployments utilize multiple third-party platforms and technologies, and these technologies are updated to new versions at a rapid pace. As a result, we deliver frequent updates to our solutions designed to maintain compatibility and support for our customers' changing technology environments and ensure our solutions' ability to continue to monitor the customer's applications. If our solutions fail to work with any one or more of these technologies or applications, or if our customers fail to install the most recent updates and versions of our solutions that we offer, our solutions will be unable to continuously monitor our customer's critical business applications.

Ensuring that our solutions are up-to-date and compatible with the technology and multicloud platforms utilized by our customers is critical to our success. We have formed alliances with many technology and cloud platform providers to provide updates to our solutions to maintain compatibility. We work with technology and cloud platform providers to understand and align updates to their product roadmaps and engage in early access and other programs to ensure compatibility of our solutions with the technology vendor's generally available release. If our relations with our technology partners degrades or ceases we may be unable to deliver these updates, or if our customers fail to install the most recent updates and versions of our solutions that we offer, then our customers' ability to benefit from our solution may decrease significantly and, in some instances, may require the customer to de-install our solution due to the incompatibility of our solution with the customer's applications.

Our future revenues and operating results will be harmed if we are unable to acquire new customers, if our customers do not renew their contracts with us, or if we are unable to expand sales to our existing customers or develop new solutions that achieve market acceptance.

To continue to grow our business, it is important that we continue to attract new customers to purchase and use our solutions. Our success in attracting new customers depends on numerous factors, including our ability to:

- offer a compelling software intelligence platform and solutions;
- execute our sales and marketing strategy;
- effectively identify, attract, on-board, train, develop, motivate and retain new sales, marketing, professional services and support personnel in the markets we pursue;
- develop or expand relationships with technology partners, systems integrators, resellers, online marketplaces and other partners including hyperscalers such as Amazon Web Services, Google Cloud Platform, Microsoft Azure, IBM Red Hat and others, some of which may also compete with us;
- expand into new geographies and markets, including the business intelligence and data analytics market;
- deploy our platform and solutions for new customers; and
- provide quality customer support and professional services.

Our customers have no obligation to renew their maintenance, SaaS and/or term-license agreements, and our customers may decide not to renew these agreements with a similar contract period, at the same prices and terms or with the same or a greater number of licenses. Although our customer retention rate has historically been strong, some of our customers have elected not to renew their agreements with us, and it is difficult to accurately predict long-term customer retention, churn and expansion rates. Our customer retention and expansion rates may decline or fluctuate as a result of a number of factors, including our customers' satisfaction with our solutions platform, our customer support and professional services, our prices and pricing plans, the competitiveness of other software products and services, reductions in our customers' spending levels, user adoption of our solutions, deployment success, utilization rates by our customers, new product releases and changes to our product offerings. If our customers do not renew their maintenance, SaaS and/or term-license agreements, or renew on less favorable terms, our business, financial condition and operating results may be adversely affected.

Our ability to increase revenue also depends in part on our ability to increase deployment of our solutions by existing customers. Our ability to increase sales to existing customers depends on several factors, including their experience with implementing and using our platform and the existing solutions they have implemented, their ability to integrate our solutions with existing technologies, and our pricing model. A failure to increase sales to existing customers could adversely affect our business, operating results and financial condition.

Failure to effectively expand our sales and marketing capabilities could harm our ability to execute on our business plan, increase our customer base and achieve broader market acceptance of our applications.

Our ability to increase our customer base and achieve broader market acceptance of our solutions will depend to a significant extent on the ability of our sales and marketing organizations to work together to drive our sales pipeline and cultivate customer and partner relationships to drive revenue growth. We have invested in and plan to continue expanding our sales and marketing organizations, both domestically and internationally. We also plan to dedicate significant resources to sales and marketing programs, including lead generation activities and brand awareness campaigns, such as our industry events, webinars and user events with an increased investment in digital or online activities. If we are unable to effectively identify, hire, on-board, train, develop, motivate and retain talented sales personnel or marketing personnel or if our new sales personnel or marketing personnel or online investments are unable to achieve desired productivity levels in a reasonable period of time, our ability to increase our customer base and achieve broader market acceptance of our applications could be harmed.

We face significant competition, which may adversely affect our ability to add new customers, retain existing customers and grow our business.

The markets in which we compete are highly competitive, fragmented, evolving, complex and defined by rapidly changing technology and customer demands, and we expect competition to continue to increase in the future. A number of companies, some of which are larger and have more resources than we do, have developed or are developing products and services that currently, or in the future may, compete with some or all of our solutions. This competition could result in increased pricing pressure, reduced profit margins, increased sales and marketing expenses and our failure to increase, or loss of, market share, any of which could adversely affect our business, operating results and financial condition.

We compete either directly or indirectly with observability vendors such as Datadog and Splunk, application performance monitoring vendors such as Cisco, Broadcom, and New Relic, infrastructure monitoring vendors such as Datadog and Nagios, Digital Experience Management vendors such as Akamai and Catchpoint, point solutions from cloud providers such as Amazon Web Services ("AWS"), Microsoft Azure and Google Cloud Platform, and other business intelligence and monitoring and analytics providers that provide some portion of the services that we provide. Our competitors may have longer-term and more extensive relationships with our existing and potential customers that provide them with an advantage in competing for business with those customers. Further, to the extent that one of our competitors establishes or strengthens a cooperative relationship with, or acquires one or more software application performance monitoring, data analytics, compliance or network visibility vendors, it could adversely affect our ability to compete.

We may also face competition from companies entering our market, which has a relatively low barrier to entry in some segments, including large technology companies that could expand their platforms or acquire one of our competitors. Many existing and potential competitors enjoy substantial competitive advantages, such as:

- larger sales and marketing budgets and resources;
- access to larger customer bases which often provide incumbency advantages;
- broader global distribution and presence;
- the ability to bundle competitive offerings with other products and services;
- greater brand recognition and longer operating histories;

- lower labor and development costs;
- greater resources to make acquisitions;
- larger and more mature intellectual property portfolios; and
- substantially greater financial, technical, management and other resources.

Additionally, in certain circumstances, and particularly among large technology companies that have complex and large software application and IT infrastructure environments, customers may elect to build in-house solutions to address their software intelligence needs. Any such in-house solutions could leverage open source software, and therefore be made generally available at little or no cost.

These competitive pressures in our markets or our failure to compete effectively may result in fewer customers, price reductions, fewer orders, reduced revenue and gross profit, and loss of market share. Any failure to meet and address these factors could materially and adversely affect our business, operating results and financial condition.

If the prices we charge for our solutions and services are unacceptable to our customers, our operating results will be harmed.

As the market for our solutions matures, or as new or existing competitors introduce new products or services that compete with ours, we may experience pricing pressure and be unable to renew our agreements with existing customers or attract new customers at prices that are consistent with our current pricing model and operating budget. If this were to occur, it is possible that we would have to change our pricing model or reduce our prices, which could harm our revenue, gross margin and operating results. Pricing decisions may also impact the mix of adoption among our licensing and subscription models, and negatively impact our overall revenue. Moreover, large global accounts, which we expect will account for a large portion of our business in the future, may demand substantial price concessions. If we are, for any reason, required to reduce our prices, our revenue, gross margin, profitability, financial position and cash flow may be adversely affected.

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

Our historical expansion with customers has typically been achieved by executing additional contracts, each with unique pricing and anniversary dates. We are transitioning to a program that combines these contracts into one single, often multi-year contract per customer with one single anniversary date, which may result in variability in the timing and amounts of our billings which could impact our operating results, including our deferred revenue and our remaining performance obligations. In addition, our transition away from perpetual licenses will continue to have the effect of reducing our deferred revenue balance.

Our gross margins, cash flows and operating results could also be harmed by further changes in billings and revenue mix and costs, together with numerous other factors, including: entry into new lower margin markets or growth in lower margin markets; entry into markets with different pricing and cost structures; pricing discounts; and increased price competition. Any one of these factors or the cumulative effects of certain of these factors may result in significant fluctuations in our revenues, billings, gross margin, and operating results. This variability and unpredictability could result in our failure to meet internal expectations or those of securities analysts or investors for a particular period. If we fail to meet or exceed such expectations for these or any other reasons, the market price of our common stock could decline.

If we are unable to maintain successful relationships with our partners, or if our partners fail to perform, our ability to market, sell and distribute our applications and services will be limited, and our business, operating results and financial condition could be harmed.

In addition to our sales force, we rely on partners, including our strategic partners to increase our sales and distribution of our software and services. We also have independent software vendor partners whose integrations may increase the breadth of the ecosystem in which our solutions can operate, and the size of the market that our solutions can address. We also have partnerships with hyperscalers such as Amazon Web Services, Google Cloud Platform, Microsoft Azure, IBM Red Hat and others on which many of our customers depend, and through which our customers may be able to procure and deploy our solution. We are dependent on these partner relationships to contribute to enabling our sales growth. We expect that our future growth will be increasingly dependent on the success of our partners and our partner relationships, and if those partnerships do not provide such benefits, our ability to grow our business will be harmed. If we are unable to scale our partner relationships effectively, or if our partners are unable to serve our customers effectively, we may need to expand our services organization, which could adversely affect our results of operations.

Our agreements with our partners are generally non-exclusive, meaning our partners may offer products from several different companies to their customers or have their products or technologies also interoperate with products and technologies of other companies, including products that compete with our offerings. Moreover, some of our partners also compete with us and if our partners do not effectively market and sell our offerings, choose to use greater efforts to market and sell their own products or those of our competitors or fail to meet the needs of our customers, our ability to grow our business and sell our offerings will be harmed. Many of our customers are also customers of hyperscalers, such as Amazon Web Services, Google Cloud Platform, Microsoft Azure, IBM Red Hat. If our solutions fail to interoperate effectively with the hyperscalers' products, or if our partnership(s) with one or more of these hyperscalers is not successful or is terminated, our ability to sell additional products to these customers and our ability to grow our business will be harmed. Furthermore, our partners may cease marketing our offerings with limited or no notice and with little or no penalty, and new partners could require extensive training and may take several months or more to achieve productivity. The loss of a substantial number of our partners, our possible inability to replace them or our failure to recruit additional partners could harm our results of operations. Our partner structure could also subject us to lawsuits or reputational harm if, for example, a partner misrepresents the functionality of our offerings to customers or violates applicable laws or our corporate policies.

We believe that our brand is integral to our future success and if we fail to cost-effectively promote or protect our brand, our business and competitive position may be harmed.

We believe that maintaining and enhancing our brand and increasing market awareness of our company and our solutions are critical to achieving broad market acceptance of our existing and future solutions and are important elements in attracting and retaining customers, partners and employees, particularly as we continue to expand internationally and introduce new products. In addition, independent industry analysts, such as Gartner and Forrester, often provide reviews of our solutions, as well as those of our competitors, and perception of our solutions in the marketplace may be significantly influenced by these reviews. We have no control over what these or other industry analysts report, and because industry analysts may influence current and potential customers, our brand could be harmed if they do not provide a positive review of our solutions or view us as a market leader.

The successful promotion of our brand and the market's awareness of our solutions and platform will depend largely upon our ability to continue to offer enterprise-grade software intelligence solutions, our ability to be thought leaders in application intelligence, our marketing efforts and our ability to successfully differentiate our solutions from those of our competitors. We have invested, and expect to continue to invest, substantial resources to promote and maintain our brand and generate sales leads, both domestically and internationally, but there is no guarantee that our brand development strategies will enhance the recognition of our brand or lead to increased sales. If our efforts to promote and maintain our brand are not cost-effective or successful, our operating results and our ability to attract and retain customers, partners and employees may be adversely affected. In addition, even if our brand recognition and customer loyalty increases, this may not result in increased sales of our solutions or higher revenue.

Our sales cycles can be long, unpredictable and vary seasonally, which can cause significant variation in the number and size of transactions that close in a particular quarter.

Our results of operations may fluctuate, in part, because of the resource-intensive nature of our sales efforts, the length and variability of the sales cycle for our platform and the difficulty in making short-term adjustments to our operating expenses. Many of our customers are large accounts, whose purchasing decisions, budget cycles and constraints and evaluation processes are unpredictable and out of our control. The length of our sales cycle, from initial evaluation to payment for our subscriptions can range from several months to over a year and can vary substantially from customer to customer. Our sales efforts involve significant investment of resources in field sales, partner development, marketing and educating our customers about the use, technical capabilities and benefits of our platform and services. Customers often undertake a prolonged evaluation process, which frequently involves not only our platform but also those of other companies or the consideration of internally developed alternatives including those using open-source software. Some of our customers initially deploy our platform on a limited basis, with no guarantee that they will deploy our platform widely enough across their organization to justify our substantial pre-sales investment. As a result, it is difficult to predict exactly when, or even if, we will make a sale to a potential customer or if we can increase sales to our existing customers. Large individual sales have, in some cases, occurred in quarters subsequent to those we anticipated, or have not occurred at all. If our sales cycle lengthens or our substantial upfront investments do not result in sufficient revenue to justify our investments, our operating results could be adversely affected.

We have experienced seasonal and end-of-quarter concentration of our transactions and variations in the number and size of transactions that close in a particular quarter, which impacts our ability to grow revenue over the long term and plan and manage cash flows and other aspects of our business and cost structure. Our transactions vary by quarter, with the third fiscal quarter typically being our largest. In addition, within each quarter, a significant portion of our transactions occur in the last two weeks of that quarter. If expectations for our business turn out to be inaccurate, our revenue growth may be adversely affected over time and we may not be able to adjust our cost structure on a timely basis and our cash flows and results of operations may suffer.

Any failure to offer high-quality customer support and professional services may adversely affect our relationships with our customers and our financial results.

We typically bundle customer support with arrangements for our solutions, and offer professional services for implementation and training. In deploying and using our platform and solutions, our customers may require the assistance of our services teams to resolve complex technical and operational issues. Increased customer demand for support, without corresponding revenue, could increase costs and adversely affect our operating results. We may also be unable to respond quickly enough to accommodate short-term increases in customer demand for support. If we fail to meet our service level commitments, which relate to uptime, response times, escalation procedures, and time to problem resolution, or if we suffer extended periods of unavailability for our solutions, we may be contractually obligated to provide these customers with service credits or penalties, refunds for prepaid amounts related to unused subscription services, or we could face contract terminations. Our sales are highly dependent on our reputation and on positive recommendations from our existing customers. Any failure to maintain high-quality customer support and professional services, or a market perception that we do not maintain high-quality product support or services, could adversely affect our reputation, and our ability to sell our solutions to existing and new customers.

Our ability to succeed depends on the experience and expertise of our senior management team. If we are unable to retain and motivate our personnel, our business, operating results and prospects may be harmed.

Our ability to succeed depends in significant part on the experience and expertise of our senior management team, including our Chief Executive Officer and other executive officers. All members of our senior management team are employed on an at-will basis, which means that they are not contractually obligated to remain employed with us and could terminate their employment with us at any time. Accordingly, and in spite of our efforts to retain our senior management team, our Chief Executive Officer or any other member of our senior management team could terminate his or her employment with us at any time, which could disrupt our operations and negatively impact employee morale and our culture. After his or her termination, such person could go to work for one of our competitors, after the expiration of any applicable non-compete period, and the restrictions on non-competition may in any case be difficult to enforce depending on the circumstances. As announced on May 18, 2022, our Chief Financial Officer, Kevin Burns, will be leaving the Company at the end of the calendar year 2022. We have initiated a search for a new Chief Financial Officer, and Mr. Burns will work with us to ensure a smooth transition.

The loss of our Chief Executive Officer or other senior executive officers or one or more members of our senior management team, particularly if closely grouped, could disrupt our operations, negatively impact employee morale and our culture, and adversely affect our ability to formulate and execute our business plan and thus, our business, operating results and prospects could be adversely affected. If we fail to develop effective succession plans for our senior management team, and to identify, recruit, onboard, train and integrate strategic hires, our business, operating results and financial condition could be adversely affected.

We rely on highly skilled personnel and, if we are unable to attract, retain or motivate substantial numbers of qualified personnel or expand and train our sales force, we may not be able to grow effectively.

Our success largely depends on the talents and efforts of key technical, sales and marketing employees and our future success depends on our continuing ability to effectively identify, hire, on-board, train, develop, motivate and retain highly skilled personnel for all areas of our organization. Competition in our industry is intense, and often leads to significant increased compensation and other personnel costs. In addition, competition for employees with experience in our industry can be intense, particularly in Europe, where our research and development operations are concentrated and where other technology companies compete for management and engineering talent. Our continued ability to compete and grow effectively depends on our ability to attract substantial numbers of qualified new employees and to retain and motivate our existing employees.

We believe that our corporate culture has contributed to our success, and if we cannot successfully maintain our culture as we grow, we could lose the innovation, creativity and teamwork fostered by our culture.

We believe that a critical component to our success has been our corporate culture. We believe our culture has contributed significantly to our abilities to innovate and develop new technologies, and to attract and retain employees. We have spent substantial time and resources in building our team while maintaining this corporate culture. We have experienced rapid growth in our employee headcount and international presence. The rapid influx of large numbers of people from different business backgrounds in different geographic locations, and the substantial increase in the proportion of employees who work from home versus in our officers along with recent restrictions and requirement on our workplaces imposed by various governments and health authorities, may make it difficult for us to maintain our corporate culture of innovation. If our culture is negatively affected, our ability to support our growth and innovation may diminish.

Our debt obligations contain restrictions that impact our business and expose us to risks that could adversely affect our liquidity and financial condition.

At March 31, 2022, we had approximately $300.0 million of aggregate indebtedness, as defined in the Credit Agreement, consisting of $281.1 million outstanding under our first lien term loan facility, $15.6 million outstanding under a $25.0 million letter of credit sub-facility and $7.2 million in unamortized debt issuance fees. Under our first lien term loan facility, we were required to repay approximately $2.4 million of principal at the end of each quarter and are required to pay accrued interest on the last day of each interest accrual period. During the second quarter of fiscal 2020, we repaid all outstanding borrowings and accrued interest under our second lien term loan facility. Interest accrual periods under each loan facility are typically one month in duration. The actual amounts of our debt servicing payments vary based on the amounts of indebtedness outstanding, the applicable interest accrual periods and the applicable interest rates, which vary based on prescribed formulas. Our cash paid for interest was approximately $8.4 million, $12.5 million, and $39.6 million during the years ended March 31, 2022, 2021, and 2020, respectively.

The credit and guaranty agreement, which we refer to as our Credit Agreement, governing our term loan facility and our revolving credit facility, which we refer to as our Credit Facility, contains various covenants that are operative so long as our Credit Facility remains outstanding. The covenants, among other things, limit our and certain of our subsidiaries' abilities to:

- incur additional indebtedness or guarantee indebtedness of others;
- create additional liens on our assets;
- pay dividends and make other distributions on our capital stock, and redeem and repurchase our capital stock;
- make investments, including acquisitions;
- make capital expenditures;
- enter into mergers or consolidations or sell assets;
- engage in sale and leaseback transactions; or
- enter into transactions with affiliates.

Our Credit Facility also contains numerous affirmative covenants, including financial covenants. Even if our Credit Facility is terminated, any additional debt that we incur in the future could subject us to similar or additional covenants. For a more detailed description of our indebtedness, see Note 9 to our consolidated financial statements.

If we experience a decline in cash flow due to any of the factors described in this "Risk Factors" section or otherwise, we may have difficulty paying the interest and principal amount of our outstanding indebtedness and meeting the financial covenants set forth in our Credit Facility. If we are unable to generate sufficient cash flow or otherwise to obtain the funds necessary to make required payments under our Credit Facility, or if we fail to comply with the various requirements of our indebtedness, we could default under our Credit Facility. Our Credit Facility also contains provisions that trigger repayment obligations or an event of default upon a change of control, as well as various representations and warranties which, if breached, could lead to an event of default. Any such default that is not cured or waived could result in an acceleration of indebtedness then outstanding under our Credit Facility, an increase in the applicable interest rates under our Credit Facility, and a requirement that our subsidiaries that have guaranteed our Credit Facility pay the obligations in full, and would permit the lenders to exercise remedies with respect to all of the collateral that is securing our Credit Facility, including substantially all of our and our subsidiary guarantors' assets. We cannot be certain that our future operating results will be sufficient to ensure compliance with the covenants in our Credit Agreement or to remedy any defaults under our Credit Agreement. In addition, in the event of any default and related acceleration, we may not have or be able to obtain sufficient funds to make any accelerated payments. Any such default could have a material adverse effect on our liquidity, financial condition and results of operations.

Our substantial level of indebtedness could materially and adversely affect our financial condition.

We now have, and expect to continue to have, significant indebtedness that could result in a material and adverse effect on our business by:

- increasing our vulnerability to general adverse economic and industry conditions;
- requiring us to dedicate a substantial portion of our cash flow from operations to payments on our indebtedness, thereby reducing the availability of our cash flow to fund working capital, capital expenditures, acquisitions, research and development efforts and other general corporate purposes;
- limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; and
- exposing us to the risk of increased interest rates as certain of our borrowings are, and may in the future be, at variable interest rates.

The occurrence of any one of these events could have a material adverse effect on our business, financial condition, results of operations and ability to satisfy our obligations under our Credit Facility.

We may need to refinance all or a portion of our indebtedness, including our Credit Facility, at or before maturity. We may not be able to accomplish any of these alternatives on terms acceptable to us, or at all. In addition, our existing Credit Agreement restricts us, and future credit agreements may restrict us, from adopting any of these alternatives. The failure to generate sufficient cash flow or to achieve any of these alternatives could materially adversely affect our ability to pay the amounts due under our Credit Agreement.

Failure to maintain our credit ratings could adversely affect our liquidity, capital position, ability to hedge certain financial risks, borrowing costs and access to capital markets.

Our credit risk is evaluated by the major independent rating agencies, and such agencies have in the past and could in the future downgrade our ratings. We cannot assure you that we will be able to maintain our current credit ratings, and any additional actual or anticipated changes or downgrades in our credit ratings, including any announcement that our ratings are under further review for a downgrade, may have a negative impact on our liquidity, capital position, ability to hedge certain financial risks and access to capital markets. In addition, changes by any rating agency to our outlook or credit rating could increase the interest we pay on outstanding or future debt.

Risks Related to Information Technology, Intellectual Property, and Data Security and Privacy

Security breaches, computer malware, computer hacking attacks and other security incidents could harm our business, reputation, brand and operating results.

Security incidents have become more prevalent across industries and may occur on our systems, or on the systems of third parties we use to host our solutions or SaaS solutions that we use in the operation of our business, or on those third party hosting platforms on which our customers' host their systems. These security incidents may be caused by or result in but are not limited to security breaches, computer malware or malicious software, ransomware, computer hacking, denial of service attacks, security system control failures in our own systems or from vendors we or our customers use, email phishing, software vulnerabilities, social engineering, sabotage, drive-by downloads and the malfeasance of our own or our customers' employees. In particular, because we utilize a multi-tenant platform, any security breach could potentially affect a significant amount of our customers. The consequences of a security incident may be more severe if customers have chosen to configure our platform to collect and store confidential, personal, sensitive or proprietary information. Such security incidents, whether intentional or otherwise, may result from actions of employees, hackers, criminals, nation states, vendors, contractors, customers or other threat actors. We have experienced email phishing attacks that resulted in the compromise of a limited number of email accounts. Although we have taken significant measures to detect, effectively remediate and prevent future phishing and other attacks and security threats, we cannot be certain that our efforts will be effective to prevent and remediate all attacks and security threats.

Cyber incidents have been increasing in sophistication and frequency and can include employees or third parties gaining access to employee or customer data using stolen or inferred credentials, computer malware, viruses, spamming, phishing attacks, ransomware, card skimming code, and other deliberate attacks and attempts to gain unauthorized access. As a result, unauthorized access to, security breaches of, or denial-of-service attacks against our platform could result in the unauthorized access to or use of, and/or loss of, such data, as well as loss of intellectual property, customer data, employee data, trade secrets, or other confidential or proprietary information.

We and certain of our service providers have experienced and may in the future experience disruptions, outages and other performance problems on our internal systems due to service attacks, unauthorized access or other security related incidents. Any security breach or loss of system control caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss, modification or corruption of data, software, hardware or other computer equipment and the inadvertent transmission of computer malware could harm our business, operating results and financial condition, and expose us to claims arising from loss or unauthorized disclosure of confidential or personal information or data and the related breach of our contracts with customers or others, or of privacy or data security laws. If an actual or perceived security incident occurs, the market perception of the effectiveness of our security controls could be harmed, our brand and reputation could be damaged, we could lose customers, and we could suffer financial exposure due to such events or in connection with remediation efforts, investigation costs, regulatory fines including fines assessed under the European General Data Protection Regulation ("GDPR") or other privacy laws, private lawsuits and changed security control, system architecture and system protection measures.

We may in the future experience disruptions, outages and other performance problems on the systems that we host for our customers due to service attacks, unauthorized access or other security related incidents. Any security breach or loss of system control caused by hacking, which involves efforts to gain unauthorized access to information or systems, or to cause intentional malfunctions or loss, modification or corruption of data, software, hardware or other computer equipment and the inadvertent transmission of computer malware could disrupt the services that we provide to our customers, harm our customers' business, operating results and financial condition, and expose us to claims from our customers for the damages that result, which could include, without limitation, claims arising from loss or unauthorized access, acquisition or disclosure of confidential or personal information or data and the related breach of privacy or data security laws. If an actual or perceived security incident occurs, the market perception of the effectiveness of our security controls could be harmed, our brand and reputation could be damaged, we could lose customers, and we could suffer financial exposure due to such events or in connection with remediation efforts, investigation costs, regulatory fines including fines assessed under GDPR or other privacy laws, private lawsuits and changed security control, system architecture and system protection measures.

We have administrative, technical, and physical security measures in place, as well as policies and procedures in place to contractually require third parties to whom we transfer data to implement and maintain appropriate security measures. We also proactively employ multiple methods at different layers of our systems to defend against intrusion and attack and to protect our data. However, because the techniques used to obtain unauthorized access or to sabotage systems change frequently and generally are not identified until they are launched against or even penetrate a target, we may be unable to anticipate these techniques or to implement adequate preventative measures that will be sufficient to counter all current and emerging technology threats. We may therefore experience security breaches that may remain undetected for extended periods of time. For example, in December 2020 it was widely reported that SolarWinds, an information technology company, was the subject of a cyberattack earlier in September 2019 where the SUNBURST malicious code was injected into builds of their Orion software platform that created security vulnerabilities to customers who use Orion. We used SolarWinds Orion software and upon learning of the incident, we took recommended actions to detect any unauthorized access as well as mitigate the compromised system. More recently, SolarWinds provided an update from its investigations regarding the deployment of the malicious tool into its build environment. While we do not believe at this time that the SolarWinds matter had a material impact on our systems or operations, should new or different information come to light establishing that the intrusion is broader than now known, it could have a broader impact on our systems and operations and we could incur significant costs in responding to such intrusion. This is likewise true in the event SolarWinds has an impact on our supply chain or vendors in ways that are not yet known. A vendor breach could spread to our own systems or affect our operations or financial systems in material ways we cannot yet anticipate.

Because data security is a critical competitive factor in our industry, we make statements in our privacy policies and in our marketing materials, describing the security of our platform, including descriptions of certain security measures we employ or security features embedded within our products. Should any of these statements be untrue, become untrue, or be perceived to be untrue, even if through circumstances beyond our reasonable control, or if any of these security measures or features prove to be ineffective or are perceived to be ineffective, we may face claims, including claims of unfair or deceptive trade practices or breach of regulations including GDPR, brought by the U.S. Federal Trade Commission, state, local or foreign regulators (e.g., a European Union-based data protection authority) or private litigants.

If any unauthorized access to our systems or data, security breach, or significant denial-of-service attack occurs or is believed to have occurred, our reputation and brand could be damaged, we could be required to expend significant capital and other resources to alleviate problems caused by such actual or perceived breaches or attacks and remediate our systems, and we could be exposed to a risk of loss, litigation or regulatory action and possible liability, some or all of which may not be covered by insurance, and our ability to operate our business may be impaired. We have in the past experienced, and may in the future experience, data security incidents affecting personal information, as well as denial-of-service attacks against our platform.

Interruptions with the delivery of our SaaS solutions, or third-party cloud-based systems that we use in our operations, may adversely affect our business, operating results and financial condition.

Our continued growth depends on the ability of our customers to access our platform and solutions, particularly our cloud-based solutions, at any time and within an acceptable amount of time. In addition, our ability to access certain third-party SaaS solutions is important to our operations and the delivery of our customer support and professional services, as well as our sales operations.

We have experienced, and may in the future experience, service disruptions, outages and other performance problems both in the delivery of our SaaS solutions, and in third-party SaaS solutions we use due to a variety of factors, including infrastructure changes, malicious actors including disgruntled employees, human or software errors or capacity constraints. We utilize a multi-tenant structure, meaning that, generally, our customers are hosted on a shared platform. As such, any interruption in service could affect a significant number of our customers. In some instances, we or our third-party service providers may not be able to identify the cause or causes of these performance problems within an acceptable period of time. It may become increasingly difficult to maintain and improve the performance of our SaaS solutions as they become more complex. If our SaaS solutions are unavailable or degraded or if our customers are unable to access features of our SaaS solutions within a reasonable amount of time or at all, our business would be adversely affected. In addition, if any of the third-party SaaS solutions that we use were to experience a significant or prolonged outage or security breach, our business could be adversely affected.

We currently host our Dynatrace® solutions primarily using AWS, and we are expanding to include other cloud infrastructure providers such as Microsoft and Google. Our Dynatrace® solutions reside on hardware operated by these providers. Our operations depend on protecting the virtual cloud infrastructure hosted in AWS by maintaining its configuration, architecture, features and interconnection specifications, as well as the information stored in these virtual data centers and which third-party internet service providers transmit. Although we have disaster recovery plans, including the use of multiple AWS locations, any incident affecting AWS' infrastructure that may be caused by fire, flood, severe storm, earthquake or other natural disasters, actual or threatened public health emergencies (e.g., COVID-19), cyber-attacks, terrorist or other attacks, and other similar events beyond our control could negatively affect our platform and our ability to deliver our solutions to our customers. A prolonged AWS service disruption affecting our SaaS platform for any of the foregoing reasons would negatively impact our ability to serve our customers and could damage our reputation with current and potential customers, expose us to liability, cause us to lose customers or otherwise harm our business. We may also incur significant costs for using alternative equipment or taking other actions in preparation for, or in reaction to, events that damage the AWS services we use.

AWS has the right to terminate our agreement upon material uncured breach on 30 days' prior written notice. In the event that our AWS service agreements are terminated, or there is a lapse of service, we would experience interruptions in access to our platform as well as significant delays and additional expense in arranging new facilities and services and/or re-architecting our solutions for deployment on a different cloud infrastructure, which would adversely affect our business, operating results and financial condition.

Because users are able to configure our platform to collect and store confidential, personal or proprietary information, security concerns could result in additional cost and liability to us or inhibit sales of our products.

Our risks are significantly affected by the data that customers elect to monitor and how they configure the tools available to them to mask personal data. Our customers determine the notices that they provide to data subjects as well as the consents that they obtain, if they do in fact, obtain consent. As such, our risks are also affected by how our customers obtain consent or provide transparency to the individuals whose data is collected. If our customers fail to comply with applicable law or fail to provide adequate notice or to obtain consent we could be exposed to a risk of loss, litigation or regulatory action and possible liability, some or all of which may not be covered by insurance, and our ability to operate our business may be impaired.

Real or perceived errors, failures, defects or vulnerabilities in our solutions could adversely affect our financial results and growth prospects.

Our solutions and underlying platform are complex, and in the past, we or our customers have discovered software errors, failures, defects and vulnerabilities in our solutions after they have been released, including after new versions or updates are released. Our solutions and our platform are often deployed and used in large-scale computing environments with different operating systems, system management software and equipment and networking configurations, which have in the past, and may in the future, cause errors in, or failures of, our solutions or other aspects of the computing environment into which they are deployed. In addition, deployment of our solutions into complicated, large-scale computing environments have in the past exposed, and may, in the future, expose undetected errors, failures, defects or vulnerabilities in our solutions. Despite testing by us, errors, failures, defects or vulnerabilities may not be found in our solutions until they are released to our customers or thereafter. Real or perceived errors, failures, defects or vulnerabilities in our solutions could result in, among other things, negative publicity and damage to our reputation, lower renewal rates, loss of or delay in market acceptance of our solutions, loss of competitive position or claims by customers for losses sustained by them or expose us to breach of contract claims, regulatory fines and related liabilities. If vulnerabilities in our solutions are exploited by third parties, our customers could experience damages or losses for which our customers seek to hold us accountable. In the case of real or perceived errors, failures, defects or vulnerabilities in our solutions giving rise to claims by customers, we may be required, or may choose, for regulatory, contractual, customer relations or other reasons, to expend additional resources in order to help correct the problem.

Assertions by third parties of infringement or other violations by us of their intellectual property rights, or other lawsuits brought against us, could result in significant costs and substantially harm our business, operating results and financial condition.

Patent and other intellectual property disputes are common in the markets in which we compete. Some companies in the markets in which we compete, including some of our competitors, own large numbers of patents, copyrights, trademarks and trade secrets, which they may use to assert claims of infringement, misappropriation or other violations of intellectual property rights against us, our partners, our technology partners or our customers. As the number of patents and competitors in our market increase, allegations of infringement, misappropriation and other violations of intellectual property rights may also increase. Our broad solution portfolio and the competition in our markets further exacerbate the risk of additional third-party intellectual property claims against us in the future. Any allegation of infringement, misappropriation or other violation of intellectual property rights by a third party, even those without merit, could cause us to incur substantial costs and resources defending against the claim, could distract our management from our business, and could cause uncertainty among our customers or prospective customers, all of which could have an adverse effect on our business, operating results and financial condition. We cannot assure you that we are not infringing or otherwise violating any third-party intellectual property rights.

Furthermore, companies that bring allegations against us may have the capability to dedicate substantially greater resources to enforce their intellectual property rights and to defend against similar allegations that may be brought against them than we do. We have received, and may in the future receive, notices alleging that we have misappropriated, misused or infringed other parties' intellectual property rights, including allegations made by our competitors, and, to the extent we gain greater market visibility, we face a higher risk of being the subject of intellectual property infringement assertions. There also is a market for acquiring third-party intellectual property rights and a competitor, or other entity, could acquire third-party intellectual property rights and pursue similar assertions based on the acquired intellectual property. They may also make such assertions against our customers or partners.

An adverse outcome of a dispute may require us to take several adverse steps such as: pay substantial damages, including potentially treble damages, if we are found to have willfully infringed a third party's patents or copyrights; cease making, using, selling, licensing, importing or otherwise commercializing solutions that are alleged to infringe or misappropriate the intellectual property of others; expend additional development resources to attempt to redesign our solutions or otherwise to develop non-infringing technology, which may not be successful; enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies or intellectual property rights or have royalty obligations imposed by a court; or indemnify our customers, partners and other third parties. Any damages or royalty obligations we may become subject to, any prohibition against our commercializing our solutions as a result of an adverse outcome could harm our business and operating results.

Additionally, our agreements with customers and partners include indemnification provisions, under which we agree to indemnify them for losses suffered or incurred as a result of allegations of intellectual property infringement and, in some cases, for damages caused by us to property or persons or other third-party allegations. Furthermore, we have agreed in certain instances to defend our partners against third-party claims asserting infringement of certain intellectual property rights, which may include patents, copyrights, trademarks or trade secrets, and to pay judgments entered on such assertions. Large indemnity payments could harm our business, operating results and financial condition.

Failure to protect and enforce our proprietary technology and intellectual property rights could substantially harm our business, operating results and financial condition.

The success of our business depends on our ability to protect and enforce our proprietary rights, including our patents, trademarks, copyrights, trade secrets and other intellectual property rights, throughout the world. We attempt to protect our intellectual property under patent, trademark, copyright and trade secret laws, and through a combination of confidentiality procedures, contractual provisions and other methods, all of which offer only limited protection. However, the steps we take to protect our intellectual property may be inadequate. We will not be able to protect our intellectual property if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property. Despite our precautions, it may be possible for unauthorized third parties to copy our technology and use information that we regard as proprietary to create products and services that compete with ours. In the past, we have been made aware of public postings of portions of our source code. It is possible that released source code could reveal some of our trade secrets, and impact our competitive advantage. Some license provisions protecting against unauthorized use, copying, transfer, reverse engineering, and disclosure of our technology may be unenforceable under the laws of certain jurisdictions and foreign countries. Further, the laws of some countries do not protect proprietary rights to the same extent as the laws of the United States, and in some countries there may not be sufficient legal processes available to us, in a timely fashion or at all, to enable us to effectively protect our intellectual property. In expanding our international activities, our exposure to unauthorized copying and use of our technology and proprietary information may increase.

As of March 31, 2022, we had 98 issued patents, 75 of which are in the United States, and 35 pending applications, of which 22 are in the United States. Our issued patents expire at various dates through September 2040. The process of obtaining patent protection is expensive and time-consuming, and we may not be able to prosecute all necessary or desirable patent applications at a reasonable cost or in a timely manner. We may choose not to seek patent protection for certain innovations and may choose not to pursue patent protection in certain jurisdictions. Furthermore, it is possible that our patent applications may not result in issued patents, that the scope of the claims in our issued patents will be insufficient or not have the coverage originally sought, that our issued patents will not provide us with any competitive advantages, and that our issued patents and other intellectual property rights may be challenged by others or invalidated through administrative process or litigation. In addition, issuance of a patent does not guarantee that we have an absolute right to practice our patented technology, or that we have the right to exclude others from practicing our patented technology. As a result, we may not be able to obtain adequate patent protection or to enforce our issued patents effectively.

In addition to patented technology, we rely on our unpatented proprietary technology and trade secrets. Despite our efforts to protect our proprietary technology and trade secrets, unauthorized parties may attempt to misappropriate, reverse engineer or otherwise obtain and use them. The contractual provisions that we enter into with employees, consultants, partners, vendors and customers may not prevent unauthorized use or disclosure of our proprietary technology or trade secrets and may not provide an adequate remedy in the event of unauthorized use or disclosure of our proprietary technology or trade secrets.

Moreover, policing unauthorized use of our technologies, solutions and intellectual property is difficult, expensive and time-consuming, particularly in foreign countries where the laws may not be as protective of intellectual property rights as those in the United States and where mechanisms for enforcement of intellectual property rights may be weak. We may be unable to determine the extent of any unauthorized use or infringement of our solutions, technologies or intellectual property rights.

From time to time, legal action by us may be necessary to enforce our patents and other intellectual property rights, to protect our trade secrets, to determine the validity and scope of the intellectual property rights of others or to defend against allegations of infringement or invalidity. Such litigation could result in substantial costs and diversion of resources and could negatively affect our business, operating results, financial condition and cash flows. If we are unable to protect our intellectual property rights, our business, operating results and financial condition will be harmed.

Our use of open source technology could impose limitations on our ability to commercialize our solutions and platform and application intelligence software platform.

We use open source software in our solutions and platform and expect to continue to use open source software in the future. Although we monitor our use of open source software to avoid subjecting our solutions and platform to conditions we do not intend, we may face allegations from others alleging ownership of, or seeking to enforce the terms of, an open source license, including by demanding release of the open source software, derivative works, or our proprietary source code that was developed using such software. These allegations could also result in litigation. The terms of many open source licenses have not been interpreted by U.S. courts. As a result, there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our solutions. In such an event, we could be required to seek licenses from third parties to continue offering our solutions, to make our proprietary code generally available in source code form, to re-engineer our solutions or to discontinue the sale of our solutions if re-engineering could not be accomplished on a timely basis, any of which could adversely affect our business, operating results and financial condition.

Our participation in open source initiatives may limit our ability to enforce our intellectual property rights in certain circumstances.

As part of our strategy to broaden our target markets and accelerate adoption of our products, we contribute software program code to certain open source projects, managed by organizations such as Microsoft, Google and Cloud Native Computing Foundation. We also undertake our own open source initiatives to promote "open innovation" and "enterprise openness," meaning that we make technologies available under open source licenses with the goal of exchanging insights and experience with other experts in the community, broadening the adoption of our platform by our customers, and providing our partners with the ability to leverage their own technologies through the Dynatrace® platform. In some cases, we accept contributions of code from the community, our customers and partners.

When we contribute to a third-party managed open source project, the copyrights, patent rights and other proprietary rights in and to the technologies, including software program code, owned by us that we contribute to these projects are often licensed to the project managers and to all other contributing parties without material restriction on further use or distribution. If and to the extent that any of the technologies that we contribute, either alone or in combination with the technologies that may be contributed by others, practice any inventions that are claimed under our patents or patent applications, then we may be unable to enforce those claims or prevent others from practicing those inventions, regardless of whether such other persons also contributed to the open source project (even if we were to conclude that their use infringes our patents with competing offerings), unless any such third party asserts its patent rights against us. This limitation on our ability to assert our patent rights against others could harm our business and ability to compete. In addition, if we were to attempt to enforce our patent rights, we could suffer reputational injury among our customers and the open source community.

Any actual or perceived failure by us to comply with stringent and evolving privacy laws or regulatory requirements in one or multiple jurisdictions, privacy and information security policies and/or contractual obligations could result in proceedings, actions or penalties against us.

We are subject to federal, state, and international laws, regulations and standards relating to the collection, use, disclosure, retention, security, transfer and other processing of personal data. The legal and regulatory framework for privacy, data protection and security issues worldwide is rapidly evolving and as a result implementation standards, potential fines, enforcement practices and litigation risks are likely to remain uncertain for the foreseeable future. In addition, our contracts with customers include specific obligations regarding the protection of confidentiality and the permitted uses of personally identifiable and other proprietary information.

Internationally, virtually every jurisdiction in which we operate has established its own privacy, data protection and/or data security legal framework with which we or our customers must comply, including but not limited to the European Union. In the EU, data protection laws are stringent and continue to evolve, resulting in possible significant operational costs for internal compliance and risk to our business. The EU has adopted the GDPR, which became effective and enforceable across all then-current member states of the EU on May 25, 2018 and contains numerous requirements and changes from prior EU law, including more robust obligations on data processors and heavier documentation requirements for data protection compliance programs by companies. Specifically, the GDPR introduced numerous privacy-related changes for companies operating in the EU, including heightened notice and consent requirements, greater rights of data subjects (e.g., the "right to be forgotten"), increased data portability for EU consumers, additional data breach notification and data security requirements, requirements for engaging third-party processors, and increased fines for noncompliance. In particular, under the GDPR, fines of up to 20 million euros or up to 4% of the annual global revenue of the noncompliant company, whichever is greater, could be imposed for violations of certain of the GDPR's requirements, such as failure to accurately maintain required documentation as a data processor or controller under Article 30 and other provisions of the GDPR. The GDPR also confers a private right of action on data subjects and consumer associations to lodge complaints with supervisory authorities, seek judicial remedies and obtain compensation for damages. The GDPR applies to any company established in the EU as well as any company outside the EU that processes personal data in connection with the offering of goods or services to individuals in the EU or that engages in the monitoring of their behavior. Moreover, the GDPR requirements apply not only to third-party transactions, but also to transfers of information between us and our subsidiaries, including employee information.

In addition, further to the UK's exit from the EU on January 31, 2020, the GDPR ceased to apply in the UK at the end of the transition period on December 31, 2020. However, as of January 1, 2021, the UK's European Union (Withdrawal) Act 2018 incorporated the GDPR (as it existed on December 31, 2020 but subject to certain UK specific amendments) into UK law, referred to as the UK GDPR. The UK GDPR and the UK Data Protection Act 2018 set out the UK's data protection regime, which is independent from but aligned to the EU's data protection regime. Non-compliance with the UK GDPR may result in monetary penalties of up to £17.5 million or 4% of worldwide revenue, whichever is higher.

In addition to the GDPR, the EU also is considering the Regulation on Privacy and Electronic Communications ("ePrivacy Regulation") which would replace the current ePrivacy Directive. Originally planned to be adopted and implemented at the same time as the GDPR, the ePrivacy Regulation has been delayed but could be enacted sometime in the relatively near future. While the proposed regulation contains protections for those using communications services (for example, protections against online tracking technologies), the potential timing of its enactment significantly later than the GDPR means that additional time and effort may need to be spent addressing differences between the ePrivacy Regulation and the GDPR. New rules related to the ePrivacy Regulation are likely to include enhanced consent requirements in order to use communications content and communications metadata, as well as obligations and restrictions on the processing of data from an end-user's terminal equipment, which may negatively impact our product offerings and our relationships with our customers.

Preparing for and complying with the evolving application of the GDPR and the ePrivacy Regulation (if and when it becomes effective) has required and will continue to require us to incur substantial operational costs and may require us to change our business practices. Despite our efforts to bring practices into compliance with the GDPR and before the effective date of the ePrivacy Regulation, we may not be successful either due to internal or external factors such as resource allocation limitations. Non-compliance could result in proceedings, fines or penalties against us by governmental entities, customers, data subjects, consumer associations or others. Even without the new ePrivacy Regulation in force, EU regulators have, in recent months, demonstrated increased scrutiny of companies' compliance with cookie consent requirements, with the French Commission Nationale de l'informatique et des Libertés, recently fining Google and Facebook up to a combined 210 million euros for cookie violations under the ePrivacy Directive. Regulatory enforcement activity appears likely to increase in the future, especially following enactment of the ePrivacy Regulation.

Additionally, the GDPR and the UK GDPR impose strict rules on the transfer of personal data outside of the EU/UK to countries that do not ensure an adequate level of protection, like the United States (so-called "third countries"). Recent Guidance from the Court of Justice of the European Union has stated that, although cross-border data transfers may be legitimized through use of the Standard Contractual Clauses (SCCs) approved by the European Commission or binding corporate rules, transfers made pursuant to these and other alternative transfer mechanisms need to be analyzed on a case-by-case basis to ensure EU standards of data protection are met in the jurisdiction where the data importer is based. There continue to be concerns about whether these transfer mechanisms will face additional challenges, and European regulators have issued recent guidance that imposes significant new diligence requirements on transferring data outside the EU, including under an approved transfer mechanism. This guidance requires an "essential equivalency" assessment of the laws of the destination country. If essentially equivalent protections are not available in the destination country, the exporting entity must then assess if supplemental measures can be put in place that, in combination with the chosen transfer mechanism, would address the deficiency in the laws and ensure that essentially equivalent protection can be given to the data. While we have taken steps to mitigate the impact on us with respect to transfers of data, such as implementing standard contractual clauses with our customers, subsidiaries and subprocessors, the validity of these transfer mechanisms remains uncertain. Complying with this guidance as it exists today and evolves will be expensive and time consuming and may ultimately prevent us from transferring personal data outside the EU, which would cause significant business disruption for ourselves and our customers and potentially require the changes in the way our products are configured, hosted and supported.

Additionally, on June 4, 2021, the EC issued new forms of standard contractual clauses for data transfers from controllers or processors in the EU/EEA (or otherwise subject to the GDPR) to controllers or processors established outside the EU/EEA (and not subject to the GDPR). The new standard contractual clauses replace the standard contractual clauses that were adopted previously under the EU Data Protection Directive. The UK is not subject to the EC's new standard contractual clauses but has published a draft version of a UK-specific transfer mechanism, which, once finalized, will enable transfers from the UK. We will be required to implement these new safeguards when conducting restricted data transfers under the EU and UK GDPR and doing so will require significant effort and cost.

Most recently, on March 25, 2022, EU Commission and the U.S. White House announced that an agreement on Privacy Shield 2.0 has been reached. However, it is too soon to tell how the future of Privacy Shield 2.0 will evolve and what impact it will have on our cross-border activities.

In the United States, California enacted the California Consumer Privacy Act ("CCPA"), on June 28, 2018, which became effective on January 1, 2020. The CCPA gives California residents rights to access and delete their personal information, opt out of certain personal information sharing and receive detailed information about how their personal information is used. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. The CCPA may increase our compliance costs and potential liability.

Additionally, a new California ballot initiative, the California Privacy Rights Act ("CPRA") was passed in November 2020. Effective starting on January 1, 2023, the CPRA imposes additional obligations on companies covered by the legislation and will significantly modify the CCPA, including by expanding consumers' rights with respect to certain sensitive personal information. The CPRA also creates a new state agency that will be vested with authority to implement and enforce the CCPA and the CPRA. The effects of the CCPA and the CPRA are potentially significant and may require us to modify our data collection or processing practices and policies and to incur substantial costs and expenses in an effort to comply and increase our potential exposure to regulatory enforcement and/or litigation.

Certain other state laws impose similar privacy obligations and we also anticipate that more states will increasingly enact legislation similar to the CCPA. The CCPA has prompted a number of proposals for new federal and state-level privacy legislation and in some states efforts to pass comprehensive privacy laws have been successful. For example, on March 2, 2021, Virginia enacted the Consumer Data Protection Act, or CDPA. The CDPA will become effective January 1, 2023. The CDPA will regulate how businesses (which the CDPA refers to as "controllers") collect and share personal information. While the CDPA incorporates many similar concepts of the CCPA and CPRA, there are also several key differences in the scope, application, and enforcement of the law that will change the operational practices of controllers. The new law will impact how controllers collect and process personal sensitive data, conduct data protection assessments, transfer personal data to affiliates, and respond to consumer rights requests.

Also, on July 8, 2021, Colorado's governor signed the Colorado Privacy Act, or CPA, into law. The CPA is rather similar to Virginia's CPDA but also contains additional requirements. The new measure applies to companies conducting business in Colorado or who produce or deliver commercial products or services intentionally targeted to residents of the state that either: (1) control or process the personal data of at least 100,000 consumers during a calendar year; or (2) derive revenue or receive a discount on the price of goods or services from the sale of personal data and process or control the personal data of at least 25,000 consumers. Moreover, in March 2022, Utah's governor signed the Utah Consumer Privacy Act (UCPA) into law and in May 2022, Connecticut Governor Lamont signed the Connecticut Data Privacy Act (CTDPA) into laws. The UCPA and CTDPA draw heavily upon their predecessors in Virginia and Colorado.

With the CTDPA, Connecticut became the fifth state to enact a comprehensive privacy law. A number of additional other states have proposed bills for comprehensive consumer privacy laws and it is quite possible that certain of these bills will pass. The existence of comprehensive privacy laws in different states in the country, if enacted, will add additional complexity, variation in requirements, restrictions and potential legal risk, require additional investment of resources in compliance programs, impact strategies and the availability of previously useful data, and has resulted in and will result in increased compliance costs and/or changes in business practices and policies.

The existence of comprehensive privacy laws in different states in the country would make our compliance obligations more complex and costly and may increase the likelihood that we may be subject to enforcement actions or otherwise incur liability for noncompliance.

Many jurisdictions outside of Europe where we do business directly or through master resellers today and may seek to expand our business in the future, are also considering and/or have enacted comprehensive data protection legislation. These include Australia, Brazil, China, Japan, Mexico and Singapore. We also continue to see jurisdictions imposing data localization laws that may, for example, require personal information of citizens to be collected, stored, and modified only within that country. These and similar regulations may interfere with our intended business activities, inhibit our ability to expand into those markets, require modifications to our products or services or prohibit us from continuing to offer services in those markets without significant additional costs.

The regulatory framework governing the collection, processing, storage, use and sharing of certain information, particularly financial and other personal information, is rapidly evolving and is likely to continue to be subject to uncertainty and varying interpretations. It is possible that these laws may be interpreted and applied in a manner that is inconsistent with laws in other jurisdictions or which our existing data management practices or the features of our services and platform capabilities. We therefore cannot yet fully determine the impact these or future laws, rules, regulations and industry standards may have on our business or operations. Any failure or perceived failure by us, or any third parties with which we do business, to comply with our posted privacy policies, changing consumer expectations, evolving laws, rules and regulations, industry standards, or contractual obligations to which we or such third parties are or may become subject, may result in actions or other claims against us by governmental entities or private actors, the expenditure of substantial costs, time and other resources or the imposition of significant fines, penalties or other liabilities. In addition, any such action, particularly to the extent we were found to be guilty of violations or otherwise liable for damages, would damage our reputation and adversely affect our business, financial condition and results of operations.

Additionally, our customers may be subject to differing privacy laws, rules and legislation, which may mean that they require us to be bound by varying contractual requirements applicable to certain other jurisdictions. Adherence to such contractual requirements may impact our collection, use, processing, storage, sharing and disclosure of various types of information including financial information and other personal information, and may mean we become bound by, or voluntarily comply with, self-regulatory or other industry standards relating to these matters that may further change as laws, rules and regulations evolve. Complying with these requirements and changing our policies and practices may be onerous and costly, and we may not be able to respond quickly or effectively to regulatory, legislative and other developments. These changes may in turn impair our ability to offer our existing or planned features, products and services and/or increase our cost of doing business. As we expand our customer base, these requirements may vary from customer to customer, further increasing the cost of compliance and doing business.

We publicly post documentation regarding our practices concerning the collection, processing, use and disclosure of data. Although we endeavor to comply with our published policies and documentation, we may at times fail to do so or be alleged to have failed to do so. Any failure or perceived failure by us to comply with our privacy policies or any applicable privacy, security or data protection, information security or consumer-protection related laws, regulations, orders or industry standards could expose us to costly litigation, significant awards, fines or judgments, civil and/or criminal penalties or negative publicity, and could materially and adversely affect our business, financial condition and results of operations. The publication of our privacy policy and other documentation that provide promises and assurances about privacy and security can subject us to potential state and federal action if they are found to be deceptive, unfair, or misrepresentative of our actual practices, which could, individually or in the aggregate, materially and adversely affect our business, financial condition and results of operations.

Risks Related to Legal, Regulatory, Accounting, and Tax Matters

Changes in U.S. tax law could adversely affect our business and financial condition.

The laws, rules and regulations dealing with U.S. federal, state, and local income taxation are constantly under review by persons involved in the legislative process and by the Internal Revenue Service and the U.S. Treasury Department. Changes to tax laws (which changes may have retroactive application) could adversely affect us or holders of our common stock. In recent years, many changes have been made to applicable tax laws and changes are likely to continue to occur in the future.

For example, the Tax Cuts and Jobs Act was enacted in 2017 and made significant changes to corporate taxation, including the reduction of the corporate tax rate from a top marginal rate of 35% to a flat rate of 21%, the limitation of the tax deduction for net interest expense to 30% of adjusted taxable income (except for certain small businesses), the limitation of the deduction for net operating losses from taxable years beginning after December 31, 2017 to 80% of current year taxable income and the elimination of net operating loss carrybacks generated in taxable years ending after December 31, 2017 (though any such net operating losses may be carried forward indefinitely), the requirement to capitalize and amortize research and development expenditures for fiscal years beginning after December 31, 2021, and the modification or repeal of many business deductions and credits, in each case, as modified by the CARES Act (as defined below). In addition, on March 27, 2020, former President Trump signed into law the “Coronavirus Aid, Relief, and Economic Security Act” (the “CARES Act”), which included certain changes in tax law intended to stimulate the U.S. economy in light of the ongoing COVID-19 coronavirus outbreak, including temporary beneficial changes to the treatment of net operating losses, interest deductibility limitations and payroll tax matters. Under the CARES Act, the limitation of the tax deduction for net operating losses to 80% of taxable income applies only to taxable years beginning after December 31, 2020 and net operating losses generated in 2018, 2019 and 2020 may be carried back five taxable years. Further, under the CARES Act, the limitation of the tax deduction for net interest expense to 30% of adjusted taxable income is increased to 50% of adjusted taxable income for 2019 and 2020.

It cannot be predicted whether, when, in what form, or with what effective dates, new tax laws may be enacted, or regulations and rulings may be enacted, promulgated, or issued under existing or new tax laws, which could result in an increase in our or our shareholders’ tax liability or require changes in the manner in which we operate in order to minimize or mitigate any adverse effects of changes in tax law or in the interpretation thereof.

The spin-off of Compuware and the spin-off of SIGOS were taxable transactions for us, and we are subject to tax liabilities in connection with such transactions.

Neither the spin-off of Compuware (the “Compuware Spin-Off”) nor the spin-off of SIGOS (the “SIGOS Spin-Off”) qualified as a tax-free spin-off under Section 355 or other provisions of the Internal Revenue Code (“the Code”). Corporate-level U.S. federal, state and local taxes, were paid by us in connection with the Compuware Spin-Off and in connection therewith, Compuware distributed to us $265.0 million pursuant to a Master Structuring Agreement. These taxes were generally based upon the gain computed as the difference between the fair market value of the Compuware assets distributed and the adjusted tax basis in such assets. The actual amount of our tax liability relating to the Compuware Spin-Off included on the filed tax returns was $231.8 million. We did not have sufficient losses available to fully offset the gain we realized as a result of the Compuware Spin-Off. We do not believe we incurred any material tax liabilities in connection with the SIGOS Spin-Off because the estimated fair market value of the SIGOS assets was materially similar to the adjusted tax basis in such assets.

If the Internal Revenue Service or other taxing authorities were to successfully challenge in an audit or other tax dispute the amount of taxes owed in connection with the Compuware Spin-Off or the SIGOS Spin-Off, we could be liable for additional taxes, including interest and penalties. We would be responsible for any such additional amounts, and for the costs of responding to such challenge, which would not be reimbursed to us by Compuware. While we have obtained an insurance policy that provides coverage if the Internal Revenue Service or other taxing authorities assert that additional taxes are owed in connection with the Compuware Spin-Off, such policy is subject to certain limitations and exclusions, and we cannot offer any assurances that such policy will fully cover any additional taxes owed by us. We did not obtain a tax insurance policy relating to the SIGOS Spin-Off. Any tax liabilities determined to be owed by us relating to the Compuware Spin-Off or the SIGOS Spin-Off following an audit or other tax dispute may adversely affect our results of operations.

Federal and state fraudulent transfer laws may permit a court to void Compuware's distribution to us to partially satisfy the estimated tax liability incurred by us from the Compuware Spin-Off.

On July 31, 2019, Compuware distributed $265.0 million to us to partially or wholly satisfy the estimated tax liability incurred by us in connection with the Compuware Spin-Off. Such distribution might be subject to challenge under federal and state fraudulent conveyance laws even if the distribution was completed. Under applicable laws, the distribution could be voided as a fraudulent transfer or conveyance if, among other things, the transferor received less than reasonably equivalent value or fair consideration in return for, and was insolvent or rendered insolvent by reason of, the transfer.

We cannot be certain as to the standards a court would use to determine whether or not Compuware was insolvent at the relevant time. In general, however, a court would look at various facts and circumstances related to the entity in question, including evaluation of whether or not (i) the sum of its debts, including contingent and unliquidated liabilities, was greater than the fair market value of all of its assets; (ii) the present fair market value of its assets was less than the amount that would be required to pay its probable liability on its existing debts, including contingent liabilities, as they become absolute and mature; or (iii) it could pay its debts as they become due.

If a court were to find that the distribution was a fraudulent transfer or conveyance, the court could void the distribution. In addition, the distribution could also be voided if a court were to find that it is not a legal distribution or dividend under applicable corporate law. The resulting complications, costs and expenses of either finding could materially adversely affect our financial condition and results of operations.

We are subject to a number of risks associated with global sales and operations.

Revenue from customers located outside of the United States represented 49%, 49% and 45% for the years ended March 31, 2022, 2021 and 2020, respectively. As a result, our sales and operations are subject to a number of risks and additional costs, including the following:

- increased expenses associated with international sales and operations, including establishing and maintaining office space and equipment for our international operations;
- fluctuations in exchange rates between currencies in the markets where we do business;
- risks associated with trade restrictions and additional legal requirements, including the exportation of our technology or source code that is required in many of the countries in which we operate;
- greater risk of unexpected changes in regulatory rules, regulations and practices, tariffs and tax laws and treaties;
- compliance with United States and foreign import and export control and economic sanctions laws and regulations, including the Export Administration Regulations administered by the United States Department of Commerce's Bureau of Industry and Security and the executive orders and laws implemented by the United States Department of the Treasury's Office of Foreign Asset Controls;
- compliance with anti-bribery laws, including the United States Foreign Corrupt Practices Act, and the U.K. Anti-Bribery Act;
- compliance with privacy, data protection and data security laws of many countries, including the EU's GDPR, which became effective in May 2018, and the CCPA which became effective on January 1, 2020;
- heightened risk of unfair or corrupt business practices in certain geographies, and of improper or fraudulent sales arrangements that may impact financial results and result in restatements of, or irregularities in, financial statements;
- limited or uncertain protection of intellectual property rights in some countries and the risks and costs associated with monitoring and enforcing intellectual property rights abroad;
- greater difficulty in enforcing contracts and managing collections in certain jurisdictions, as well as longer collection periods;
- management communication and integration problems resulting from cultural and geographic dispersion;

- social, economic and political instability, epidemics and pandemics, terrorist attacks and security concerns in general; and
- potentially adverse tax consequences.

These and other factors could harm our ability to generate future global revenue and, consequently, materially impact our business, results of operations and financial condition.

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

As our business has grown, we have become increasingly subject to the risks arising from adverse changes in the domestic and global economies. Uncertainty in the macroeconomic environment and associated global economic conditions, as well as geopolitical disruption, may result in extreme volatility in credit, equity, and foreign currency markets. These conditions may also adversely affect the buying patterns of our customers and prospective customers, including the size of transactions and length of sales cycles, which would adversely affect our overall pipeline as well as our revenue growth expectations. If macroeconomic or geopolitical conditions deteriorate or if the pace of recovery slows or is uneven, our overall results of operations could be adversely affected.

We continue to invest in our international operations. There are significant risks with overseas investments, and our growth prospects in these regions are uncertain. Increased volatility, further declines in the European credit, equity and foreign currency markets or geopolitical disruptions, including the military conflict between Russia and Ukraine, could cause delays in or cancellations of orders or have other negative impacts on our business operations in Europe and other regions throughout the world. If tensions between the United States, members of NATO and Russia continue to escalate and create global security concerns, it may result in an increased adverse impact on regional and global economies and increase the likelihood of cyber-attacks. Deterioration of economic or geopolitical conditions in the countries in which we do business could also cause slower or impaired collections on accounts receivable. In addition, we could experience delays in the payment obligations of our worldwide reseller customers if they experience weakness in the end-user market, which would increase our credit risk exposure and harm our financial condition.

As announced on March 7, 2022, we have suspended all business in Russia and Belarus. Although we do not have material operations in Ukraine, Russia or Belarus, geopolitical instability in the region, new sanctions and enhanced export controls may impact our ability to sell or export our platform in Ukraine, Russia, Belarus and surrounding countries. While we do not believe the overall impact to be material to our business results, if the conflict and scope of sanctions expand further or persist for an extended period of time, our business could be harmed.

Because we recognize revenue from our SaaS subscriptions and term licenses over the subscription or license term, downturns or upturns in new sales and renewals may not be immediately reflected in our operating results and may be difficult to discern.

For customers who purchase our Dynatrace platform, whether they purchase SaaS or a term license, we generally recognize revenue ratably over the term of their subscription. For customers who purchase a perpetual license, we generally recognize the license revenue ratably over three years. Thus, substantially all of the revenue we report in each quarter from the Dynatrace platform, which constituted over 90% of our total revenue reported for the year ended March 31, 2022, is derived from the recognition of revenue relating to contracts entered into during previous quarters. Consequently, a decline in new or renewed customer contracts in any single quarter may have a small impact on our revenue for that quarter. However, such a decline will negatively affect our revenue in future quarters. Accordingly, the effect of significant downturns in sales and market acceptance of our solutions, and potential changes in our rate of renewals, may not be fully reflected in our results of operations until future periods. In addition, a significant majority of our costs are expensed as incurred, while revenue is recognized over the life of the agreement with our customer. As a result, increased growth in the number of our customers could continue to result in our recognition of more costs than revenue in the earlier periods of the terms of our agreements.

Our revenue recognition policy and other factors may distort our financial results in any given period and make them difficult to predict.

Under accounting standards update No. 2014-09 (Topic 606), Revenue from Contracts with Customers ("ASC 606"), we recognize revenue when our customer obtains control of goods or services in an amount that reflects the consideration that we expect to receive in exchange for those goods or services. Our subscription revenue consists of (i) SaaS agreements, (ii) term-based licenses for the Dynatrace® platform which are recognized ratably over the contract term, (iii) Dynatrace® perpetual license revenue that is recognized ratably or over the term of the expected optional maintenance renewals, which is generally three years, and (iv) maintenance and support agreements. A significant increase or decline in our subscription contracts in any one quarter may not be fully reflected in the results for that quarter, but will affect our revenue in future quarters.

Furthermore, the presentation of our financial results requires us to make estimates and assumptions that may affect revenue recognition. In some instances, we could reasonably use different estimates and assumptions, and changes in estimates are likely to occur from period to period. See the section titled "Management's Discussion and Analysis of Financial Condition and Results of Operations—Critical Accounting Policies—Revenue Recognition" included in Part II, Item 7 of this Annual Report.

Given the foregoing factors, our actual results could differ significantly from our estimates, comparing our revenue and operating results on a period-to-period basis may not be meaningful, and our past results may not be indicative of our future performance.

Changes in existing financial accounting standards or practices, or taxation rules or practices, may harm our operating results.

Changes in existing accounting or taxation rules or practices, new accounting pronouncements or taxation rules, or varying interpretations of current accounting pronouncements or taxation practice could harm our operating results or result in changes to the manner in which we conduct our business. Further, such changes could potentially affect our reporting of transactions completed and reported before such changes are effective.

United States Generally Accepted Accounting Principles ("GAAP") are subject to interpretation by the Financial Accounting Standards Board ("FASB"), the Securities and Exchange Commission and various bodies formed to promulgate and interpret appropriate accounting principles. A change in these principles or a change in these interpretations could have a significant effect on our reported financial results and could affect the reporting of transactions completed before the announcement of a change. For example, ASC 606 is a newly adopted standard for revenue recognition in which the FASB's Emerging Issues Task Force has taken up certain topics which may result in further guidance which we would need to consider in our related accounting policies.

Economic conditions and regulatory changes following the United Kingdom's exit from the EU could have a material adverse effect on our business and results of operations.

The United Kingdom, or U.K., formally left the European Union, or the EU, on January 31, 2020, typically referred to as "Brexit." Pursuant to the formal withdrawal arrangements agreed between the U.K. and EU, the U.K. was subject to a transition period until December 31, 2020 during which EU rules continued to apply. On December 24, 2020 the EU and the U.K. reached a Trade and Cooperation Agreement, provisionally applicable since January 1, 2021, which sets out preferential arrangements in areas such as trade in goods and in services, digital trade, intellectual property, public procurement, aviation and road transport, energy, fisheries, social security coordination, law enforcement and judicial cooperation in criminal matters, thematic cooperation and participation in EU programs. The uncertainty concerning the U.K.'s legal, political and economic relationship with the EU after the transition period may be a source of instability in international markets, create significant currency fluctuations and otherwise adversely affect trading agreements or similar cross-border cooperation arrangements, whether economic, tax, fiscal, legal, regulatory or otherwise. While the full effects of Brexit will not be known for some time, Brexit could cause disruptions to, and create uncertainty surrounding, our business and results of operations. For example, following the transition period, the U.K. could lose the benefits of global trade agreements negotiated by the EU on behalf of its members, which may result in increased trade barriers that could make our doing business in the EU and the European Economic Area more difficult. Ongoing global market volatility and a deterioration in economic conditions due to uncertainty surrounding the future relationship between the U.K. and EU could significantly disrupt the markets in which we operate and lead our customers to closely monitor their costs and delay capital spending decisions.

Additionally, Brexit has resulted in the strengthening of the U.S. dollar against foreign currencies in which we conduct business. Although this strengthening has been somewhat ameliorated by the implementation of the transition period, because we translate revenue denominated in foreign currency into U.S. dollars for our financial statements, during periods of a strengthening U.S. dollar, our reported revenue from foreign operations is reduced. As a result of Brexit and the continued negotiations between the U.K. and EU, there may be further periods of volatility in the currencies in which we conduct business.

The effects of Brexit will depend on any agreements the U.K. makes to retain access to EU markets following the transition period. The measures could potentially disrupt the markets we serve and may cause us to lose customers and employees. In addition, Brexit could lead to legal uncertainty and potentially divergent national laws and regulations as the U.K. determines which EU laws to replace or replicate, which could present new regulatory costs and challenges.

Any of these effects of Brexit could materially adversely affect our business, results of operations and financial condition.

We may face exposure to foreign currency exchange rate fluctuations.

We have transacted in foreign currencies and expect to transact in foreign currencies in the future. In addition, our international subsidiaries maintain assets and liabilities that are denominated in currencies other than the functional operating currencies of these entities. Accordingly, changes in the value of foreign currencies relative to the U.S. dollar will affect our revenue and operating results due to transactional and translational remeasurement that is reflected in our earnings. As a result of such foreign currency exchange rate fluctuations, it could be more difficult to detect underlying trends in our business and results of operations. In addition, to the extent that fluctuations in currency exchange rates cause our results of operations to differ from our expectations or the expectations of our investors, the trading price of our common stock could be adversely affected. We do not currently maintain a program to hedge transactional exposures in foreign currencies. However, in the future, we may use derivative instruments, such as foreign currency forward and option contracts, to hedge certain exposures to fluctuations in foreign currency exchange rates. The use of such hedging activities may not offset any or more than a portion of the adverse financial effects of unfavorable movements in foreign exchange rates over the limited time the hedges are in place. Moreover, the use of hedging instruments may introduce additional risks if we are unable to structure effective hedges with such instruments.

Our sales to government entities are subject to a number of challenges and risks.

We sell our solutions to U.S. federal and state and foreign governmental agency customers, often through our resellers, and we may increase sales to government entities in the future. Sales to government entities are subject to a number of challenges and risks. Selling to government entities can be highly competitive, expensive and time consuming, often requiring significant upfront time and expense without any assurance that these efforts will generate a sale. Contracts and subcontracts with government agency customers are subject to procurement laws and regulations relating to the award, administration, and performance of those contracts. Recent guidelines and regulations require that substantially all of our employees in the United States be fully vaccinated. As we enforce this policy, some of our employees who fail or refuse to comply may be suspended or terminated, which could have a negative impact on our productivity, employee morale, sales, operating results and overall financial performance. If we experience difficulties or delays in complying with these guidelines, our sales to the U.S. Federal government could be negatively impacted, and if we fail to comply we could be debarred from selling to the U.S. Federal government. Government demand and payment for our solutions are affected by public sector budgetary cycles and funding authorizations, with funding reductions or delays adversely affecting public sector demand for our solutions. We may be subject to audit or investigations relating to our sales to government entities, and any violations could result in various civil and criminal penalties and administrative sanctions, including termination of contracts, refunds of fees received, forfeiture of profits, suspension of payments, fines, and suspension or debarment from future government business including business with governmental agencies across the country involved. Government entities may have statutory, contractual or other legal rights to terminate contracts with our distributors and resellers for convenience or due to a default. Any of these risks relating to our sales to governmental entities could adversely impact our future sales and operating results.

We may acquire other businesses, products or technologies in the future which could require significant management attention, disrupt our business, dilute stockholder value and adversely affect our results of operations.

As part of our business growth strategy and in order to remain competitive, we may acquire, or make investments in, complementary companies, products or technologies. For example, in 2021 we acquired SpectX, a provider of high-speed parsing and query analytics technology. We may not be able to find suitable acquisition targets in the future, and we may not be able to complete such acquisitions on favorable terms, if at all. If we do complete acquisitions, we may not ultimately strengthen our competitive position or achieve our goals, and any acquisitions we complete could be viewed negatively by our customers, securities analysts and investors, and could be disruptive to our operations. In addition, if we are unsuccessful at integrating such acquisitions or the technologies associated with such acquisitions, our revenue and results of operations could be adversely affected. In addition, while we will make significant efforts to address any information technology security and privacy compliance issues with respect to any acquisitions, we may still inherit such risks when we integrate the acquired products and systems as well as any personal information that we acquire. Any integration process may require significant time and resources, and we may not be able to manage the process successfully. We may not successfully evaluate or utilize the acquired technology or personnel, or accurately forecast the financial impact of an acquired business, including accounting charges. We may have to pay cash, incur debt or issue equity securities to pay for any such acquisitions, each of which could adversely affect our financial condition or the value of our common stock. The sale of equity or issuance of debt to finance any such acquisitions could result in dilution to our stockholders. The incurrence of indebtedness would result in increased fixed obligations and could also include covenants or other restrictions that would impede our ability to manage our operations.

Acquisitions and other strategic transactions could result in operating difficulties and could harm our business.

Among other factors set forth in this “Risk Factors” section, our growth depends upon our ability to enhance our existing products and our ability to introduce new products on a timely basis. We intend to continue to address the need to develop new products and enhance existing products both through internal research and development, and also through the acquisition of other companies, product lines, technologies, and personnel. We expect to continue to consider and evaluate a wide array of potential acquisitions as part of our overall business strategy, including, but not limited to acquisitions of certain businesses, technologies, services, products and other assets and revenue streams (collectively, “Acquisitions”). At any given time, we may be engaged in discussions or negotiations with respect to one or more Acquisitions, any of which could, individually or in the aggregate, be material to our financial condition and results of operations. There can be no assurance that we will be successful in identifying, negotiating, and consummating favorable Acquisition opportunities. Acquisitions may involve additional significant challenges, uncertainties, and risks, including, but not limited to, challenges of integrating new employees, systems, technologies, and business cultures; failure to develop the acquired business adequately; disruption of our ongoing operations and diversion of our management’s attention; inadequate data security, cybersecurity and operational and information technology resilience; failure to identify, or our underestimation of, commitments, liabilities, deficiencies and other risks associated with acquired businesses or assets; inconsistency between the business models of our Company and the acquired company, and potential exposure to new or increased regulatory oversight and uncertain or evolving legal, regulatory, and compliance requirements; potential reputational risks that could arise from transactions with, or investments in, companies involved in new or developing businesses or markets, which may be subject to uncertain or evolving legal, regulatory, and compliance requirements; failure of the Acquisitions to advance our business strategy and of its anticipated benefits to materialize; potential impairment of goodwill or other acquisition-related intangible assets; and the potential for Acquisitions to result in dilutive issuances of our equity securities or significant additional debt. Acquisitions may also heighten many of the risks described in this "Risk Factors" section. Acquisitions are inherently risky, may not be successful, and may harm our business, results of operations, and financial condition.

Our business is subject to a wide range of laws and regulations and our failure to comply with those laws and regulations could harm our business, operating results and financial condition.

Our business is subject to regulation by various federal, state, local and foreign governmental agencies, including agencies responsible for monitoring and enforcing employment and labor laws, workplace safety, product safety, environmental laws, consumer protection laws, privacy, cybersecurity and data protection laws, anti-bribery laws, import and export controls, federal acquisition regulations and guidelines, federal securities laws and tax laws and regulations. In certain foreign jurisdictions, these regulatory requirements may be more stringent than those in the United States. These laws and regulations are subject to change over time and we must continue to monitor and dedicate resources to ensure continued compliance. Non-compliance with applicable regulations or requirements could subject us to litigation, investigations, sanctions, mandatory product recalls, enforcement actions, disgorgement of profits, fines, damages, civil and criminal penalties or injunctions. If any governmental sanctions are imposed, or if we do not prevail in any possible civil or criminal litigation, our business, operating results, and financial condition could be materially adversely affected. In addition, responding to any action will likely result in a significant diversion of management's attention and resources and an increase in professional fees. Enforcement actions and sanctions could harm our business, operating results and financial condition.

We are subject to governmental export, import and sanctions controls that could impair our ability to compete in international markets due to licensing requirements and subject us to liability if we are not in compliance with applicable laws.

Our solutions are subject to export control and economic sanctions laws and regulations, including the U.S. Export Administration Regulations administered by the U.S. Commerce Department's Bureau of Industry and Security and the economic and trade sanctions regulations administered by the U.S. Treasury Department's Office of Foreign Assets Controls. Exports, re-exports and transfers of our software and services must be made in compliance with these laws and regulations. Obtaining the necessary authorizations, including any required license, for a particular sale may be time-consuming, is not guaranteed and may result in the delay or loss of sales opportunities. Changes in the encryption or other technology incorporated into our solutions or in applicable export or import laws and regulations may delay the introduction and sale of our solutions in international markets, prevent customers from deploying our solutions or, in some cases, prevent the export or import of our solutions to certain countries, regions, governments or persons altogether. Changes in sanctions, export or import laws and regulations, in the enforcement or scope of existing laws and regulations, or in the countries, regions, governments, persons or technologies targeted by such laws and regulations, could also result in decreased use of our solutions or in our ability to sell our solutions in certain countries. Even though we take precautions to prevent our solutions from being provided to restricted countries or persons, our solutions could be provided to those targets by our resellers or customers despite such precautions, and our customers may choose to host their systems including the Dynatrace platform using a hosting vendor that is a restricted person. The decreased use of our solutions or limitation on our ability to export or sell our solutions could adversely affect our business, while violations of these export and import control and economic sanctions laws and regulations could have negative consequences for us and our personnel, including government investigations, administrative fines, civil and criminal penalties, denial of export privileges, incarceration, and reputational harm.

Due to the global nature of our business, we could be adversely affected by violations of the U.S. Foreign Corrupt Practices Act, the U.K. Bribery Act or similar anti-bribery laws in other jurisdictions in which we operate.

The global nature of our business creates various domestic and local regulatory challenges. The Foreign Corrupt Practices Act ("FCPA") the U.K. Bribery Act and similar anti-bribery laws in other jurisdictions generally prohibit U.S.-based companies and their intermediaries from making improper payments for the purpose of obtaining or retaining business to non-U.S. officials, or in the case of the U.K. Bribery Act, to any person. In addition, U.S.-based companies are required to maintain records that accurately and fairly represent their transactions and have an adequate system of internal accounting controls. We operate in areas that experience corruption by government officials and, in certain circumstances, compliance with anti-bribery laws may conflict with local customs and practices. Changes in applicable laws could result in increased regulatory requirements and compliance costs that could adversely affect our business, financial condition and operating results. Although we take steps to ensure compliance, we cannot guarantee that our employees, resellers, agents, or other intermediaries will not engage in prohibited conduct that could render us responsible under the FCPA, the U.K. Bribery Act, or other similar laws or regulations in the jurisdictions in which we operate. If we are found to be in violation of these anti-bribery laws (either due to acts or inadvertence of our employees, or due to the acts or inadvertence of others), we could suffer criminal or civil penalties or other sanctions, which could have a material adverse effect on our business.

Our international operations subject us to potentially adverse tax consequences.

As a multinational corporation, we are subject to income taxes as well as non-income-based taxes, such as payroll, sales, use, value-added, net worth, property and goods and services taxes, in both the United States and various foreign jurisdictions. Our domestic and international tax liabilities are subject to the allocation of revenues and expenses in different jurisdictions and the timing of recognizing revenues and expenses. Additionally, the amount of income taxes paid is subject to our interpretation of applicable tax laws in the jurisdictions in which we file and changes to tax laws. Significant judgment is required in determining our worldwide provision for income taxes and other tax liabilities, and in determining the realizability of tax attributes such as foreign tax credits and other domestic deferred tax assets. From time to time, we are subject to income and non-income tax audits. While we believe we have complied with all applicable income tax laws, there can be no assurance that a governing tax authority will not have a different interpretation of the law and assess us with additional taxes. Should we be assessed with additional taxes, there could be a material adverse effect on our business, operating results, and financial condition.

Our future effective tax rate may be affected by such factors as changes in tax laws, regulations, or rates, changing interpretation of existing laws or regulations, the impact of accounting for share-based compensation, the impact of accounting for business combinations, changes in our international organization, and changes in overall levels of income before tax. In addition, in the ordinary course of our global business, there are many intercompany transactions and calculations where the ultimate tax determination is uncertain. Although we believe that our tax estimates are reasonable, we cannot ensure that the final determination of tax audits or tax disputes will not be different from what is reflected in our historical income tax provisions and accruals.

Taxing authorities may successfully assert that we should have collected or in the future should collect sales and use, value added or similar taxes, and we could be subject to liability with respect to past or future sales, which could adversely affect our results of operations.

We do not collect sales and use, value added and similar taxes in all jurisdictions in which we have sales, based on our belief that such taxes are not applicable. Sales and use, value added, and similar tax laws and rates vary greatly by jurisdiction. Certain jurisdictions in which we do not collect such taxes may assert that such taxes are applicable, which could result in tax assessments, penalties and interest, and we may be required to collect such taxes in the future. Such tax assessments, penalties, and interest or future requirements may adversely affect our results of operations.

Risks Related to Our Common Stock

The trading price of our common stock has been, and may continue to be, volatile and you could lose all or part of your investment.

Our initial public offering occurred in August 2019, and we effected follow-on public offerings by selling stockholders in December 2019, February 2020, June 2020 and August 2020. There has only been a public market for our common stock for a short period of time. Our share price has been and in the future may be subject to substantial volatility.

Technology stocks have historically experienced high levels of volatility. The trading price of our common stock has fluctuated substantially. Since shares of our common stock were sold in our initial public offering in August 2019 at a price of $16.00 per share, our stock price has fluctuated significantly, ranging from an intraday low of $17.05 to an intraday high of $80.13 through March 31, 2022. Factors that could cause fluctuations in the trading price of our common stock include the following:

- announcements of new products or technologies, commercial relationships, acquisitions or other events by us or our competitors;
- changes in how customers perceive the benefits of our platform;
- shifts in the mix of billings and revenue attributable to perpetual licenses, term licenses and SaaS subscriptions from quarter to quarter;
- departures of our Chief Executive Officer, Chief Financial Officer, one or more executive officers, senior management or other key personnel;
- price and volume fluctuations in the overall stock market from time to time;
- fluctuations in the trading volume of our shares or the size of our public float;
- sales of large blocks of our common stock, including by the Thoma Bravo Funds;
- actual or anticipated changes or fluctuations in our operating results;
- whether our operating results meet the expectations of securities analysts or investors;
- changes in actual or future expectations of investors or securities analysts;

- litigation, data breaches or security incidents involving us, our industry or both;
- regulatory developments in the United States, foreign countries or both;
- general economic conditions and trends; and
- major catastrophic events in our domestic and foreign markets.

In addition, if the market for technology stocks or the stock market in general experiences a loss of investor confidence, the trading price of our common stock could decline for reasons unrelated to our business, operating results or financial condition. The trading price of our common stock might also decline in reaction to events that affect other companies in our industry even if these events do not directly affect us. In the past, following periods of volatility in the trading price of a company's securities, securities class action litigation has often been brought against that company.

If securities analysts were to downgrade our stock, publish negative research or reports or fail to publish reports about our business, our competitive position could suffer, and our stock price and trading volume could decline.

The trading market for our common stock, to some extent, depends on the research and reports that securities analysts may publish about us, our business, our market or our competitors. We do not have any control over these analysts. If one or more of the analysts who cover us should downgrade our stock or publish negative research or reports, cease coverage of our company or fail to regularly publish reports about our business, our competitive position could suffer, and our stock price and trading volume could decline.

We previously identified a material weakness in our internal control over financial reporting and may identify additional material weaknesses in the future or otherwise fail to maintain an effective system of internal controls, which may result in material misstatements of our financial statements or cause us to fail to meet our periodic reporting obligations.

As a public company, we are required to maintain internal control over financial reporting and to report any material weaknesses in such internal control. Section 404 of the Sarbanes-Oxley Act of 2002 (the "Sarbanes-Oxley Act") requires that we evaluate and determine the effectiveness of our internal control over financial reporting, and our independent registered public accounting firm is required to audit such internal control.

In connection with the audit of our financial statements as of and for the fiscal year ended March 31, 2020, we and our independent registered public accounting firm identified a material weakness in our internal control over financial reporting. This material weakness was related to accounting for income taxes in connection with the preparation and review of our global tax provision, and particularly in the area of realizability of tax attributes such as foreign tax credits and other domestic deferred tax assets. During the fiscal year ended March 31, 2021, we completed the remediation measures related to the material weakness and have concluded that our internal control over financial reporting was effective as of March 31, 2021. Completion of remediation does not provide assurance that our remediation or other controls will continue to operate properly. If we are unable to maintain effective internal control over financial reporting or disclosure controls and procedures, our ability to record, process and report financial information accurately, and to prepare financial statements within required time periods could be adversely affected, which could subject us to litigation or investigations requiring management resources and payment of legal and other expenses, negatively affect investor confidence in our financial statements and adversely impact our stock price.

Sales of substantial amounts of our common stock in the public markets, or the perception that such sales could occur, could reduce the market price of our common stock.

Sales of a substantial number of shares of our common stock in the public market, or the perception that such sales could occur, could adversely affect the market price of our common stock and may make it more difficult for you to sell your common stock at a time and price that you deem appropriate. For example, the Thoma Bravo Funds beneficially own 29.5% of our common stock and under applicable federal securities laws may sell such shares in the public market without our advance knowledge or participation. If Thoma Bravo were to dispose of a substantial portion of our shares in the public market, whether in a single transaction or a series of transactions, it could reduce the trading price of our common stock In addition, any such sales, or the possibility that these sales may occur, could make it more difficult for us to sell shares of our common stock in the public market in the future.

Our issuance of additional capital stock in connection with financings, acquisitions, investments, our stock incentive plans or otherwise will dilute all other stockholders.

We may issue additional capital stock in the future that will result in dilution to all other stockholders. We may also raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in complementary companies, products or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our common stock to decline.

Thoma Bravo has significant influence over matters requiring stockholder approval, which may have the effect of delaying or preventing changes of control, or limiting the ability of other stockholders to approve transactions they deem to be in their best interest.

Thoma Bravo, as the ultimate general partner of the Thoma Bravo Funds, beneficially owns in the aggregate 29.5% of our issued and outstanding shares of common stock as of March 31, 2022. As a result, Thoma Bravo will continue to be able to exert significant influence over our operations and business strategy as well as matters requiring stockholder approval. These matters may include:

- the composition of our board of directors, which has the authority to direct our business and to appoint and remove our officers;
- approving or rejecting a merger, consolidation or other business combination;
- raising future capital; and
- amending our charter and bylaws, which govern the rights attached to our common stock.

Additionally, for so long as Thoma Bravo beneficially owns at least (i) 20% (but less than 30%) of our outstanding shares of common stock, Thoma Bravo will have the right to nominate a number of directors to our board of directors equal to the lowest whole number that is greater than 30% of the total number of directors (but in no event fewer than two directors); (ii) 10% (but less than 20%) of our outstanding shares of common stock, Thoma Bravo will have the right to nominate a number of directors to our board of directors equal to the lowest whole number that is greater than 20% of the total number of directors (but in no event fewer than one director); and (iii) at least 5% (but less than 10%) of our outstanding shares of common stock, Thoma Bravo will have the right to nominate one director to our board of directors.

This concentration of ownership of our common stock could delay or prevent proxy contests, mergers, tender offers, open-market purchase programs or other purchases of our common stock that might otherwise result in the opportunity for stockholders to realize a premium over the then-prevailing market price of our common stock. This concentration of ownership may also adversely affect our share price.

Thoma Bravo may pursue corporate opportunities independent of us that could present conflicts with our and our stockholders' interests.

Thoma Bravo is in the business of making or advising on investments in companies and holds (and may from time to time in the future acquire) interests in or provides advice to businesses that may directly or indirectly compete with our business or be suppliers or customers of ours. Thoma Bravo may also pursue acquisitions that may be complementary to our business and, as a result, those acquisition opportunities may not be available to us.

Our charter provides that none of our officers or directors who are also an officer, director, employee, partner, managing director, principal, independent contractor or other affiliate of Thoma Bravo will be liable to us or our stockholders for breach of any fiduciary duty by reason of the fact that any such individual pursues or acquires a corporate opportunity for its own account or the account of an affiliate, as applicable, instead of us, directs a corporate opportunity to any other person, instead of us or does not communicate information regarding a corporate opportunity to us.

We do not intend to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of our common stock.

We have never declared or paid any dividends on our common stock. We intend to retain any earnings to finance the operation and expansion of our business, and we do not anticipate paying any cash dividends in the foreseeable future. As a result, you may only receive a return on your investment in our common stock if the market price of our common stock increases.

Our charter and bylaws contain anti-takeover provisions that could delay or discourage takeover attempts that stockholders may consider favorable.

Our charter and bylaws contain provisions that could delay or prevent a change in control of our company. These provisions could also make it difficult for stockholders to elect directors who are not nominated by the current members of our board of directors or take other corporate actions, including effecting changes in our management. These provisions include:

- a classified board of directors with three-year staggered terms, which could delay the ability of stockholders to change the membership of a majority of our board of directors;
- directors may only be removed for cause, and subject to the affirmative vote of the holders of 66 2/3% or more of our outstanding shares of capital stock then entitled to vote at a meeting of our stockholders called for that purpose;

- the ability of our board of directors to issue shares of preferred stock and to determine the price and other terms of those shares, including preferences and voting rights, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer;
- allowing only our board of directors to fill vacancies on our board of directors, which prevents stockholders from being able to fill vacancies on our board of directors;
- a prohibition on stockholder action by written consent, which forces stockholder action to be taken at an annual or special meeting of our stockholders;
- the requirement that a special meeting of stockholders may be called only by our board of directors, the chairperson of our board of directors, our chief executive officer or our president (in the absence of a chief executive officer), which could delay the ability of our stockholders to force consideration of a proposal or to take action, including the removal of directors;
- the requirement for the affirmative vote of holders of at least 66 2/3% of the voting power of all of the then outstanding shares of the voting stock, voting together as a single class, to amend the provisions of our charter relating to the management of our business (including our classified board structure) or certain provisions of our bylaws, which may inhibit the ability of an acquirer to effect such amendments to facilitate an unsolicited takeover attempt;
- the ability of our board of directors to amend the bylaws, which may allow our board of directors to take additional actions to prevent an unsolicited takeover and inhibit the ability of an acquirer to amend the bylaws to facilitate an unsolicited takeover attempt;
- advance notice procedures with which stockholders must comply to nominate candidates to our board of directors or to propose matters to be acted upon at a stockholders' meeting, which may discourage or deter a potential acquirer from conducting a solicitation of proxies to elect the acquirer's own slate of directors or otherwise attempting to obtain control of us; and
- a prohibition of cumulative voting in the election of our board of directors, which would otherwise allow less than a majority of stockholders to elect director candidates.

Our charter also contains a provision that provides us with protections similar to Section 203 of the Delaware General Corporation Law, and prevents us from engaging in a business combination, such as a merger, with an interested stockholder (i.e., a person or group who acquires at least 15% of our voting stock) for a period of three years from the date such person became an interested stockholder, unless (with certain exceptions) the business combination or the transaction in which the person became an interested stockholder is approved in a prescribed manner. However, our charter also provides that transactions with Thoma Bravo, including the Thoma Bravo Funds, and any persons to whom any Thoma Bravo Fund sells its common stock will be deemed to have been approved by our board of directors.

We may issue preferred stock the terms of which could adversely affect the voting power or value of our common stock.

Our charter authorizes us to issue, without the approval of our stockholders, one or more classes or series of preferred stock having such designations, preferences, limitations and relative rights, including preferences over our common stock respecting dividends and distributions, as our board of directors may determine. The terms of one or more classes or series of preferred stock could adversely impact the voting power or value of our common stock. For example, we might grant holders of preferred stock the right to elect some number of our directors in all events or on the happening of specified events or the right to veto specified transactions. Similarly, the repurchase or redemption rights or liquidation preferences we might assign to holders of preferred stock could affect the residual value of our common stock.

Our bylaws designate the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation that may be initiated by our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us.

Pursuant to our bylaws, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for state law claims for (1) any derivative action or proceeding brought on our behalf, (2) any action asserting a claim of or based on a breach of a fiduciary duty owed by any of our current or former directors, officers, or other employees to us or our stockholders, (3) any action asserting a claim against us or any of our current or former directors, officers, employees, or stockholders arising pursuant to any provision of the Delaware General Corporation Law or our bylaws, or (4) any action asserting a claim governed by the internal affairs doctrine (collectively, the "Delaware Forum Provision"). In addition, our bylaws provide that any person or entity purchasing or otherwise acquiring any interest in shares of our common stock is deemed to have notice of and consented to the foregoing provisions; provided, however, that stockholders will not be deemed to have waived our compliance with the federal securities laws and the rules and regulations thereunder. Our bylaws further provide that the U.S. District Court for the District of Massachusetts will be the sole and exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act of 1933, as amended (the "Securities Act" and such provision of our bylaws, the "Federal Forum Provision"), as our principal executive offices are located in Waltham, Massachusetts. The Delaware Forum Provision and the

Federal Forum Provision may impose additional litigation costs on stockholders who assert the provision is not enforceable and may impose more general additional litigation costs in pursuing any such claims, particularly if the stockholders do not reside in or near the State of Delaware or the Commonwealth of Massachusetts. Additionally, the Delaware Forum Provision and Federal Forum Provision in our bylaws may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. In addition, while the Delaware Supreme Court ruled in March 2020 that federal forum selection provisions purporting to require claims under the Securities Act be brought in federal court are "facially valid" under Delaware law, there is uncertainty as to whether courts in other states will enforce our Federal Forum Provision, and we may incur additional costs of litigation should such enforceability be challenged. If the Federal Forum Provision is found to be unenforceable in an action, we may incur additional costs associated with resolving such an action. The Federal Forum Provision may also impose additional litigation costs on stockholders who assert that the provision is not enforceable or invalid. The Court of Chancery of the State of Delaware may also reach different judgments or results than would other courts, including courts where a stockholder considering an action may be located or would otherwise choose to bring the action, and such judgments may be more or less favorable to us than our stockholders.

ITEM 1B. UNRESOLVED STAFF COMMENTS

None.

ITEM 2. PROPERTIES

Our corporate headquarters is located in Waltham, Massachusetts and consists of approximately 50,000 square feet of space under a lease that expires in September 2027. In addition to our headquarters, we lease approximately 47,000 square feet of space in Detroit, Michigan under a lease that expires in January 2025, approximately 28,000 square feet of space in Maidenhead, England under a lease that expires in March 2027, and approximately 26,000 square feet of space in Denver, Colorado for sales and customer support under a lease that expires in August 2032. Our primary research and development facilities are located in Linz, Austria, Vienna, Austria, Gdansk, Poland, and Barcelona, Spain, and consist of approximately 96,000, 67,000, 57,000, and 36,000 square feet, respectively. We believe that our facilities are adequate to meet our needs for the immediate future and that we will be able to secure additional space to accommodate expansion of our operations.

ITEM 3. LEGAL PROCEEDINGS

We are not currently a party to any litigation or claims that, if determined adversely to us, would have a material adverse effect on our business, operating results, financial condition, or cash flows. We are, from time to time, party to litigation and subject to claims in the ordinary course of business. Regardless of the outcome, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, and other factors.

ITEM 4. MINE SAFETY DISCLOSURES

Not applicable.

PART II - OTHER INFORMATION

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

Market Information for Common Stock

Our common stock has been listed on the New York Stock Exchange under the symbol "DT" since August 1, 2019. Prior to that date, there was no public trading market for our common stock.

Holders of Record

As of May 20, 2022, there were 126 registered stockholders of record of our common stock. We believe a substantially greater number of beneficial owners hold shares through brokers, banks or other nominees.

Dividend Policy

We have never declared or paid any cash dividend on our common stock. We currently intend to retain all available funds and any future earnings for use in the operation of our business and do not expect to pay any dividends on our common stock in the foreseeable future. Any future determination to declare dividends will be made at the discretion of our board of directors, subject to applicable laws, and will depend on a number of factors, including our financial condition, results of operations, capital requirements, contractual restrictions, general business conditions and other factors that our board of directors may deem relevant. In addition, our credit facility places restrictions on the ability of our subsidiaries to pay cash dividends or make distributions to us.

Securities Authorized for Issuance under Equity Compensation Plans

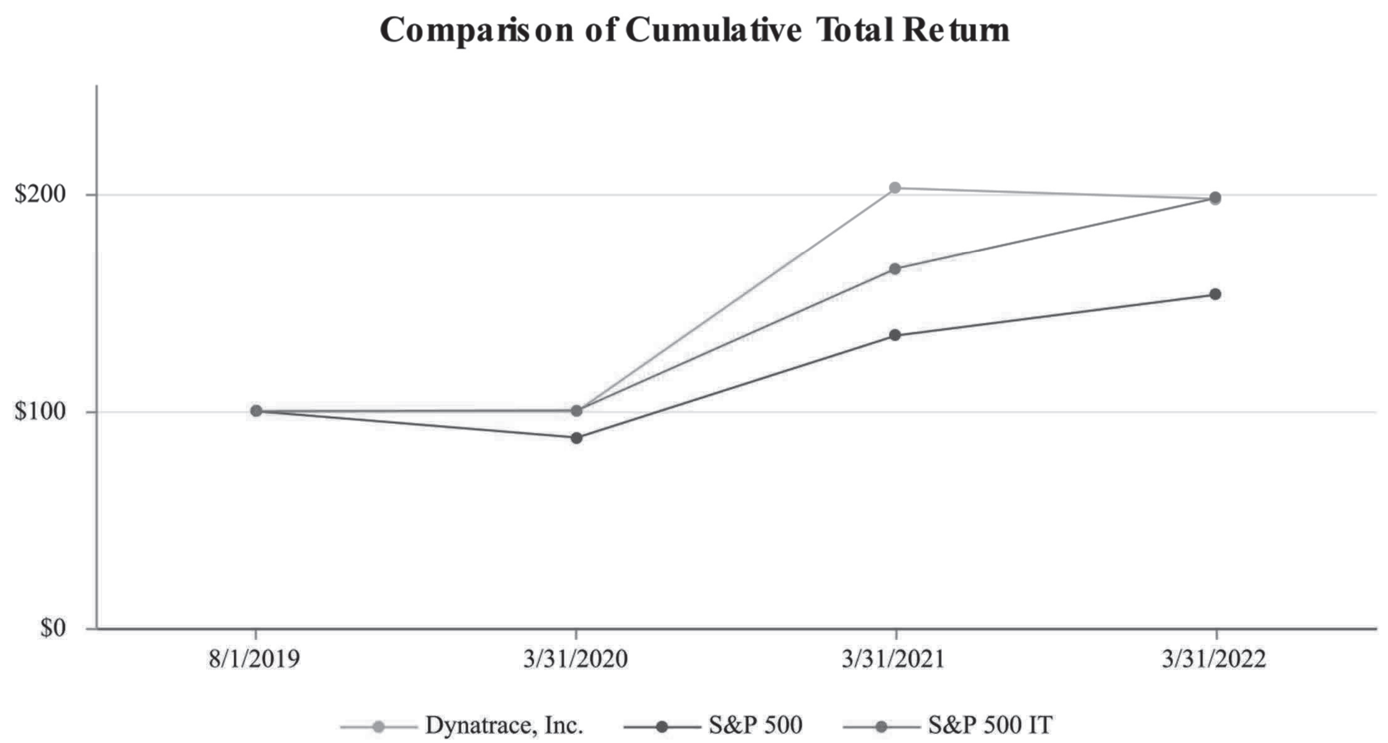
See Item 12, "Security Ownership of Certain Beneficial Owners and Management and Related Stockholder Matters," for information regarding securities authorized for issuance.

Performance Graph

The following shall not be deemed "filed" for purposes of Section 18 of the Exchange Act or incorporated by reference into any of our other filings under the Exchange Act or the Securities Act.

The performance graph below compares the cumulative total stockholder return on our common stock with the cumulative total return on the S&P 500 Index and the S&P 500 Information Technology Index. The graph assumes $100 was invested at the market close on August 1, 2019, which was our initial trading date, in our common stock. Data for the S&P 500 Index and the S&P 500 Information Technology Index assume reinvestment of dividends.

The comparisons in the graph below are based upon historical data and are not indicative of, nor intended to forecast, future performance of our common stock.



	Base Period 8/1/2019	3/31/2020	3/31/2021	3/31/2022
Dynatrace, Inc.	$ 100.00	$ 99.96	$ 202.26	$ 197.48
S&P 500	$ 100.00	$ 87.51	$ 134.51	$ 153.39
S&P 500 Information Technology	$ 100.00	$ 100.32	$ 165.35	$ 198.19

Unregistered Sales of Equity Securities

None.

Use of Proceeds

None.

Issuer Purchases of Equity Securities

None.

ITEM 6. RESERVED

Not applicable.

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

The following discussion and analysis of our financial condition and results of operations should be read in conjunction with our consolidated financial statements and related notes appearing elsewhere in this Annual Report on Form 10-K. The following discussion and analysis contains forward-looking statements that involve risks and uncertainties. When reviewing the discussion below, you should keep in mind the substantial risks and uncertainties that could impact our business. In particular, we encourage you to review the risks and uncertainties described in the section titled "Risk Factors" under Part I, Item 1A. in this Annual Report on Form 10-K. These risks and uncertainties could cause actual results to differ materially from those projected in forward-looking statements contained in this report or implied by past results and trends. Our fiscal year ends on March 31. Our historical results are not necessarily indicative of the results that may be expected for any period in the future.

Overview

We offer the market-leading software intelligence platform, purpose-built for dynamic hybrid, multicloud environments. As enterprises and public sector institutions embrace the cloud to effect their digital transformation, we designed our unified platform to address the growing complexity faced by IT, development, security, and business operations teams. With automation and intelligence at its core, our platform delivers precise answers about the performance and security of applications, the underlying infrastructure and the experience of all users to enable teams to innovate faster, simplify cloud complexity, collaborate more efficiently, and secure cloud-native applications. We designed our platform to allow our customers to modernize and automate IT operations, develop and release high quality software faster, and improve user experiences for consistently better business outcomes. As a result, as of March 31, 2022, our products are trusted by more than 3,300 Dynatrace customers in over 90 countries in diverse industries such as banking, insurance, retail, manufacturing, travel and software.

We market Dynatrace® through a combination of our global direct sales team and a network of partners, including cloud service providers (Amazon, Microsoft, and Google), resellers and system integrators. We target the largest 15,000 global accounts, which generally have annual revenues in excess of $1 billion.

We generate revenue primarily by selling subscriptions, which we define as (i) Software-as-a-service ("SaaS") agreements, (ii) Dynatrace® term-based licenses, for which revenue is recognized ratably over the contract term, (iii) Dynatrace® perpetual licenses, which are recognized ratably over the term of the expected optional maintenance renewals, which is generally three years, and (iv) maintenance and support agreements.

We deploy our platform as a SaaS solution, with the option of retaining the data in the cloud, or at the edge in customer-provisioned infrastructure, which we refer to as Dynatrace® Managed. The Dynatrace® Managed offering allows customers to maintain control of the environment where their data resides, whether in the cloud or on-premises, combining the simplicity of SaaS with the ability to adhere to their own data security and sovereignty requirements. Our Mission Control functionality automatically upgrades all Dynatrace® instances and offers on-premise cluster customers auto-deployment options that suit their specific enterprise management processes.

Dynatrace® is an all-in-one platform, which is typically purchased by our customers with the full-stack Application Performance Module and extended with our Infrastructure Monitoring, Digital Experience Monitoring, Digital Business Analytics, Application Security, or Cloud Automation Modules. Customers also have the option to purchase the infrastructure monitoring module where the full-stack APM is not required, with the ability to upgrade to the full-stack APM when necessary. Our Dynatrace® platform has been commercially available since 2016 and is the primary offering we sell. Dynatrace® customers increased to more than 3,300 as of March 31, 2022 from approximately 2,900 as of March 31, 2021.

Our Classic products include AppMon, Classic Real User Monitoring, or RUM, Network Application Monitoring, or NAM, and Synthetic Classic. These products were sunset as of April 1, 2021.

COVID-19 Update

We continue to monitor, analyze, and respond to evolving developments regarding the ongoing COVID-19 pandemic which has had significant impacts around the globe and in many locations in which we operate. While the impacts have not caused a material adverse financial impact to our business to date, the future impacts remain uncertain. The extent to which the COVID-19 pandemic may impact our business going forward will depend on numerous evolving factors that we cannot reliably predict. These factors may adversely impact business spending on technology as well as customers' ability to pay for our products and services on an ongoing basis.

While our revenue, customer retention, and earnings are relatively predictable as a result of our subscription-based business model, the effect, if any, of the ongoing COVID-19 pandemic would not be fully reflected in our results of operations and overall financial performance until future periods.

Throughout the pandemic, we have continued to make investments to support business growth and product development, including investments in research and development as we continue to introduce new products and applications to extend the functionality of our products, sales, and marketing to support customer growth, and other critical functions to ensure the highest levels of customer service and support as well as ensuring that we maintain the required infrastructure to be a public company. We expect to continue to make these investments.

See the section titled "Risk Factors" included under Part I, Item 1A for further discussion of the possible impact of the ongoing COVID-19 pandemic on our business.

Key Factors Affecting Our Performance

Our historical financial performance has been, and we expect our financial performance in the future to be, driven by our ability to:

- ***Extend our technology and market leadership position.*** We intend to maintain our position as the market-leading software intelligence platform through increased investment in research and development and continued innovation. We expect to focus on expanding the functionality of Dynatrace® and investing in capabilities that address new market opportunities. We believe this strategy will enable new growth opportunities and allow us to continue to deliver differentiated high-value outcomes to our customers.
- ***Grow our customer base.*** We intend to drive new customer growth by expanding our direct sales force focused on the largest 15,000 global accounts, which generally have annual revenues in excess of $1 billion. We added 706 new customers during the year ended March 31, 2022. In addition, we expect to leverage our global partner ecosystem to add new customers in geographies where we have direct coverage and work jointly with our partners. In other geographies, such as Africa, Japan, the Middle East, and South Korea, we utilize a multi-tier "master reseller" model.
- ***Increase penetration within existing customers.*** We plan to continue to increase penetration within our existing customers by expanding the breadth of our platform capabilities to provide for continued cross-selling opportunities. In addition, we believe the ease of implementation for Dynatrace® provides us the opportunity to expand adoption within our existing customers, across new customer applications, and into additional business units or divisions. We sustained our Dynatrace® net expansion rate at or above 120% for the sixteenth consecutive quarter.
- ***Enhance our strategic partner ecosystem.*** Our strategic partners include industry-leading global system integrators, software vendors, and cloud and technology providers. We intend to continue to invest in our partner ecosystem, with a particular emphasis on expanding our strategic alliances and cloud-focused partnerships with global system integrators, including Deloitte and DXC, and hyperscale cloud providers, including AWS, Microsoft Azure, Google Cloud Platform, and Red Hat.

Key Metrics

In addition to our U.S. GAAP financial information, we monitor the following key metrics to help us measure and evaluate the effectiveness of our operations:

	As of							
	3/31/2022	**12/31/2021**	**9/30/2021**	**6/30/2021**	**3/31/2021**	**12/31/2020**	**9/30/2020**	**6/30/2020**
Total ARR (in thousands)	$ 995,121	$ 929,906	$ 863,863	$ 823,222	$ 774,090	$ 721,995	$ 638,063	$ 601,376
Dynatrace® Net Expansion Rate	120%+	120%+	120%+	120%+	120%+	120%+	120%+	120%+

Annual Recurring Revenue "ARR": We define annual recurring revenue, or ARR, as the daily revenue of all subscription agreements that are actively generating revenue as of the last day of the reporting period multiplied by 365. We exclude from our calculation of ARR any revenues derived from month-to-month agreements and/or product usage overage billings, where customers are billed in arrears based on product usage. Total ARR was $995 million as of March 31, 2022. Over the past year, Total ARR has grown by $221 million, or 29%.

Dynatrace® Net Expansion Rate: We define the Dynatrace® net expansion rate as the ARR derived from the Dynatrace® platform at the end of a reporting period for the cohort of Dynatrace® accounts as of one year prior to the date of calculation, divided by the

Dynatrace® ARR one year prior to the date of calculation for that same cohort. Sustained our Dynatrace® net expansion rate at or above 120% for the sixteenth consecutive quarter.

Key Components of Results of Operations

Revenue

Revenue includes subscriptions, licenses and services.

Subscription. Our subscription revenue consists of (i) SaaS agreements, (ii) Dynatrace® term-based licenses which are recognized ratably over the contract term, (iii) Dynatrace® perpetual licenses that are recognized ratably over the term of the expected optional maintenance renewals, which is generally three years, and (iv) maintenance and support agreements. We typically invoice SaaS subscription fees and term licenses annually in advance and recognize subscription revenue ratably over the term of the applicable agreement, provided that all other revenue recognition criteria have been satisfied. Fees for our Dynatrace® perpetual licenses are generally billed up front. See the section titled "Critical Accounting Policies and Estimates—Revenue Recognition" for more information. Over time, we expect subscription revenue will increase as a percentage of total revenue as we continue to focus on increasing subscription revenue as a key strategic priority.

License. License revenue reflects the revenues recognized from sales of perpetual and term-based licenses of our Classic products that are sold only to existing customers. The license fee portion of Classic perpetual license arrangements is recognized up front assuming all revenue recognition criteria are satisfied. Classic term license fees are also recognized up front. Classic term licenses are generally billed annually in advance and perpetual licenses are billed up front.

Service. Service revenue consists of revenue from helping our customers deploy our software in highly complex operational environments and training their personnel. We recognize the revenues associated with these professional services on a time and materials basis as we deliver the services or provide the training. We generally recognize the revenues associated with our services in the period the services are performed, provided that collection of the related receivable is reasonably assured.

Cost of Revenue

Cost of subscription. Cost of subscription revenue includes all direct costs to deliver and support our subscription products, including salaries, benefits, share-based compensation and related expenses such as employer taxes, third-party hosting fees related to our cloud services, allocated overhead for facilities, IT, and amortization of internally developed capitalized software technology. We recognize these expenses as they are incurred.

Cost of service. Cost of service revenue includes salaries, benefits, share-based compensation and related expenses such as employer taxes for our services organization, allocated overhead for depreciation of equipment, facilities and IT. We recognize these expenses as they are incurred.

Amortization of acquired technology. Amortization of acquired technology includes amortization expense for technology acquired in business combinations and the Thoma Bravo Funds' acquisition of the Company in 2014. To the extent significant future acquisitions are consummated, we expect that our amortization of acquired technologies may increase due to additional non-cash charges associated with the amortization of intangible assets acquired.

Gross Profit and Gross Margin

Gross profit is revenue less cost of revenue, and gross margin is gross profit as a percentage of revenue. Gross profit has been and will continue to be affected by various factors, including the mix of our license, subscription, and services and other revenue, the costs associated with third-party cloud-based hosting services for our cloud-based subscriptions, and the extent to which we expand our customer support and services organizations. We expect that our gross margin will fluctuate from period to period depending on the interplay of these various factors.

Operating Expenses

Personnel costs, which consist of salaries, benefits, bonuses, share-based compensation and, with regard to sales and marketing expenses, sales commissions, are the most significant component of our operating expenses. We also incur other non-personnel costs such as an allocation of our general overhead expenses.

Research and development. Research and development expenses primarily consists of the cost of programming personnel. We focus our research and development efforts on developing new solutions, core technologies, and to further enhance the functionality, reliability, performance and flexibility of existing solutions. We believe that our software development teams and our core technologies represent a significant competitive advantage for us and we expect that our research and development expenses will continue to increase in absolute dollars as we invest in research and development headcount to further strengthen and enhance our solutions.

Sales and marketing. Sales and marketing expenses primarily consists of personnel and facility-related costs for our sales, marketing, and business development personnel, commissions earned by our sales personnel and the cost of marketing and business development programs. We expect that sales and marketing expenses will continue to increase in absolute dollars as we continue to hire additional sales and marketing personnel and invest in marketing programs.

General and administrative. General and administrative expenses primarily consist of the personnel and facility-related costs for our executive, finance, legal, human resources and administrative personnel; and other corporate expenses, including those associated with our ongoing public reporting obligations. We anticipate continuing to incur additional expenses as we continue to invest in the growth of our operations, as well as incur ongoing costs of compliance associated with being a publicly traded company.

Amortization of other intangibles. Amortization of other intangibles primarily consists of amortization of customer relationships and capitalized software and tradenames.

Restructuring and other. Restructuring and other expenses primarily consists of various restructuring activities we have undertaken to achieve strategic and financial objectives. Restructuring activities include, but are not limited to, product offering cancellation and termination of related employees, office relocation, administrative cost of structure realignment and consolidation of resources.

Other Expense, Net

Other expense, net consists primarily of interest expense and foreign currency realized and unrealized gains and losses related to the impact of transactions denominated in a foreign currency, including balances between subsidiaries. Interest expense, net of interest income, consists primarily of interest on our term loan facility, amortization of debt issuance costs, loss on debt extinguishment and prepayment penalties.

Income Tax Expense

Our income tax expense, deferred tax assets and liabilities, and liabilities for unrecognized tax benefits reflect management's best assessment of estimated current and future taxes to be paid. We are subject to income taxes in both the United States and numerous foreign jurisdictions. Significant judgments and estimates are required in determining the consolidated income tax expense.

Our income tax rate varies from the U.S. federal statutory rate mainly due to (1) foreign earnings taxed at rates higher than the U.S. statutory tax rate, (2) the inability to realize certain tax benefits subject to a valuation allowance in the U.S., (3) foreign withholding taxes, partially offset by (4) the vesting of share-based compensation that generated excess tax benefits, and (5) the utilization of U.S. foreign tax credits generated in the current year. We expect this fluctuation in income tax rates, as well as its potential impact on our results of operations, to continue.

Results of Operations

The following tables set forth our results of operations for the periods presented:

	Fiscal Year Ended March 31,					
	2022		2021		2020	
	Amount	Percent	Amount	Percent	Amount	Percent
	(in thousands, except percentages)					
Revenue:						
Subscription	$ 870,385	94%	$ 655,180	93%	$ 487,817	89%
License	54	—%	1,446	—%	12,686	3%
Service	59,006	6%	46,883	7%	45,300	8%
Total revenue	929,445	100%	703,509	100%	545,803	100%
Cost of revenue:						
Cost of subscription	111,646	12%	77,488	11%	73,193	13%
Cost of service	45,717	5%	34,903	5%	39,289	7%
Amortization of acquired technology	15,513	2%	15,317	2%	16,449	4%
Total cost of revenue [(1)]	172,876	19%	127,708	18%	128,931	24%
Gross profit	756,569	81%	575,801	82%	416,872	76%
Operating expenses:						
Research and development [(1)]	156,342	17%	111,415	16%	119,281	22%
Sales and marketing [(1)]	362,116	39%	245,487	35%	266,175	49%
General and administrative [(1)]	126,622	14%	92,219	13%	161,983	30%
Amortization of other intangibles	30,157	3%	34,744	5%	40,280	7%
Restructuring and other	25		40		1,092	
Total operating expenses	675,262		483,905		588,811	
Income (loss) from operations	81,307		91,896		(171,939)	
Other expense, net	(9,648)		(14,043)		(46,594)	
Income (loss) before income taxes	71,659		77,853		(218,533)	
Income tax expense	(19,208)		(2,139)		(195,284)	
Net income (loss)	$ 52,451		$ 75,714		$ (413,817)	

(1) Includes share-based compensation expense as follows:

	Fiscal Year Ended March 31,		
	2022	2021	2020
	(in thousands)		
Cost of revenue	$ 12,863	$ 7,307	$ 18,685
Research and development	21,316	11,684	38,670
Sales and marketing	35,957	24,153	84,698
General and administrative	29,400	14,640	80,425
Total share-based compensation expense	$ 99,536	$ 57,784	$ 222,478

Fiscal Years Ended March 31, 2022 and 2021

Revenue

	Fiscal Year Ended March 31,		Change	
	2022	2021	Amount	Percent
	(in thousands, except percentages)			
Subscription	$ 870,385	$ 655,180	$ 215,205	33%
License	54	1,446	(1,392)	(96%)
Service	59,006	46,883	12,123	26%
Total revenue	$ 929,445	$ 703,509	$ 225,936	32%

Subscription

Subscription revenue increased by $215.2 million, or 33%, for the year ended March 31, 2022, as compared to the year ended March 31, 2021, primarily due to the growing adoption of the Dynatrace® platform by new customers combined with existing customers expanding their use of our solutions. Our subscription revenue increased to 94% of total revenue for the year ended March 31, 2022 compared to 93% of total revenue for the year ended March 31, 2021.

License

License revenue decreased by $1.4 million, or 96%, for the year ended March 31, 2022, as compared to the year ended March 31, 2021, primarily due to the decline of sales of our Classic products to existing customers as they convert to our Dynatrace® platform. We are no longer selling our Classic products to new customers.

Service

Service revenue increased by $12.1 million, or 26%, for the year ended March 31, 2022, as compared to the year ended March 31, 2021. We generally recognize the revenues associated with professional services as we deliver the services.

Cost of Revenue

	Fiscal Year Ended March 31,		Change	
	2022	2021	Amount	Percent
	(in thousands, except percentages)			
Cost of subscription	$ 111,646	$ 77,488	$ 34,158	44%
Cost of service	45,717	34,903	10,814	31%
Amortization of acquired technology	15,513	15,317	196	1%
Total cost of revenue	$ 172,876	$ 127,708	$ 45,168	35%

Cost of subscription

Cost of subscription increased by $34.2 million, or 44%, for the year ended March 31, 2022 as compared to the year ended March 31, 2021. The increase is primarily due to higher personnel costs to support the growth of our subscription cloud-based offering of $19.5 million, higher cloud-based hosting costs and subscriptions of $10.7 million, as well as higher share-based compensation of $3.0 million. Partially offsetting this increase was $1.3 million in lower amortization due to the completion of amortization of certain internally developed capitalized software technology.

Cost of service

Cost of service increased by $10.8 million, or 31%, for the year ended March 31, 2022 as compared to the year ended March 31, 2021. The increase is primarily the result of higher personnel costs of $6.8 million, higher share-based compensation of $2.6 million, and an increase in subscription costs of $1.0 million.

Amortization of acquired technologies

For the years ended March 31, 2022 and 2021, amortization of acquired technologies is primarily related to amortization expense for technology acquired in connection with Thoma Bravo's acquisition of us in 2014.

Gross Profit and Gross Margin

	Fiscal Year Ended March 31,		Change	
	2022	2021	Amount	Percent
	(in thousands, except percentages)			
Gross profit:				
Subscription	$ 758,739	$ 577,692	$ 181,047	31%
License	54	1,446	(1,392)	(96%)
Service	13,289	11,980	1,309	11%
Amortization of acquired technology	(15,513)	(15,317)	(196)	1%
Total gross profit	$ 756,569	$ 575,801	$ 180,768	31%
Gross margin:				
Subscription	87%	88%		
License	100%	100%		
Service	23%	26%		
Amortization of acquired technology	(100%)	(100%)		
Total gross margin	81%	82%		

Subscription

Subscription gross profit increased by $181.0 million, or 31%, during the year ended March 31, 2022 compared to the year ended March 31, 2021. The increase in gross profit is primarily due to the growth of the Dynatrace® platform by new customers combined with existing customers expanding their use of our solutions. Subscription gross margin decreased from 88% to 87% during the year ended March 31, 2022, compared to the year ended March 31, 2021, primarily due to higher personnel and share-based compensation costs to support the growth of our subscription cloud-based offering.

License

License gross profit decreased by $1.4 million, or 96%, during the year ended March 31, 2022 compared to the year ended March 31, 2021. The decrease was the result of a decline in sales of perpetual and term licenses for our Classic products.

Service

Service gross profit increased by $1.3 million, or 11%, during the year ended March 31, 2022 compared to the year ended March 31, 2021. Service gross margin decreased from 26% to 23% during the year ended March 31, 2022 compared to the year ended March 31, 2021. The increase in gross profit is primarily due to an increase in service revenue driven by higher utilization of personnel. The decrease in gross margin is primarily due to higher personnel and share-based compensation costs.

Operating Expenses

	Fiscal Year Ended March 31,		Change	
	2022	2021	Amount	Percent
	(in thousands, except percentages)			
Operating expenses:				
Research and development	$ 156,342	$ 111,415	$ 44,927	40%
Sales and marketing	362,116	245,487	116,629	48%
General and administrative	126,622	92,219	34,403	37%
Amortization of other intangibles	30,157	34,744	(4,587)	(13%)
Restructuring and other	25	40	(15)	(38%)
Total operating expenses	$ 675,262	$ 483,905	$ 191,357	40%

Research and development

Research and development expenses increased $44.9 million, or 40%, for the year ended March 31, 2022 as compared to the year ended March 31, 2021. The increase is primarily due to a 27% increase in headcount, resulting in increased personnel and other costs to expand our product offerings of $26.4 million, and higher share-based compensation of $9.6 million. Further contributing to the increase were higher cloud-based hosting costs of $4.1 million, increased allocated overhead costs of $2.5 million to support the growth of the business and related infrastructure, and higher travel expenses of $0.8 million as global travel restrictions begin to decrease and as travel resumes.

Sales and marketing

Sales and marketing expenses increased by $116.6 million, or 48%, for the year ended March 31, 2022, as compared to the year ended March 31, 2021, driven by a 24% increase in headcount which resulted in an increase of $54.4 million in personnel costs, related share-based compensation of $11.8 million, and other employee-related expenses of $5.3 million. Further contributing to the increase were higher advertising and marketing costs of $29.0 million, higher professional fees of $4.2 million, increased travel expenses related to global restrictions lifting of $4.0 million, higher information technology costs of $2.4 million, and increased allocated overhead costs of $1.5 million to support the growth of the business and related infrastructure.

General and administrative

General and administrative expenses increased by $34.4 million, or 37%, for the year ended March 31, 2022, as compared to the year ended March 31, 2021, primarily due to a 40% increase in headcount which resulted in an increase of $14.1 million in personnel costs, related share-based compensation of $14.8 million, and other employee-related expenses of $1.9 million. Further contributing to the increase were higher professional fees of $1.1 million, and increased travel expenses related to global restrictions lifting of $0.8 million.

Amortization of other intangibles

Amortization of other intangibles decreased by $4.6 million, or 13%, for the year ended March 31, 2022 as compared to the year ended March 31, 2021. The decrease is primarily the result of lower amortization for certain intangible assets that are amortized on a systematic basis that reflects the pattern in which the economic benefits of the intangible assets are estimated to be realized and the completion of amortization on certain intangibles.

Other Expense, Net

Other expense, net decreased by $4.4 million, or 31%, for the year ended March 31, 2022 as compared to the year ended March 31, 2021. The decline is primarily the result of lower interest expense on our term loan as we had less principal outstanding compared to last fiscal year.

Income Tax Expense

Income tax expense increased by $17.1 million resulting in an expense of $19.2 million for the year ended March 31, 2022, as compared to an expense of $2.1 million for the year ended March 31, 2021. This increase was primarily due to the one-time impact of tax return to provision true-up benefits resulting from changes in estimates to the reorganization transaction tax during fiscal year 2021.

Fiscal Years Ended March 31, 2021 and 2020

Revenue

	Fiscal Year Ended March 31,		Change	
	2021	2020	Amount	Percent
	(in thousands, except percentages)			
Subscription	$ 655,180	$ 487,817	$ 167,363	34%
License	1,446	12,686	(11,240)	(89%)
Service	46,883	45,300	1,583	3%
Total revenue	$ 703,509	$ 545,803	$ 157,706	29%

Subscription

Subscription revenue increased by $167.4 million, or 34%, for the year ended March 31, 2021, as compared to the year ended March 31, 2020, primarily due to the growing adoption of the Dynatrace® platform by new customers combined with existing customers expanding their use of our solutions. Our subscription revenue increased to 93% of total revenue for the year ended March 31, 2021 compared to 89% of total revenue for the year ended March 31, 2020.

License

License revenue decreased by $11.2 million, or 89%, for the year ended March 31, 2021, as compared to the year ended March 31, 2020, primarily due to decline of sales of our Classic products to existing customers as they convert to our Dynatrace® platform. We are no longer selling our Classic products to new customers.

Service

Service revenue increased by $1.6 million, or 3%, for the year ended March 31, 2021, as compared to the year ended March 31, 2020. We recognize the revenues associated with professional services as we deliver the services.

Cost of Revenue

	Fiscal Year Ended March 31,		Change	
	2021	2020	Amount	Percent
	(in thousands, except percentages)			
Cost of subscription	$ 77,488	$ 73,193	$ 4,295	6%
Cost of service	34,903	39,289	(4,386)	(11%)
Amortization of acquired technology	15,317	16,449	(1,132)	(7%)
Total cost of revenue	$ 127,708	$ 128,931	$ (1,223)	(1%)

Cost of subscription

Cost of subscription revenue increased by $4.3 million, or 6%, for the year ended March 31, 2021, as compared to the year ended March 31, 2020. The increase is primarily due to higher personnel costs to support the growth of our subscription cloud-based offering of $9.7 million and cloud-based hosting costs and software subscriptions of $7.4 million. Partially offsetting this increase was lower share-based compensation of $8.3 million as well as decreases in costs for data centers closed during fiscal 2021.

Cost of service

Cost of service revenue decreased by $4.4 million, or 11%, for the year ended March 31, 2021, as compared to the year ended March 31, 2020. The decrease was the result of lower share-based compensation of $3.1 million and decreased travel costs of $2.1 million. Partially offsetting this decrease was increased personnel costs.

Amortization of acquired technologies

For the years ended March 31, 2021 and 2020, amortization of acquired technologies is primarily related to amortization expense for technology acquired in connection with Thoma Bravo's acquisition of us in 2014.

Gross Profit and Gross Margin

	Fiscal Year Ended March 31,		Change	
	2021	2020	Amount	Percent
	(in thousands, except percentages)			
Gross profit:				
Subscription	$ 577,692	$ 414,624	$ 163,068	39%
License	1,446	12,686	(11,240)	(89%)
Service	11,980	6,011	5,969	99%
Amortization of acquired technology	(15,317)	(16,449)	1,132	(7%)
Total gross profit	$ 575,801	$ 416,872	$ 158,929	38%
Gross margin:				
Subscription	88 %	85%		
License	100 %	100%		
Service	26 %	13%		
Amortization of acquired technology	(100)%	(100%)		
Total gross margin	82 %	76%		

Subscription

Subscription gross profit increased by $163.1 million, or 39%, during the year ended March 31, 2021 compared to the year ended March 31, 2020. Subscription gross margin increased from 85% to 88%, during the year ended March 31, 2021 compared to the year ended March 31, 2020. The increase was primarily due to the growth of the Dynatrace® platform and lower share-based compensation.

License

License gross profit decreased by $11.2 million, or 89%, during the year ended March 31, 2021 compared to the year ended March 31, 2020. The decrease was the result of a decline in sales of perpetual and term licenses for our Classic products.

Service

Service gross profit increased by $6.0 million, or 99%, during the year ended March 31, 2021 compared to the year ended March 31, 2020. Service gross margin increased from 13% to 26%, during the year ended March 31, 2021 compared to the year ended March 31, 2020. Lower share-based compensation and travel costs increased gross profit by $3.1 million and $2.1 million, respectively, compared to last fiscal year.

Operating Expenses

	Fiscal Year Ended March 31,		Change	
	2021	2020	Amount	Percent
	(in thousands, except percentages)			
Operating expenses:				
Research and development	$ 111,415	$ 119,281	$ (7,866)	(7%)
Sales and marketing	245,487	266,175	(20,688)	(8%)
General and administrative	92,219	161,983	(69,764)	(43%)
Amortization of other intangibles	34,744	40,280	(5,536)	(14%)
Restructuring and other	40	1,092	(1,052)	(96%)
Total operating expenses	$ 483,905	$ 588,811	$ (104,906)	(18%)

Research and development

Research and development expenses decreased by $7.9 million, or 7%, for the year ended March 31, 2021, as compared to the year ended March 31, 2020. The decrease is primarily attributable to higher share-based compensation of $27.0 million, partially offset by a 24% increase in headcount and related allocated overhead, resulting in increased personnel and other costs to expand our product offerings of $15.3 million, and increased cloud-based hosting costs of $2.6 million.

Sales and marketing

Sales and marketing expenses decreased by $20.7 million, or 8%, for the year ended March 31, 2021, as compared to the year ended March 31, 2020. This decrease was primarily due to lower share-based compensation of $60.5 million and lower travel expenses of $11.1 million, partially offset by a 25% increase in headcount, resulting in an increase of $31.2 million in personnel costs, and increased advertising and marketing costs of $15.3 million.

General and administrative

General and administrative expenses decreased by $69.8 million, or 43%, for the year ended March 31, 2021, as compared to the year ended March 31, 2020, primarily due to a decrease in share-based compensation of $65.8 million and lower transaction costs of $18.3 million primarily related to the initial public offering completed in fiscal 2020. Partially offsetting this decrease was a 24% increase in headcount, resulting in an increase of $7.4 million in personnel costs, and increased professional fees of $3.5 million. Sponsor related costs were zero and $1.6 million for the years ended March 31, 2021 and 2020, respectively. Sponsor costs were reduced to zero as we stopped incurring these costs upon completion of our initial public offering.

Amortization of other intangibles

Amortization of other intangibles decreased by $5.5 million, or 14%, for the year ended March 31, 2021, as compared to the year ended March 31, 2020. The decrease is primarily the result of lower amortization for certain intangible assets that are amortized on a systematic basis that reflects the pattern in which the economic benefits of the intangible assets are estimated to be realized and the completion of amortization on certain intangibles.

Restructuring and other

Restructuring expenses decreased by $1.1 million, or 96%, for the year ended March 31, 2021, as compared to the year ended March 31, 2020, due to costs incurred in the prior fiscal year for various restructuring activities to achieve our strategic and financial objectives including costs related to a restructuring program designed to align employee resources with our product offering and future plans.

Other Expense, Net

Other expense, net decreased by $32.6 million, or 70%, for the year ended March 31, 2021, as compared to the year ended March 31, 2020. The decrease in other expense was primarily a result of lower interest expense on our term loans as we had less principal outstanding compared to last fiscal year.

Income Tax Expense

Income tax expense decreased by $193.1 million resulting in an expense of $2.1 million for the year ended March 31, 2021, as compared to an expense of $195.3 million for the year ended March 31, 2020. This decrease was primarily due to the tax expense resulting from our reorganization transaction, net of attributes utilized, and related uncertain tax positions during fiscal 2020.

Liquidity and Capital Resources

As of March 31, 2022, we had $463.0 million of cash and cash equivalents and $44.4 million available under our revolving credit facility.

Since inception we have financed our operations primarily through payments by our customers for use of our product offerings and related services and, to a lesser extent, the net proceeds we have received from sales of equity securities and borrowings on our term loan facilities. In August 2019, we completed our initial public offering ("IPO") in which we issued and sold an aggregate of 38.9 million shares of common stock at a price of $16.00 per share. We received aggregate net proceeds of $585.3 million from the IPO, after underwriting discounts and commissions and payments of offering costs.

Over the past three years, cash flows from customer collections have increased. However, operating expenses have also increased as we have invested in growing our business. Our operating cash requirements may increase in the future as we continue to invest in the strategic growth of our company.

Our historical expansion with customers has typically been achieved by executing additional contracts, each with unique pricing and anniversary dates. We are transitioning to a program that combines these contracts into one single, often multi-year contract per customer with one single anniversary date, which may result in variability in the timing and amounts of our billings which could impact the timing of our cash collections from period to period.

Our material cash requirements from known contractual and other obligations consist of our long-term debt agreements, rent payments required under operating lease agreements, and interest obligations on our term loan. As of March 31, 2022, total contractual commitments were $380.8 million, with $23.2 million committed within the next twelve months. For further information see Notes 9 and 10 of the notes to the consolidated financial statements in this Annual Report.

Cash from operations could be affected by various risks and uncertainties, including, but not limited to, the risks detailed in the section titled "Risk Factors" included under Part I, Item 1A. However, we believe that our existing cash, cash equivalents, short-term investment balances, funds available under our debt agreement, and cash generated from operations, will be sufficient to meet our cash requirements for at least the next twelve months. Our future capital requirements will depend on many factors, including our growth rate, the timing and extent of spending to support research and development efforts, the continued expansion of sales and marketing activities, the introduction of new and enhanced products, seasonality of our billing activities, timing and extent of spending to support our growth strategy, and the continued market acceptance of our products. In the event that additional financing is required from outside sources, we may not be able to raise such financing on terms acceptable to us or at all. If we are unable to raise additional capital when desired, our business, operating results, and financial condition would be adversely affected.

Our Credit Facilities

As of March 31, 2022, the balance outstanding under our first lien term loan was $281.1 million and is included in long-term debt on our consolidated balance sheets. We had $44.4 million available under the revolving credit facility after considering $15.6 million of letters of credit outstanding.

All of our obligations under our term loans are guaranteed by our existing and future domestic subsidiaries and, subject to certain exceptions, secured by a security interest in substantially all of our tangible and intangible assets. At March 31, 2022, we were in compliance with all applicable covenants pertaining to the First Lien Credit Agreement. Our credit facilities are discussed further in Note 9 of the notes to the consolidated financial statements in this Annual Report.

Summary of Cash Flows

	Fiscal Year Ended March 31,		
	2022	2021	2020
		(in thousands)	
Net cash provided by (used in) operating activities[(1)]	$ 250,917	$ 220,436	$ (142,455)
Net cash used in investing activities	(30,890)	(13,879)	(20,613)
Net cash (used in) provided by financing activities	(80,664)	(97,802)	329,392
Effect of exchange rate changes on cash and cash equivalents	(1,358)	3,037	(4,468)
Net increase in cash and cash equivalents	$ 138,005	$ 111,792	$ 161,856

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(1) Net cash provided by (used in) operating activities includes cash payments for interest and tax as follows:

	Fiscal Year Ended March 31,		
	2022	2021	2020
		(in thousands)	
Cash paid for interest	$ 8,375	$ 12,475	$ 39,568
Cash paid for (received from) tax, net	$ 24,247	$ (7,337)	$ 266,708

Operating Activities

For the year ended March 31, 2022, cash provided by operating activities was $250.9 million as a result of net income of $52.5 million, and adjusted by non-cash charges of $145.5 million and a change of $53.0 million in our operating assets and liabilities. The non-cash charges are primarily comprised of share-based compensation of $99.5 million and depreciation and amortization of $56.9 million. The change in our net operating assets and liabilities was primarily the result of an increase in deferred revenue of $162.2 million due to seasonality in our sales cycle, which is higher in the third and fourth quarters of our fiscal year, and an increase in accounts payable and accrued expenses of $35.9 million driven by the timing of payments. These changes were partially offset by an increase in accounts receivable of $108.8 million due to the timing of receipts of payments from customers, an increase in deferred commissions of $29.5 million due to commissions paid on new bookings, and an increase in prepaid expenses and other assets of $8.1 million driven by the timing of payments in advance of future services.

For the year ended March 31, 2021, cash provided by operating activities was $220.4 million as a result of a net income of $75.7 million, and adjusted by non-cash charges of $113.6 million and a change of $31.2 million in our operating assets and liabilities. The non-cash charges are primarily comprised of depreciation and amortization of $61.0 million and share-based compensation of $57.8 million. The change in our net operating assets and liabilities was primarily the result of an increase in deferred revenue of $96.5 million due to seasonality in our sales cycle, which is higher in the third and fourth quarters of our fiscal year, an increase in accounts payable and accrued expenses of $26.6 million driven by the timing of payments, and a decrease in prepaid expenses and other assets of $5.7 million driven by the timing of payments in advance of future services. These changes were partially offset by an increase in accounts receivable of $82.0 million due to the timing of receipts of payments from customers and an increase in deferred commissions of $16.3 million due to commissions paid on new bookings.

For the year ended March 31, 2020, cash used in operating activities was $142.5 million as a result of a net loss of $413.8 million, inclusive of a $255.8 million income tax payment related to the reorganization transactions, and adjusted by non-cash charges of $248.7 million and a change of $22.7 million in our operating assets and liabilities. The non-cash charges are primarily comprised of share-based compensation of $222.5 million and depreciation and amortization of $66.3 million, net of deferred income taxes of $46.2 million. The change in our net operating assets and liabilities was primarily the result of an increase in deferred revenue of $91.4 million due to higher subscription sales and timing of amounts billed to customers compared to revenue recognized during the same period, which were partially offset by an increase in deferred commissions of $20.1 million due to commissions paid on new bookings. Further contributing to the change was an increase in prepaid expenses and other assets of $57.6 million related to an increase in income taxes refundable, an increase in accounts payable and accrued expenses of $53.0 million driven by our growth and the timing of payments, and an increase in accounts receivable of $44.0 million in line with higher sales and the timing of cash collections between the two periods.

Investing Activities

Cash used in investing activities during the year ended March 31, 2022 was $30.9 million, as a result of purchases of property and equipment of $17.7 million and two acquisitions made in the first half of fiscal 2022 of $13.2 million.

Cash used in investing activities during the year ended March 31, 2021 was $13.9 million, as a result of the purchases of property and equipment of $14.1 million and capitalized software additions of $0.3 million, gross of $0.5 million of derecognized software costs.

Cash used in investing activities during the year ended March 31, 2020 was $20.6 million, as a result of purchases of property and equipment of $19.7 million and capitalized software additions of $0.9 million.

Financing Activities

Cash used in financing activities during the year ended March 31, 2022 was $80.7 million, primarily as a result of repayments of our term loans of $120.0 million, partially offset by proceeds from the exercise of our stock options of $25.5 million and proceeds from our employee stock purchase plan of $13.9 million.

Cash used in financing activities during the year ended March 31, 2021 was $97.8 million, primarily as a result of repayments of our term loans of $120.0 million, partially offset by proceeds from the exercise of our stock options of $13.1 million and proceeds from our employee stock purchase plan of $9.2 million.

Cash provided by financing activities during the year ended March 31, 2020 was $329.4 million, primarily as a result of net proceeds from our initial public offering of $590.3 million and a contribution received for our tax obligation generated by our reorganization transactions of $265.0 million, which were partially offset by repayments on our term loans of $515.2 million, settlement of deferred offering costs of $5.0 million, and installments related to an acquisition of $4.7 million.

Critical Accounting Policies and Estimates

We prepare our consolidated financial statements in accordance with generally accepted accounting principles in the United States. The preparation of consolidated financial statements also requires us to make estimates and assumptions that affect the reported amounts of assets, liabilities, revenues, costs and expenses and related disclosures. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances. Actual results could differ significantly from the estimates made by our management. To the extent that there are differences between our estimates and actual results, our future financial statement presentation, financial condition, results of operations and cash flows will be affected.

We believe that the assumptions and estimates associated with revenue recognition, share-based compensation, income taxes, and business combinations have the greatest potential impact on our consolidated financial statements. Therefore, we consider these to be our critical accounting policies and estimates. Accordingly, we believe these are the most critical to fully understand and evaluate our financial condition and results of operations.

Revenue Recognition

We recognize revenue from contracts with customers using the five-step method described in Note 2 of the notes to our consolidated financial statements, included elsewhere in this Annual Report. At contract inception we evaluate whether two or more contracts should be combined and accounted for as a single contract and whether the combined or single contract includes more than one performance obligation. We combine contracts entered into at or near the same time with the same customer if (i) we determine that the contracts are negotiated as a package with a single commercial objective, (ii) the amount of consideration to be paid in one contract depends on the price or performance of the other contract, or (iii) the services promised in the contracts are a single performance obligation.

The identification of our performance obligations involves review and consideration for the contractual terms, the implied rights of our customers, if any, product demonstrations and published website and marketing materials. Our performance obligations consist of (i) subscription and support services, (ii) licenses for our Classic products, and (iii) professional and other services. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on their relative standalone selling price. We determine standalone selling price (“SSP”) for all our performance obligations using observable inputs, such as standalone sales and historical contract pricing. SSP is consistent with our overall pricing objectives, taking into consideration the type of subscription services and professional and other services. SSP also reflects the amount we would charge for that performance obligation if it were sold separately in a standalone sale, and the price we would sell to similar customers in similar circumstances. We have determined that our pricing for software licenses and subscription services is highly variable and we therefore allocate the transaction price to those performance obligations using the residual approach.

In general, we satisfy the majority of our performance obligations over time as we transfer the promised services to our customers. We review the contract terms and conditions to evaluate (i) the timing and amount of revenue recognition, (ii) the related contract balances, and (iii) our remaining performance obligations. We also estimate the number of hours expected to be incurred based on an expected hours approach that considers historical hours incurred for similar projects based on the types and sizes of customers. These evaluations require significant judgment that could affect the timing and amount of revenue recognized.

Share-based Compensation

We historically issued Management Incentive Units ("MIUs") and Appreciation Units ("AUs") under the Management Incentive Unit Plan, or the MIU Plan. Following the IPO, we ceased granting awards under the MIU Plan, and all outstanding awards were converted into shares of common stock, restricted stock, and restricted stock units under the Amended and Restated 2019 Equity Incentive Plan, or the 2019 Plan. Under the 2019 Plan, we have granted stock options, restricted stock awards, and restricted stock units to certain key employees and non-employee directors. For further information see Note 12 of the notes to the consolidated financial statements in this Annual Report.

Compensation expense relating to share-based payments is recognized in earnings using a fair-value measurement method. We use the straight-line attribution method of recognizing compensation expense over the vesting period for service. For performance-based restricted stock units that vest based upon continued service and achievement of certain performance conditions, the compensation expense is recognized over the requisite service period, if it is probable that the performance condition will be satisfied, based on the accelerated attribution method. Forfeitures are accounted for in the period in which the awards are forfeited.

Subsequent to our IPO, the fair value of each new equity award and purchase right under the ESPP is estimated on the date of grant. We estimate the fair value of each option award and purchase right using the Black-Scholes option-pricing model. The fair value of restricted stock and restricted stock units is based on the closing price of our common stock as reported on the New York Stock Exchange ("NYSE").

Our use of the Black-Scholes option-pricing model requires that we make assumptions as to the volatility of our stock options and our purchase rights under the ESPP, the expected term to expiration or a liquidity event, and the risk-free interest rate for a period that approximates the expected term of our stock options and purchase rights. The assumptions we use in our option-pricing model represent management's best estimates. These estimates involve inherent uncertainties and the application of management's judgment. If factors change and different assumptions are used, our share-based compensation expense could be materially different in the future. The assumptions and estimates are as follows:

- *Fair Value of Common Stock.* We use the market closing price for our common stock, as reported on the NYSE, to determine the fair value of our common stock underlying the stock options and purchase rights at each grant date.
- *Risk-Free Interest Rate.* We determined the risk-free interest rate based on the U.S. Treasury yield curve in effect at the time of grant for the expected life of the award.
- *Expected Term.* The computation of expected term for the stock options is based on the average period the stock options are expected to remain outstanding, generally calculated as the midpoint of the stock options' remaining vesting term and contractual expiration period, as we do not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior. The computation of expected term for the purchase rights under the ESPP is based on the offering period, which is six months.
- *Expected Volatility.* The computation of expected volatility is based on the historical volatility of a group of publicly traded peer companies. We expect to continue to do so until such time as we have adequate historical data regarding the volatility of our traded stock price.
- *Dividend Yield.* We use a dividend yield of zero, as we do not currently issue dividends, nor do we expect to do so in the future.

Prior to our IPO, the fair value of the MIUs and AUs were estimated on the date of grant using the option-pricing model, or OPM, or a hybrid of the probability-weighted expected return method and the option-pricing model, which we referred to as the hybrid method. Use of the OPM model and hybrid method required that we make assumptions as to the volatility of our equity awards, the expected term to expiration or a liquidity event, and the risk-free interest rate for a period that approximates the expected term of our equity awards. The computation of expected volatility was based on the historical volatility of a group of publicly traded peer companies. We used the simplified method prescribed by SEC Staff Accounting Bulletin No. 107, Share-Based Payment, to calculate the expected term of units granted to employees and directors. We based the expected term of options granted to non-employees on the contractual term of the units. We determined the risk-free interest rate by reference to the U.S. Constant Maturity Treasury yield curve in effect as of the valuation date with the maturity matching the expected term.

Income Taxes

We account for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax bases of assets and liabilities and net operating loss and credit carryforwards using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date. We have the ability to permanently reinvest any earnings in our foreign subsidiaries and therefore do not record a deferred tax liability on any outside basis differences in our investments in subsidiaries.

We record net deferred tax assets to the extent we believe that these assets will more likely than not be realized. These deferred tax assets are subject to periodic assessments as to recoverability, and if it is determined that it is more likely than not that the benefits will not be realized, valuation allowances are recorded that would reduce deferred tax assets. In making such determination, we consider all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent financial operations.

We account for uncertain tax positions based on those positions taken or expected to be taken in a tax return. We determine if the amount of available support indicates that it is more likely than not that the tax position will be sustained on audit, including resolution of any related appeals or litigation processes. We then measure the tax benefit as the largest amount that is more than 50% likely to be realized upon settlement. We adjust reserves for our uncertain tax positions due to changing facts and circumstances. To the extent that the final outcome of these matters is different than the amounts recorded, such differences will impact our tax provision in our consolidated statements of operations in the period in which such determination is made. Interest and penalties related to uncertain income tax positions are included in the income tax provision.

Business Combinations

We use our best estimates and assumptions to allocate the fair value of purchase consideration to the tangible and intangible assets acquired and liabilities assumed based on their estimated fair values. The excess of the fair value of purchase consideration over the fair values of these identifiable assets and liabilities is recorded as goodwill. We apply significant judgment in determining the fair value of the intangible assets acquired, which involves the use of significant estimates and assumptions with respect to future expected cash flows, expected asset lives, discount rates, revenue growth rates, and royalty rate. While we use our best estimates and judgments, our estimates are inherently uncertain and subject to refinement. During the measurement period, which may be up to one year from the acquisition date, we may record adjustments to the fair value of these tangible and intangible assets acquired and liabilities assumed, with the corresponding offset to goodwill. We continue to collect information and reevaluate these estimates and assumptions quarterly and record any adjustments to our preliminary estimates to goodwill provided that we are within the measurement period. Upon the conclusion of the final determination of the fair value of assets acquired or liabilities assumed during the measurement period, any subsequent adjustments are included in our consolidated statements of operations.

Recent Accounting Pronouncements

See Note 2, Summary of Significant Accounting Policies, of our accompanying audited consolidated financial statements included in this Annual Report for a description of recently issued accounting pronouncements.

ITEM 7A. QUANTITATIVE AND QUALITATIVE DISCLOSURES ABOUT MARKET RISK

We are exposed to market risk in the ordinary course of our business. Market risk represents the risk of loss that may impact our financial position due to adverse changes in financial market prices and rates. Our market risk exposure is primarily a result of fluctuations in foreign currency exchange rates and interest rates. We do not hold or issue financial instruments for trading purposes.

Foreign Currency Exchange Risk

Our international operations have provided and are expected to continue to provide a significant portion of our consolidated revenues and expenses that we report in U.S. dollars. We do not believe that an immediate 10% increase or decrease in the relative value of the U.S. dollar to other currencies would have a material effect on our results of operations or cash flows, and to date, we have not engaged in any hedging strategies with respect to foreign currency transactions. As our international operations grow, we will continue to reassess our approach to manage our risk relating to fluctuations in currency rates, and we may choose to engage in the hedging of foreign currency transactions in the future.

Translation exposure

Our reporting currency is the U.S. dollar, and the functional currency of each of our subsidiaries is either its local currency or the U.S. dollar, depending on the circumstances. As a result, our consolidated revenues and expenses are affected and will continue to be affected by changes in the U.S. dollar against major foreign currencies, particularly the Euro. Fluctuations in foreign currencies impact the amount of total assets, liabilities, earnings and cash flows that we report for our foreign subsidiaries upon the translation of these amounts into U.S. dollars. In particular, the strengthening of the U.S. dollar generally will reduce the reported amount of our foreign-denominated cash and cash equivalents, total revenues and total expenses that we translate into U.S. dollars and report in our consolidated financial statements. These gains or losses are recorded as a component of accumulated other comprehensive loss within shareholders' equity.

Transaction exposure

We transact business in multiple currencies. As a result, our results of operations and cash flows are subject to fluctuations due to changes in foreign currency exchange rates on transactions denominated in currencies other than the functional currencies of our subsidiaries. These gains or losses are recorded within “Other income (expense), net” in our consolidated statements of operations.

Interest Rate Risk

We had cash and cash equivalents of $463.0 million and $325.0 million as of March 31, 2022 and 2021, respectively, consisting of bank deposits, commercial paper, and money market funds. These interest-earning instruments carry a degree of interest rate risk. To date, fluctuations in our interest income have not been significant. We do not enter into investments for trading or speculative purposes and have not used any derivative financial instruments to manage our interest rate risk exposure. Due to the short-term nature of these investments, we have not been exposed to, nor do we anticipate being exposed to, material risks due to changes in interest rates.

As of March 31, 2022, we also had in place a $60.0 million revolving credit facility, with availability of $44.4 million, and $281.1 million in term loans. The revolving credit facility and the term loan bear interest based on the adjusted LIBOR rate, as defined in the agreement, plus an applicable margin, equivalent to 2.7% at March 31, 2022. A hypothetical 10% change in interest rates during any of the periods presented would not have had a material impact on our consolidated financial statements.

ITEM 8. FINANCIAL STATEMENTS AND SUPPLEMENTARY DATA

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
Dynatrace, Inc.
Waltham, Massachusetts

Opinion on the Consolidated Financial Statements

We have audited the accompanying consolidated balance sheets of Dynatrace, Inc. (the “Company”) as of March 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income (loss), shareholders’ equity/member’s deficit, and cash flows for each of the three years in the period ended March 31, 2022, and the related notes (collectively referred to as the “consolidated financial statements”). In our opinion, the consolidated financial statements present fairly, in all material respects, the financial position of the Company at March 31, 2022 and 2021, and the results of its operations and its cash flows for each of the three years in the period ended March 31, 2022**,** in conformity with accounting principles generally accepted in the United States of America.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) (“PCAOB”), the Company's internal control over financial reporting as of March 31, 2022, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (“COSO”) and our report dated May 26, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

These consolidated financial statements are the responsibility of the Company’s management. Our responsibility is to express an opinion on the Company’s consolidated financial statements based on our audits. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with the U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audits in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether the consolidated financial statements are free of material misstatement, whether due to error or fraud.

Our audits included performing procedures to assess the risks of material misstatement of the consolidated financial statements, whether due to error or fraud, and performing procedures that respond to those risks. Such procedures included examining, on a test basis, evidence regarding the amounts and disclosures in the consolidated financial statements. Our audits also included evaluating the accounting principles used and significant estimates made by management, as well as evaluating the overall presentation of the consolidated financial statements. We believe that our audits provide a reasonable basis for our opinion.

Critical Audit Matters

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

Revenue Recognition - Identification of Performance Obligations

As described in Notes 2 and 3 to the consolidated financial statements, the Company’s revenues consist of fees for the Company’s software products delivered on a perpetual and term license basis as well as hosted software as a service (“SaaS”), post-contract customer support (referred to as maintenance), and professional services. The Company’s contracts with customers may have multiple performance obligations including some or all of the following: software licenses, SaaS, maintenance, and professional services. When multiple promised products and services are included within one contract, management applies judgment to determine whether promised products and services are distinct, which affects the timing and pattern of revenue recognition.

We identified revenue recognition, specifically related to management’s identification of distinct performance obligations, as a critical audit matter. The principal considerations for our determination are the volume of the Company’s contracts that may contain multiple products or services, together with the significant judgment involved in management’s identification of performance obligations.

Auditing these elements was especially challenging due to the extent of audit effort and the degree of auditor judgment required to address these matters.

The primary procedures we performed to address this critical audit matter included:

- Evaluating the design and testing operating effectiveness of certain controls relating to management's identification and assessment of distinct performance obligations in contracts with customers.

- Testing a sample of revenue contracts by obtaining and reviewing underlying source documents relevant to revenue recognition; for those selected contracts, reperforming and evaluating management's identification of the performance obligations within the contract with the customer, including whether management identified options to acquire additional goods or services that gave rise to a material right.

- Evaluating whether the when-and-if available updates included within maintenance are critical to the continued utility of the related software licenses, such that they should be a single combined performance obligation, including i) assessing key assumptions relating to product functionality with the Company's product specialists, ii) reviewing published information regarding the product and support offerings, and iii) evaluating frequency and importance of updates.

Accounting for Income Taxes - Deferred Tax Assets and Liabilities

As described in Notes 2 and 7 to the consolidated financial statements, the Company has recorded gross deferred tax assets relating to deductible temporary differences, net operating losses and credit carryforwards of $123.4 million as of March 31, 2022, with an offsetting valuation allowance of $56.3 million. The Company reduces its deferred tax assets by a valuation allowance, if based upon the weight of all available evidence, it is more likely than not that some portion, or all, of the deferred tax asset will not be realized on a more-likely-than-not basis. Management applied judgment in assessing the realizability of its deferred tax assets and the need for any valuation allowances, in particular the ability to rely on the reversal of existing deferred tax liabilities as a source of income. In determining the amount of deferred tax assets that are more-likely-than-not to be realized, management considers all available positive and negative evidence, including future reversals of existing temporary differences, projected future taxable income, tax planning strategies and recent financial operations.

We identified accounting for income taxes, specifically management's evaluation of gross deferred tax assets and liabilities and evaluation of the realizability of deferred tax assets, as a critical audit matter. The evaluation of gross deferred tax assets and liabilities involves complex tax regulations relating to multiple jurisdictions. Assessing the realizability of deferred tax assets involves significant judgment and subjective evaluation of assumptions in scheduling the reversal of temporary differences which involves application of income tax law in the various jurisdictions in which the Company operates. Auditing these elements involved especially complex auditor judgment due to the nature and extent of audit effort required to address these matters, including the need to involve personnel with specialized skill and knowledge.

The primary procedures we performed to address this critical audit matter included:

Utilizing personnel with specialized knowledge and skill in domestic and international tax to assist in the following:

- Evaluating the appropriateness and accuracy of the gross deferred tax assets and deferred tax liabilities by assessing significant changes by nature of the tax item;
- Testing the scheduling of reversing gross deferred tax assets as compared to deferred tax liabilities by jurisdiction, including the underlying management assumptions;
- Analyzing management's assessment of domestic and foreign tax laws and application to the Company's tax provisions; and
- Evaluating management's assessment of all available positive and negative evidence including i) the Company's assessment of its ability to carryback losses or credits, ii) reversal of existing gross deferred tax assets and liabilities and iii) the Company's assessment of available tax planning strategies.

/s/ BDO USA, LLP

We have served as the Company's auditor since 2015.
Troy, Michigan
May 26, 2022

DYNATRACE, INC.
CONSOLIDATED BALANCE SHEETS
(In thousands, except share data)

	March 31, 2022	March 31, 2021
Assets		
Current assets:		
Cash and cash equivalents	$ 462,967	$ 324,962
Accounts receivable, net	350,666	242,079
Deferred commissions, current	62,601	48,986
Prepaid expenses and other current assets	72,188	64,255
Total current assets	948,422	680,282
Property and equipment, net	45,271	36,916
Operating lease right-of-use asset, net	58,849	42,959
Goodwill	1,281,876	1,271,195
Other intangible assets, net	105,736	149,484
Deferred tax assets, net	28,106	16,811
Deferred commissions, non-current	63,435	48,638
Other assets	9,615	9,933
Total assets	$ 2,541,310	$ 2,256,218
Liabilities and shareholders' equity		
Current liabilities:		
Accounts payable	$ 22,715	$ 9,621
Accrued expenses, current	141,556	119,527
Deferred revenue, current	688,554	509,272
Operating lease liabilities, current	12,774	9,491
Total current liabilities	865,599	647,911
Deferred revenue, non-current	25,783	47,504
Accrued expenses, non-current	19,409	16,072
Operating lease liabilities, non-current	52,070	38,203
Deferred tax liabilities	85	1,014
Long-term debt, net	273,918	391,913
Total liabilities	1,236,864	1,142,617
Commitments and contingencies (Note 11)		
Shareholders' equity:		
Common shares, $0.001 par value, 600,000,000 shares authorized, 286,053,276 and 283,130,238 shares issued and outstanding at March 31, 2022 and 2021, respectively	286	283
Additional paid-in capital	1,792,197	1,653,328
Accumulated deficit	(461,348)	(513,799)
Accumulated other comprehensive loss	(26,689)	(26,211)
Total shareholders' equity	1,304,446	1,113,601
Total liabilities and shareholders' equity	$ 2,541,310	$ 2,256,218

See accompanying notes to consolidated financial statements

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

	Fiscal Year Ended March 31,		
	2022	**2021**	**2020**
Revenue:			
Subscription	$ 870,385	$ 655,180	$ 487,817
License	54	1,446	12,686
Service	59,006	46,883	45,300
Total revenue	929,445	703,509	545,803
Cost of revenue:			
Cost of subscription	111,646	77,488	73,193
Cost of service	45,717	34,903	39,289
Amortization of acquired technology	15,513	15,317	16,449
Total cost of revenue	172,876	127,708	128,931
Gross profit	756,569	575,801	416,872
Operating expenses:			
Research and development	156,342	111,415	119,281
Sales and marketing	362,116	245,487	266,175
General and administrative	126,622	92,219	161,983
Amortization of other intangibles	30,157	34,744	40,280
Restructuring and other	25	40	1,092
Total operating expenses	675,262	483,905	588,811
Income (loss) from operations	81,307	91,896	(171,939)
Interest expense, net	(10,192)	(14,205)	(45,397)
Other income (expense), net	544	162	(1,197)
Income (loss) before income taxes	71,659	77,853	(218,533)
Income tax expense	(19,208)	(2,139)	(195,284)
Net income (loss)	$ 52,451	$ 75,714	$ (413,817)
Net income (loss) per share:			
Basic	$ 0.18	$ 0.27	$ (1.56)
Diluted	$ 0.18	$ 0.26	$ (1.56)
Weighted average shares outstanding:			
Basic	284,161	280,469	264,933
Diluted	290,903	286,509	264,933

See accompanying notes to consolidated financial statements

DYNATRACE, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
(In thousands)

	Fiscal Year Ended March 31,		
	2022	**2021**	**2020**
Net income (loss)	$ 52,451	$ 75,714	$ (413,817)
Other comprehensive (loss) income			
Foreign currency translation adjustment	(478)	(8,106)	4,982
Effect of reorganization	—	—	6,623
Total other comprehensive (loss) income	(478)	(8,106)	11,605
Comprehensive income (loss)	$ 51,973	$ 67,608	$ (402,212)

See accompanying notes to consolidated financial statements

DYNATRACE, INC.
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY / MEMBER'S DEFICIT
(In thousands)

	Common Shares		Additional Paid-In Capital	Accumulated Deficit	Accumulated Other Comprehensive Loss	Shareholders' Equity / Member's Deficit
	Shares	Amount				
Balance, March 31, 2019	—	$ —	$ (184,546)	$ (176,002)	$ (29,710)	$ (390,258)
Foreign currency translation					4,982	4,982
Reclassification of related party payable upon reorganization			600,622			600,622
Issuance of common stock in connection with initial public offering, net of underwriters' discounts and commissions and issuance costs	38,873	39	585,258			585,297
Effect of reorganization	241,547	242	271,383		6,623	278,248
Contribution for taxes associated with reorganization			265,000			265,000
Restricted stock units vested	503	—				—
Restricted stock awards forfeited	(70)	—				—
Share-based compensation			35,786			35,786
Equity repurchases			(156)			(156)
Net loss				(413,817)		(413,817)
Balance, March 31, 2020	280,853	$ 281	$ 1,573,347	$ (589,819)	$ (18,105)	$ 965,704
Foreign currency translation					(8,106)	(8,106)
Restricted stock units vested	1,256	1				1
Restricted stock awards forfeited	(110)	—				—
Issuance of common stock related to employee stock purchase plan	331	—	9,195			9,195
Exercise of stock options	800	1	13,051			13,052
Share-based compensation			57,784			57,784
Equity repurchases			(49)			(49)
Cumulative effects adjustment for ASU 2016-02 adoption				306		306
Net income				75,714		75,714
Balance, March 31, 2021	283,130	$ 283	$ 1,653,328	$ (513,799)	$ (26,211)	$ 1,113,601
Foreign currency translation					(478)	(478)
Restricted stock units vested	1,305	1	(1)			—
Restricted stock awards forfeited	(20)	—				—
Issuance of common stock related to employee stock purchase plan	372	1	13,912			13,913
Exercise of stock options	1,266	1	25,488			25,489
Share-based compensation			99,536			99,536
Equity repurchases			(66)			(66)
Net income				52,451		52,451
Balance, March 31, 2022	286,053	$ 286	$ 1,792,197	$ (461,348)	$ (26,689)	$ 1,304,446

See accompanying notes to consolidated financial statements

DYNATRACE, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS
(In thousands)

	Fiscal Year Ended March 31,		
	2022	2021	2020
Cash flows from operating activities:			
Net income (loss)	$ 52,451	$ 75,714	$ (413,817)
Adjustments to reconcile net income (loss) to cash provided by (used in) operations:			
Depreciation	10,638	9,022	7,864
Amortization	46,238	51,942	58,457
Share-based compensation	99,536	57,784	222,478
Deferred income taxes	(12,401)	(7,036)	(46,221)
Other	1,486	1,845	6,129
Net change in operating assets and liabilities:			
Accounts receivable	(108,848)	(81,992)	(44,021)
Deferred commissions	(29,533)	(16,323)	(20,107)
Prepaid expenses and other assets	(8,108)	5,669	(57,588)
Accounts payable and accrued expenses	35,946	26,592	53,004
Operating leases, net	1,353	731	—
Deferred revenue	162,159	96,488	91,367
Net cash provided by (used in) operating activities	250,917	220,436	(142,455)
Cash flows from investing activities:			
Purchase of property and equipment	(17,695)	(14,076)	(19,721)
Capitalized software costs	—	197	(892)
Acquisition of businesses, net of cash acquired	(13,195)	—	—
Net cash used in investing activities	(30,890)	(13,879)	(20,613)
Cash flows from financing activities:			
Proceeds from initial public offering, net of underwriters' discounts and commissions	—	—	590,297
Settlement of deferred offering costs	—	—	(5,000)
Debt issuance costs	—	—	(866)
Repayment of term loans	(120,000)	(120,000)	(515,189)
Contribution for tax associated with reorganization	—	—	265,000
Proceeds from employee stock purchase plan	13,913	9,195	—
Proceeds from exercise of stock options	25,489	13,052	—
Equity repurchases	(66)	(49)	(156)
Installments related to acquisitions	—	—	(4,694)
Net cash (used in) provided by financing activities	(80,664)	(97,802)	329,392
Effect of exchange rates on cash and cash equivalents	(1,358)	3,037	(4,468)
Net increase in cash and cash equivalents	138,005	111,792	161,856
Cash and cash equivalents, beginning of year	324,962	213,170	51,314
Cash and cash equivalents, end of year	$ 462,967	$ 324,962	$ 213,170
Supplemental cash flow data:			
Cash paid for interest	$ 8,375	$ 12,475	$ 39,568
Cash paid for (received from) tax, net	$ 24,247	$ (7,337)	$ 266,708
Noncash investing and financing activities:			
Reclassification of related party payable upon reorganization	$ —	$ —	$ 600,622
Modification of MIU Plan awards	$ —	$ —	$ 278,248

See accompanying notes to consolidated financial statements

1. Description of the Business

Business

Dynatrace, Inc. ("Dynatrace", or the "Company") designed its all-in-one Dynatrace® Software Intelligence Platform to address the growing complexity faced by technology and digital business teams as these enterprises further embrace the cloud to effect their digital transformation. The Company's platform does so by utilizing artificial intelligence at its core and continuous automation to deliver precise answers about the performance and security of applications, the underlying infrastructure, and the experience of its customers' users that enables organizations to innovate faster, operate more efficiently, and improve user experiences for consistently better business outcomes.

Thoma Bravo ("TB"), a private equity investment firm, completed its acquisition of Compuware Corporation on December 15, 2014. Following the acquisition, Compuware Corporation was restructured following which Compuware Parent, LLC became the owner of Dynatrace Holding Corporation ("DHC"), under which the Compuware and Dynatrace businesses were separated, establishing Dynatrace as a standalone business. Following the corporate reorganization described below, Dynatrace became wholly owned by Dynatrace, Inc. (formerly Dynatrace Holdings LLC).

Fiscal year

The Company's fiscal year ends on March 31. References to fiscal 2022, for example, refer to the fiscal year ended March 31, 2022.

2. Significant Accounting Policies

Basis of presentation and consolidation

Prior to July 30, 2019, Dynatrace Holdings LLC, a Delaware limited liability company, was an indirect equity holder of DHC that indirectly and wholly owned Dynatrace, LLC. On July 31, 2019, Dynatrace Holdings LLC (i) converted into a Delaware corporation with the name Dynatrace, Inc. and (ii) through a series of corporate reorganization steps, became the parent company of DHC. Additionally, as part of the reorganization, two wholly owned subsidiaries of DHC, Compuware Corporation ("Compuware") and SIGOS LLC ("SIGOS"), were spun out from the corporate structure to the DHC shareholders. As a result of these transactions, DHC is a wholly owned indirect subsidiary of Dynatrace, Inc. These reorganization steps are collectively referred to as the "reorganization." In connection with the reorganization, the equity holders of Compuware Parent, LLC received 222,021,708 units of Dynatrace Holdings LLC in exchange for their equity interests in Compuware Parent, LLC based on the fair value of a unit of Dynatrace Holdings LLC on July 30, 2019, which was determined to be $16.00 per unit by a committee of the board of managers of Dynatrace Holdings LLC, and all of the outstanding units of Dynatrace Holdings LLC then converted into shares of Dynatrace, Inc. Additionally, 19,525,510 units of Dynatrace Holdings LLC were issued upon exchange of Dynatrace, LLC Management Incentive Units ("MIUs") and Appreciation Units ("AUs") for a total of 241,547,218 outstanding units in Dynatrace Holdings LLC immediately prior to the closing of the Company's initial public offering ("IPO").

The reorganization was completed between entities that were under common control since December 15, 2014. Therefore, these consolidated financial statements retroactively reflect DHC and Dynatrace, Inc. on a consolidated basis for the periods presented. The spin-offs of Compuware Corporation and SIGOS LLC from DHC have been accounted for retroactively as a change in reporting entity and accordingly, these consolidated financial statements exclude their accounts and results.

The consolidated financial statements have been prepared in accordance with accounting principles generally accepted in the United States of America ("U.S. GAAP"). All intercompany balances and transactions have been eliminated in the accompanying consolidated financial statements. The income tax amounts in the accompanying consolidated financial statements have been calculated based on a separate return methodology and presented as if the Company's operations were separate taxpayers in the respective jurisdictions.

As described in Note 15, prior to the reorganization the consolidated financial statements reflected the debt and debt service associated with subordinated demand promissory notes payable to a related party. The consolidated financial statements also reflect certain expenses incurred by the Company for certain functions including shared services for the periods prior to the reorganization, which are immaterial to these consolidated financial statements. These expenses were allocated to Dynatrace on the basis of direct usage when identifiable, and for resources indirectly used by Dynatrace. Allocations were based on a proportional cost allocation methodology to reflect estimated usage by Dynatrace. Management considers the allocation methodology and results to be reasonable for all periods presented. However, the financial information presented in these consolidated financial statements may not reflect the consolidated financial position, operating results and cash flows of Dynatrace had the Dynatrace business been a separate stand-alone entity during all of the periods presented. Actual costs that would have been incurred if Dynatrace had been a stand-alone company would depend on multiple factors, including organizational structure and strategic decisions made in various areas.

Initial Public Offering

On August 1, 2019, the Company completed its initial public offering, in which it sold and issued 38,873,174 shares of common stock, inclusive of the underwriters' option to purchase additional shares that was exercised in full, at an issue price of $16.00 per share. The Company received a total of $622.0 million in gross proceeds from the offering, or approximately $585.3 million in net proceeds after deducting approximately $36.7 million for underwriting discounts, commissions and offering-related expenses.

The IPO also included the sale of 2.1 million shares of common stock, by selling stockholders, inclusive of the underwriters' option to purchase additional shares that was exercised in full. The Company did not receive any proceeds from the sale of common stock by the selling stockholders.

Prior to the closing of the IPO, the 241,547,218 outstanding units of Dynatrace Holdings LLC were converted on a one-for-one basis into shares of common stock in accordance with the terms of the certificate of incorporation.

Foreign currency translation

The reporting currency of the Company is the U.S. dollar ("USD"). The functional currency of the Company's principal foreign subsidiaries is the currency of the country in which each entity operates. Accordingly, assets and liabilities in the consolidated balance sheets have been translated at the rate of exchange at the balance sheet date, and revenues and expenses have been translated at average exchange rates prevailing during the period the transactions occurred. Translation adjustments have been excluded from the results of operations and are reported as accumulated other comprehensive loss within the consolidated statements of shareholders' equity / member's deficit.

Transaction gains and losses generated by the effect of changes in foreign currency exchange rates on recorded assets and liabilities denominated in a currency different than the functional currency of the applicable entity are recorded in "Other income (expense), net" in the consolidated statements of operations.

Use of estimates

The preparation of consolidated financial statements in accordance with U.S. GAAP requires management to make estimates and assumptions that affect the reported amounts of assets, liabilities, the disclosure of contingent assets and liabilities as of the date of the consolidated financial statements, and the reported amounts of revenue and expenses during the reporting period. Management periodically evaluates such estimates and assumptions for continued reasonableness. In particular, the Company makes estimates with respect to the stand-alone selling price for each distinct performance obligation in customer contracts with multiple performance obligations, the uncollectible accounts receivable, the fair value of tangible and intangible assets acquired, valuation of long-lived assets, the period of benefit for deferred commissions and material rights, income taxes, equity-based compensation expense, and the determination of the incremental borrowing rate used for operating lease liabilities, among other things. Appropriate adjustments, if any, to the estimates used are made prospectively based upon such periodic evaluation. Actual results could differ from those estimates.

Segment information

The Company operates as one operating segment. The Company's chief operating decision maker is its chief executive officer, who reviews financial information presented on a consolidated basis, for purposes of making operating decisions, assessing financial performance and allocating resources.

Business combinations

When the Company acquires a business, management allocates the purchase price to the net tangible and identifiable intangible assets acquired. Any residual purchase price is recorded as goodwill. The allocation of the purchase price requires management to make significant estimates in determining the fair values of assets acquired and liabilities assumed, especially with respect to intangible assets. These estimates can include but are not limited to, the cash flows that an asset is expected to generate in the future, the appropriate weighted average cost of capital and the cost savings expected to be derived from acquiring an asset. During the measurement period, which may be up to one year from the acquisition date, the Company may record adjustments to the fair value of assets acquired and liabilities assumed, with the corresponding offset to goodwill. Upon the conclusion of the measurement period, any subsequent adjustments are recorded in "Other income (expense), net" in the consolidated statement of operations.

In fiscal 2022, the Company completed acquisitions of entities in the software intelligence and automation business for total cash consideration, net of cash acquired, of $13.2 million. As a result, the Company recognized goodwill of $11.0 million and intangible assets of $2.6 million related to technology with an estimated useful life of 9 years. Goodwill generated from the acquisitions is attributable to increased synergies that are expected to be achieved from the integration of the acquired developed technology into the Dynatrace® platform, and is not deductible for tax purposes. The results of operations of the acquired entities have been included within the Company's consolidated statements of operations from the acquisition date. The acquisitions were not material to the consolidated financial statements.

Revenue recognition

The Company sells software licenses, subscriptions, maintenance and support, and professional services together in contracts with its customers, which include end-customers and channel partners. The Company's software license agreements provide customers with a right to use software perpetually or for a defined term. As required under applicable accounting principles, the goods and services that the Company promises to transfer to a customer are accounted for separately if they are distinct from one another. Promised items that are not distinct are bundled as a combined performance obligation. The transaction price is allocated to the performance obligations based on the relative estimated standalone selling prices of those performance obligations.

The Company determines revenue recognition through the following steps:

1. Identification of the contract, or contracts, with a customer
   The Company considers the terms and conditions of the contract in identifying the contracts. The Company determines a contract with a customer to exist when the contract is approved, each party's rights regarding the services to be transferred can be identified, the payment terms for the services can be identified, it has been determined the customer has the ability and intent to pay, and the contract has commercial substance. At contract inception, the Company will evaluate whether two or more contracts should be combined and accounted for as a single contract and whether the combined or single contract includes more than one performance obligation. The Company applies judgment in determining the customer's ability and intent to pay, which is based on a variety of factors, including the customer's historical payment experience or, in the case of a new customer, credit, and financial information pertaining to the customer.

2. Identification of the performance obligations in the contract
   Performance obligations promised in a contract are identified based on the services and the products that will be transferred to the customer that are both capable of being distinct, whereby the customer can benefit from the service either on its own or together with other resources that are readily available from third parties or from the Company, and are distinct in the context of the contract, whereby the transfer of the services and the products is separately identifiable from other promises in the contract. In identifying performance obligations, the Company reviews contractual terms, considers whether any implied rights exist, and evaluates published product and marketing information. The Company's performance obligations consist of (i) software licenses, (ii) subscription services, (ii) maintenance and support for software licenses, and (iv) professional services.

3. Determination of the transaction price
   The transaction price is determined based on the consideration to which the Company expects to be entitled in exchange for transferring services to the customer. Variable consideration is included in the transaction price if, in the Company's judgment, it is probable that a significant future reversal of cumulative revenue under the contract will not occur. The Company's contracts do not contain a significant financing component.

4. Allocation of the transaction price to the performance obligations in the contract
   If the contract contains a single performance obligation, the entire transaction price is allocated to the single performance obligation. Contracts that contain multiple performance obligations require an allocation of the transaction price to each performance obligation based on a relative standalone selling price ("SSP") for arrangements not including software licenses or subscription services. The Company has determined that its pricing for software licenses and subscription services is highly variable and therefore allocates the transaction price to those performance obligations using the residual approach.

5. Recognition of revenue when, or as a performance obligation is satisfied
   Revenue is recognized at the time the related performance obligation is satisfied by transferring the control of the promised service to a customer. Revenue is recognized when control of the service is transferred to the customer, in an amount that reflects the consideration that the Company expects to receive in exchange for those services.

Subscription

Subscription revenue relates to performance obligations for which the Company recognizes revenue over time as control of the product or service is transferred to the customer. Subscription revenue includes arrangements that permit customers to access and utilize the Company's hosted software delivered on a SaaS basis, term-based and perpetual licenses of the Company's Dynatrace Software, as well as maintenance. The when-and-if available updates of the Dynatrace Software, which are part of the maintenance agreement, are critical to the continued utility of the Dynatrace Software; therefore, the Company has determined the Dynatrace Software and the related when-and-if available updates to be a combined performance obligation. Accordingly, when Dynatrace Software is sold under a term-based license, the revenue associated with this combined performance obligation is recognized ratably over the license term as maintenance is included for the duration of the license term. The Company has determined that perpetual licenses of Dynatrace Software provide customers with a material right to acquire additional goods or services that they would not receive without entering into the initial contract as the renewal option for maintenance services allows the customer to extend the utility of the Dynatrace Software without having to again make the initial payment of the perpetual software license fee. The associated material right is deferred and recognized ratably over the term of the expected optional maintenance renewals.

Subscription revenue also includes maintenance services relating to the Company's Classic offerings as that revenue is recognized over time given that the obligation is a stand-ready obligation to provide customer support and when-and-if available updates to the Classic software as well as certain other stand-ready obligations.

License

License revenue relates to performance obligations for which the Company recognizes revenue at the point that the license is transferred to the customer. License revenue includes these perpetual and term-based licenses that relate to the Company's Classic offerings ("Classic Software Licenses"), which are focused on traditional customer approaches to building, operating and monitoring software in less dynamic environments. The Company requires customers purchasing perpetual licenses of Classic Software and Dynatrace Software, as defined below, to also purchase maintenance services covering at least one year from the beginning of the perpetual license. The Company has determined that the Classic Software Licenses and the related maintenance services are separate performance obligations with different patterns of recognition. Revenue from Classic Software Licenses is recognized upon delivery of the license. Revenue from maintenance is recognized over the period of time of the maintenance agreement and is included in "Subscription".

Service

The Company offers implementation, consulting and training services for the Company's software solutions and SaaS offerings. Services fees are generally based on hourly rates. Revenues from services are recognized in the period the services are performed, provided that collection of the related receivable is reasonably assured.

Deferred commissions

Deferred sales commissions earned by the Company's sales force are considered incremental and recoverable costs of obtaining a contract with a customer. Sales commissions for new contracts are deferred and then amortized on a straight-line basis over a period of benefit which the Company has estimated to be three years. The period of benefit has been determined by taking into consideration the duration of customer contracts, the life of the technology, renewals of maintenance and other factors. Sales commissions for renewal contracts are deferred and then amortized on a straight-line basis over the related contractual renewal period. Amortization expense is included in "Sales and marketing" expenses on the consolidated statements of operations.

The Company periodically reviews these deferred costs to determine whether events or changes in circumstances have occurred that could impact the period of benefit of these deferred commissions. There were no impairment losses recorded during the periods presented.

Deferred revenue

Deferred revenue consists primarily of billed subscription and maintenance fees related to the future service period of subscription and maintenance agreements in effect at the reporting date. Deferred licenses are also included in deferred revenue for those billed arrangements that are being recognized over time. Short-term deferred revenue represents the unearned revenue that will be earned within twelve months of the balance sheet date; whereas, long-term deferred revenue represents the unearned revenue that will be earned after twelve months from the balance sheet date.

Payment terms

Payment terms and conditions vary by contract type, although the Company's terms generally include a requirement of payment within 30 to 60 days. In instances where the timing of revenue recognition differs from the timing of payment, the Company has determined that its contracts do not include a significant financing component. The primary purpose of invoicing terms is to provide customers with simplified and predictable ways of purchasing products and services, not to receive financing from customers or to provide customers with financing.

Contract modification

Contract modifications are assessed to determine (i) if the additional goods and services are distinct from the goods and services in the original arrangement; and (ii) if the amount of the consideration expected for the added goods and services reflects the stand-alone selling price of those goods and services, as adjusted for contract-specific circumstances. The Company's additional goods and services offered have historically been distinct. A contract modification meeting both criteria is accounted for as a separate contract. A contract modification not meeting both criteria is considered a change to the original contract, which the Company accounts for on a prospective basis as the termination of the existing contract and the creation of a new contract.

Cost of revenue

Cost of subscription

Cost of subscription revenue includes all direct costs to deliver the Company's subscription products including salaries, benefits, share-based compensation and related expenses such as employer taxes, third-party hosting fees related to the Company's cloud services, allocated overhead for facilities, IT, and amortization of internally developed capitalized software technology. The Company recognizes these expenses as they are incurred.

Cost of service

Cost of service revenue includes salaries, benefits, share-based compensation and related expenses such as employer taxes for our services organization, allocated overhead for depreciation of equipment, facilities and IT, and amortization of acquired intangible assets. The Company recognizes expense related to its services organization as they are incurred.

Amortization of acquired technology

Amortization of acquired technology includes amortization expense for technology acquired in business combinations.

Research and development

Research and development ("R&D") costs primarily include the cost of programming personnel including share-based compensation. R&D costs related to the Company's software solutions are reported as "Research and development" in the consolidated statements of operations.

Advertising

Advertising costs are expensed as incurred and are included in "Sales and marketing" expense in the consolidated statements of operations. Advertising expense was $49.9 million, $26.4 million, and $5.7 million during the years ended March 31, 2022, 2021 and 2020, respectively.

Leases

Leases arise from contractual obligations that convey the right to control the use of identified property, plant or equipment for a period of time in exchange for consideration. At the inception of the contract, the Company determines if an arrangement contains a lease based on whether there is an identified asset and whether the Company controls the use of the identified asset. The Company also determines the classification of that lease, between financing and operating, at the lease commencement date. The Company accounts for and allocates consideration to the lease and non-lease components as a single lease component.

A right-of-use asset represents the Company's right to use an underlying asset and a lease liability represents the Company's obligation to make payments during the lease term. Right-of-use assets are recorded and recognized at commencement for the lease liability amount, adjusted for initial direct costs incurred and lease incentives received. Lease liabilities are recorded at the present value of the future lease payments over the lease term at commencement. The discount rate used to determine the present value is the incremental borrowing rate unless the interest rate implicit in the lease is readily determinable. As the implicit rate for the operating leases is generally not determinable, the Company uses an incremental borrowing rate as the discount rate at the lease commencement date to determine the present value of lease payments. The Company determines the discount rate of the leases by considering various factors, such as the credit rating, interest rates of similar debt instruments of entities with comparable credit ratings, jurisdictions, and the lease term.

The Company's operating leases typically include non-lease components such as common-area maintenance costs, utilities, and other maintenance costs. The Company has elected to include non-lease components with lease payments for the purpose of calculating lease right-of-use assets and liabilities to the extent that they are fixed. Non-lease components that are not fixed are expensed as incurred as variable lease payments.

The Company's lease terms may include options to extend or terminate the lease. The Company generally uses the base, non-cancelable, lease term when recognizing the lease assets and liabilities, unless it is reasonably certain that the Company will exercise those options. The Company's lease agreements do not contain any material residual value guarantees or material restrictive covenants.

The Company's right-of-use assets are included in "Operating lease right-of-use asset, net" and the current and non-current portions of the lease liabilities are included in "Operating lease liabilities, current" and "Operating lease liabilities, non-current," respectively, on the consolidated balance sheets. The Company does not record leases with terms of 12 months or less on the consolidated balance sheets. Lease expense is recognized on a straight-line basis over the expected lease term.

Concentration of credit risk

Financial instruments that potentially subject the Company to concentrations of credit risk consist of cash and cash equivalents and accounts receivable. The Company maintains its cash in bank deposit accounts that, at times, may exceed federally insured limits. There is presently no concentration of credit risk for customers as no individual entity represented more than 10% of the balance in accounts receivable as of March 31, 2022, 2021 and 2020 or 10% of revenue for the years ended March 31, 2022, 2021 and 2020.

Cash and cash equivalents

All highly-liquid investments with a maturity of three months or less when purchased are considered cash and cash equivalents.

Accounts receivable, net

Trade accounts receivable are recorded at the invoiced amount. Accounts receivable are recorded at the invoiced amount, net of allowance for credit losses. The Company regularly reviews the adequacy of the allowance for credit losses based on a combination of factors. In establishing any required allowance, management considers historical losses adjusted for current market conditions, the Company's customers' financial condition, the amount of any receivables in dispute, the current receivables aging, current payment terms and expectations of forward-looking loss estimates. Allowance for credit losses was $3.2 million and $1.3 million and is classified as "Accounts receivable, net" in the consolidated balance sheets as of March 31, 2022 and 2021, respectively.

Property and equipment, net

The Company states property and equipment, net, at the acquisition cost less accumulated depreciation. Depreciation is recorded using the straight-line method over the estimated useful lives of the related assets. Leasehold improvements are depreciated over the shorter of the useful lives of the assets or the related lease. The following table presents the estimated useful lives of the Company's property and equipment:

Computer equipment and software	3 - 5 years
Furniture and fixtures	5 - 10 years
Leasehold improvements	Shorter of 10 years or the lease term

Property and equipment are reviewed for impairment whenever events or circumstances indicate their carrying value may not be recoverable. When such events or circumstances arise, an estimate of future undiscounted cash flows produced by the asset, or the appropriate grouping of assets, is compared to the asset's carrying value to determine if an impairment exists. If the asset is determined to be impaired, the impairment loss is measured based on the excess of its carrying value over its fair value. Assets to be disposed of are reported at the lower of carrying value or net realizable value. There was no impairment of property and equipment during the years ended March 31, 2022, 2021 and 2020.

Goodwill and other intangible assets

The Company's goodwill and intangible assets primarily relate to the push-down of such assets relating to Thoma Bravo's December 15, 2014 acquisition of Compuware Corporation based on their relative fair values at the date of acquisition.

Goodwill represents the excess of the purchase price of an acquired business over the fair value of the underlying net tangible and intangible assets. Goodwill is evaluated for impairment annually in the fourth quarter of the Company's fiscal year, and whenever events or changes in circumstances indicate the carrying value of goodwill may not be recoverable. Triggering events that may indicate impairment include, but are not limited to, a significant adverse change in customer demand or business climate that could affect the value of goodwill or a significant decrease in expected cash flows. Since the Company's acquisition by Thoma Bravo through March 31, 2022, the Company has not had any goodwill impairment.

Intangible assets consist primarily of customer relationships, developed technology, tradenames and trademarks, all of which have a finite useful life, as well as goodwill. Intangible assets are amortized based on either the pattern in which the economic benefits of the intangible assets are estimated to be realized or on a straight-line basis, which approximates the manner in which the economic benefits of the intangible asset will be consumed.

Capitalized software

The Company's capitalized software includes the costs of internally developed software technology and software technology purchased through acquisition. Internally developed software technology consists of development costs associated with software products to be sold ("software products") and internal use software associated with hosted software.

Costs associated with the development of software technology are expensed prior to the establishment of technological feasibility and capitalized thereafter until the related software technology is available for general release to customers. Technological feasibility is established when management has authorized and committed to funding a project and it is probable that the project will be completed, and the software will be used to perform the function intended. For internal use software, capitalization begins during the application development stage. Internally developed software technology is recorded within "Other intangible assets, net" in the consolidated balance sheets. During the year ended March 31, 2022, the Company did not capitalize any costs for internally developed software technology. The Company capitalized $0.3 million, offset by $0.5 million of derecognized software costs, and $0.9 million for internally developed software technology during the years ended March 31, 2021 and 2020, respectively.

The amortization of capitalized software technology is computed on a project-by-project basis. The annual amortization is the greater of the amount computed using (a) the ratio of current gross revenues compared with the total of current and anticipated future revenues for the software technology or (b) the straight-line method over the remaining estimated economic life of the software technology, including the period being reported on. Amortization begins when the software technology is available for general release to customers. The amortization period for capitalized software is generally three to five years. Amortization of internally developed capitalized software technology is $0.6 million, $1.9 million, and $1.7 million during the years ended March 31, 2022, 2021 and 2020, respectively, and is recorded within "Cost of subscription" in the consolidated statements of operations.

Impairment of long-lived assets

Long-lived assets, including amortized intangibles, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. If circumstances require a long-lived asset be tested for possible impairment, the Company first compares undiscounted cash flows expected to be generated by an asset to the carrying value of the asset. If the carrying value of the long-lived asset is not recoverable on an undiscounted cash flow basis, impairment is recognized to the extent that the carrying value exceeds its fair value. Fair value is estimated by the Company using discounted cash flows and other market-related valuation models, including earnings multiples and comparable asset market values. If circumstances change or events occur to indicate that the Company's fair market value has fallen below book value, the Company will compare the estimated fair value of long-lived assets (including goodwill) to its book value. If the book value exceeds the estimated fair value, the Company will recognize the difference as an impairment loss in the consolidated statements of operations. The Company has not incurred any impairment losses during the years ended March 31, 2022, 2021 and 2020.

Income taxes

The Company accounts for income taxes under the asset and liability method, which requires the recognition of deferred tax assets and liabilities for the expected future tax consequences of events that have been included in the financial statements. Under this method, deferred tax assets and liabilities are determined based on the differences between the financial statements and tax bases of assets and liabilities and net operating loss and credit carryforwards using enacted tax rates in effect for the year in which the differences are expected to reverse. The effect of a change in tax rates on deferred tax assets and liabilities is recognized in the period that includes the enactment date. The Company has the ability to permanently reinvest any earnings in its foreign subsidiaries and therefore does not recognize any deferred tax liabilities that arise from outside basis differences in its investment in subsidiaries.

The Company records net deferred tax assets to the extent it believes these assets will more likely than not be realized. These deferred tax assets are subject to periodic assessments as to recoverability and if it is determined that it is more likely than not that the benefits will not be realized, valuation allowances are recorded that would reduce deferred tax assets. In making such determination, the Company considers all available positive and negative evidence, including future reversals of existing taxable temporary differences, projected future taxable income, tax planning strategies and recent financial operations.

Interest and penalties related to uncertain income tax positions are included in the income tax provision.

Fair value of assets and liabilities

Assets and liabilities recorded at fair value in the financial statements are categorized based upon the level of judgment associated with the inputs used to measure their fair value. Hierarchical levels which are directly related to the amount of subjectivity associated with the inputs to the valuation of these assets or liabilities are as follows:

- Level 1: Observable inputs that reflect quoted prices for identical assets or liabilities in active markets;
- Level 2: Observable inputs, other than Level 1 prices, such as quoted prices for similar assets or liabilities, quoted prices in markets that are not active or other inputs that are observable or can be corroborated by observable market data for substantially the full term of the assets or liabilities; and
- Level 3: Unobservable inputs reflecting the Company's own assumptions incorporated in valuation techniques used to determine fair value. These assumptions are required to be consistent with market participant assumptions that are reasonably available.

The Company's carrying amounts of financial instruments including cash and cash equivalents, accounts receivable, accounts payable, and other current liabilities approximate their fair values due to their short maturities. The Company's term loan credit facilities are not recorded at fair value and the carrying value approximates fair value due to its floating interest rate, which is considered a level 2 measurement.

Share-based compensation

Prior to the IPO, certain employees were granted management incentive units and appreciation units which made a holder eligible to participate in distributions of cash, property, or securities of Compuware Parent LLC made in respect of the Company. The MIUs and AUs were settled in cash and were accounted for as liability-based awards. Liabilities for awards under these plans were required to be measured at fair value at each reporting date until the date of settlement. The fair value of the equity units underlying the MIUs and AUs was determined by the board of managers as there was no public market for the equity units. The board of managers determined the fair value of the Company's equity units by considering a number of objective and subjective factors including: the valuation of comparable companies, the Company's operating and financial performance, the lack of liquidity of common stock, and general and industry specific economic outlook, amongst other factors. In connection with the reorganization during the second quarter of fiscal 2020, the Company converted all outstanding MIUs and AUs into common stock, restricted stock, or restricted stock units ("RSUs") of Dynatrace, Inc.

After the IPO, the Company measures the cost of employee services received in exchange for an award of equity instruments, including stock options, restricted stock, RSUs, and the purchase rights under the employee stock purchase plan (the "ESPP"), based on the estimated grant-date fair value of the award. The Company calculates the fair value of stock options and the purchase rights under the ESPP using the Black-Scholes option-pricing model. This requires the input of assumptions, including the fair value of the Company's underlying common stock, the expected term of stock options and purchase rights, the expected volatility of the price of the Company's common stock, risk-free interest rates, and the expected dividend yield of the Company's common stock. The fair value of restricted stock and RSUs is determined by the closing price on the date of grant of the Company's common stock as reported on the NYSE.

The Company recognizes the fair value as share-based compensation expense following the straight-line attribution method over the requisite service period of the entire award for stock options, restricted stock, and RSUs; and over the offering period for the purchase rights issued under the ESPP. For performance-based RSUs that vest based upon continued service and achievement of certain performance conditions, share-based compensation expense is recognized over the requisite service period following the accelerated attribution method if it is probable that the performance condition will be satisfied. The probability of achievement is assessed periodically to determine whether the performance condition continues to be probable. When there is a change in the probability of achievement, any cumulative effect of the change in requisite service period is recognized in the period of the change with the change to be amortized over the respective vesting period. Forfeitures are accounted for in the period in which the awards are forfeited.

Excess tax benefits from vested restricted stock units and exercised stock options are recognized as an income tax benefit in the income statement and reflected in operating activities in the statement of cash flows. Share-based compensation cost that has been included in income from continuing operations amounted to $99.5 million, $57.8 million, and $222.5 million for the years ended March 31, 2022, 2021, and 2020, respectively. The total income tax benefit recognized in the consolidated statements of operations for share-based compensation arrangements was $43.1 million, $21.3 million, and $3.9 million for the years ended March 31, 2022, 2021, and 2020, respectively. This includes tax benefits recognized related to stock option exercises of $14.9 million, $8.4 million, and $0.6 million for the years ended March 31, 2022, 2021, and 2020, respectively.

Net income (loss) per share

Basic net income (loss) per share is calculated by dividing the net income (loss) for the period by the weighted-average number of common shares outstanding during the period, without consideration of potentially dilutive securities. Diluted net income (loss) per share includes the dilutive effect of common share equivalents and is calculated using the weighted-average number of common shares and the common share equivalents outstanding during the reporting period. An anti-dilutive impact is an increase in net income per share or a reduction in net loss per share resulting from the conversion, exercise, or contingent issuance of certain securities. For the year ended March 31, 2020, basic and diluted net income (loss) per share have been retroactively adjusted to reflect the reorganization transactions described in Note 2.

Recently adopted accounting pronouncements

In December 2019, the Financial Accounting Standards Board ("FASB") issued Accounting Standards Update ("ASU") 2019-12, Income Taxes (Topic 740): Simplifying the Accounting for Income Taxes, which removes certain exceptions for investments, intraperiod allocations and interim calculations, and adds guidance to reduce complexity in accounting for income taxes. ASU 2019-12 is effective for annual periods, and interim periods within those years, beginning after December 15, 2020. The Company adopted the new standard on a prospective basis as of April 1, 2021. The adoption did not have a material impact on the consolidated financial statements.

In October 2021, the FASB issued ASU 2021-08, Business Combinations (Topic 805): Accounting for Contract Assets and Contract Liabilities from Contracts with Customers, which requires contract assets and contract liabilities acquired in a business combination to be recognized in accordance with Accounting Standards Codification ("ASC") 606, Revenue from Contracts with Customers, as if the acquirer had originated the contracts. ASU 2021-08 is effective for annual periods beginning after December 15, 2022, and interim periods within those years, with early adoption permitted. The Company early adopted this standard in the fourth quarter of fiscal 2022 and applied the amendments retrospectively to all business combinations that took place in fiscal 2022. The adoption did not have a material effect on the consolidated financial statements.

3. Revenue Recognition

Disaggregation of revenue

The following table is a summary of the Company's total revenue by geographic region (in thousands, except percentages):

	Fiscal Year Ended March 31,					
	2022		2021		2020	
	Amount	%	Amount	%	Amount	%
North America	$ 512,946	56%	$ 388,188	55%	$ 318,299	58%
Europe, Middle East and Africa	278,902	30%	216,647	31%	150,418	28%
Asia Pacific	96,454	10%	78,295	11%	60,418	11%
Latin America	41,143	4%	20,379	3%	16,668	3%
Total revenue	$ 929,445		$ 703,509		$ 545,803	

For the years ended March 31, 2022, 2021, and 2020, the United States was the only country that represented more than 10% of the Company's revenues in any period, constituting $477.2 million and 51%, $362.1 million and 51%, and $299.5 million and 55% of total revenue, respectively.

Deferred commissions

The following table represents a rollforward of the Company's deferred commissions (in thousands):

	Fiscal Year Ended March 31,		
	2022	2021	2020
Beginning balance	$ 97,624	$ 78,245	$ 59,250
Additions to deferred commissions	89,899	63,627	54,969
Amortization of deferred commissions	(61,487)	(44,248)	(35,974)
Ending Balance	$ 126,036	$ 97,624	$ 78,245
Deferred commissions, current	62,601	48,986	38,509
Deferred commissions, non-current	63,435	48,638	39,736
Total deferred commissions	$ 126,036	$ 97,624	$ 78,245

Deferred revenue

Revenue recognized during the years ended March 31, 2022, 2021, and 2020 which was included in the deferred revenue balances at the beginning of each respective period, was $502.4 million, $381.6 million, and $274.7 million.

Remaining performance obligations

As of March 31, 2022, the aggregate amount of the transaction price allocated to remaining performance obligations was $1,566.3 million, which consists of both billed consideration in the amount of $714.3 million and unbilled consideration in the amount of $852.0 million that the Company expects to recognize as subscription and service revenue. The Company expects to recognize 58% of this amount as revenue in the year ended March 31, 2023 and the remainder thereafter.

4. Prepaid Expenses and Other Current Assets

Prepaid expenses and other current assets consists of the following (in thousands):

	March 31,	
	2022	**2021**
Prepaid expenses	$ 24,791	$ 20,308
Income taxes refundable	40,723	41,875
Other	6,674	2,072
Prepaid expenses and other current assets	$ 72,188	$ 64,255

5. Property and Equipment, Net

The following table summarizes, by major classification, the components of property and equipment (in thousands):

	March 31,	
	2022	**2021**
Computer equipment and software	$ 30,387	$ 23,134
Furniture and fixtures	10,729	9,804
Leasehold improvements	29,927	27,961
Other	7,663	864
Total property and equipment	78,706	61,763
Less: accumulated depreciation and amortization	(33,435)	(24,847)
Property and equipment, net	$ 45,271	$ 36,916

Depreciation and amortization of property and equipment totaled $10.6 million, $9.0 million, and $7.9 million for the years ended March 31, 2022, 2021, and 2020, respectively.

6. Goodwill and Other Intangible Assets, Net

Changes in the carrying amount of goodwill on a consolidated basis for fiscal 2022 consists of the following (in thousands):

	March 31, 2022
Balance, beginning of year	$ 1,271,195
Goodwill from acquisitions	10,965
Foreign currency impact	(284)
Balance, end of year	$ 1,281,876

Other intangible assets, net excluding goodwill consists of the following (in thousands):

	Weighted Average Useful Life (in months)	March 31, 2022	March 31, 2021
Capitalized software	107	$ 191,900	$ 189,398
Customer relationships	120	351,555	351,555
Trademarks and tradenames	120	55,003	55,003
Total intangible assets		598,458	595,956
Less: accumulated amortization		(492,722)	(446,472)
Total other intangible assets, net		$ 105,736	$ 149,484

Amortization of other intangible assets totaled $46.2 million, $51.9 million, and $58.5 million for the years ended March 31, 2022, 2021, and 2020, respectively.

As of March 31, 2022, the estimated future amortization expense of the Company's other intangible assets in the table above is as follows (in thousands):

	Fiscal Year Ended March 31, 2023	2024	2025	2026	2027	Thereafter
Capitalized software	$ 15,802	$ 15,499	$ 10,906	$ 274	$ 274	$ 909
Customer relationships	20,794	17,534	10,473	—	—	—
Trademarks and tradenames	5,501	4,753	3,017	—	—	—
Total amortization	$ 42,097	$ 37,786	$ 24,396	$ 274	$ 274	$ 909

7. Income Taxes

Income tax provision

Income (loss) before income taxes and the income tax expense includes the following (in thousands):

	Fiscal Year Ended March 31, 2022	2021	2020
Domestic	$ (2,977)	$ 37,368	$ (245,177)
Foreign	74,636	40,485	26,644
Total	$ 71,659	$ 77,853	$ (218,533)

The income tax provision includes the following (in thousands):

	Fiscal Year Ended March 31, 2022	2021	2020
Income tax expense (benefit)			
Federal	$ 8,290	$ (3,835)	$ 180,402
State	2,257	(2,071)	48,045
Foreign	21,406	15,110	13,058
Total current tax position	31,953	9,204	241,505
Federal	(1,341)	(3,027)	(37,731)
State	—	(615)	(5,689)
Foreign	(11,404)	(3,423)	(2,801)
Total deferred tax provision	(12,745)	(7,065)	(46,221)
Total income tax expense	$ 19,208	$ 2,139	$ 195,284

The Company's income tax expense of $19.2 million for the year ended March 31, 2022 differed from the amount computed on pre-tax income at the U.S. federal income tax rate of 21%, primarily due to foreign earnings taxed at rates higher than the U.S. statutory tax rate, foreign withholding taxes, and the inability to realize certain tax benefits subject to a valuation allowance in the U.S. This was partially offset by the vesting of share-based compensation that generated excess tax benefits, the foreign-derived intangible income deduction, and the utilization of U.S. foreign tax credits generated in the current year.

The Company’s income tax expense of $2.1 million for the year ended March 31, 2021 differed from the amount computed on pre-tax loss at the U.S. federal income tax rate of 21%, primarily due to the impact of tax return to provision true-ups resulting from changes in estimates to the reorganization transaction tax and the corresponding impact to the uncertain tax positions. In addition, the difference was due to the vesting of share-based compensation that generated excess tax benefits, the foreign-derived intangible income deduction, and the utilization of U.S. foreign tax credits generated in the current year as well as the carryforward from previous years.

The Company’s income tax expense of $195.3 million for the year ended March 31, 2020 differed from the amount computed on pre-tax loss at the U.S. federal income tax rate of 21% because of the effects of the reorganization transaction, non-deductible share-based compensation, and the foreign-derived intangible income deduction. The transaction produced a gain on the difference between the fair market value of the Compuware assets distributed and the adjusted tax basis in such assets, generating a tax liability that was only partially offset by U.S. foreign tax credits that previously were subject to a valuation allowance.

The tax rate reconciliation is as follows (in thousands):

	Fiscal Year Ended March 31,		
	2022	2021	2020
Income tax expense (benefit) at U.S. federal statutory income tax rate	$ 15,048	$ 16,349	$ (45,892)
State and local tax expense	(3,065)	(580)	(2,897)
Foreign tax rate differential	3,181	1,939	3,521
Branch income	11,016	4,830	1,601
Non-deductible expenses	976	3,459	5,976
Tax credits	(27,983)	(9,316)	(57,277)
Foreign-derived intangible income deduction	(2,708)	(4,775)	(3,901)
Tax associated with reorganization	—	—	239,990
Share-based compensation	(17,258)	(6,424)	48,129
Prior year tax return to provision true-ups	(178)	(11,464)	—
Changes in uncertain tax positions	501	(1,102)	13,204
Changes in valuation allowance	32,026	2,091	(9,472)
Foreign withholding tax	9,312	6,992	4,231
Effects of changes in tax laws	(859)	—	—
Other adjustments	(801)	140	(1,929)
Total income tax expense	$ 19,208	$ 2,139	$ 195,284

Deferred tax assets and liabilities

Management assesses the available positive and negative evidence to estimate if sufficient future taxable income will be generated to use the existing deferred tax assets. A significant piece of objective negative evidence evaluated was the U.S. cumulative loss incurred over the three-year period ended March 31, 2022. Such objective evidence limits the ability to consider other subjective evidence such as the Company’s projections for future growth.

Based on this evaluation, a valuation allowance of $56.3 million and $24.3 million has been recorded as of March 31, 2022 and 2021, respectively. Only the portion of the deferred tax asset that is more likely than not to be realized has been recorded. Given the Company’s current earnings and anticipated future earnings, it is reasonably possible that within the next twelve months sufficient positive evidence may become available to allow the Company to conclude that a significant portion of the valuation allowance will no longer be needed. Release of the valuation allowance would result in the recognition of certain deferred tax assets. However, the exact timing and amount of the valuation allowance release are subject to change based on the Company’s ability to generate U.S. taxable earnings.

Temporary differences and carryforwards that give rise to a significant portion of deferred tax assets and liabilities are as follows (in thousands):

	March 31, 2022		March 31, 2021	
Deferred revenue	$	23,686	$	17,050
Capitalized research and development costs		13,374		10,834
Accrued expenses		10,361		8,882
Share-based compensation		23,484		8,367
Lease liabilities		12,835		8,321
Net operating loss carryforwards		6,591		4,637
Other tax carryforwards, primarily foreign tax credits		30,692		20,479
Other		2,403		2,272
Total deferred tax assets before valuation allowance		123,426		80,842
Less: valuation allowance		(56,323)		(24,297)
Net deferred tax assets		67,103		56,545
Intangible assets		23,878		30,525
Right-of-use assets		11,183		7,388
Other		4,021		2,835
Total deferred tax liabilities		39,082		40,748
Net deferred tax assets	$	28,021	$	15,797

At March 31, 2022, the Company had non-U.S. net operating loss carryforwards of $18.2 million of which $17.6 million may be carried forward indefinitely. The Company had U.S. federal, state and local net operating loss carryforwards and tax credit carryforwards of $71.2 million of which $66.1 million expire in periods through 2040 if not utilized, and the remaining balance of $5.1 million may be carried forward indefinitely. The deferred tax assets on U.S. net operating loss and tax credit carryforwards are subject to valuation allowances as of March 31, 2022.

The Company has not provided for taxes on the excess of the amount for financial reporting over the tax basis of investments in foreign subsidiaries that is indefinitely reinvested. Generally, these earnings will be treated as previously taxed income from either the one-time transition tax or Global Intangible Low Taxed Income ("GILTI"), or they will be offset with a 100% dividend received deduction. The income taxes applicable to repatriating such earnings are not readily determinable. As of March 31, 2022, the Company had no plans which would subject these basis differences to income taxes in the United States or elsewhere.

Uncertain tax positions

The amount of gross unrecognized tax benefits was $15.0 million and $15.1 million as of March 31, 2022 and 2021, respectively, all of which would favorably affect the Company's effective tax rate if recognized in future periods.

The following is a tabular reconciliation of the total amounts of unrecognized tax benefits for the years ended March 31, 2022, 2021, and 2020 (in thousands):

	Fiscal Year Ended March 31, 2022		2021		2020	
Gross unrecognized tax benefit, beginning of year	$	15,075	$	16,648	$	9,653
Gross increases to tax positions for prior periods		255		1,223		438
Gross decreases to tax positions for prior periods		—		(2,654)		(6,986)
Gross increases to tax positions for current period		—		—		13,543
Settlements		—		(10)		—
Lapse of statutes of limitations		(313)		(132)		—
Gross unrecognized tax benefit, end of year	$	15,017	$	15,075	$	16,648

As of March 31, 2022 and 2021, the net interest and penalties payable associated with its uncertain tax positions was $1.5 million and $0.9 million, respectively. During the years ended March 31, 2022, 2021, and 2020, the Company recognized expense related to interest and penalties of $0.6 million, $0.6 million, and $0.2 million, respectively.

The Company files tax returns in the U.S. federal, state, and foreign jurisdictions and the tax returns are subject to examination by various domestic and international tax authorities. As of March 31, 2022, the Internal Revenue Service has completed examinations of the Company's federal income tax returns through fiscal year 2018. The Company has open years in certain significant federal, state, and foreign jurisdictions back to 2012. These open years contain matters that could be subject to differing interpretations of applicable tax laws and regulations due to the amount, timing or inclusion of revenue and expenses. The Company does not anticipate a significant impact to the gross unrecognized tax benefits within the next twelve months related to these open years.

8. Accrued Expenses

Accrued expenses, current consists of the following (in thousands):

	March 31, 2022	March 31, 2021
Accrued employee - related expenses	$ 76,283	$ 63,890
Accrued tax liabilities	22,531	23,001
Income taxes payable	14,291	9,117
Other	28,451	23,519
Total accrued expenses, current	$ 141,556	$ 119,527

9. Long-term Debt

Long-term debt consists of the following (in thousands, except percentages):

	March 31, 2022		March 31, 2021	
	Amount	Effective Rate	Amount	Effective Rate
First Lien Term Loan	$ 281,125	2.7 %	$ 401,125	2.4 %
Revolving credit facility	—		—	
Total principal	281,125		401,125	
Unamortized discount and debt issuance costs	(7,207)		(9,212)	
Total debt	273,918		391,913	
Less: Current portion of long-term debt	—		—	
Long-term debt, net	$ 273,918		$ 391,913	

First lien credit facilities

The Company's First Lien Credit Agreement, as amended, provides for a term loan facility (the "First Lien Term Loan") in an aggregate principal amount of $950.0 million and a senior secured revolving credit facility (the "Revolving Facility") in an aggregate amount of $60.0 million. The Revolving Facility includes a $25.0 million letter of credit sub-facility. The First Lien Term Loan and Revolving Facility mature on August 23, 2025 and August 23, 2023, respectively. As of March 31, 2022 and 2021, there were $15.6 million of letters of credit issued. The Company had $44.4 million of availability under the Revolving Facility as of March 31, 2022 and 2021.

Debt issuance costs and original issuance discount were incurred in connection with the First Lien Credit Agreement. These debt issuance costs and original issuance discount are included as a reduction of the debt balance in the consolidated balance sheets and will be amortized into interest expense over the contractual term of the loans. The Company recognized $2.0 million, $1.9 million, and $1.7 million of amortization of debt issuance costs and original issuance discount for the years ended March 31, 2022, 2021 and 2020, respectively, which is included in the accompanying consolidated statements of operations.

Borrowings under the First Lien Term Loan and the Revolving Facility currently bear interest, at the Company's election, at either (i) the Alternative Base Rate, as defined per the credit agreement, plus 1.25% per annum, or (ii) LIBOR plus 2.25% per annum. The Company has satisfied all required principal payments under the First Lien Term Loan and the remainder is due at maturity. Interest payments are due quarterly, or more frequently, based on the terms of the credit agreement.

The Company incurs fees with respect to the Revolving Facility, including (i) a commitment fee of 0.25% per annum of unused commitments under the Revolving Facility, (ii) facility fees equal to the applicable margin in effect for Eurodollar Rate Loans, as defined per the credit agreement, times the average daily stated amount of letters of credit, (iii) a fronting fee equal to either (a) 0.125% per annum on the stated amount of each letter of credit or (b) such other rate per annum as agreed to by the parties subject to the letters of credit, and (iv) customary administrative fees.

The First Lien Term Loan requires prepayments in the case of certain events including: property or asset sale in excess of $5.0 million, proceeds in excess of $5.0 million from an insurance settlement, or proceeds from a new debt agreement. An additional prepayment may be required under the First Lien Term Loan related to excess cash flow for the respective measurement periods.

All of the indebtedness under the First Lien Credit Agreement is and will be guaranteed by the Company's existing and future material domestic subsidiaries and is and will be secured by substantially all of the assets of the Company and such guarantors. The First Lien Credit Agreement contains customary negative covenants. At March 31, 2022, the Company was in compliance with all applicable covenants.

Second lien credit facility

On August 23, 2018, the Company entered into the Second Lien Credit Agreement (the "Second Lien Term Loan") in which the Company borrowed an aggregate principal amount of $170.0 million. Borrowings under the Second Lien Term Loan bore interest, at the Company's election, at either (i) the Alternative Base Rate, as defined per the credit agreement, plus 6.00% per annum, or (ii) LIBOR plus 7.00% per annum. The maturity date on the Second Lien Term Loan was August 23, 2026, with principal payment due in full on the maturity date. Interest payments were due quarterly, or more frequently, based on the terms of the credit agreement. The Company recognized $0.1 million of amortization of debt issuance costs and original issuance discount for the year ended March 31, 2020, which is included in the accompanying consolidated statements of operations. During the second quarter of fiscal 2020, the Company repaid all outstanding borrowings, including accrued interest, under the Second Lien Term Loan and the remaining unamortized debt issuance costs and original issuance discount, aggregating to $2.7 million, was recognized as a loss on debt extinguishment within "Interest expense, net" in the consolidated statements of operations during the year ended March 31, 2020.

Debt maturities

The maturities of outstanding debt are as follows (in thousands):

Fiscal year		**Amount**
2023	$	—
2024		—
2025		—
2026		281,125
2027		—
Thereafter		—
Total future payments	$	281,125

10. Leases

The Company leases office space under non-cancelable operating leases which expire at various dates from fiscal 2023 to 2032. As of March 31, 2022, the weighted average remaining lease term was 6.0 years and the weighted average discount rate was 5.2%. The Company does not have any finance leases.

The Company has a sublease of a former office which expires in fiscal 2025. Sublease income from operating leases, which is recorded as a reduction of rental expense, was $2.5 million, $3.9 million and $4.5 million for the years ended March 31, 2022, 2021, and 2020, respectively.

The following table presents information about leases on the consolidated statements of operations (in thousands):

	Fiscal Year Ended March 31,			
	2022		**2021**	
Operating lease expense [(1)]	$	10,899	$	10,436
Short-term lease expense	$	1,009	$	752
Variable lease expense	$	793	$	674

(1) Presented gross of sublease income.

The following table presents supplemental cash flow information about the Company's leases (in thousands):

	Fiscal Year Ended March 31,			
	2022		**2021**	
Cash paid for amounts included in the measurement of lease liabilities	$	13,466	$	13,478
Operating lease assets obtained in exchange for new operating lease liabilities [(1)]	$	29,112	$	5,260

(1) Includes the impact of new leases as well as remeasurements and modifications of existing leases.

As of March 31, 2022, remaining maturities of lease liabilities were as follows (in thousands):

Fiscal Years Ending March 31,	Amount
2023	$ 15,524
2024	14,940
2025	11,900
2026	8,940
2027	8,001
Thereafter	14,186
Total operating lease payments (1)	73,491
Less: imputed interest	(8,647)
Total operating lease liabilities	$ 64,844

(1) Presented gross of sublease income.

As of March 31, 2022, the Company had commitments of $26.2 million for operating leases that have not yet commenced, and therefore are not included in the right-of-use assets or operating lease liabilities. These operating leases are expected to commence during the fiscal years ended March 31, 2023 through March 31, 2025, with lease terms ranging from 3 to 10 years.

Under previous lease accounting standard ASC 840, total rent expense under operating leases during the year ended March 31, 2020 was $14.0 million.

11. Commitments and Contingencies

Legal matters

From time to time, the Company may be a party to lawsuits and legal proceedings arising in the ordinary course of business. In the opinion of the Company's management, these matters, individually and in the aggregate, will not have a material adverse effect on the financial condition and results of the future operations of the Company.

12. Share-based Compensation

Amended and Restated 2019 Equity Incentive Plan

In July 2019, the Company's board of directors (the "Board"), upon the recommendation of the compensation committee of the board of directors, adopted the 2019 Equity Incentive Plan, as amended and restated (the "2019 Plan") which was subsequently approved by the Company's shareholders and was later amended and restated by the Board in January 2021.

The Company initially reserved 52,000,000 shares of common stock, or the Initial Limit, for the issuance of awards under the 2019 Plan. The 2019 Plan provides that the number of shares reserved and available for issuance under the plan will automatically increase each April 1, beginning on April 1, 2020, by 4% of the outstanding number of shares of the Company's common stock on the immediately preceding March 31 or such lesser number determined by the compensation committee. This number is subject to adjustment in the event of a stock split, stock dividend or other change in the Company's capitalization. As of March 31, 2022, 37,458,426 shares of common stock were available for future issuance under the 2019 Plan.

The awards granted under the 2019 Plan have varying terms but generally vest over a four-year period, upon satisfaction of a service-based vesting condition, with 25% vesting one year after the grant date and the remaining 75% vesting ratably on a quarterly basis over 3 years. From time to time, the Company also grants performance-based shares to certain key employees that generally vest over a three- or four-year period upon satisfaction of certain company financial performance targets established and approved by the Company's board of directors for each fiscal year.

Stock options

The following table summarizes activity for stock options during the period ended March 31, 2022:

	Number of Options (in thousands)	Weighted Average Exercise Price (per share)	Weighted Average Remaining Contractual Term (years)	Aggregate Intrinsic Value (in thousands)
Balance, March 31, 2021	8,393	$ 21.31	8.6	$ 226,438
Granted	115	52.86		
Exercised	(1,266)	20.13		
Forfeited	(274)	25.62		
Balance, March 31, 2022	6,968	$ 21.87	7.6	$ 176,839
Options vested and expected to vest at March 31, 2022	6,968	$ 21.87	7.6	$ 176,839
Options vested and exercisable at March 31, 2022	3,136	$ 20.06	7.5	$ 84,920

The weighted average grant-date fair value of options granted during fiscal 2022, 2021, and 2020 was $20.90, $13.08, and $6.43, respectively. The aggregate intrinsic value of options exercised during fiscal 2022 and 2021 was $52.6 million and $23.7 million, respectively. No stock options were exercised during fiscal 2020.

As of March 31, 2022, the total unrecognized compensation expense related to non-vested stock options is $32.3 million and is expected to be recognized over a weighted average period of 1.7 years. The Company recognized $18.9 million, $16.8 million and $7.2 million of share-based compensation expense related to stock options for the years ended March 31, 2022, 2021, and 2020, respectively.

The fair value for the Company's stock options granted during the years ended March 31, 2022, 2021, and 2020 were estimated at the date of grant using a Black-Scholes option-pricing model using the following assumptions:

	Fiscal Year Ended March 31,		
	2022	2021	2020
Expected dividend yield	—	—	—
Expected volatility	39.5% - 39.8%	39.3% - 39.8%	37.1% - 38.9%
Expected term (years)	6.1	6.1	6.1
Risk-free interest rate	0.9% - 1.1%	0.4% - 1.1%	0.8% - 1.9%

The Company has not paid and does not expect to pay dividends. Consequently, the Company uses an expected dividend yield of zero. The computation of expected volatility is based on a calculation using the historical volatility of a group of publicly traded peer companies. The Company expects to continue to do so until such time as it has adequate historical data regarding the volatility of the Company's traded stock price. The computation of expected term was based on the average period the stock options are expected to remain outstanding, generally calculated as the midpoint of the stock options' remaining vesting term and contractual expiration period, as the Company does not have sufficient historical information to develop reasonable expectations about future exercise patterns and post-vesting employment termination behavior. The risk-free interest rate is based on the U.S. Treasury yield curve in effect at the time of grant for the expected life of the award.

Restricted shares and units

The following table provides a summary of the changes in the number of restricted stock awards ("RSAs") and restricted stock units ("RSUs") for the year ended March 31, 2022:

	Number of RSAs	Weighted Average Grant Date Fair Value	Number of RSUs	Weighted Average Grant Date Fair Value
	(in thousands)	(per share)	(in thousands)	(per share)
Balance, March 31, 2021	728	$ 16.00	3,041	$ 24.44
Granted	—	—	3,718	50.19
Vested	(506)	16.00	(1,305)	24.07
Forfeited	(20)	16.00	(274)	35.57
Balance, March 31, 2022	202	$ 16.00	5,180	$ 42.43

RSUs outstanding as of March 31, 2022 were comprised of 4.1 million RSUs with only service conditions and 1.0 million RSUs with both service and performance conditions ("PSUs").

During the year ended March 31, 2022, the Company granted PSUs to certain key employees that generally vest in three equal installments, with one-third of the PSUs eligible to vest on each of the first three anniversaries of the date of grant (the "Incentive PSUs"). The number of shares that may be earned pursuant to the Incentive PSUs is subject to the Company's achievement of specific company metrics, and provided that the executive officer remains employed by the Company through the applicable vesting date. No Incentive PSUs will vest with respect to any year if the Company fails to achieve 95% of the applicable target for that year, and the overall number of shares that may be issued pursuant to the Incentive PSUs with respect to any year shall not exceed 150% of the target award for such year. The Incentive PSUs are not carried forward from year to year; if the Incentive PSUs are not earned in any given year, they are terminated for that year.

During the year ended March 31, 2022, the Company granted PSUs to certain key employees that vest 25% one year after the grant date and the remaining 75% vest ratably on a quarterly basis over the following three years (the "Annual PSUs"). The number of shares that may be earned pursuant to the Annual PSUs is based on specific company metrics related to the Company's fiscal year ending March 31, 2022. No Annual PSUs will be earned with respect to any metric if the applicable "threshold" percentage of the specific metric is not achieved, and the overall number of shares that may be earned shall not exceed 150% of the target award. Once the Annual PSUs are earned, they are then also subject to time-based vesting, with 25% of the earned Annual PSUs vesting on the first anniversary of the grant date, and with the remaining 75% vesting in twelve equal quarterly installments over the following three years, and provided that the executive officer remains employed by the Company through the applicable vesting date.

The weighted average grant-date fair value of RSAs granted during fiscal 2020 was $16.00. There were no RSAs granted during the years ended March 31, 2022 and 2021. The weighted average grant-date fair value of RSUs granted during fiscal 2022, 2021, and 2020 was $50.19, $34.69, and $16.33, respectively.

The aggregate fair value of RSAs vested during fiscal 2022, 2021, and 2020 was $27.7 million, $42.1 million, and $19.3 million, respectively. The aggregate fair value of RSUs vested during fiscal 2022, 2021, and 2020 was $72.2 million, $50.1 million, and $11.7 million, respectively.

As of March 31, 2022, the total unrecognized compensation expense related to unvested restricted stock awards is $1.9 million and is expected to be recognized over a weighted average period of 0.8 years. As of March 31, 2022, the total unrecognized compensation expense related to unvested restricted stock units is $174.9 million and is expected to be recognized over a weighted average period of 2.4 years. The Company recognized $75.6 million, $37.3 million, and $27.9 million of share-based compensation expense related to restricted shares and units for the years ended March 31, 2022, 2021, and 2020, respectively.

Employee Stock Purchase Plan

In July 2019, the board of directors adopted, and the Company's shareholders approved, the 2019 Employee Stock Purchase Plan. The Company expects to offer, sell and issue shares of common stock under this ESPP from time to time based on various factors and conditions, although the Company is under no obligation to sell any shares under this ESPP. The ESPP provides that the number of shares reserved and available for issuance under the plan will automatically increase each April 1, beginning on April 1, 2020, by lesser of (i) 1% of the outstanding number of shares of the Company's common stock on the immediately preceding March 31, (ii) 3,500,000 shares of common stock, or (iii) such lesser number determined by the compensation committee. The ESPP provides for six-month offering periods beginning May 15 and November 15 of each year, and each offering period will consist of six-month purchase periods. On each purchase date, eligible employees will purchase shares of the Company's common stock at a price per share equal to 85% of the lesser of (1) the fair market value of the Company's common stock on the offering date or (2) the fair market value of the Company's common stock on the purchase date. For the year ended March 31, 2022, 371,740 shares of common stock were purchased under the ESPP. As of March 31, 2022, 11,187,354 shares of common stock were available for future issuance under the ESPP.

As of March 31, 2022, there was approximately $0.9 million of unrecognized share-based compensation related to the ESPP that is expected to be recognized over the remaining term of the current offering period. The Company recognized $5.0 million, $3.7 million, $0.8 million of share-based compensation expense related to the ESPP for the years ended March 31, 2022, 2021, and 2020, respectively.

The Company estimated the fair value of the ESPP purchase rights using a Black-Scholes option pricing model with the following assumptions:

	Fiscal Year Ended March 31,		
	2022	2021	2020
Expected dividend yield	—	—	—
Expected volatility	35.4% - 40.6%	35.9% - 55.5%	35.9 %
Expected term (years)	0.5	0.5	0.5
Risk-free interest rate	0.04% - 0.1%	0.1% - 1.6%	1.6%

The Company has not paid and does not expect to pay dividends. Consequently, the Company uses an expected dividend yield of zero. The computation of expected volatility is based on a calculation using the historical volatility of a group of publicly traded peer companies. The Company expects to continue to do so until such time as it has adequate historical data regarding the volatility of the Company's traded stock price. The computation of expected term was based on the offering period, which is six months. The risk-free interest rate is based on the U.S. Treasury yield curve that corresponds with the expected term at the time of grant.

Management Incentive Unit Plan

Under the Management Incentive Unit Plan (the "MIU Plan"), Compuware Parent LLC's board of managers had authorized the issuance of MIUs and AUs to certain executive officers and key employees. The MIUs and AUs consisted of two types of units which were classified as performance-vested units and time-vested units.

In connection with the reorganization transactions described in Note 2, outstanding awards granted under the MIU Plan were converted into shares of common stock, restricted stock, and restricted stock units which were granted under the 2019 Plan (as defined above). Upon conversion, the MIUs and AUs were modified and ceased to be classified as liability awards. This modification impacted 306 participants and resulted in the recognition of incremental share-based compensation expense of $145.3 million to record the liability awards at fair value immediately prior to the modification during the year ended March 31, 2020. Upon modification, the liability balance of $278.2 million related to these MIUs and AUs was reclassified into additional paid-in capital.

The fair value of the equity units underlying the MIUs and AUs had historically been determined by the board of directors as there was no public market for the equity units. The board of directors determined the fair value of the Company's equity units by considering a number of objective and subjective factors including: the valuation of comparable companies, the Company's operating and financial performance, the lack of liquidity of common stock, and general and industry specific economic outlook, amongst other factors.

The participation threshold was determined by the board of directors, based on the fair market value on the grant issuance date upon vesting or settlement, the value associated with the MIUs and AUs was the difference between the fair value of the unit and the associated participation threshold. Prior to the modification, the awards were marked to market at the balance sheet date. Upon modification, the awards were marked to market immediately prior to the modification. The weighted average grant date fair value of units granted during the year ended March 31, 2020 was $7.71. The total fair value of vested units during the year ended March 31, 2020 was $278.2 million.

The following key assumptions were used to determine the fair value of the MIUs and AUs for fiscal 2020:

	March 31, 2020
Expected dividend yield	—
Expected volatility	35% - 55%
Expected term (years)	0.5 - 1.25
Risk-free interest rate	1.86% - 2.09%

Share-based compensation

The following table summarizes the components of total share-based compensation expense included in the consolidated financial statements for each period presented (in thousands):

	Fiscal Year Ended March 31,		
	2022	2021	2020
Cost of revenue	$ 12,863	$ 7,307	$ 18,685
Research and development	21,316	11,684	38,670
Sales and marketing	35,957	24,153	84,698
General and administrative	29,400	14,640	80,425
Total share-based compensation expense	$ 99,536	$ 57,784	$ 222,478

13. Net Income (Loss) Per Share

On August 1, 2019, the Company completed its IPO in which the Company issued and sold 38,873,174 shares of common stock at a price to the public of $16.00 per share. These shares are included in the common stock outstanding as of that date.

For the year ended March 31, 2020, basic and diluted net income (loss) per share has been retrospectively adjusted to reflect the conversion of equity in connection with the reorganization transactions described in Note 2. Basic and diluted net income (loss) per share was derived from a unit conversion factor of $16.00 per share as determined by the board of managers of Dynatrace Holdings LLC on July 30, 2019.

The following table sets forth the computation of basic and diluted net income (loss) per share (in thousands, except per share data):

	Fiscal Year Ended March 31,		
	2022	2021	2020
Numerator:			
Net income (loss)	$ 52,451	$ 75,714	$ (413,817)
Denominator:			
Weighted average shares outstanding, basic	284,161	280,469	264,933
Dilutive effect of stock-based awards	6,742	6,040	—
Weighted average shares outstanding, diluted	290,903	286,509	264,933
Net income (loss) per share, basic	$ 0.18	$ 0.27	$ (1.56)
Net income (loss) per share, diluted	$ 0.18	$ 0.26	$ (1.56)

The effect of certain common share equivalents were excluded from the computation of weighted average diluted shares outstanding for the years ended March 31, 2022, 2021, and 2020 as inclusion would have resulted in anti-dilution. A summary of these weighted-average anti-dilutive common share equivalents is provided in the table below (in thousands):

	Fiscal Year Ended March 31,		
	2022	2021	2020
Stock options	170	1,901	4,763
Unvested RSAs and RSUs	119	11	3,819
Shares committed under ESPP	—	—	64

14. Related Party Transactions

The Company had agreements with Thoma Bravo, LLC for financial and management advisory services that terminated on August 1, 2019. During the year ended March 31, 2020, the Company incurred $1.6 million related to these services. The related expense is reflected in "General and administrative" expense in the consolidated statements of operations.

During the year ended March 31, 2020, Compuware distributed $265.0 million to the Company to fund a tax liability incurred in connection with the reorganization transactions described in Note 2.

15. Related Party Debt

On April 1, 2015, the Company entered into $1.8 billion in subordinated demand promissory notes payable to Compuware, a former related party. The promissory notes were established in connection with Compuware's external debt financing. Interest expense on the promissory notes was $4.1 million for the year ended March 31, 2020 and is included in the consolidated statements of operations in "Interest expense, net." In connection with the reorganization during the second quarter of fiscal 2020, the corresponding receivable at Compuware was contributed to the Company and the payable to related party was eliminated.

16. Employee Benefit Plan

The Company has established a 401(k) tax-deferred savings plan (the "401(k) Plan"), which permits participants to make contributions by salary deduction pursuant to Section 401(k) of the Code. The Company is responsible for administrative costs of the 401(k) Plan and may, at its discretion, make matching contributions to the 401(k) Plan. In addition, the Company offers defined contribution plans to employees in certain countries outside the U.S. For the years ended March 31, 2022, 2021, and 2020, the Company made contributions of $4.6 million, $3.6 million and $3.1 million to the U.S. 401(k) Plan, respectively.

17. Geographic Information

Revenue

Revenues by geography are based on legal jurisdiction. Refer to Note 3, Revenue Recognition, for a disaggregation of revenue by geographic region.

Property and equipment, net

The following tables present property and equipment by geographic region for the periods presented (in thousands):

	March 31,	
	2022	**2021**
North America	$ 15,462	$ 12,129
Europe, Middle East and Africa	28,195	23,124
Asia Pacific	1,429	1,619
Latin America	185	44
Total property and equipment, net	$ 45,271	$ 36,916

ITEM 9. CHANGES IN AND DISAGREEMENTS WITH ACCOUNTANTS ON ACCOUNTING AND FINANCIAL DISCLOSURE

None.

ITEM 9A. CONTROLS AND PROCEDURES

Evaluation of Disclosure Controls and Procedures

Our management, including our Chief Executive Officer and Chief Financial Officer, have evaluated the effectiveness of our disclosure controls and procedures (as defined in Rules 13a-15(e) and 15d-15(e) under the Exchange Act) as of the end of the period covered by this Annual Report. Based on such evaluation, our Chief Executive Officer and Chief Financial Officer have concluded that our disclosure controls and procedures, as of March 31, 2022, were effective and provided reasonable assurance that the information required to be disclosed in the reports that we file or submit under the Exchange Act is recorded, processed, summarized, and reported within the time periods specified in the SEC's rules and forms, and that such information is accumulated and communicated to management as appropriate to allow timely decisions regarding required disclosure.

Management's Annual Report on Internal Control Over Financial Reporting

Our management is responsible for establishing and maintaining adequate internal control over financial reporting as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act. This system is designed to provide reasonable assurance regarding the reliability of financial reporting and the preparation of consolidated financial statements for external purposes in accordance with U.S. GAAP.

Our management performed an assessment of the effectiveness of our internal control over financial reporting at March 31, 2022, utilizing the criteria discussed in the "Internal Control – Integrated Framework (2013)" issued by the Committee of Sponsoring Organizations of the Treadway Commission. The objective of this assessment was to determine whether our internal control over financial reporting was effective as of March 31, 2022. Based on management's assessment, we have concluded that our internal control over financial reporting was effective as of March 31, 2022.

The effectiveness of our internal control over financial reporting has been audited by BDO USA LLP, an independent registered public accounting firm, as stated in its attestation report on the internal control over our financial reporting which is included herein.

Changes in Internal Control Over Financial Reporting

There were no changes to our internal control over financial reporting (as defined in Rules 13a-15(f) and 15d-15(f) under the Exchange Act) during the quarter ended March 31, 2022 that have materially affected, or are reasonably likely to materially affect, our internal control over financial reporting.

Inherent Limitations on Effectiveness of Controls

Our management, including our Chief Executive Officer and Chief Financial Officer, does not expect that our disclosure controls and procedures or our internal control over financial reporting will prevent or detect all errors and all fraud. A control system, no matter how well designed and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system 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. Because of the inherent limitation 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. These inherent limitations include the realities that judgments in decision-making can be faulty, and that breakdowns can occur because of a simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by management override of the controls. The design of any system of controls is also based in part upon certain assumptions about the likelihood of future events, and there can be no assurance that any design will succeed in achieving its stated goals under all potential future conditions; over time, controls may become inadequate because of changes in conditions, or the degree of compliance with policies or procedures may deteriorate. Due to inherent limitations in a cost-effective control system, misstatements due to error or fraud may occur and not be detected.

Report of Independent Registered Public Accounting Firm

Shareholders and Board of Directors
Dynatrace, Inc.
Waltham, Massachusetts

Opinion on Internal Control over Financial Reporting

We have audited Dynatrace, Inc.'s (the "Company's") internal control over financial reporting as of March 31, 2022, based on criteria established in *Internal Control – Integrated Framework (2013)* issued by the Committee of Sponsoring Organizations of the Treadway Commission (the "COSO criteria"). In our opinion, the Company maintained, in all material respects, effective internal control over financial reporting as of March 31, 2022, based on the COSO criteria.

We also have audited, in accordance with the standards of the Public Company Accounting Oversight Board (United States) ("PCAOB"), the consolidated balance sheets of the Company as of March 31, 2022 and 2021, the related consolidated statements of operations, comprehensive income (loss), shareholders' equity/member's deficit, and cash flows for each of the three years in the period ended March 31, 2022, and the related notes (collectively referred to as "the consolidated financial statements") and our report dated May 26, 2022 expressed an unqualified opinion thereon.

Basis for Opinion

The Company's management is responsible for maintaining effective internal control over financial reporting and for its assessment of the effectiveness of internal control over financial reporting, included in the accompanying Item 9A, Management's Report on Internal Control over Financial Reporting. Our responsibility is to express an opinion on the Company's internal control over financial reporting based on our audit. We are a public accounting firm registered with the PCAOB and are required to be independent with respect to the Company in accordance with U.S. federal securities laws and the applicable rules and regulations of the Securities and Exchange Commission and the PCAOB.

We conducted our audit of internal control over financial reporting in accordance with the standards of the PCAOB. Those standards require that we plan and perform the audit to obtain reasonable assurance about whether effective internal control over financial reporting was maintained in all material respects. Our audit included obtaining an understanding of internal control over financial reporting, assessing the risk that a material weakness exists, and testing and evaluating the design and operating effectiveness of internal control based on the assessed risk. Our audit also included performing such other procedures as we considered necessary in the circumstances. We believe that our audit provides a reasonable basis for our opinion.

Definition and Limitations of Internal Control over Financial Reporting

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

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

/s/ BDO USA, LLP

Troy, Michigan
May 26, 2022

ITEM 9B. OTHER INFORMATION

None.

ITEM 9C. DISCLOSURE REGARDING FOREIGN JURISDICTIONS THAT PREVENT INSPECTIONS

None.

PART III

ITEM 10. DIRECTORS, EXECUTIVE OFFICERS AND CORPORATE GOVERNANCE

Our board of directors has adopted a code of business conduct and ethics that applies to all of our employees, officers and directors, including our Chief Executive Officer, Chief Financial Officer and other executive and senior officers. The full text of our code of business conduct and ethics is posted on the Investor Relations section of our website at ir.dynatrace.com under "Governance - Governance Documents." We will disclose any amendments to our code of business conduct and ethics, or waivers of its requirements granted to our principal executive officer, principal financial officer, principal accounting officer or controller or persons performing similar functions, on our website or in filings under the Exchange Act as required by applicable law or the listing standards of the NYSE.

The remaining information called for by this item will be set forth in our definitive Proxy Statement for the 2022 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended March 31, 2022 and is incorporated herein by reference.

ITEM 11. EXECUTIVE COMPENSATION

The information called for by this item will be set forth in our definitive Proxy Statement for the 2022 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended March 31, 2022 and is incorporated herein by reference.

ITEM 12. SECURITY OWNERSHIP OF CERTAIN BENEFICIAL OWNERS AND MANAGEMENT AND RELATED STOCKHOLDER MATTERS

The information called for by this item will be set forth in our definitive Proxy Statement for the 2022 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended March 31, 2022 and is incorporated herein by reference.

ITEM 13. CERTAIN RELATIONSHIPS AND RELATED PARTY TRANSACTIONS, AND DIRECTOR INDEPENDENCE

The information called for by this item will be set forth in our definitive Proxy Statement for the 2022 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended March 31, 2022 and is incorporated herein by reference.

ITEM 14. PRINCIPAL ACCOUNTING FEES AND SERVICES

The information called for by this item will be set forth in our definitive Proxy Statement for the 2022 Annual Meeting of Stockholders to be filed with the SEC within 120 days of the fiscal year ended March 31, 2022 and is incorporated herein by reference.

Our independent public accounting firm is BDO USA, LLP, Troy, MI, PCAOB Auditor ID #243.

PART IV

ITEM 15. EXHIBITS AND FINANCIAL STATEMENT SCHEDULES

(a) Listing of Documents

1. Financial Statements

The following financial statements are included in Part II, Item 8 of this Form 10-K:

Report of Independent Registered Public Accounting Firm

CONSOLIDATED BALANCE SHEETS
CONSOLIDATED STATEMENTS OF OPERATIONS
CONSOLIDATED STATEMENTS OF COMPREHENSIVE INCOME (LOSS)
CONSOLIDATED STATEMENTS OF SHAREHOLDERS' EQUITY / MEMBER'S DEFICIT
CONSOLIDATED STATEMENTS OF CASH FLOWS

2. Financial Statement Schedules

All other schedules have been omitted because they are not required, not applicable, or the required information is otherwise included.

3. Exhibits

The documents listed in the Exhibit Index of this report are incorporated by reference or are filed with this report, in each case as indicated therein (numbered in accordance with Item 601 of Regulation S-K).

EXHIBIT INDEX

Exhibit Number	Description
3.1	Amended and Restated Limited Liability Company Agreement of Dynatrace LLC, dated as of August 23, 2018 (incorporated by reference to Exhibit 3.1 to the Company's Registration Statement on Form S-1/A, filed with the SEC on July 22, 2019).
3.2	Amended and Restated Certificate of Incorporation of the Company (incorporated by reference to Exhibit 3.3 to the Company's Registration Statement on Form S-1/A, filed with the SEC on July 22, 2019).
3.3	Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.5 to the Company's Registration Statement on Form S-1/A, filed with the SEC on July 22, 2019).
3.4	First Amendment to the Amended and Restated Bylaws of the Company (incorporated by reference to Exhibit 3.4 to the Company's Annual Report on Form 10-K filed with the SEC on May 27, 2020).
4.1	Specimen Common Stock Certificate (incorporated by reference to Exhibit 4.1 to the Company's Registration Statement on Form S-1/A, filed with the SEC on July 22, 2019).
4.2	Registration Rights Agreement (incorporated by reference to Exhibit 4.2 to the Company's Registration Statement on Form S-1/A, filed with the SEC on July 22, 2019).
4.3	Description of the Company's Securities (incorporated by reference to Exhibit 4.3 to the Company's Annual Report on Form 10-K filed with the SEC on May 27, 2020).
10.1#	2019 Equity Incentive Plan, as amended (incorporated by reference to Exhibit 10.1 of the Registrant's Annual Report on Form 10-K, filed on May 28, 2021)
10.2#	Forms of award agreements under the 2019 Equity Incentive Plan (incorporated by reference to Exhibit 10.1 to the Company's Registration Statement on Form S-1/A, filed with the SEC on July 30, 2019).
10.3#	2019 Employee Stock Purchase Plan (incorporated by reference to Exhibit 10.2 to the Company's Registration Statement on Form S-1/A, filed with the SEC on July 22, 2019).
10.4#*	FY 2023 Annual Short-Term Incentive Plan
10.5	Non-Employee Director Compensation Policy (incorporated by reference to Exhibit 10.4 to the Company's Registration Statement on Form S-1/A, filed with the SEC on July 22, 2019).
10.6#	Form of Indemnification Agreement between the Registrant and each of its directors and executive officers (incorporated by reference to Exhibit 10.5 to the Company's Registration Statement on Form S-1/A, filed with the SEC on July 25, 2019).
10.7#	Executive Officer Employment Agreement between the Company and Rick McConnell dated as of November 15, 2021 (incorporated by reference to Exhibit 10.2 to the Company's Current Report on Form 8-K, filed with the SEC on November 15, 2021).
10.8#*	Executive Officer Employment Agreement between the Company and Kevin Burns
10.9#	Executive Officer Employment Agreement between the Company and Bernd Greifeneder (incorporated by reference to Exhibit 10.17 to the Company's Quarterly Report on Form 10-Q, filed with the SEC on October 27, 2021).
10.10#*	Executive Officer Employment Agreement between the Company and Stephen Pace
10.11#	Transition Agreement between the Company and John Van Siclen dated as of November 15, 2021 (incorporated by reference to Exhibit 10.1 to the Company's Current Report on Form 8-K, filed with the SEC on November 15, 2021).
10.12	Senior Secured First Lien Credit Agreement, by and among Dynatrace LLC, Dynatrace Intermediate LLC, Jefferies Finance LLC and the other Lenders Parties listed thereto, dated as of August 23, 2018 (incorporated by reference to Exhibit 10.10 to the Company's Registration Statement on Form S-1, filed with the SEC on July 5, 2019).
10.13	Senior Secured Second Lien Credit Agreement, by and among Dynatrace LLC, Dynatrace Intermediate LLC, Jefferies Finance LLC and the other Lenders Parties listed thereto, dated as of August 23, 2018 (incorporated by reference to Exhibit 10.11 to the Company's Registration Statement on Form S-1, filed with the SEC on July 5, 2019).
10.14	Office Lease, dated July 6, 2017, by and between BP Reservoir Place LLC and Dynatrace LLC, and Declaration Affixing the Commencement Date of the Lease, dated November 15, 2017, by and between BP Reservoir Place LLC and Dynatrace LLC (incorporated by reference to Exhibit 10.12 to the Company's Registration Statement on Form S-1, filed with the SEC on July 5, 2019).

10.15	English Translation of Lease Agreement, dated as of March 28, 2017, by and between Neunteufel GmbH and Dynatrace Austria GmbH (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement on Form S-1, filed with the SEC on July 5, 2019).
10.16	Form of Tax Matters Agreement entered into between Dynatrace Holdings LLC and Compuware Software Group LLC (incorporated by reference to Exhibit 10.13 to the Company's Registration Statement on Form S-1/A, filed with the SEC on July 25, 2019).
10.17	Form of Master Structuring Agreement entered into by and among Dynatrace Holdings, LLC, Compuware Software Group, LLC and the other parties named therein (incorporated by reference to Exhibit 10.14 to the Company's Registration Statement on Form S-1/A, filed with the SEC on July 25, 2019).
10.18	Second Amendment to Senior Secured First Line Credit Agreement dated February 6, 2020, by and among Dynatrace LLC, Dynatrace Intermediate LLC, the lenders party thereto and Jefferies Financing LLC as administrative agent (incorporated by reference to Exhibit 10.1 to the Company's Form 8-K filed with the SEC on February 6, 2020).
21.1	Subsidiaries of the Registrant (incorporated by reference to Exhibit 21.1 to the Company's Registration Statement on Form S-1/A, filed with the SEC on July 22, 2019).
23.1*	Consent of BDO USA, LLP.
24.1	Power of Attorney (included on signature page).
31.1*	Certification of Principal Executive Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended
31.2*	Certification of Principal Financial Officer pursuant to Rule 13a-14(a) or Rule 15d-14(a) of the Securities Exchange Act of 1934, as amended.
32.1**	Certification of Principal Executive Officer and Principal Financial Officer pursuant to Section 906 of the Sarbanes-Oxley Act.
101.INS	XBRL Instance Document - the instance document does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL Document.
101.SCH	Inline XBRL Taxonomy Extension Schema Document.
101.CAL	Inline XBRL Taxonomy Extension Calculation Linkbase Document.
101.DEF	Inline XBRL Taxonomy Extension Definition Linkbase Document.
101.LAB	Inline XBRL Taxonomy Extension Label Linkbase Document.
101.PRE	Inline XBRL Taxonomy Extension Presentation Linkbase Document.
104	Cover Page Interactive Data File - the cover page interactive data file does not appear in the Interactive Data File because its XBRL tags are embedded within the Inline XBRL document.

\# Indicates a management contract or any compensatory plan, contract or arrangement.

* Filed herewith

** The certifications furnished in Exhibit 32.1 hereto are deemed to accompany this Annual Report on Form 10-K and will not be deemed "filed" for purposes of Section 18 of the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates it by reference. Such certifications will not be deemed to be incorporated by reference into any filings under the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, except to the extent that the Registrant specifically incorporates it by reference.

ITEM 16. FORM 10-K SUMMARY

None.

SIGNATURES

Pursuant to the requirements of Section 13 or 15(d) of the Securities Exchange Act of 1934, the registrant has duly caused this report to be signed on its behalf by the undersigned, thereunto duly authorized.

DYNATRACE, INC.

Date: May 26, 2022	By:	/s/ Rick McConnell
		Rick McConnell
		Chief Executive Officer
		(Principal Executive Officer)

POWER OF ATTORNEY

KNOW ALL PERSONS BY THESE PRESENTS, that each person whose signature appears below hereby constitutes and appoints Rick McConnell, Kevin Burns and Craig Newfield, and each of them, as his true and lawful attorney-in-fact and agent with full power of substitution, for him in any and all capacities, to sign any and all amendments to this Annual Report on Form 10-K, and to file the same, with all exhibits thereto and other documents in connection therewith, with the Securities and Exchange Commission, granting unto said attorney-in-fact, proxy, and agent full power and authority to do and perform each and every act and thing requisite and necessary to be done in connection therewith, as fully for all intents and purposes as he might or could do in person, hereby ratifying and confirming all that said attorney-in-fact, proxy and agent, or his substitute, may lawfully do or cause to be done by virtue hereof.

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

Signature	Title	Date
/s/ Rick McConnell Rick McConnell	Chief Executive Officer and Director (Principal Executive Officer)	May 26, 2022
/s/ Kevin Burns Kevin Burns	Chief Financial Officer and Treasurer (Principal Financial Officer)	May 26, 2022
/s/ Jill Ward Jill Ward	Director, Board Chair	May 26, 2022
/s/ Seth Boro Seth Boro	Director	May 26, 2022
/s/ Michael Capone Michael Capone	Director	May 26, 2022
/s/ Ambika Kapur Ambika Kapur	Director	May 26, 2022
/s/ Stephen Lifshatz Stephen Lifshatz	Director	May 26, 2022
/s/ Steve Rowland Steve Rowland	Director	May 26, 2022
/s/ Kenneth Virnig Kenneth Virnig	Director	May 26, 2022
/s/ Kirsten Wolberg Kirsten Wolberg	Director	May 26, 2022
/s/ Paul Zuber Paul Zuber	Director	May 26, 2022

LEADERSHIP TEAM

Rick McConnell
Chief Executive Officer

Kevin Burns
Chief Financial Officer

Bernd Greifeneder
Chief Technology Officer and Founder

Stephen Pace
Chief Revenue Officer

Alicia Allen
SVP, Global Controller and
Chief Accounting Officer

Nicole Fitzpatrick
SVP, General Counsel

Colleen Kozak
VP, Strategic Programs and
Chief of Staff

Mike Maciag
SVP, Chief Marketing Officer

Susan Quackenbush
SVP, Chief People Officer

Matthias Scharer
SVP, Chief Customer Officer

Steve Tack
SVP, Product Management

BOARD OF DIRECTORS

Jill Ward
Chair

Seth Boro
Director

Michael Capone
Director

Ambika Kapur
Director

Stephen Lifshatz
Director

Rick McConnell
Director

Steve Rowland
Director

Kenneth "Chip" Virnig
Director

Kirsten Wolberg
Director

Paul Zuber
Director

dynatrace

Corporate Headquarters
Dynatrace, Inc.
1601 Trapelo Road, Suite 116
Waltham, MA 02451
Phone: (781) 530-1000

Corporate Counsel
Goodwin Procter LLP
100 Northern Avenue
Boston, MA 02210

Transfer Agent
Computershare
462 South 4th Street, Suite 1600
Louisville, KY 40202 U.S.
Phone: (800) 736-3001

Stock Listing
Dynatrace's common stock is traded on the New York Stock Exchange under the symbol "DT"

Independent Auditors
Ernst & Young LLP
Auditor starting in fiscal 2023
Waterfront Corporate Center II
121 River Street
Hoboken, NJ 07030

Investor Inquiries
Additional copies of this report and other financial information are available on our website at ir.dynatrace.com

dynatrace