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

FORM 8-K/A

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

Date of Report (Date of earliest event reported): June 12, 2018

LogMeIn, Inc.
(Exact Name of Registrant as Specified in Charter)

Delaware	**001-34391**	**20-1515952**
(State or Other Jurisdiction of Incorporation or Organization)	**(Commission File Number)**	**(IRS Employer Identification No.)**

320 Summer Street **Boston, Massachusetts**	**02210**
(Address of principal executive offices)	**(Zip Code)**

Registrant's telephone number, including area code: (781)-638-9050

(Former Name or Former Address, if Changed Since Last Report)

Check the appropriate box below if the Form 8-K filing is intended to simultaneously satisfy the filing obligation of the registrant under any of the following provisions (see General Instruction A.2. below):

☐ Written communications pursuant to Rule 425 under the Securities Act (17 CFR 230.425)

☐ Soliciting material pursuant to Rule 14a-12 under the Exchange Act (17 CFR 240.14a-12)

☐ Pre-commencement communications pursuant to Rule 14d-2(b) under the Exchange Act (17 CFR 240.14d-2(b))

☐ Pre-commencement communications pursuant to Rule 13e-4(c) under the Exchange Act (17 CFR 240.13e-4(c))

Indicate by check mark whether the registrant is an emerging growth company as defined in Rule 405 of the Securities Act of 1933 (§230.405 of this chapter) or Rule 12b-2 of the Securities Exchange Act of 1934 (§240.12b-2 of this chapter).

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. ☐

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Item 2.01. Completion of Acquisition or Disposition of Assets.

As previously disclosed in the Current Reports on Form 8-K filed by the Company with the SEC on February 8, 2018 and April 3, 2018, the Company's wholly-owned subsidiary, LogMeIn USA, Inc. (the "Buyer"), entered into a definitive agreement to acquire all of the outstanding equity of Jive Communications, Inc. ("Jive") pursuant to an Agreement and Plan of Merger (the "Merger Agreement"), dated as of February 7, 2018, by and among the Buyer, Jazz Merger Sub, Inc., a wholly-owned subsidiary of the Buyer, Jive and Fortis Advisors LLC, in its capacity as Representative. On April 3, 2018, the acquisition was completed and Jive became a wholly-owned subsidiary of the Buyer. The purchase price, paid in cash, was approximately $342 million, subject to certain adjustments. In addition, the Buyer anticipates that it will pay up to $15 million in contingent cash retention payments to certain employees of Jive upon the achievement of specified retention milestones over the two-year period following the closing of the Jive acquisition.

The Company funded the purchase price through a combination of existing cash on-hand and a $200 million revolving loan borrowed pursuant to its existing credit agreement.

The foregoing description of the Merger Agreement does not purport to be complete and is qualified in its entirety by reference to the full text of the Merger Agreement, filed with the February 8, 2018 Form 8-K as Exhibit 2.1 and incorporated herein by reference.

Item 9.01. Financial Statements and Exhibits.

(a) Financial Statements of Business Acquired

The audited consolidated financial statements of Jive, as of December 31, 2017 and 2016 and for the three years in the period ended December 31, 2017, are filed as Exhibit 99.1 hereto and are incorporated herein by reference.

(b) Pro Forma Financial Information.

The following unaudited pro forma combined financial information of the Company reflecting the acquisition of Jive are filed as Exhibit 99.2 and are incorporated herein by reference:

i. Unaudited pro forma combined balance sheet as of December 31, 2017; and

ii. Unaudited pro forma combined statement of operations for the year ended December 31, 2017.

(d) Exhibits.

Listed and indexed below are all Exhibits filed as part of this report.

Exhibit No.	Description
23.1	Consent of Tanner LLC, Independent Accountants.
99.1	Audited consolidated financial statements of Jive as of December 31, 2017 and 2016 and for the three years in the period ended December 31, 2017.
99.2	Unaudited pro forma combined financial information of the Company reflecting the acquisition of Jive.

SIGNATURE

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

LOGMEIN, INC

Date: June 12, 2018

By: /s/ Michael J. Donahue
Michael J. Donahue
SVP, General Counsel & Secretary

Exhibit 23.1

CONSENT OF INDEPENDENT ACCOUNTANTS

We hereby consent to the inclusion in this Form 8-K/A and the incorporation by reference in registration statements Nos. 333-162664, 333-165668, 333-169884, 333-193696, 333-202733, 333-208373, 333-214387 and 333-217736 on Form S-8 of LogMeIn, Inc. of our report dated May 11, 2018, with respect to the consolidated financial statements of Jive Communications, Inc. as of December 31, 2017 and 2016 and for the years ended December 31, 2017, 2016 and 2015.

/s/ Tanner LLC

Tanner LLC

Salt Lake City, Utah
June 12, 2018

Exhibit 99.1

Jive Communications, Inc.

Consolidated Financial Statements
As of December 31, 2017 and 2016 and for the
Three years in the period ended December 31, 2017

Together with Independent Auditors' Report

Tanner LLC
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www.tannerco.com

TANNER
BUSINESS ADVISORS AND
CERTIFIED PUBLIC ACCOUNTANTS

Member of Allinial GLOBAL

INDEPENDENT AUDITORS' REPORT

To the Board of Directors of
Jive Communications, Inc.

We have audited the accompanying consolidated financial statements of Jive Communications, Inc. and subsidiaries (collectively, the Company), which comprise the consolidated balance sheets as of December 31, 2017 and 2016, the related consolidated statements of operations, comprehensive loss, stockholders' equity (deficit), and cash flows for the years ended December 31, 2017, 2016, and 2015, and the related notes to consolidated financial statements.

Management's Responsibility for the Financial Statements

Management is responsible for the preparation and fair presentation of these financial statements in accordance with accounting principles generally accepted in the United States of America; this includes the design, implementation, and maintenance of internal control relevant to the preparation and fair presentation of financial statements that are free from material misstatement, whether due to error or fraud.

Auditors' Responsibility

Our responsibility is to express an opinion on these financial statements based on our audits. We conducted our audits in accordance with auditing standards generally accepted in the United States of America. Those standards require that we plan and perform the audits to obtain reasonable assurance about whether the financial statements are free from material misstatement.

An audit involves performing procedures to obtain audit evidence about the amounts and disclosures in the financial statements. The procedures selected depend on the auditors' judgment, including the assessment of the risks of material misstatement of the financial statements, whether due to error or fraud. In making those risk assessments, the auditors consider internal control relevant to the entity's preparation and fair presentation of the financial statements in order to design audit procedures that are appropriate in the circumstances, but not for the purpose of expressing an opinion on the effectiveness of the entity's internal control. Accordingly, we express no such opinion. An audit also includes evaluating the appropriateness of accounting policies used and the reasonableness of significant accounting estimates made by management, as well as evaluating the overall presentation of the financial statements.

We believe that the audit evidence we have obtained is sufficient and appropriate to provide a basis for our audit opinion.

Opinion

In our opinion, the consolidated financial statements referred to above present fairly, in all material respects, the consolidated financial position of Jive Communications, Inc. and subsidiaries as of December 31, 2017 and 2016, and the results of their operations and their cash flows for the years ended December 31, 2017, 2016, and 2015, in accordance with accounting principles generally accepted in the United States of America.

Tanner LLC

May 11, 2018

JIVE COMMUNICATIONS, INC.
CONSOLIDATED BALANCE SHEETS

	December 31, 2017	December 31, 2016
Assets		
Current assets:		
Cash and cash equivalents	$ 3,013,694	$ 9,694,502
Accounts receivable, net	4,967,428	4,899,896
Current portion of lease receivables, net	1,397,485	468,043
Current portion of unbilled accounts receivable	476,773	767,933
Inventory	318,338	112,786
Other current assets	1,763,142	2,736,579
Total current assets	11,936,860	18,679,739
Lease receivables, net of current portion	1,874,588	666,839
Unbilled accounts receivable, net of current portion	276,062	276,888
Property and equipment, net	3,760,494	3,299,760
Intangible assets, net	1,278,139	1,303,139
Other assets	541,256	121,200
Total assets	$ 19,667,399	$ 24,347,565
Liabilities and Stockholders' Equity (Deficit)		
Current liabilities:		
Accounts payable	$ 3,319,131	$ 1,844,157
Accrued compensation	2,249,070	2,052,024
Accrued expenses	3,995,318	2,620,895
Current portion of capital lease obligations	473,741	668,751
Current portion of long-term debt	833,333	1,238,071
Other current liabilities	174,570	63,043
Total current liabilities	11,045,163	8,486,941
Deferred rent	46,728	71,615
Capital lease obligations, net of current portion	122,990	12,168
Long-term debt, net of current portion	14,916,667	6,522,314
Other long-term liabilities	120,281	49,001
Total liabilities	26,251,829	15,142,039
Commitments and contingencies (Note 7)		
Stockholders' equity (deficit):		
Preferred stock, convertible, $0.0001 par value:		
Authorized: 33,000,000		
Issued and outstanding: 23,578,536 shares at December 31, 2017 and December 31, 2016; aggregate liquidation preference of $40,216,600 at December 31, 2017 and December 31, 2016;	2,358	2,358
Common stock, $0.0001 par value:		
Authorized: 115,000,000 shares;		
Issued and outstanding: 56,578,146 shares and 58,410,826 shares at December 31, 2017 and December 31, 2016, respectively;	5,658	5,841
Promissory notes to be satisfied through redemption of shares	—	(2,503,646)
Additional paid-in capital	22,862,789	26,842,526
Accumulated other comprehensive loss	(14,914)	(2,084)
Accumulated deficit	(29,440,321)	(15,139,469)
Total stockholders' equity (deficit)	(6,584,430)	9,205,526
Total liabilities and stockholders' equity (deficit)	$ 19,667,399	$ 24,347,565

See accompanying notes to consolidated financial statements

JIVE COMMUNICATIONS, INC.
CONSOLIDATED STATEMENTS OF OPERATIONS

	Years Ended December 31,		
	2017	2016	2015
Software subscriptions	$ 72,815,327	$ 61,618,513	$ 50,429,354
Product revenue	7,892,940	5,568,202	4,918,797
Total revenue	80,708,267	67,186,715	55,348,151
Operating expenses:			
Cost of software subscriptions	19,284,187	17,222,698	14,652,569
Cost of product revenue	8,351,570	5,992,687	5,274,992
Sales and marketing	44,297,090	32,194,449	25,488,366
Research and development	12,184,722	8,448,140	6,804,504
General and administrative	10,100,738	7,749,794	8,217,730
Total operating expenses	94,218,307	71,607,768	60,438,161
Loss from operations	(13,510,040)	(4,421,053)	(5,090,010)
Interest expense	(756,999)	(441,639)	(319,589)
Loss before provision for income taxes	(14,267,039)	(4,862,692)	(5,409,599)
Provision for income taxes	33,813	15,743	21,058
Net loss	$ (14,300,852)	$ (4,878,435)	$ (5,430,657)

See accompanying notes to consolidated financial statements

JIVE COMMUNICATIONS, INC.
CONSOLIDATED STATEMENTS OF COMPREHENSIVE LOSS

	Years Ended December 31,		
	2017	2016	2015
Net loss	$ (14,300,852)	$ (4,878,435)	$ (5,430,657)
Other comprehensive income (loss)			
Foreign currency translation adjustment	(12,830)	14,654	(16,738)
Comprehensive loss	$ (14,313,682)	$ (4,863,781)	$ (5,447,395)

See accompanying notes to consolidated financial statements

JIVE COMMUNICATIONS, INC.
CONSOLIDATED STATEMENTS OF STOCKHOLDERS' EQUITY

	Convertible Preferred Stock		Common Stock		Additional	Accumulated Other			
	Shares	Amount	Shares	Amount	Paid-in Capital	Comprehensive Loss	Accumulated Deficit	Promissory Notes	Total
Balance at December 31, 2014	18,355,695	$ 1,836	49,351,170	$ 4,934	$ 14,545,043	$ —	$ (4,830,377)	$ —	$ 9,721,436
Issuance of common stock on exercise of stock options	—	—	8,680,210	868	158,496	—	—	—	159,364
Repurchase of common stock	—	—	(59,931)	(5)	(147,042)	—	—	—	(147,047)
Stock-based compensation	—	—	—	—	100,057	—	—	—	100,057
Foreign currency translation adjustment	—	—	—	—	—	(16,738)	—	—	(16,738)
Net loss	—	—	—	—	—	—	(5,430,657)	—	(5,430,657)
Balance at December 31, 2015	18,355,695	1,836	57,971,449	5,797	14,656,554	(16,738)	(10,261,034)	—	4,386,415
Issuance of common stock on exercise of stock options	—	—	439,377	44	60,652	—	—	—	60,696
Issuance of Series A preferred stock	5,222,841	522	—	—	11,999,477	—	—	—	11,999,999
Stock-based compensation	—	—	—	—	125,843	—	—	—	125,843
Foreign currency translation adjustment	—	—	—	—	—	14,654	—	—	14,654
Promissory notes to be satisfied through redemption of shares	—	—	—	—	—	—	—	(2,503,646)	(2,503,646)
Net loss	—	—	—	—	—	—	(4,878,435)	—	(4,878,435)
Balance at December 31, 2016	23,578,536	2,358	58,410,826	5,841	26,842,526	(2,084)	(15,139,469)	(2,503,646)	9,205,526
Issuance of common stock on exercise of stock options	—	—	125,885	13	24,050	—	—	—	24,063
Repurchase of common stock	—	—	(1,958,565)	(196)	(4,499,999)	—	—	2,503,646	(1,996,549)
Stock-based compensation	—	—	—	—	496,212	—	—	—	496,212
Foreign currency translation adjustment	—	—	—	—	—	(12,830)	—	—	(12,830)
Net loss	—	—	—	—	—	—	(14,300,852)	—	(14,300,852)
Balance at December 31, 2017	23,578,536	$ 2,358	56,578,146	$ 5,658	$ 22,862,789	$ (14,914)	$ (29,440,321)	$ —	$ (6,584,430)

See accompanying notes to consolidated financial statements

JIVE COMMUNICATIONS, INC.
CONSOLIDATED STATEMENTS OF CASH FLOWS

	Years Ended December 31,		
	2017	2016	2015
Cash flows from operating activities:			
Net loss	$ (14,300,852)	$ (4,878,435)	$ (5,430,657)
Adjustments to reconcile net loss to net cash used in operating activities:			
Depreciation and amortization	2,138,792	1,901,843	1,751,969
Stock-based compensation	496,212	125,843	100,057
Loss on disposal of assets	42,042	77,880	12,185
Changes in operating assets and liabilities:			
Accounts receivable	(63,859)	161,515	(2,956,080)
Inventory	(205,818)	(8,479)	33,140
Unbilled accounts receivable	286,812	61,475	250,344
Lease receivable	(2,155,498)	(1,134,883)	—
Other current and noncurrent assets	562,351	(1,378,305)	(263,985)
Accounts payable	1,440,802	403,302	473,186
Accrued compensation and accrued expenses	1,761,319	1,748,910	489,395
Other liabilities	(16,777)	85,296	15,822
Net cash used in operating activities	(10,014,474)	(2,834,038)	(5,524,624)
Cash flows from investing activities:			
Purchase of property and equipment	(1,842,198)	(693,172)	(2,234,424)
Purchase of intangible asset	—	(14,000)	(184,103)
Proceeds from sales of property and equipment	37,766	119,471	52,179
Net cash used in investing activities	(1,804,432)	(587,701)	(2,366,348)
Cash flows from financing activities:			
Net proceeds from revolving line of credit and long-term debt	11,883,333	2,675,000	5,350,000
Repayment of long-term debt	(3,893,718)	(815,532)	(226,511)
Repayment of capital lease obligations	(1,090,550)	(1,270,622)	(1,629,059)
Net proceeds from issuance of preferred stock	—	11,999,999	—
Proceeds from exercise of stock options and common stock warrants	24,063	60,696	11,898
Repurchase of common stock	(1,996,549)	—	(147,047)
Issuance of promissory notes	—	(2,503,646)	—
Net cash provided by financing activities	4,926,579	10,145,895	3,359,281
Effect of exchange rate changes on cash	211,519	12,973	(8,791)
Net change in cash and cash equivalents	(6,680,808)	6,737,129	(4,540,482)
Cash and cash equivalents:			
Cash and cash equivalents at beginning of year	9,694,502	2,957,373	7,497,855
Cash and cash equivalents at end of year	$ 3,013,694	$ 9,694,502	$ 2,957,373
Supplemental disclosure of cash flow information:			
Cash paid for interest	$ 767,071	$ 420,824	$ 326,012
Cash paid for income taxes	$ 397	$ 11,119	$ 4,652
Supplemental schedule of noncash investing and financing activities:			
Equipment purchased under capital lease	$ 921,647	$ 163,001	$ 106,597
Promissory notes issued by employees for issuance of Company stock	$ —	$ —	$ 147,466
Promissory notes satisfied through redemption of Company stock	$ 2,503,646	$ —	$ —

See accompanying notes to consolidated financial statements

1. Description of Organization and Summary of Significant Accounting Policies

Description of Business

Jive Communications, Inc. was incorporated in Delaware on August 1, 2006. Jive Communications, Inc. and its subsidiaries (collectively, "the Company") provide enterprise-grade hosted VoIP and unified communications to businesses and institutions worldwide.

The Company is headquartered in Utah with wholly-owned subsidiaries in Brazil, Canada, Guatemala, and Mexico.

Principles of Consolidation

The consolidated financial statements include the accounts of the Company and its subsidiaries. All significant intercompany accounts and transactions have been eliminated in consolidation.

Use of Estimates

The preparation of financial statements in conformity with accounting principles generally accepted in the United States of America requires management to make estimates and assumptions that affect reported amounts of assets and liabilities and disclosures of contingent assets and liabilities at the date of the financial statements and the reported amounts of revenues and expenses during the reporting period. On an on-going basis, the Company evaluates its estimates, including, but not limited to, those related to the allowance for doubtful accounts, valuation allowances for net deferred income tax assets, and stock-based compensation. Actual results could differ from those estimates.

Cash and Cash Equivalents and Concentrations of Credit Risk

Cash and cash equivalents consist of cash and investments that are readily convertible into cash and have original maturities to the Company of three months or less. The Company maintains its cash in bank deposit accounts with established commercial banks. To date, the Company has not experienced a loss or lack of access to its invested cash and cash equivalents.

Foreign Currency

The functional currency of the Company's foreign subsidiaries is the local currency. Adjustments resulting from translating foreign functional currency financial statements into U.S. dollars are recorded as a component of accumulated other comprehensive income or loss within the stockholders' equity in the consolidated balance sheets. All assets and liabilities denominated in a foreign currency are translated into U.S. dollars at the exchange rate on the balance sheet date. Equity transactions are translated using historical exchange rates. Revenues and expenses are translated at the average exchange rate during the period.

Accounts Receivable

Accounts receivable are recorded at the amount invoiced to customers on normal trade terms and do not bear interest. The allowance for doubtful accounts is the Company's best estimate of the amount of probable credit losses in the Company's existing accounts receivable. The estimated amount is based on the aging of the receivable balance, current and historical customer trends, and changes in payment schedules and histories. Account balances are charged off against the allowance for doubtful accounts receivable when the potential for recovery is remote. Recoveries of receivables previously charged off are recorded when payment is received.

Lease Receivables

The Company leases equipment to customers through sales-type leases with no explicit interest rate. Lease receivables are recorded at the commencement date at the amount to be received from the customer over the term of the lease. An interest rate based on current market interest rates is used to determine interest revenue over the life of the lease. There are no fees or costs associated with origination of a lease. All profit or loss associated with the leased equipment is recognized at the commencement date unless a multiple-element arrangement exists. If a multiple element-arrangement exists, the revenue from the sales-type lease is allocated according to the Company’s accounting for multiple-element arrangements. The allowance for doubtful lease receivables is the Company’s best estimate of the amount of probable credit losses in the Company’s existing lease receivables. The estimated amount is based on the aging of the receivable balance, current and historical customer trends, and changes in payment schedules and histories. Account balances are charged off against the allowance for doubtful lease receivables and the accrual of interest is discontinued when the potential for recovery is remote. Recoveries of receivables previously charged off are recorded when payment is received, and at this time the accrual of interest resumes.

Inventory

Inventory, consisting solely of finished goods, is stated at the lower of cost or market. Cost was determined using the standard cost method.

Property and Equipment

Property and equipment are stated at cost less accumulated depreciation and amortization. Depreciation and amortization are calculated using the straight-line method over the estimated economic useful lives of the assets or over the related lease terms (if shorter). Rental and telephony equipment are depreciated over three years; network and office equipment and vehicles are depreciated over five years; office furniture is depreciated over seven years; and leasehold improvements are depreciated over the respective lease term.

Expenditures for improvements that extend the physical or economic life of the property are capitalized. Routine maintenance, repairs, and renewal costs are charged to expense as incurred. Upon sale or other retirement of depreciable property, the cost and accumulated depreciation and amortization are removed from the related accounts and any gain or loss is reflected in the statements of operations.

Intangible Assets

In 2013 the Company purchased intellectual property through the issuance of a promissory note. The Company determined that the intellectual property has an indefinite life, and accordingly the intangible asset is not subject to amortization.

In 2015 the Company purchased intellectual property. The Company determined that a portion of the intellectual property has an indefinite life and is not subject to amortization. The remainder of the intellectual property has a finite life and is amortized on a straight-line basis over the periods benefited, which is estimated at five years. The amortization expense for the intellectual property is included in cost of software subscriptions.

In 2016 the Company purchased intellectual property. The Company determined that the intellectual property has an indefinite life and is not subject to amortization.

Impairment of Long-Lived Assets

Long-lived assets, such as property and equipment, are reviewed for impairment whenever events or changes in circumstances indicate that the carrying amount of an asset may not be recoverable. No impairment charges were recorded in 2017, 2016, or 2015.

Intangible assets that have indefinite useful lives are tested annually for impairment, and are tested for impairment more frequently if events and circumstances indicate that the asset might be impaired. An impairment loss is recognized to the extent that the carrying amount exceeds the asset’s fair value. No impairment charges were recorded against intangible assets in 2017, 2016, or 2015.

Revenue Recognition

The Company's revenues consist primarily of software subscriptions and product revenue. The Company recognizes revenue when products are shipped or services have been provided and the customer takes ownership of products and assumes risk of loss, collection of the related receivable is probable, persuasive evidence of an arrangement exists and the sales price is fixed or determinable. Shipping and other transportation costs charged to customers are recorded in both product revenue and cost of product revenue. Revenue is recorded net of sales tax.

The Company enters into arrangements with multiple-deliverables that are divided into separate units of accounting according to Financial Accounting Standards Board ("FASB") Accounting Standards Codification ("ASC") 605-25 *Multiple-Element Arrangements* . The Company allocates revenues to each deliverable in a multiple-deliverable arrangement based upon its relative selling price. Accounting Standards Update ("ASU") No. 2009-13 states that a vendor should determine its best estimate of selling price ("BESP") in a manner that is consistent with that used to determine the price to sell the deliverable on a stand-alone basis. As the Company charges customers for the various deliverables in the multiple-element arrangement based on a stand-alone price, the stand-alone selling prices charged to customers provide a basis to allocate the arrangement consideration among the multiple deliverables. Consideration allocated to each deliverable, limited to the amount not contingent on future performance, is then recognized when the revenue recognition criteria are met for each of the respective deliverables.

Stock-Based Compensation

Employee stock-based compensation expense is measured at the grant date using the Black-Scholes option valuation model. Fair value determined using the Black-Scholes option valuation model varies based on assumptions used for the expected stock price volatility, expected term, risk free interest rate and future dividend payments. Compensation expense is recognized over the vesting period using the straight-line method, net of estimated forfeitures.

Advertising

Advertising costs are expensed as incurred and were approximately $2.90 million, $2.34 million, and $2.14 million for the years ended December 31, 2017, 2016, and 2015, respectively.

Income Taxes

Income taxes are accounted for under the asset and liability method. Deferred tax assets and liabilities are recognized for the future tax consequences attributable to differences between the financial statement carrying amounts of existing assets and liabilities and their respective tax bases and operating loss and tax carryforwards. Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to be recovered or settled. The effect on deferred tax assets and liabilities of a change in tax rates is recognized in operations in the period that includes the enactment date.

The Tax Cuts and Jobs Act (the Tax Act) was enacted in December 2017. The Tax Act significantly changes U.S. tax law by, among other things, lowering U.S. corporate income tax rates, implementing a territorial tax system and imposing a one-time transition tax on deemed repatriated earnings of foreign subsidiaries. The Tax Act reduces the U.S. corporate income tax rate from 35% to 21%, effective January 1, 2018. The Tax Act also provides for a transition to a new territorial system of taxation and generally requires companies to include certain untaxed foreign earnings of non-U.S. subsidiaries into taxable income in 2017, or the Transition Tax. As the net untaxed foreign earnings of the non-U.S. subsidiaries of the Company is a deficit, there is no Transition Tax liability for the Company.

Deferred tax assets and liabilities are measured using enacted tax rates expected to apply to taxable income in the years in which those temporary differences are expected to reverse. As a result of the reduction in U.S. corporate income tax rates from 35% to 21% under the Tax Act, the Company revalued its ending net deferred tax assets as of December 31, 2017.

Deferred income tax assets are reviewed periodically for recoverability, and valuation allowances are provided when it is more likely than not that some or all of the deferred income tax assets may not be realized.

The Company recognizes the effect of income tax positions only if those positions are more likely than not of being sustained upon examination of the relevant taxing authority. Recognized income tax positions are measured at the largest amount that is greater than 50% likely of being realized. Changes in recognition or measurement are reflected in the period in which the change in judgment occurs. The Company believes that it has appropriate support for the income tax positions taken and to be taken on its tax returns and that its accruals for tax liabilities are adequate for all open tax years based on an assessment of many factors including experience and interpretations of tax laws applied to the facts of each matter. The Company has concluded that there are no significant uncertain tax positions requiring disclosure, and there are no material amounts of unrecognized tax benefits.

Research and Development
Research and development costs are expensed as incurred. Research and development costs were approximately $12.2 million, $8.4 million, and $6.8 million for the years ended December 31, 2017, 2016, and 2015, respectively.

2. Accounts Receivable

Accounts receivable consisted of the following:

	December 31, 2017	December 31, 2016
Accounts receivable-trade	$ 5,386,691	$ 5,711,911
Allowance for doubtful accounts	(419,263)	(812,015)
Accounts receivable, net	$ 4,967,428	$ 4,899,896

3. Lease Receivables

Lease receivables consisted of the following as of December 31, 2017:

	30-59 Days Past Due	60-89 Days Past Due	Greater Than 90 Days	Total Past Due	Current	Total Financing Receivables
Lease receivables	$ 34,498	$ 15,109	$ 14,721	$ 64,328	$ 28,532	$ 3,466,779

The allowance for doubtful lease receivables was $194,706, $116,777, and $0 for the years ended December 31, 2017, 2016, and 2015, respectively. The allowance was determined by considering both accounts that are overdue and accounts that have not yet come due. There were no accounts that were on nonaccrual status as of December 31, 2017 because all such accounts were charged off against the allowance for doubtful lease receivables. As of December 31, 2017, future payments, excluding interest and other costs, are scheduled to be received as follows:

Years ending December 31:	
2018	$ 1,455,364
2019	1,227,894
2020	617,869
2021	124,009
2022	35,829
Thereafter	5,814
Total lease receivables	3,466,779
Less: allowance for doubtful lease receivables	(194,706)
Lease receivables, net	3,272,073
Less: current portion of lease receivables, net	(1,397,485)
Lease receivables, net of current portion	$ 1,874,588

Unearned interest of $285,169 will be recognized over the life of the leases as of December 31, 2017.

4. Property and Equipment

Property and equipment consisted of the following:

	December 31, 2017	December 31, 2016
Rental equipment	$ 1,989,687	$ 4,002,083
Network equipment	3,696,292	3,141,052
Office equipment	1,430,687	673,598
Telephony equipment	183,077	305,412
Office furniture	162,463	55,343
Leasehold improvements	89,419	71,146
Vehicles	164,190	57,135
Property and equipment	7,715,815	8,305,769
Less: accumulated depreciation and amortization	(3,955,321)	(5,006,009)
Property and equipment, net	$ 3,760,494	$ 3,299,760

Total depreciation and amortization expense on property and equipment was $2,113,792, $1,876,843, and $1,739,469 for the years ended December 31, 2017, 2016, and 2015, respectively.

5. Intangible Assets

Intangible assets consisted of the following:

	December 31, 2017	December 31, 2016
Domain names	$ 1,215,639	$ 1,215,639
Technology	125,000	125,000
Total intangibles	1,340,639	1,340,639
Less: accumulated amortization	(62,500)	(37,500)
Net carrying amount	$ 1,278,139	$ 1,303,139

Total amortization expense on intangible assets was $25,000, $25,000, and $12,500 for the years ended December 31, 2017, 2016, and 2015, respectively.

As of December 31, 2017, annual amortization of intangible assets, based upon our existing intangible assets and current useful lives, is estimated to be the following:

Years ending December 31:	
2018	$ 25,000
2019	25,000
2020	12,500
Total	$ 62,500

6. Debt

Silicon Valley Bank Credit Facility

As of December 31, 2017, the Company's debt includes borrowings under the Amended and Restated Loan and Security Agreement dated June 26, 2017 (the "SVB Agreement"), with Silicon Valley Bank ("SVB"). Under the SVB Agreement, the Company has term loan advances and a revolving line of credit ("LOC"), which are secured by the assets of the Company.

The Company has withdrawn $5 million of term loan advances as of December 31, 2017. The term loan commitment is to be repaid in 36 consecutive equal monthly payments commencing on July 1, 2018. The term loan commitment bears interest at the Prime rate plus 1.75% (6.25% as of December 31, 2017). As of December 31, 2017, future principal payments on the term loan are scheduled as follows:

Years ending December 31:		
2018	$	833,333
2019		1,666,667
2020		1,666,667
2021		833,333
Total	$	5,000,000

The revolving line of credit provides for a maximum borrowing of up to $20 million. The LOC bears interest at the Prime rate plus 1.25% (5.75% as of December 31, 2017), and expires June 2019. The LOC agreement requires that the Company meet certain financial covenants throughout the year. The Company had drawn down $10.75 million from the LOC as of December 31, 2017.

7. Commitments and Contingencies

Operating Leases

The Company leases office facilities under non-cancelable operating leases. As of December 31, 2017, future minimum lease payments under non-cancelable operating leases with terms of one year or more were as follows:

Years ending December 31:		
2018	$	687,471
2019		2,749,272
2020		2,707,062
2021		2,547,873
2022		2,574,218
Thereafter		7,866,049
Total	$	19,131,945

Amendments to certain lease agreements subsequent to year end were included in the future minimum lease payments schedule. Leases for certain office facilities include scheduled periods of abatement and escalation of rental payments. The Company recognizes rent expense on a straight-line basis for all operating lease arrangements with the difference between required lease payments and rent expense recorded as deferred rent. Total rent expense was $1,144,164, $1,029,809, and $852,448 for the years ended December 31, 2017, 2016, and 2015, respectively.

Capital Leases

The Company is obligated under various capital leases for equipment that expire at various dates during the next three years. As of December 31, 2017, future minimum capital lease payments, excluding taxes, insurance, and other costs are scheduled as follows:

Years ending December 31:	
2018	$ 523,164
2019	93,575
2020	41,516
2021	7,940
2022	3,308
Total future minimum lease payments	669,503
Less: amount representing interest	(72,772)
Total future minimum lease payments	596,731
Less: current portion of capital lease obligations	(473,741)
Capital lease obligations, net of current portion	$ 122,990

Employee Agreements

The Company has entered into employment agreements with certain executives and key members of management pursuant to which if the Company terminates their employment without cause or if the employee does so for good reason following a change of control of the Company, the employees are entitled to receive certain benefits, including severance payments, accelerated vesting of stock options and continued COBRA coverage. As of December 31, 2017, no events had occurred that would cause these provisions to become effective.

Distributor Dispute

A distributor, whose contract was terminated, filed a series of claims against the Company's Brazilian subsidiary. The Company disputes these claims and does not believe that the outcome of this matter will have a material adverse effect on the Company's consolidated financial statements.

8. Stockholders' Equity

Preferred Stock

The Company has authorized and issued 23,578,536 shares of preferred stock. The first series of preferred stock is designated as Series A preferred stock ("Series A Preferred") and consists of 18,138,333 authorized shares. The second series of preferred stock is designated as Series A-1 preferred stock ("Series A-1 Preferred") and consists of 217,562 authorized shares. The third series of preferred stock is designated as Series A-2 preferred stock ("Series A-2 Preferred") and consists of 3,264,076 authorized shares. The fourth series of preferred stock is designated as Series A-3 preferred stock ("Series A-3 Preferred") and consists of 1,958,565 authorized shares.

Dividends – The Series A Preferred, the Series A-1 Preferred, Series A-2 Preferred, and Series A-3 Preferred ("Preferred Stock") do not have a dividend preference over the common stock, except in the case of liquidation when there are accrued but unpaid dividends.

Liquidation – Upon the liquidation, dissolution or winding-up of the Company (as defined in the Company's certificate of incorporation, as amended), each holder of Preferred Stock is entitled to receive a payment equal to the original per share issuance price, plus any accrued but unpaid dividends, prior to any payment to the common stockholders.

Voting – The holders of Preferred Stock are entitled to one vote for each share of common stock into which such preferred stock could then be converted and vote on all matters on which the holders of common stock are entitled to vote.

Conversion – Each share of Preferred Stock is convertible into common stock at any time at the option of the holder. The number of shares is calculated by dividing the Preferred Stock original per share issuance price by the Preferred Stock conversion price (initially the original per share issuance price). The Preferred Stock conversion price is subject to adjustment for certain defined events.

Redemption – After February 1, 2019, at the election of the holders of at least a majority of the then outstanding shares of Series A Preferred, Series A-2 Preferred, and Series A-3 Preferred the Company may be required to redeem all outstanding shares of Series A Preferred, Series A-2 Preferred, and Series A-3 Preferred that have not been converted into common stock. The redemption price per share will be equal to the greater of the original per share issuance price or the fair market value at time of redemption.

2011 Stock Plan

The Company's 2011 Stock Plan, originally approved on August 1, 2006 and subsequently amended ("the Plan"), provides for the grant of incentive stock options and nonstatutory stock options. Under the terms of the Plan, an aggregate of 37,416,740 common shares are available for grant to employees, officers, directors and consultants. The Board of Directors determines the terms of each grant. Generally, the options have a vesting period of four to five years with 25% vesting after the first year of service and monthly thereafter, and have a five to six year contractual life. Certain stock options have provisions to accelerate vesting upon the occurrence of certain events. There were 1,359,284 remaining shares available for grant under the Plan as of December 31, 2017.

The following sets forth the outstanding common stock options and related activity:

	Number of Options Outstanding	Weighted Average Exercise Price Per Share	Weighted Average Remaining Contractual Term (Years)
Outstanding as of December 31, 2014	13,913,780	$ 0.06	3.18
Granted	2,036,900	0.77	
Exercised	(8,680,210)	0.02	
Canceled/Forfeited	(1,393,695)	0.64	
Outstanding as of December 31, 2015	5,876,775	0.23	3.14
Granted	4,223,801	0.79	
Exercised	(439,377)	0.14	
Canceled/Forfeited	(2,833,179)	0.09	
Outstanding as of December 31, 2016	6,828,020	0.64	4.78
Granted	2,401,600	0.78	
Exercised	(125,884)	0.19	
Canceled/Forfeited	(632,765)	0.73	
Outstanding as of December 31, 2017	8,470,971	0.69	4.53
Exercisable as of December 31, 2017	2,733,828	0.50	3.41

Stock-based compensation expense recognized in the Company's statements of operations for the years presented consisted of the following:

	December 31,		
	2017	2016	2015
Cost of software subscriptions	$ 10,213	$ 6,160	$ 3,340
Sales and marketing	183,728	52,641	25,785
Research and development	109,863	2,649	27,490
General and administrative	192,408	64,393	43,442
Total stock-based compensation expense	$ 496,212	$ 125,843	$ 100,057

The fair value of each stock-based award granted was estimated on the date of grant using the Black-Scholes option-pricing model with the following assumptions:

	December 31,		
	2017	2016	2015
Risk-free interest rate	1.65%	1.40%	1.43%
Expected stock price volatility	40.94%	41.22%	47.77%
Expected dividend yield	0%	0%	0%
Expected term	4.3 years	5.5 years	5.9 years

The expected terms were calculated as the mean of the option vesting period and the contractual term. The volatilities were calculated from the historical volatilities of comparable public companies. The risk-free interest rate was based on the yield available on U.S. Treasury zero-coupon issues with a term that approximates the expected term of the option. The Company has no plans to declare any future dividends.

The total intrinsic value of options exercised in the years ended December 31, 2017, 2016, and 2015 was $98,190, $340,276, and $6,683,762, respectively.

As of December 31, 2017, approximately $1.6 million of unrecognized stock-based compensation expense is expected to be recognized over a weighted-average period of 4.0 years.

Warrants
In April 2013, the Company issued a warrant as part of the purchase of an intangible asset. The warrant grants the seller of the intangible asset the ability to purchase 25,000 shares of common stock with a total exercise price of $2,800. The warrant had not been exercised as of December 31, 2017. The fair value of the warrant on the date it was granted was immaterial.

Promissory Note
During the year ended December 31, 2017, the Company repurchased 1,958,565 shares of common stock for cash of $1,996,549 and cancellation of notes receivable of $2,503,646.

9. Employee Benefit Plan

The Company offers a 401(k) retirement plan for its employees, which provides that the Company make matching contributions of 100% of the first 3% of compensation deferred and 50% of the next 3% of compensation deferred. The matching expense was $1,233,214, $723,574, and $668,912 for the years ended December 31, 2017, 2016, and 2015, respectively.

10. Income Taxes

The components of the provision for income taxes are as follows:

	December 31, 2017	2016	2015
Current:			
State	$ 31,891	$ 31,313	$ 5,488
Foreign	1,922	(15,570)	15,570
Income tax provision	$ 33,813	$ 15,743	$ 21,058

The tax effects of the temporary differences that give rise to deferred tax assets and (liabilities) are as follows:

	December 31, 2017	2016
Accruals and reserves	$ 112,632	$ 171,489
Research and development credits	3,162,341	2,673,137
Net operating loss carryforwards	7,413,711	5,241,559
Depreciation and amortization	(199,015)	(302,602)
Other	164,417	326,625
Valuation allowance	(10,654,086)	(8,110,208)
Total	$ —	$ —

The provision (benefit) for income taxes differs from the amount computed at statutory rates as follows:

	December 31, 2017	2016	2015
Statutory tax provision	$ (4,850,792)	$ (1,653,315)	$ (1,852,677)
State tax rate, net of federal benefit	(502,444)	(174,413)	(270,872)
Research and development credits	(489,204)	(486,367)	(767,728)
Permanent items	95,260	35,832	32,310
Stock compensation	156,267	42,738	34,019
Change in valuation allowance	2,543,878	2,228,471	2,795,762
Change in statutory rates	3,120,586	—	—
Foreign rate differential	(37,582)	32,293	36,367
Other, net	(2,156)	(9,496)	13,877
	$ 33,813	$ 15,743	$ 21,058

The Company has recorded deferred tax assets and liabilities based upon estimates of their realizable value; such estimates are based upon likely future tax consequences. In assessing the need for a valuation allowance, the Company considers both positive and negative evidence related to the likelihood of realization of the deferred tax assets. If, based on the weight of available evidence, it is more likely than not that the deferred tax assets will not be realized, the Company records a valuation allowance. The net change in the valuation allowance for the years ended December 31, 2017 and 2016 was an increase of approximately $2.5 million and $2.4 million, respectively.

As of December 31, 2017, the Company had approximately $24.5 million of federal and $25.9 million of state net operating loss carryforwards available to reduce future taxable income, which will begin to expire if not used in 2035 for federal and 2021 for state tax purposes, respectively.

Federal and state tax laws impose substantial restrictions on the utilization of net operating loss and credit carryforwards in the event of an "ownership change" for tax purposes, as defined in Section 382 of the Internal Revenue Code. If an ownership change has occurred, utilization of the net operating loss carryforwards could be reduced significantly.

The Company files income tax returns in the U.S. federal jurisdiction and certain state jurisdictions and is subject to routine tax examinations.

11. Subsequent Events

In early 2018, the Company entered into agreements with various entities to release the Company from any future commissions payments and any other obligations totaling $5.6 million, which was financed through a note that was subsequently repaid.

On April 3, 2018, LogMeIn USA, Inc. ("LogMeIn") acquired all the outstanding equity of the Company and the Company became a wholly owned subsidiary of LogMeIn.

Exhibit 99.2

LogMeIn, Inc.

Unaudited Pro Forma Combined Financial Information

The unaudited pro forma combined balance sheet as of December 31, 2017 reflects pro forma adjustments to the financial position of LogMeIn, Inc. (the "Company") to give effect to the acquisition of all outstanding equity of Jive Communications, Inc. ("Jive") as if it had occurred on December 31, 2017. In addition, the unaudited pro forma combined balance sheet as of December 31, 2017 gives effect to the disposition of the Company's Xively business ("Xively") as if it had occurred on December 31, 2017. The unaudited pro forma combined statement of operations for the year ended December 31, 2017 reflects pro forma adjustments to the results of operations of the Company to give effect to the acquisition of Jive as if it had occurred on January 1, 2017. In addition, the unaudited pro forma combined statement of operations for the year ended December 31, 2017 gives effect to the Company's merger with Citrix Systems, Inc.'s GoTo family of service offerings (the "GoTo Business"), its acquisition of Nanorep Technologies Ltd. ("Nanorep"), and its disposition of Xively, as if the transactions had occurred on January 1, 2017 (see Note 1 to the unaudited pro forma combined financial information). We refer herein to the acquisition of Jive, the merger with the GoTo Business, the acquisition of Nanorep, and the disposition of Xively collectively as the "Transactions."

The unaudited pro forma financial information as of and for the year ended December 31, 2017 should be read in conjunction with:

- the historical audited consolidated financial statements of the Company for the year ended December 31, 2017, which are included in the Company's latest Annual Report on Form 10-K; and
- the historical audited consolidated financial statements of Jive as of December 31, 2017 and 2016 and for the three years in the period ended December 31, 2017, which are included herein.

The unaudited pro forma combined financial information has been prepared by management for illustrative purposes only and is not necessarily indicative of the consolidated financial position or results of operations that would have been realized had the Transactions occurred as of the dates indicated, nor is it meant to be indicative of any future consolidated financial position or future results of operations that the combined company will experience. The historical consolidated financial information has been adjusted in the accompanying unaudited pro forma combined financial statements to give pro forma effect to events that are (1) directly attributable to the Transactions, (2) factually supportable, and (3) with respect to the unaudited pro forma combined statement of operations, expected to have a continuing impact on the combined results. The pro forma adjustments included in the accompanying unaudited pro forma combined financial statements are based on currently available data and assumptions that the Company believes are reasonable. However, the unaudited pro forma combined statement of operations does not include any expected cost savings or restructuring actions that may be achievable or that may occur subsequent to the Transactions or the impact of any non-recurring activity and one-time transaction-related costs incurred prior to the transaction dates.

In the accompanying unaudited pro forma combined financial information, the acquisition of Jive, the merger with the GoTo Business, and the acquisition of Nanorep have been accounted for as business combinations using the acquisition method of accounting under the provisions of Accounting Standard Codification Topic 805, *Business Combinations* , or ASC 805, and applying the pro forma assumptions and adjustments described in the accompanying notes. Under ASC 805, the Company, as the accounting acquirer, records assets acquired and liabilities assumed in a business combination at their fair values as of the acquisition date. Fair value measurements can be highly subjective and the reasonable application of measurement principles may result in a range of alternative estimates using the same facts and circumstances. Under ASC 805, transaction costs are not included as a component of consideration transferred and are expensed as incurred. The excess of the purchase price (consideration transferred) over the aggregate estimated fair value of identifiable assets and liabilities as of the acquisition date is allocated to goodwill in accordance with ASC 805. The final valuation of assets acquired and liabilities assumed related to Jive is expected to be completed as soon as practicable but no later than one year after the acquisition date of Jive. The allocation of purchase consideration for Jive reflected in the unaudited pro forma combined financial statements is preliminary and will be adjusted based on the Company's final valuations of the fair value of the assets acquired and liabilities assumed, which requires extensive use of accounting estimates and management judgment. Although the Company believes the fair values assigned to the assets to be acquired and liabilities to be assumed reflected in the unaudited pro forma combined financial information are based on reasonable estimates and assumptions using currently available data, the results of the final allocation could be materially different from the preliminary allocations, including, but not limited to, the allocations related to components of working capital, identifiable intangible assets, goodwill, property and equipment, deferred revenue and deferred income taxes as well as any resulting impacts to depreciation, amortization and income tax expense.

LogMeIn, Inc.
Unaudited Pro Forma Combined Balance Sheet
As of December 31, 2017
(In thousands)

	LogMeIn, Inc. Historical	Xively Disposal Group	Pro Forma Adjustments	Notes	Jive Historical	Pro Forma Adjustments	Notes	Pro Forma Combined
ASSETS								
Current assets:								
Cash and cash equivalents	$ 252,402	$ —	$ 39,730	(2a), (2b)	$ 3,014	$ (145,922)	(7a)	$ 141,024
			(8,200)	(2c)				
Accounts receivable, net	93,949	(229)	—		6,842	—		100,562
Prepaid expenses and other current assets	52,473	(1,337)	—		2,081	—		53,217
Total current assets	398,824	(1,566)	31,530		11,937	(145,922)		294,803
Property and equipment, net	92,154	—	—		3,760	—		95,914
Restricted cash	1,795	—	—		—	—		1,795
Intangibles, net	1,149,597	(1,262)	—		1,278	147,122	(7c), (7d)	1,296,735
Goodwill	2,208,725	(14,029)	—		—	211,527	(7h)	2,406,223
Other assets	6,483	—	7,195	(2a)	2,692	(28)	(7b)	16,342
Deferred income tax assets	530	—	—		—	—		530
Total assets	$ 3,858,108	$ (16,857)	$ 38,725		$ 19,667	$ 212,699		$ 4,112,342
LIABILITIES AND EQUITY								
Current liabilities:								
Accounts payable	$ 22,232	$ —	$ —		$ 3,319	$ —		$ 25,551
Accrued liabilities	82,426	—	(170)	(2b)	6,893	2,563	(7b), (7e)	91,712
Deferred revenue, current portion	340,570	(3,748)	—		—	—		336,822
Debt, short term	—	—	—		833	(833)	(7b)	—
Total current liabilities	445,228	(3,748)	(170)		11,045	1,730		454,085
Deferred revenue, net of current portion	6,735	—	—		—	—		6,735
Deferred tax liabilities	221,407	—	452	(2c)	—	23,046	(7f)	244,905
Debt, long term	—	—	—		14,917	185,083	(7a), (7b)	200,000
Other long-term liabilities	20,997	—	—		289	(123)	(7b)	21,163
Total liabilities	694,367	(3,748)	282		26,251	209,736		926,888
Equity:	3,163,741	—	25,334	(2b), (2c), (2d)	(6,584)	2,963	(7e), (7g)	3,185,454
Total liabilities and equity	$ 3,858,108	$ (3,748)	$ 25,616		$ 19,667	$ 212,699		$ 4,112,342

See notes to unaudited pro forma combined financial statements.

LogMeIn, Inc.
Unaudited Pro Forma Combined Statement of Operations
Year Ended December 31, 2017
(In thousands, except per share data)

	Historical LogMeIn, Inc.	Historical GoTo Business January 1, 2017 to January 31, 2017 (Note 3)	GoTo Business Pro Forma Adjustments	Notes	Historical Nanorep January 1, 2017 to July 31, 2017	Nanorep Pro Forma Adjustments	Notes	Xively Disposal Group January 1, 2017 to December 31, 2017	Xively Pro Forma Adjustments	Notes	Historical Jive January 1, 2017 to December 31, 2017 (Note 3)	Jive Pro Forma Adjustments	Notes	Pro Forma Combined
Revenue	$ 989,786	$ 58,039	$ (517)	(5a)	$ 3,011	$ —		$ (3,079)	$ —		$ 78,619	$ —		$1,125,859
Cost of revenue	203,203	14,294	3,096	(5b), (5c), (5e)	1,047	265	(4b), (4c)	(5,295)	—		25,547	3,005	(7c), (7d), (7i), (7j)	245,162
Gross profit	786,583	43,745	(3,613)		1,964	(265)		2,216	—		53,072	(3,005)		880,697
Operating expenses														
Research and development	156,731	8,731	(1,399)	(5c), (5e)	1,097	926	(4c)	(3,736)	—		12,184	3,523	(7i), (7j)	178,057
Sales and marketing	346,961	21,010	(1,521)	(5c), (5e)	2,644	152	(4c)	(2,820)	—		44,297	2,583	(7i), (7j)	413,306
General and administrative	160,366	7,191	(15,625)	(5c), (5d), (5e)	3,026	(1,187)	(4c), (4e)	(96)	(170)	(2e)	10,101	(338)	(7i), (7j), (7m)	163,268
Amortization of acquired intangibles	134,342	1,176	10,508	(5b)	—	257	(4b)	(1,206)	—		—	9,862	(7d)	154,939
Restructuring charge	—	3,189	—		—	—		—	—		—	—		3,189
Separation costs	—	1,238	(1,238)	(5d)	—	—		—	—		—	—		—
Total operating expenses	798,400	42,535	(9,275)		6,767	148		(7,858)	(170)		66,582	15,630		912,759
Income (loss) from operations	(11,817)	1,210	5,662		(4,803)	(413)		10,074	170		(13,510)	(18,635)		(32,062)
Interest income	1,389	—	—		—	(118)	(4d)	—	471	(2f)	—	(1,173)	(7k)	569
Interest expense	(1,408)	(723)	—		(326)	157	(4a)	—	—		(757)	(3,736)	(7l)	(6,793)
Other income	(141)	1,209	—		47	—		—	—		—	—		1,115
Income (loss) before income taxes	(11,977)	1,696	5,662		(5,082)	(374)		10,074	641		(14,267)	(23,544)		(37,171)
Benefit from (provision for) income taxes	111,500	(526)	(1,699)	(5f)	—	1,310	(4f)	(2,569)	(163)	(2g)	(34)	14,397	(7n)	122,216
Net income (loss)	$ 99,523	$ 1,170	$ 3,963		$ (5,082)	$ 936		$ 7,505	$ 478		$ (14,301)	$ (9,147)		$ 85,045
Net income (loss) per share:														
Basic	$ 1.97													$ 1.61
Diluted	$ 1.93													$ 1.58
Weighted average shares outstanding:														
Basic	50,433		2,239	(5g)										52,672
Diluted	51,463		2,253	(5g)										53,716

See notes to unaudited pro forma combined financial statements.

Notes to Unaudited Pro Forma Combined Financial Statements

Note 1—Description of the Transactions and Basis of Presentation

Description of the Transactions

Acquisition of Jive

On February 7, 2018, LogMeIn, Inc. (the “Company”), through its wholly-owned subsidiary LogMeIn USA, Inc. (the “Buyer”), entered into a definitive agreement to acquire all of the outstanding equity of Jive Communications, Inc. (“Jive”), pursuant to the Agreement and Plan of Merger (the “Jive Merger Agreement”) by and among the Buyer, Jazz Merger Sub, Inc. (a wholly-owned subsidiary of the Buyer), Jive, and Fortis Advisors, LLC, in its capacity as Representative. On April 3, 2018, the acquisition was completed and Jive became a wholly-owned subsidiary of the Buyer.

Pursuant to the terms of the Jive Merger Agreement, the Buyer acquired all outstanding equity of Jive for a purchase price of approximately $342 million in cash, subject to certain adjustments as described in the Jive Merger Agreement. Additionally, the Company anticipates that it will pay up to $15 million in contingent cash retention payments to certain employees of Jive upon the achievement of specified retention milestones over the two-year period following the closing of the Jive acquisition. The Company funded the purchase price through a combination of existing cash on-hand and a $200 million revolving loan borrowed pursuant to its existing credit agreement.

Disposition of Xively

On February 9, 2018, the Company and its subsidiaries LogMeIn USA, Inc., LogMeIn Ireland Holdings Company Limited, LogMeIn Ireland Limited, and LogMeIn Kft., entered into an Asset Purchase Agreement (the “APA”) pursuant to which they agreed to sell certain assets and assign certain liabilities of the Company’s Xively business (“Xively”) to Google LLC and Google Ireland Holdings Unlimited Company (the “Google Entities”). On March 20, 2018, the Company completed the sale of Xively (the “Xively Sale”) for consideration of approximately $50 million in cash, $7.5 million of which will be held by the Google Entities for a period of eighteen (18) months as an exclusive security in the event of the Company’s breach of any of the representations and warranties made by the Company in the APA.

Acquisition of Nanorep

On July 31, 2017, the Company, through its wholly-owned subsidiary LogMeIn, Kft., acquired all of the outstanding shares of Nanorep Technologies Ltd. (“Nanorep”), an Israeli company, from the shareholders of Nanorep pursuant to a Stock Purchase Agreement (the “SPA”), dated as of July 31, 2017, by and among the Company, LogMeIn, Kft., Nanorep, the shareholders of Nanorep (collectively, the “Shareholders”) and Shareholder Representative Services LLC in its capacity as representative of the Shareholders. As a result of the acquisition, Nanorep became a wholly-owned subsidiary of LogMeIn, Kft.

Pursuant to the terms of the SPA, LogMeIn, Kft. acquired all of the outstanding shares of Nanorep from the Shareholders and all other equity securities of Nanorep were cancelled in exchange for an aggregate purchase price of approximately $45 million, subject to certain adjustments described in the SPA (the “Closing Consideration”). LogMeIn, Kft. funded the Closing Consideration with existing cash on-hand. Additionally, the Company expects to pay up to $5 million in cash in the future to certain former employees of Nanorep contingent upon their continuing service to the Company (in addition to, in some cases, the achievement of specified performance conditions) over the two-year period following the closing of the Nanorep acquisition. Nanorep has been included in the Company’s historical consolidated financial statements beginning on July 31, 2017, the date of the acquisition.

Merger with the GoTo Business

On January 31, 2017, the Company completed its acquisition of the GoTo family of service offerings, known as the “GoTo Business,” from a wholly-owned subsidiary of Citrix Systems, Inc. (“Citrix”) via a Reverse Morris Trust transaction (the “Merger”). The GoTo Business has been included in the Company’s historical consolidated financial statements beginning on January 31, 2017, the date of the Merger.

We refer herein to the acquisition of Jive, the disposition of Xively, the acquisition of Nanorep, and the merger with the GoTo Business collectively as the "Transactions."

Basis of Presentation

The accompanying unaudited pro forma combined financial information was prepared in accordance with Article 11 of U.S. Securities and Exchange Commission ("SEC") Regulation S-X. The unaudited pro forma combined statement of operations for the year ended December 31, 2017 was prepared using the Company's historical consolidated financial statements and the historical results of the GoTo Business, Nanorep, Xively, and Jive for the periods indicated. In the accompanying unaudited pro forma combined financial information, the Xively business being sold is referred to as the "Xively Disposal Group" and was derived from the financial position and results of operations of Xively, including other corporate charges that are directly attributable to the Xively Disposal Group.

The unaudited pro forma combined statement of operations gives effect to the Transactions as if they had occurred on January 1, 2017. The unaudited pro forma combined balance sheet as of December 31, 2017 was prepared using the Company's historical consolidated financial statements, which included the Xively Disposal Group, and Jive's historical financial statements and gives effect to the disposition of Xively and acquisition of Jive as if they had occurred on December 31, 2017.

Note 2— Adjustments to Unaudited Pro Forma Financial Statements for the Disposition of Xively

The following adjustments have been reflected in the unaudited pro forma combined financial information:

(a) Represents the consideration from the Xively Sale of approximately $50 million in cash, consisting of $42.4 million of cash proceeds and $7.5 million held by the Google Entities for a period of eighteen (18) months as an exclusive security in the event of the Company's breach of any of the representations and warranties made by the Company in the APA (which was recorded at its present value of $7.2 million).

(b) Represents the assumed payment of professional advisor fees of approximately $2.7 million in connection with the Xively Sale as follows -

i. Reflects a decrease of $2.5 million in cash and cash equivalents and equity in the Company's historical unaudited combined balance sheet related to the closing of the transaction.

ii. Reflects the decrease of $0.2 million in accrued liabilities and cash and cash equivalents in the Company's historical unaudited combined balance sheet related to professional advisor fees accrued as of December 31, 2017.

(c) Reflects the expected tax impact of approximately $8.7 million (approximately $8.2 million cash tax provision and $0.5 million deferred tax provision) from the pre-tax net gain on the Xively Sale of approximately $34.0 million.

(d) Reflects the equity impact of approximately $25.3 million from the Xively Sale (net gain of approximately $34.0 million partially offset by the related tax impact of approximately $8.7 million) as if the transaction occurred on December 31, 2017. The estimated gain and related tax impact has not been reflected in the pro forma consolidated statement of operations as it is considered to be non-recurring in nature. No adjustment has been made to the sale proceeds to give effect to any potential post-closing adjustments under the terms of the asset purchase agreement.

(e) Represents the elimination of $0.2 million of non-recurring professional advisor fees incurred by the Company in the year ended December 31, 2017, in connection with the Xively Sale and recorded as general and administrative expense in the Company's historical statement of operations for the period, because the expenses are not expected to have a continuing impact on the operations of the business.

(f) Reflects an increase to interest income of $0.5 million resulting from the net cash proceeds of $31.5 million from the Xively Sale (rate of return of 90 basis points for the year ended December 31, 2017) and the present value impact of the $7.5 million noted in Note 2(a) above.

(g) Represents the estimated income tax impact of the Xively pro forma adjustments had the transaction closed on January 1, 2017 (tax provision of approximately $0.2 million).

Note 3—Reclassifications

GoTo Business

Financial information presented in the "Historical GoTo Business" column in the unaudited pro forma combined statement of operations has been reclassified to conform to the presentation in the Company's historical consolidated financial statements, as follows (in thousands):

Year Ended December 31, 2017	Before Reclassification	Reclassification	Notes	After Reclassification
Amortization of product-related intangibles	$ 432	$ (432)	(1)	$ —
Sales and marketing	20,048	962	(2)	21,010
Cost of revenue	14,824	(530)	(1),(2)	14,294

(1) Amortization expense for product-related intangible assets has been reclassified to cost of revenue in order to conform to the presentation in the Company's historical consolidated statement of operations.
(2) Credit card transaction fees have been reclassified from cost of revenue to sales and marketing expense in order to conform to the presentation in the Company's historical consolidated statement of operations.

Jive

Financial information presented in the "Historical Jive" column in the unaudited pro forma combined statement of operations has been reclassified to conform to the presentation in the Company's historical consolidated financial statements, as follows (in thousands):

Year Ended December 31, 2017	Before Reclassification	Reclassification	Notes	After Reclassification
Revenue	$ 80,708	$ (2,089)	(1)	$ 78,619
Cost of Revenue	$ 27,636	$ (2,089)	(1)	$ 25,547

(1) Government fees and taxes that are considered a pass through by the Company have been reclassified to be presented on a net basis consistent with the Company's historical presentation in the consolidated statement of operations.

Note 4—Adjustments to Unaudited Pro Forma Financial Statements for the Acquisition of Nanorep

The following adjustments have been reflected in the unaudited pro forma combined financial information:

(a) Reflects the adjustment to remove $0.2 million of deferred warrant amortization included in interest expense for the seven months ended July 31, 2017.

(b) Represents pro forma adjustment to amortization expense related to the fair value of identifiable intangible assets acquired by the Company in connection with the acquisition of Nanorep, assuming it had occurred on January 1, 2017, as follows (in thousands):

	Year Ended December 31, 2017
Pro forma amortization expense included in cost of revenue	$ 240
Less: Amortization expense included in cost of revenue in Nanorep's and the Company's historical financial statements related to the Nanorep acquisition	(293)
Net adjustment	$ (53)
Customer list amortization	$ 290
Tradename amortization	34
Pro forma amortization expense included in amortization of intangibles	324
Less: Amortization expense included in amortization of intangibles in Nanorep's and the Company's historical financial statements related to the Nanorep acquisition	(67)
Net adjustment	$ 257

The completed technology, customer list and tradename intangible assets recorded in the Company's acquisition accounting of Nanorep have fair values of $9.2 million, $10.5 million and $0.5 million, respectively, and are being amortized over their estimated useful lives of 8 years, 10 years and 9 years, respectively.

Amortization of the acquired intangible assets in the acquisition of Nanorep are recognized using an economic consumption model over the estimated useful life of each respective asset, which represents the period over which the Company expects the related cash flows to be realized. Assuming the acquisition had occurred on January 1, 2017, future annual amortization expense as of December 31, 2017 related to the acquired intangible assets is estimated as follows: $2 million in 2018, $2 million in 2019, $3 million in 2020, $3 million in 2021, $3 million in 2022, and $7 million thereafter.

(c) Reflects the adjustment to record compensation expense related to $5 million of cash payments to be made to certain former employees of Nanorep contingent upon their continuing service to the Company (in addition to, in some cases, the achievement of specified performance conditions) over the two-year period following the closing of the acquisition as follows (in thousands):

	Seven Months Ended July 31, 2017
Cost of revenue	$ 318
Research and development	926
Sales and marketing	152
General and administrative	813
Total	$ 2,209

(d) Reflects the decrease in interest income resulting from the use of $44.6 million of existing international cash and cash equivalents to fund the acquisition of Nanorep. The pro forma rate of return is 50 basis points for the seven months ended July 31, 2017. The pro forma adjustment to decrease interest income for the seven months ended July 31, 2017 is $0.1 million.

(e) Represents the elimination of non-recurring transaction fees of $0.5 million and transaction close related management bonus expense of $1.5 million recorded by Nanorep for the seven months ended July 31, 2017 as general and administrative expense in Nanorep's historical results, because these expenses are not expected to have a continuing impact on the operations of the combined business.

(f) Reflects the income tax effect of Nanorep's historical loss before income taxes and pro forma adjustments based on the estimated Nanorep statutory tax rate of 24% for 2017 as follows (in thousands):

		Seven Months Ended July 31, 2017
Tax effect of pro forma adjustments	$	90
Tax effect of Nanorep historical loss before income taxes		1,220
Pro forma adjustments to benefit from (provision for) income taxes	$	1,310

Note 5—Adjustments to Unaudited Pro Forma Financial Statements for the Merger with the GoTo Business

The following adjustments have been reflected in the unaudited pro forma combined financial information:

(a) Represents the incremental deferred revenue fair value adjustment related to the deferred revenue acquired by the Company in connection with the Merger, assuming it had occurred on January 1, 2017, as follows (in thousands):

		Year Ended December 31, 2017
Pro forma deferred revenue fair value adjustment	$	(34,831)
Less: Deferred revenue fair value adjustment included in revenue in the Company's historical financial statements related to the GoTo Business Merger		34,314
Net adjustment	$	(517)

(b) Represents incremental amortization expense of $3.4 million for completed technology amortization included in cost of revenue and $10.5 million for customer relationships and tradenames and trademarks amortization included in amortization of acquired intangibles, both related to the fair value of identifiable intangible assets acquired by the Company in connection with the Merger, assuming it had occurred on January 1, 2017.

The completed technology, customer relationships, and tradenames and trademarks intangible assets recorded in the Company's acquisition accounting of the GoTo Business Merger have fair values of $385 million, $756 million and $65 million, respectively, and are being amortized over their estimated useful lives of 9 years, 8 years and 9 years, respectively. Amortization of the acquired intangible assets in the Merger with the GoTo Business are being recognized using an economic consumption model over the estimated useful life of each respective asset, which represents the period over which the Company expects the related cash flows to be realized. Assuming the Merger had occurred on January 1, 2017, future annual amortization expense as of December 31, 2017 related to the acquired intangible assets is estimated as follows: $221 million in 2018, $209 million in 2019, $182 million in 2020, $148 million in 2021, $114 million in 2022 and $163 million thereafter.

(c) Represents incremental stock-based compensation expense related to the restricted stock units for 446,039 shares of the Company's common stock that the Company issued as replacement awards in connection with the Merger. The aggregate fair value of those awards was $48.2 million on the Merger date. Of that amount, $16.7 million was allocated to purchase consideration and $30.8 million was allocated to future employee services and will be expensed as stock-based compensation on a straight-line basis over the remaining service periods of those awards. The adjustment to record the incremental stock-based compensation expense related to these restricted stock units is as follows (in thousands):

	One Month Ended January 31, 2017
Cost of revenue	$ 63
Research and development	294
Sales and marketing	93
General and administrative	38
Total	$ 488

(d) Represents (i) the elimination of non-recurring transaction fees of $12.4 million incurred by the Company in the year ended December 31, 2017, in connection with and prior to the Merger and recorded as general and administrative expense in the Company's historical combined statement of operations for the period, and (ii) the elimination of $1.2 million allocated to the GoTo Business as separation costs in the GoTo Business's historical results prior to the Merger, because the expenses are not expected to have a continuing impact on the operations of the combined business.

(e) Represents an adjustment to eliminate Merger-related retention bonus expense of $7.0 million for the year ended December 31, 2017 for employees of the Company contingent upon their continued employment through the closing date of the Merger or a specified period of three, six or nine months after the closing date of the Merger as those expenses are not expected to have a continuing impact on the operations of the combined business. The adjustment to record the reversal of retention bonus expense is as follows (in thousands):

	Year Ended December 31, 2017
Cost of revenue	$ 409
Research and development	1,693
Sales and marketing	1,614
General and administrative	3,263
Total	$ 6,979

(f) Represents an aggregate adjustment of $1.7 million for the year ended December 31, 2017 to record the income tax effect of the net pro forma adjustments related to the Merger, determined using an estimated blended federal, state and foreign statutory tax rate of 30%.

(g) The weighted average shares outstanding used to compute net income per share for the year ended December 31, 2017 have been adjusted to give effect to the issuance of 26,868,518 shares of the Company's common stock and restricted stock units for 446,039 shares of the Company's common stock in connection with the Merger, as if such issuances had occurred on January 1, 2017. The weighted average shares outstanding used to compute basic and diluted net income per share for the year ended December 31, 2017 has been adjusted to assume that the common shares and restricted stock units were outstanding for the entire period.

Note 6—Preliminary Purchase Price Allocation for Acquisition of Jive

The Company has performed a preliminary valuation analysis of the fair market value of Jive's assets acquired and liabilities assumed. The following table summarizes the allocation of the preliminary purchase price as if the acquisition had occurred on December 31, 2017 (in thousands):

Cash and cash equivalents	$ 3,014
Accounts receivable	6,842
Prepaid expenses and other current assets	2,081
Property and equipment	3,760
Other assets	2,664
Intangible assets:	
Completed technology	32,800
Customer relationships	114,700
Trademarks	900
Accounts payable	(3,319)
Accrued expenses	(5,835)
Deferred tax liabilities, net	(23,046)
Other long-term liabilities	(165)
Goodwill	211,527
Total purchase consideration	345,923
Less: cash and cash equivalents acquired	3,014
Total purchase consideration, net of cash and cash equivalents acquired	$ 342,909

Total purchase consideration of $345.9 million was distributed to Jive equityholders and stock-based award holders, the payment of Jive transaction costs, and the repayment in full of Jive indebtedness. This preliminary purchase price allocation has been used to prepare pro forma adjustments in the unaudited pro forma balance sheet and statement of operations. The final purchase price allocation will be determined when the Company has completed the detailed valuations and necessary calculations. The final allocation could differ materially from the preliminary allocation used in the pro forma adjustments. The final allocation may include (1) changes in the allocations to intangible assets, such as completed technology, customer relationships and trademarks as well as goodwill; (2) changes in the fair value of deferred tax assets; and (3) other changes to assets and liabilities.

Note 7—Adjustments to Unaudited Pro Forma Financial Statements for the Acquisition of Jive

(a) Reflects funding of an aggregate of $345.9 million cash paid at closing, including $145.9 million from existing cash and cash equivalents and $200.0 million from a revolving loan under the Company's existing credit facility.

(b) Reflects the retirement of existing Jive debt and capital leases, which were paid down in conjunction with the acquisition. Pro forma adjustments eliminate the debt, capital lease balances, and origination costs as follows (in thousands):

Debit (Credit)	Debt Paydown	Write-off of Debt Origination Fees	Pro Forma Adjustment
Other assets	$ —	$ (28)	$ (28)
Accrued liabilities	$ (474)	$ —	$ (474)
Debt, short term	$ (833)	$ —	$ (833)
Debt, long-term	$ (14,917)	$ —	$ (14,917)
Other long-term liabilities	$ (123)	$ —	$ (123)

(c) Reflects the adjustment to remove Jive historical intangibles assets, net of $1.3 million and $25,000 of related amortization expense included in cost of revenue as these assets have been replaced with the intangible assets recorded in acquisition accounting, see Note 7(d).

(d) Reflects the adjustment of intangible assets identified through the acquisition of Jive. As part of the preliminary valuation analysis, the Company identified intangible assets, including completed technology, customer relationships, and trademarks.

The following table summarizes the estimated fair values of Jive's identifiable intangible assets, their estimated useful lives and related amortization expense (in thousands):

	Estimated Fair Value	Estimated Useful Life (years)	Amortization Expense for the Year Ended December 31, 2017
Completed technology	$ 32,800	9	$ 2,191
Customer relationships	114,700	10	9,168
Trademarks	900	2	694
Total	$ 148,400		$ 12,053

Amortization of the acquired intangible assets in the acquisition of Jive will be recognized using an economic consumption model over the estimated useful life of each respective asset, which represents the period over which the Company expects the related cash flows to be realized. Assuming the acquisition of Jive had occurred on January 1, 2017, future annual amortization expense as of December 31, 2017 related to the acquired intangible assets is estimated as follows: $17 million in 2018, $16 million in 2019, $18 million in 2020, $18 million in 2021, $17 million in 2022 and $50 million thereafter.

The preliminary estimates of fair values and estimated useful lives may differ from final amounts the Company will calculate after completing a detailed valuation analysis, and the difference could have a material impact on the accompanying unaudited pro forma combined financial statements. A 10% change in the valuation of intangible assets would cause a corresponding increase or decrease in the balance of goodwill of approximately $11 million and annual amortization expense of approximately $1.5 million as of and for the year ended December 31, 2017.

(e) Reflects a net increase of $3.0 million to accrued liabilities related to transaction fees of:

i. An increase of $3.6 million to accrued liabilities, with a corresponding decrease in retained earnings, related to $4.2 million of non-recurring transaction fees incurred by the Company after December 31, 2017 in connection with the acquisition, net of a related decrease of $0.5 million in income taxes payable; and

ii. A decrease of $0.6 million to accrued liabilities related to Jive transaction costs in Jive's historical balance sheet as of December 31, 2017 which were settled in conjunction with the acquisition closing.

(f) Reflects the pro forma adjustments to record net deferred tax liabilities of $23.0 million resulting from the acquisition. The net deferred tax liability is based on an estimated blended federal, state and foreign statutory rate of 26%.

i. Record the estimated increase in deferred tax liabilities of $38.6 million due to the fair value adjustment for non-deductible intangible assets recorded totaling $148.4 million.

ii. Recognize a $10.7 million deferred tax asset primarily related to Jive's net deferred tax assets, which have historically been fully reserved. The recording of deferred tax liabilities in (i) above and the expectation that the Jive deferred tax assets will be fully utilized by the combined companies eliminates the requirement for a full valuation allowance.

iii. Recognize a $4.9 million deferred tax asset related to Jive stock-based awards settled and paid at the closing of the acquisition, totaling $18.8 million, which are deductible for tax purposes.

(g) Reflects the elimination of historical stockholders' equity in Jive.

(h) Reflects the adjustment to record goodwill of $211.5 million associated with the acquisition of Jive, based on the preliminary purchase price allocation.

(i) Reflects the adjustment to record compensation expense related to approximately $15 million of cash payments to be made to certain former employees of Jive contingent upon their continuing service to the Company over the two-year period following the closing of the acquisition. The Company has concluded that the arrangement is a compensation arrangement and is accruing the maximum payout ratably over the retention periods. The adjustment, summarized in the following table, assumes that the compensation expense related to these cash payments commenced on January 1, 2017 (in thousands):

	Year Ended December 31, 2017
Cost of revenue	$ 849
Research and development	3,633
Sales and marketing	2,767
General and administrative	2,040
Total	$ 9,289

(j) Reflects the adjustment to eliminate stock-based compensation expense incurred by Jive for the year ended December 31, 2017 due to all Jive historical stock-based awards settled and paid at the closing of the acquisition. The reversal of the historical Jive stock-based compensation expense is due to employees having received the retention bonus amounts noted in Note 7(i) above in lieu of new stock-based awards. As such, stock-based compensation expense related to the historical stock-based awards is not expected to have a continuing impact on the operations of the combined business. The following table summarizes the stock-based compensation expense adjustment (in thousands):

	Year Ended December 31, 2017
Cost of revenue	$ 10
Research and development	110
Sales and marketing	184
General and administrative	192
Total	$ 496

(k) Reflects the decrease in interest income resulting from the use of $145.9 million of existing cash and cash equivalents to fund the acquisition. The pro forma adjustment to decrease interest income for the year ended December 31, 2017 is $1.2 million, a rate of return of approximately 80 basis points.

(l) Reflects the net increase in interest expense of $3.7 million resulting from the following:

i. Record an increase in interest expense related to the borrowing of $200 million under the revolving loan to fund the acquisition. The pro forma adjustment to increase interest expense for the year ended December 31, 2017 is $4.5 million, a pro forma borrowing rate of approximately 220 basis points. A change in interest rates of 125 basis points would impact interest expense by approximately $0.3 million.

ii. Record a decrease in interest expense of $0.8 million to remove the interest expense from the historical financial statements of Jive.

(m) Represents the elimination of non-recurring transaction fees of $1.6 million incurred by the Company and $0.6 million incurred by Jive for the year ended December 31, 2017 in connection with the Jive acquisition and recorded as general and administrative expenses in the Company's and Jive's historical consolidated statements of operations, because these expenses are not expected to have a continuing impact on the operations of the combined business.

(n) Reflects the income tax effect of Jive's historical loss before income taxes as well as the income tax effect of the pro forma adjustments. Jive's effective tax rate was 36% for 2017. The income tax pro forma adjustment is comprised of the following (in thousands):

	Year Ended December 31, 2017
Tax effect of Jive's historical loss before income taxes	$ 5,136
Tax effect of pro forma adjustments	9,261
Pro forma adjustments to benefit from (provision for) income taxes	$ 14,397

In addition, assuming that Jive had recorded no valuation allowance for net deferred tax assets in its historical financial statements, Jive would have recorded a $3.2 million income tax provision in its statement of operations for the year ended December 31, 2017 as a result of the reduction in the federal corporate tax rate resulting from the U.S. Tax Cuts and Jobs Act of 2017, enacted on December 22, 2017. We have excluded that $3.2 million tax provision from the unaudited pro forma combined statement of operations because it is one-time in nature and is not expected to have a continuing impact on the operations of the combined business.

Note 8—Items Not Included in the Unaudited Pro Forma Combined Financial Statements

The unaudited pro forma combined statement of operations does not include any adjustment for non-recurring transaction, transition or integration fees incurred by the Company after January 31, 2017 with respect to the GoTo Business, and after July 31, 2017 with respect to Nanorep, and included in the Company's historical results for the year ended December 31, 2017.

The unaudited pro forma combined statement of operations does not include an adjustment of the impacts of any revenue, cost or other operating synergies that may result from the Transactions or of any related integration or restructuring costs incurred after the Transactions or that may be contemplated.