

Risk Factors Comparison 2025-02-25 to 2024-02-28 Form: 10-K

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Investing in our securities involves risks. You should consider carefully 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 deciding whether to purchase any of our securities. These risk factors are not exhaustive and investors are encouraged to perform their own investigation with respect to our business, financial condition and prospects. We may face additional risks and uncertainties that are not presently known to us or that we currently deem immaterial, which may also impair our business or financial condition. In such event, the market price of our securities could decline, and you could lose all or part of your investment. Risks Relating to Business and Industry A substantial portion of our revenue is derived from a relatively small number of customers in the P & C insurance and automotive collision industries, and the loss of any of these customers, or a significant revenue reduction from any of these customers, could materially impact our business, results of operations and financial condition. Our revenue is primarily dependent on customers in the P & C insurance and automotive collision industries, and historically a relatively small number of customers have accounted for a significant portion of our revenue. There were no customers which individually accounted for more than 10 % of our total revenue during the year ended December 31, 2023-2024. We expect that we will continue to depend upon a relatively small number of customers for a significant portion of our revenue for the foreseeable future. As a result, if we fail to successfully renew our contracts with one or more of these customers, or if any of these customers reduce or cancel services or defer purchases, or otherwise terminate their relationship with us, our business, results of operations and financial condition would be adversely impacted. Some of our SaaS arrangements with our customers can be canceled or not renewed by the customer after the expiration of the SaaS term, as applicable, on relatively short notice. Additionally, we may be involved in disputes with our customers in the future and such disputes may impact our relationship with these customers. The loss of business from any of our significant customers, including from cancellations or due to disputes, could materially impact our business, results of operations and financial condition. Our large customers have negotiating leverage, which may require us to agree to terms and conditions that result in increased cost of sales, decreased revenue, lower average selling prices and gross margins, and increased contractual liability risks, all of which could harm our results of operations. Some of our customers include the largest ~~P & C~~ insurers and auto collision repair organizations in the U. S. These customers have significant bargaining power when negotiating new licenses or subscriptions or renewals of existing agreements and have the ability to buy similar solutions from other vendors or develop such systems internally. These customers have and may continue to seek advantageous pricing and other commercial and performance terms that may require us to develop additional features in the solutions we sell to them or add complexity to our customer agreements. In the past, we have been required to, and may in the future be required to, reduce the average selling price of our solutions or otherwise agree to materially less favorable terms in response to these pressures. If we are unable to avoid reducing our average selling prices or renegotiate our contracts on commercially reasonable terms, our results of operations could be adversely impacted. Our business depends on our brand, and if we fail to develop, maintain, and enhance our brand and reputation cost- effectively, our business and financial condition may be adversely affected. We believe that the brand identity we have developed and acquired has significantly contributed to the success of our business. We also believe that developing, maintaining, and enhancing awareness and integrity of our brand and reputation are critical to achieving widespread acceptance of our solutions and expanding adoption of our solutions to new customers in both existing and new markets. Maintaining and enhancing our brand requires us to make substantial investments and these investments may not be successful or cost- efficient. We believe that the importance of our brand and reputation will increase as competition in our market further intensifies. Successful promotion of our brand depends on the effectiveness of our marketing efforts and our ability to provide a reliable, useful and valuable collection of solutions at competitive prices. These factors are essential to our ability to differentiate our offerings from competing solutions. In addition, our brand and reputation could be impacted if our end users or insured parties have negative experiences in the claim process, which ultimately largely depends on the quality of service from our customers, but also may depend on the insured’s perceived value of its vehicle. See “ — Litigation Risk Factors — We are currently, and have been in the past, a party to litigation, which could result in damage to our reputation and harm our future results of operations. ” For example, putative class action lawsuits have alleged that the use of the Company’s total loss valuation solution has led to undervaluation of insureds’ loss vehicles. Maintaining and enhancing our brand will depend largely on our ability to be a technology innovator, to continue to provide high quality solutions and to protect and defend our brand names and trademarks, which we may not do successfully. We have not engaged in extensive direct brand promotion activities, and we may not successfully implement brand enhancement efforts in the future. Our solutions and services generally are branded and are likely associated with the overall experiences of a participant in the insurance economy, which is largely outside of our control. Any brand promotion activities we undertake may not yield increased revenue, and even if they do, the increased revenue may not offset the expenses we incur in building and maintaining our brand and reputation. If we fail to promote and maintain our brand successfully or to maintain loyalty among our customers, we may fail to attract new customers and partners or retain our existing customers and partners and our business and financial condition may be adversely affected. Any negative publicity relating to our customers, employees, partners, or others associated with these parties, may also tarnish our own reputation simply by association and may reduce the value of our brand. Damage to our brand and reputation may result in reduced demand for our solutions and increased risk of losing market share to competitors. Any efforts to restore the value of our brand

and rebuild our reputation may be costly and may not be successful. Our revenue growth rate depends on existing customers renewing and upgrading their SaaS software subscriptions for our solutions. A decline in our customer renewals and expansions could adversely impact our future results of operations. Our customers have no obligation to renew their contracts for our solutions after the expiration of their contract periods and our customers may choose not to renew contracts for a similar mix of solutions. Our customers' renewal rates may fluctuate or decline as a result of a number of factors, including customer dissatisfaction, customers' spending levels, increased competition, changes in tax or data privacy laws or rules, prices of our services, the prices of services offered by our competitors, spending levels due to the macroeconomic environment or other factors, deteriorating general economic conditions, or legislative and regulatory changes. If our customers do not renew their contracts or reduce the solutions purchased under their contracts, our revenue could decline and our business may be adversely impacted. Our future success also depends in part on our ability to sell additional solutions to existing customers. If our efforts to sell our additional solutions to our customers are not successful, our revenue growth would decrease and our business, results of operations, and financial condition would be adversely impacted. Our growth strategy depends on continued investment in and delivery of innovative SaaS solutions. If we are unsuccessful in delivering innovative SaaS solutions, it could adversely impact our results of operations and financial condition. To address demand trends across the P & C insurance economy, we have focused on and plan to continue focusing on the growth and expansion of our SaaS business. This growth strategy has required and will continue to require a considerable investment of technical, financial and sales resources. These investments may not result in an increase in SaaS software revenue and we may not be able to scale such investments efficiently, or at all, to meet customer demand and expectations. Our focus on our SaaS business may increase our costs in any given period and may be difficult to predict over time. Our SaaS arrangements also contain service level agreement clauses which may include penalties for matters such as failing to meet stipulated service levels. The consequences in such circumstances could include monetary credits for current or future service engagements, reduced fees for additional solution sales, cancellations of planned purchases, a customer's refusal to pay their contractually-obligated SaaS or professional service fees, and our reputation being tarnished. Should these penalties be triggered, our results of operations may be adversely affected. Furthermore, any factor adversely affecting sales of our SaaS solutions, including application release cycles, delays or failures in new functionality, market acceptance, product competition, performance and reliability, reputation, price competition and economic and market conditions, could have a material adverse effect on our business, financial condition and results of operations. Additionally, the entry into new markets or the introduction of new features, functionality or applications beyond our current markets and functionality, including new AI tools, may not be successful. If we invest in the development of new solutions, we may not recover the "up-front" costs of developing and marketing those solutions, or recover the opportunity cost of diverting management, technical and financial resources away from other efforts. If we are unable to successfully grow our SaaS business and navigate our growth strategy in light of the foregoing uncertainties, our reputation could suffer and our results of operations may be impacted, which may cause our stock price to decline. Public health outbreaks, epidemics or pandemics could harm our business and results of operations. Public health outbreaks, epidemics and pandemics could materially and adversely impact our business. Responses to the COVID-19 pandemic included, and responses to future outbreaks, epidemics or pandemics could include, certain intensified preventative or protective public health measures undertaken by governments, businesses and individuals, including orders to shelter-in-place and restrictions on travel and permitted business operations. These responses could result in global business disruptions that adversely affect workforces, organizations, economies, and financial markets globally, leading to an economic downturn, increased market volatility, or other adverse macroeconomic conditions, any of which could impact our results of operations. **We continued our business during the COVID-19 pandemic, with modifications to employee travel and work locations as well as virtualization, postponement or cancellation of certain sales and marketing events, among other changes, but future outbreaks, epidemics or pandemics may require other modifications to our business. The extent of the impact of any such modifications on our business, including the effects on our customers, prospects and employees, and on our financial results, remains uncertain.** The impact of a public health outbreak, epidemic or pandemic, including a resurgence in the COVID-19 pandemic, on the global economy could decrease technology spending by our existing and prospective customers and adversely affect their demand for our solutions. Further, responses to such events may impact our sales and implementation cycles which could result in us providing contract terms more favorable to customers and a potentially longer delay between incurring operating expenses and the generation of corresponding revenue or in difficulty in accurately predicting our financial forecasts. Additionally, any economic downturn or rising unemployment rates resulting from such an outbreak, epidemic or pandemic have the potential to significantly reduce individual and business disposable income and depress consumer confidence, which could limit the ability or willingness of some consumers to obtain and pay for our customers' products in both the short- and medium- terms, which may negatively impact the ability of our customers to pay for our services or require such customers to request amended payment terms for their outstanding invoices. We are unable to predict the impact that a public health outbreak, epidemic or pandemic may have going forward on the business, results of operations or financial position of any of our major customers, which could impact each customer to varying degrees and at different times and could ultimately impact our own financial performance. **The COVID-19 pandemic presented operational challenges as our workforce shifted to a hybrid working model of in-person and remote work, which continues to create inherent productivity, connectivity, and oversight challenges. It is possible that continued remote work arrangements may have a negative impact on our operations, the execution of our business plans, the productivity and availability of key personnel and other employees necessary to conduct our business, and may increase the risk of cyberattacks. A further change to our operating model, at the local level or globally, could exacerbate these impacts and may also result in employee retention, engagement or other impacts. These impacts and disruptions could negatively affect our operations or internal controls over financial reporting and may require us to implement new processes, procedures and controls to respond to further changes in our business environment.** To the extent a public health outbreak,

epidemic or pandemic, ~~including a resurgence in the COVID-19 pandemic~~, adversely affects our business and financial results, it may also have the effect of heightening other risks described in this “ Risk Factors ” section, such as those relating to our liquidity. Factors outside of our control including but not limited to natural catastrophes, war, and terrorism, may adversely impact the P & C insurance economy, preventing us from expanding or maintaining our existing customer base and increasing our revenue. Our largest customers are carriers who have experienced, and will likely experience in the future, losses from catastrophes, natural disasters or terrorism that may adversely impact their businesses. Catastrophes can be caused by various events, including, without limitation, hurricanes, tsunamis, floods, windstorms, earthquakes, hail, tornadoes, explosions, severe weather, epidemics, pandemics and fires, **, including as a result of** ~~Global warming trends associated with climate change are contributing to an increase in erratic weather patterns globally and which may intensifying~~ **intensify** the impact of certain types of catastrophes. Moreover, acts of terrorism or war could cause disruptions to our business or our customers’ businesses or the economy as a whole. The risks associated with **catastrophes, natural catastrophes disasters**, war and terrorism are inherently unpredictable, and it is difficult to forecast the timing of such events or estimate the amount of losses they will generate. In recent years, for example, parts of the U. S. suffered extensive damage due to multiple hurricanes, fires, floods and other extreme weather events. The combined effect of those losses on carriers was significant. Such losses and losses due to future events may adversely impact our current or potential customers, which may prevent us from maintaining or expanding our customer base and increasing our revenue as such events may cause customers to postpone purchases of new offerings or to discontinue existing projects. Any of these events could materially impact our business, results of operations and financial condition. A downturn in the P & C insurance **and or** automotive collision industries, claim volumes, or supporting **economy economies**, which are outside of our control, could adversely impact our results of operations. Revenue for some of our solutions **are is** derived from claims volumes rather than from the subscription fees that represent the majority of our revenue. Claim volume- based solution revenue is driven by individual customer usage and can be impacted by market conditions within the P & C insurance economy, **, including the relative market positions of our customers**. As a result, our transactional revenue can be adversely affected by factors outside of our control, including but not limited to, industry trends, market events, **and** customer- specific usage changes. The transactional portion of the business also presents more challenges to accurately forecasting future revenues. Changes in the P & C insurance and automotive collision industries, including the adoption of new technologies, such as **AI artificial intelligence** or autonomous vehicles, may significantly impact our results of operations. Aspects of our business, and our customers’ businesses, which our solutions and services support, can be impacted by events in the P & C insurance and automotive collision industries which are beyond our control. Certain trends in the automotive industry, including adoption of **AI artificial intelligence** solutions, the continued adoption of semi- autonomous or autonomous vehicles and the advent of improved automotive safety features, may potentially impact the future market for, and operations of, the P & C insurance and automotive collision industries. While the impacts and timing of these changes are currently unknown, if this has an adverse impact on the P & C insurance or the automotive collision industries, it could have an adverse impact on our future result of operations. Our customers may defer or forego purchases of our solutions or services in the event of weakened global economic conditions, political transitions or industry consolidation. Our financial performance depends, in part, on the state of the economy. Declining levels of economic activity may lead to declines in spending in the industries we serve, which may result in decreased revenue for us. Concern about the strength of the economy may slow the rate at which businesses are willing to enter into new contractual arrangements, potentially including those for our solutions. If our customers and potential customers experience financial hardship as a result of a weakened economy, industry consolidation, or other factors, the overall demand for our solutions could decrease. If economic conditions worsen, our business, results of operations, and financial condition could be adversely impacted. Consolidation in the P & C insurance industry may result in reduced overall spending on our solutions. Acquisitions of customers or potential customers can delay or cancel sales cycles or result in existing arrangements not being renewed, and because we cannot predict the timing or duration of such acquisitions, our results of operations could be materially impacted. Global events such as the imposition of **various trade tariffs by the U. S. and China**, public health outbreaks **such as the COVID-19 pandemic**, supply chain disruption, inflationary pressures, labor shortages, global conflicts including the **war- war** in Ukraine **and or a resurgence of conflict in** the Middle East, and political transitions in the U. S. and globally have created and may continue to create economic uncertainty in regions in which we have significant operations. These conditions may make it difficult for our customers and us to forecast and plan future business activities accurately, and they could cause our customers to reevaluate their decision to purchase our solutions or services, which could delay and lengthen our sales cycles or result in cancellations of planned purchases. Moreover, during challenging economic times, our customers may be unable to timely access sufficient credit, which could impair their ability to make timely payments to us. If that were to occur, we may not receive amounts owed to us and may be required to **write- off record an allowance for doubtful accounts receivable as uncollectible**, which would adversely affect our financial results. A substantial downturn in the insurance industry may cause firms to react to worsening conditions by reducing their capital expenditures, reducing their spending on information technology **(“ IT ”)**, delaying or canceling information technology projects, or seeking to lower their costs by renegotiating vendor contracts. Negative or worsening conditions in the general economy, both in the U. S. and abroad, including conditions resulting from financial and credit market fluctuations, could decrease corporate spending on enterprise software in general, and in the insurance industry specifically, and negatively affect the rate of growth of our business. Macroeconomic factors impacting the principal industries we serve could adversely affect adoption, usage, or average selling prices of our solutions. We expect to continue to derive most of our revenue from **the** solutions and additional services we provide to the P & C insurance industry, the automotive collision industry, and the P & C insurance economy generally, including the automotive industry. Given the concentration of our business activities in these industries, we will be particularly exposed to certain economic downturns affecting them. U. S. and global market and economic conditions have been, and continue to be, disrupted and volatile. General business and economic conditions that could affect us and our customers include

fluctuations in economic growth, inflation, debt and equity capital markets, liquidity of the global financial markets, the availability and cost of credit, investor and consumer confidence, and the strength of the economies in which our customers operate. A poor economic environment could result in significant decreases in demand for our solutions, including the delay or cancellation of current or anticipated projects, or could present difficulties in collecting accounts receivables from our customers due to their deteriorating financial condition. Our existing customers may be acquired by or merged into other entities that use our competitors' products, or they may decide to terminate their relationships with us for other reasons. As a result, our sales could decline if an existing customer is merged with or acquired by another company that has a poor economic outlook or is closed. In addition, a significant portion of our operating costs are comprised of personnel- related expenses. We have experienced and may, in the future, experience increased labor costs as well as other costs necessary to conduct our business. To the extent we cannot pass along such increased costs to our customers, our results of operations and financial condition may be adversely affected. ~~Recently, there has been a pronounced rise in inflation in the U. S. and globally, which generally increases the costs of our business operations.~~ We have a substantial number of long- term customer contracts, which means we cannot modify the prices paid by the customers under such contracts to pass along such increased costs. **. Although some of our customer contracts include price increases over time, we cannot be sure that those increases will match increased costs in timing or amount.** We face competition in our market, which could negatively impact our business, results of operations, and financial condition and cause our market share to decline. The market for our solutions is competitive. The competitors we face in any sale opportunity may change depending on, among other things, the line of business making the purchase, the solutions (s) being sold, the geography in which the customer is operating, and the size of the customer to which we are selling. These competitors may compete on the basis of price, the time and cost required for software implementation, custom development, or unique solution features or functions. Outside of the U. S., we are more likely to compete against vendors that may differentiate themselves based on local advantages in language, market knowledge, existing relationships with customers and content applicable to that jurisdiction. As we expand our portfolio, we may begin to compete with software, technology and other providers that we have not competed against previously and where technology and applications may, in time, become more competitive with our offerings. We expect the intensity of competition to remain high in the future, as the amount of capital invested in current and potential competitors, including insurance technology companies, has increased significantly in recent years. As a result, our competitors or potential competitors may develop improved product or sales capabilities, or even a technology breakthrough that disrupts our market. The emerging availability of "off- the- shelf " **AI** "artificial intelligence" models may increase the ability of existing and new competitors to develop technology and applications which may compete with our solutions. Continuing intense competition could result in increased pricing pressure, increased sales and marketing expenses, and greater investments in research and development, each of which could negatively impact our profitability. Current and potential competitors may be able to devote greater resources to, or take greater risks in connection with, the development, promotion, and sale of their products than we can devote to ours, which could allow them to respond more quickly than we can to new technologies and changes in customer needs, thus leading to their wider market acceptance. We may not be able to compete effectively and competitive pressures may prevent us from acquiring and maintaining the customer base necessary for us to increase our revenue and profitability. In addition, the **P & C** insurance economy is evolving rapidly, and we anticipate the market for cloud- based solutions will become increasingly competitive. If our current and potential customers move a greater proportion of their data and computational needs to the cloud, new competitors may emerge that offer services either comparable or better suited than ours to address the demand for such cloud- based solutions, which could reduce demand for our offerings. This could include new competitors, or new offerings from existing competitors, that utilize ~~artificial intelligence~~ **AI**- based tools. To compete effectively we will likely be required to increase our investment in research and development, as well as the personnel and third- party services required to improve reliability and lower the cost of delivery of our cloud- based solutions. This may increase our costs more than we anticipate and may adversely impact our results of operations. Our current and potential competitors may also establish cooperative relationships among themselves, **, with our customers,** or with third parties to further enhance their resources and offerings. Current or potential competitors may be acquired by other vendors or third parties with greater available resources. As a result of such acquisitions, our current or potential competitors might be able to adapt more quickly to new technologies and customer needs, to devote greater resources to the promotion or sale of their products and services, to initiate or withstand substantial price competition, or to take advantage of emerging opportunities by developing and expanding their product and service offerings more quickly than we can. Additionally, they may hold larger portfolios of patents and other intellectual property rights as a result of such relationships or acquisitions. If we are unable to compete effectively with these evolving competitors for market share, our business, results of operations, and financial condition could be materially and adversely affected. If we are unable to develop, introduce and market new and enhanced versions of our solutions and services, we may be put at a competitive disadvantage and our operating results could be adversely affected. As technology continues to develop at a rapid pace, both within the **P & C** insurance economy and more broadly across the insurance ecosystem, the possibility of the development of technological advancements made by other firms will increase. If we are unable to internally develop or acquire suitable alternatives to such developments or otherwise deploy competitive offerings our business and growth opportunities may be challenged. Additionally, certain **P & C** insurance ecosystem customers may seek to develop internal solutions which could potentially compete with related offerings from us in whole or part. Technologies such as enhanced modeling, **AI** artificial intelligence and machine learning technology may offer certain firms, including insurance carriers, the opportunity to make rapid advancements in the development of tools which may impact the industry broadly. New solutions utilize and will continue to be based on AI technologies in the future. As such, the market acceptance of AI- based solutions is critical to our continued success. In order for cloud- based AI solutions to be widely accepted, organizations must overcome any concerns with placing sensitive information on a cloud- based platform. Furthermore, our ability to effectively market and sell AI- based solutions to customers is partly dependent upon the pace at which enterprises undergo digital

transformation as well as on our customers' (and their customers') acceptance of the use of AI. Customers' acceptance of the use of AI may be impacted by public perceptions of the use of AI generally, including concerns relating to its reliability, bias and other factors. If our customers do not accept the use of AI, or put significant limitations on how AI can be deployed in the solutions they purchase, it may have a material and adverse impact on our business, results of operations or financial condition. Additionally, as technologies continue to become more integrated with AI technologies, governments may implement data privacy and AI regulations with which we will need to comply, and which may result in the incurrence of additional costs and expenses. We expect that the needs of our customers will continue to rapidly change and increase in complexity and we will need to improve the functionality and performance of our platform continually to meet these demands. If we are unable to continue to meet customer demands or to achieve more widespread market acceptance of enterprise AI solutions in general or our platform in particular, our business operations, financial results, and growth prospects will be materially and adversely affected. Our sales and implementation cycles can be lengthy and variable, depend upon factors outside our control, and could cause us to expend significant time and resources prior to generating revenue. Sales cycles for some of our solutions are complex and can be lengthy and unpredictable, requiring pre-purchase evaluation by a significant number of employees in our customers' organizations, and can involve a significant operational decision by our customers. Our sales efforts involve educating our customers about the use and benefits of our solutions, including in the technical capabilities and the potential cost savings achievable by organizations using our solutions. For larger business opportunities, such as converting a new P&C insurance customer, customers undertake a rigorous pre-purchase decision-making and evaluation process which typically involves due diligence and reference checks. **As our portfolio of solutions expands, sales efforts may need to be targeted to disparate groups within our customers' and potential customers' organizations, which will increase the time and investment necessary to compete a sale.** We invest a substantial amount of time and resources in our sales efforts without any assurance that our efforts will produce sales. Even if we succeed at completing a sale, we may be unable to predict the size or term of an initial SaaS arrangement until very late in the sales cycle. In addition, we sometimes commit to include specific functions in our base solutions offering at the request of a customer or group of customers. Providing this additional functionality may be time consuming and may involve factors that are outside of our control. Customers may also insist that we commit to certain ~~time frames~~ **timeframes** in which systems built around our solutions will be operational, or that once implemented our solutions will be able to meet certain operational requirements. Our ability to meet such timeframes and requirements may involve factors that are outside of our control, and failure to meet such timeframes and requirements could result in us incurring penalties, costs and / or additional resource commitments, which would adversely affect our business and results of operations. Unexpected delays and difficulties can occur as customers implement and test our solutions. Solutions can involve integration with our customers' and third-party's systems as well as the addition of customer and third-party data to our platform. This process can be complex, time-consuming and expensive for our customers and can result in delays in the implementation of our solutions, which could adversely affect our business, results of operations and financial condition. Time-consuming efforts such as client setups, training and transition of systems may also increase the amount of services personnel we must allocate to each customer, thereby increasing our costs for these services. These types of changes can also result in a shift in the timing of the recognition of revenue which could adversely affect results of operations and financial condition. The timing of when we sign a large contract can materially impact our results of operations for the period and can be difficult to predict. Failure to manage our expanding operations effectively could harm our business. We have expanded our operations over time and expect to continue to do so in the future. **We utilize** ~~During the COVID-19 pandemic we transitioned to a hybrid working model of in-person and remote work, which brings challenges to managing our business and work force, including increased risk of cyberattacks due to more employees working remotely.~~ **For more information please see —“Public health outbreaks, epidemics or pandemics could harm our business and results of operations.”** This expansion and changing work environment **have has** placed, and will continue to place, challenges on our operations and our personnel. We will also need to identify, add and retain additional qualified personnel across our operations. To manage our anticipated future operational expansion effectively, we must maintain, and continue to enhance, our IT infrastructure and financial and accounting systems and controls, and manage expanded operations and employees in geographically distributed locations. Our growth could require significant capital expenditures and may divert financial resources from other projects, such as the development of new solutions. If we increase the size of our organization without experiencing an increase in sales of our solutions, we will experience reductions in our gross and operating margins and net income. We may also deem it advisable in the near-term or later to downsize certain of our offices in order to reduce costs, which may cause us to incur related charges. **A further change to our operating model, at the local level or globally, including any return-to-office mandates, could exacerbate these impacts and may also result in employee retention, engagement or other impacts. These impacts and disruptions could negatively affect our operations or internal controls over financial reporting and may require us to implement new processes, procedures and controls to respond to further changes in our business environment.** If we are unable to effectively manage our expanding operations or manage the increase in remote employees, our expenses may increase more than expected, our revenue could decline or grow more slowly than expected and we may be unable to implement our business strategy. If we are unable to develop new markets or sell our solutions into these new and existing markets, our ~~revenue will~~ **opportunities for growth may not be achieved** ~~grow as expected~~. Our ability to increase revenue will depend, in large part, on our ability to further penetrate our existing markets and enter new markets, as well as our ability to increase sales from existing customers and attract new customers. The success of any enhancement or new solution or service depends on several factors, including the timely completion, introduction and market acceptance of enhanced or new solutions, adaptation to new industry standards and technological changes, the ability to maintain and to develop relationships with third parties and the ability to attract, retain and effectively train sales and marketing personnel. Any new solutions we develop or acquire may not be introduced in a timely or cost-effective manner and may not achieve the market acceptance necessary to generate significant

revenue. Any new industry standards or practices that emerge, or any introduction by competitors of new solutions embodying new services or technologies, may cause our solutions to become obsolete. Any new markets in which we attempt to sell our solutions, including new countries or regions, may not be receptive or implementation may be delayed due to circumstances beyond our control, including economic and market factors, the applicable regulatory climate, public health outbreaks, epidemics and pandemics, natural disasters, war and terrorist attacks. Additionally, any expansion into new markets may require us to comply with new regulatory laws and regimes and increase our monitoring thereof on an ongoing basis, which will increase our costs, as well as the risk that we may not be in compliance on a timely basis or at all. Our ability to further penetrate our existing markets and enter new markets depends on the quality of our solutions and our ability to design our solutions to meet changing consumer demands and industry standards, as well as our ability to adopt to new markets and assure that our customers will be satisfied with our existing and new solutions. If we are unable to sell our solutions into new markets or attract new customers or to further penetrate existing markets, or to increase sales from existing customers by selling them additional solutions, our revenue will not grow as expected, which would have a material adverse effect on our business, financial condition and results of operations. Developing significant revenue streams derived from our current research and development efforts may take several months or years, or may not be achieved at all. Developing software is time consuming and costly, and investment in development may involve a long payback cycle. Our research and development expenses were \$ ~~173-201~~ ~~1-5~~ million, or ~~20-21~~ % of our total revenue, for the year ended December 31, ~~2023-2024~~. Including the amount we capitalized for internal use software of \$ ~~46-43~~ ~~3-1~~ million, our total spend was ~~25-26~~ % of total revenue for the year ended December 31, ~~2023-2024~~. Our future plans include significant investments to develop, improve and expand the functionality of our solutions, which we believe is necessary to maintain our competitive position. However, we may not recognize significant revenue from these investments for several months or years, or the investments may not yield any additional revenue. Changes in, or violations by us or our customers of, applicable government regulations could reduce demand for or limit our ability to provide our solutions and services in those jurisdictions. Our ~~P & C~~ insurance industry customers are subject to extensive government regulations, mainly at the state level in the ~~United States~~ ~~U. S.~~ and at the country level in our non- U. S. markets. Some of these regulations relate directly to our software and services, including regulations governing the use of total loss, casualty claims processing, and photo estimating software. If our insurance company customers fail to comply with new or existing insurance regulations, including those applicable to our software and services, they could lose their certifications to provide insurance and / or reduce their usage of our software and services, either of which would reduce our revenues. We have in the past and continue to spend considerable time and resources working with our customers to help them navigate these regulations, including Department of Insurance market conduct examinations and defending against class action lawsuits. If our solutions or services are found to be defective, we could be subject to liability. In addition, future regulations could force us to implement costly changes to our software and / or databases or have the effect of prohibiting or rendering less valuable one or more of our offerings. Also, we are subject to direct regulation in some markets, and our failure to comply with these regulations could significantly reduce our revenues or subject us to government sanctions. Sales to customers or operations outside the ~~United States~~ ~~U. S.~~ may expose us to risks inherent in international sales. Historically, transactions occurring outside of the U. S. have represented a small portion of our overall processed transactions. However, we may expand our international sales efforts. Operating in international markets, including in China, requires significant resources and management attention and will subject us to regulatory, economic, and political risks that are different from those in the U. S. Because of our limited experience operating internationally, our international expansion efforts may not be successful. We may rely heavily on third parties outside of the U. S., and as a result we may be adversely impacted if we invest time and resources into such business relationships but do not see significant sales from such efforts. Potential risks and challenges associated with sales to customers and operations outside the U. S. include: • compliance with multiple conflicting and changing governmental laws and regulations, including employment, tax, money transmission, privacy, data protection, and AI laws and regulations; • laws and business practices favoring local competitors; • new and different sources of competition; • securing new integrations for international technology platforms; • localization of our solutions, including translation into foreign languages, obtaining and maintaining local content, and customer care in such languages; • treatment of revenue from international sources and changes to tax rules, including being subject to foreign tax laws and liability for paying withholding or other taxes in foreign jurisdictions; • fluctuation of foreign currency exchange rates; • different pricing environments; • restrictions on the transfer of funds; • difficulties in staffing and managing foreign operations; • availability of reliable Internet connectivity in areas targeted for expansion; • different or lesser protection of our intellectual property; • longer sales cycles; • natural disasters, acts of war, terrorism, pandemics, or security breaches; • import and export license requirements, tariffs, taxes and other trade barriers; • compliance with sanctions laws and regulations and trade embargos, including those administered by the Office of Foreign Assets Control (“OFAC”) of the U. S. Department of the Treasury; • the burdens and costs of complying with a wide variety of foreign laws and legal standards, including the General Data Protection Regulation (EU 2016 / 679) (“GDPR”) in the European Union (“EU”); • compliance with various anti- bribery and anti- corruption laws such as the U. S. Foreign Corrupt Practices Act (“FCPA”); • regional or national economic and political conditions; and • pressure on the creditworthiness of sovereign nations resulting from liquidity issues or political actions. As we continue to expand our business globally, our success will depend, in large part, on our ability to anticipate and effectively manage these and other risks associated with our international operations. Any of these factors could negatively impact our business, results of operations, financial condition and growth prospects. Changes in China’s economic, political or social conditions or government policies, as well as the corruption risks presented by operating in China, could have an adverse effect on our efforts to expand our business in China. The Chinese economy differs from the economies of most developed countries in many respects, including the degree of government involvement, level of development, growth rate, control of foreign exchange and allocation of resources. Accordingly, our business, prospects, financial condition and results of operations may be affected to a significant degree by ~~the general~~ political, economic and social conditions in China

generally. These conditions may be impacted by macroeconomic or geopolitical factors beyond our control, including any deterioration in the political and trade relationship between the U. S. and China **or the imposition of tariffs**. Although the Chinese government has implemented measures emphasizing the utilization of market forces for economic reform, the reduction of state ownership of productive assets and the establishment of improved corporate governance in business enterprises, a substantial portion of productive assets in China are still owned or controlled by the government. By virtue of our serving customers in China that are at least partially owned or controlled by the government, there is also an increased risk of running afoul of the FCPA and other laws and regulations concerning anti-bribery and anti-corruption, including local Chinese laws, particularly given that China is perceived to present a heightened risk from an anti-corruption perspective. Any efforts to expand our business operations in China may include engaging with partners and third-party intermediaries who may have direct or indirect dealings with those deemed by anti-corruption laws to be government officials, further increasing the risk of violations of such laws that may result in fines and / or criminal sanctions against us, our officers, or our employees. In addition, the Chinese government continues to play a significant role in regulating industry development by imposing industrial policies. The Chinese government also exercises significant control over China's economic growth by allocating resources, controlling payment of foreign currency-denominated obligations, setting monetary policy and providing preferential treatment to particular industries or companies. While the Chinese economy has experienced significant growth over the past decades, growth has been uneven, both geographically and among various sectors of the economy. The Chinese government has implemented various measures to encourage economic growth and guide the allocation of resources. Some of these measures may benefit the overall Chinese economy, but may have a negative effect on us. For example, our financial condition and results of operations may be adversely affected by government control over capital investments or changes in tax regulations. The growth rate of the Chinese economy has gradually slowed since 2010. A continued slowdown in the Chinese economy may reduce the demand for our solutions and services and materially and adversely affect our business and results of operations. Our business activities are subject to the FCPA and similar anti-bribery and anti-corruption laws. Anti-corruption and anti-bribery laws have been enforced aggressively in recent years. Our business activities are subject to the FCPA and other similar anti-bribery and anti-corruption laws, regulations, or rules of other countries in which we operate, including the U. K. Bribery Act. These laws are interpreted broadly and prohibit companies, their employees, and third-party intermediaries from authorizing, promising, offering, or providing, either directly or indirectly, improper payments or anything else of value to recipients in the public or private sector. The FCPA also requires public companies to maintain accurate books and records and to devise and maintain an adequate system of internal accounting controls. While only representing a de minimis proportion of our total revenue, we count among our customers a number of government entities. We may have direct or indirect dealings with those deemed by anti-corruption laws to be government officials, which also include interactions in countries known or perceived to experience corruption, including China. Activities in such countries create the risk of unauthorized payments or offers of payments by one of our employees, consultants, partners, or third-party intermediaries that could be in violation of various anti-corruption laws. We have policies and controls intended to prevent these practices, including a Global Anti-Bribery Policy, Code of Ethics, mandatory anti-corruption trainings, financial controls, and a whistleblowing hotline, among others. While there is no certainty that all of our employees, consultants, partners, or third-party intermediaries will comply with all applicable laws and regulations, particularly given the high level of complexity of these laws, our policies and controls aim to satisfy our obligation to comply with them. Any violation of these laws and regulations could result in fines, criminal sanctions against us, our officers, or our employees, and liability for the actions of corrupt or other illegal activities of such third-party intermediaries, their employees, representatives, contractors, partners, and agents, even if we do not explicitly authorize such activities. Additionally, any such violations could materially damage our reputation, brand, international expansion efforts, ability to attract and retain employees, and our business, prospects, operating results and financial condition. Responding to any enforcement action may result in a significant diversion of management's attention and resources and significant **defense legal** costs and other professional fees. We are subject to increasing global trade laws and regulations. We are subject to U. S. trade laws and regulations, including economic sanctions, export controls, and import laws, as well as similar trade laws and regulations in other countries in which we operate. Failure to comply with global trade laws and regulations can result in penalties and / or reputational harm. Our international sales efforts expose us to increased risk under these laws and regulations, and increasing and evolving global trade laws could impact our business. We may experience fluctuations in foreign currency exchange rates that could adversely impact our results of operations. As we expand our business and operations internationally, our international sales may be denominated in foreign currencies, and this revenue could be materially affected by currency fluctuations. The volatility of exchange rates depends on many factors that we cannot forecast with reliable accuracy. We typically collect revenue and incur costs in the currency of the location in which we provide our solutions and services, but our contracts with our customers are long-term in nature so it is difficult to predict if our operating activities will provide a **natural** hedge in the future or as we expand internationally. Our results of operations may also be impacted by transaction gains or losses related to revaluing certain current asset and liability balances that are denominated in currencies other than the functional currency of the entities in which they are recorded. Moreover, significant and unforeseen changes in foreign currency exchange rates may cause us to fail to achieve our stated projections for revenue and operating income, which could have an adverse effect on our stock price. As we expand internationally, we will continue to experience fluctuations in foreign currency exchange rates, which, if material, may harm our revenue or results of operations. We rely on data, technology, and intellectual property of third parties and our solutions rely on information generated by third parties and any interruption of our access to such information, technology, and intellectual property could materially harm our operating results. We use data, technology, and intellectual property licensed from unaffiliated third parties in certain of our solutions, and we may license additional third-party data, technology, and intellectual property in the future. Any errors or defects in this third-party data, technology, and intellectual property could result in errors that could adversely impact our brand and business. In addition, licensed data, technology, and

intellectual property may not continue to be available on commercially reasonable terms, or at all. The loss of the right to license and distribute this third-party data, technology, and intellectual property could limit the functionality of, or require us to redesign, our solutions. Our success depends significantly on our ability to provide our customers access to data from many different sources, including, for example, parts-related data for purposes of repair estimation. We obtain much of our data about vehicle parts and components and collision repair labor and costs through license agreements with third parties who may be sole-source suppliers of that data. If one or more of our licenses are terminated, if our licenses are subject to material price increases, if we are unable to renew one or more of these licenses on favorable terms or at all, or if one or more licensors becomes subject to allegations of breach of third-party intellectual property rights with respect to the materials licensed by us, we may be unable to access the licensed materials without incurring additional costs or, for instance in the case of materials licensed from sole-service suppliers, unable to access alternative sources that would provide comparable materials. While we do not believe that our access to many of the individual sources of data is material to our operations, prolonged industry-wide price increases or reductions in data availability could make receiving certain data more difficult and could result in significant cost increases, which would materially harm our operating results. Failure to protect our intellectual property could adversely impact our business and results of operations. Our success depends in part on our ability to enforce and defend our intellectual property rights. We rely upon a combination of trademark, trade secret, copyright, patent and unfair competition laws, as well as license agreements and other contractual provisions, to do so. In the future we may file patent applications related to certain of our innovations. We do not know whether those patent applications will result in the issuance of a patent or whether the examination process will require us to narrow our claims. In addition, we may not receive competitive advantages from the rights granted under our patents and other intellectual property. Our existing patents and any patents granted to us or that we otherwise acquire in the future, may be contested, circumvented or invalidated, and we may not be able to prevent third parties from infringing these patents. The validity, enforceability, scope and effective term of patents can be highly uncertain and often involve complex legal and factual questions and proceedings that vary based on the local law of the relevant jurisdiction. Our ability to enforce our patents also depends on the laws of individual countries and each country's practice with respect to enforcement of intellectual property rights. Patent protection must be obtained on a jurisdiction-by-jurisdiction basis, and we only pursue patent protection in countries where we think it makes commercial sense for the given solution. In addition, if we are unable to maintain our existing license agreements or other agreements pursuant to which third parties grant us rights to intellectual property, including because such agreements terminate, our financial condition and results of operations could be materially adversely affected. Therefore, the extent of the protection afforded by these patents cannot be predicted with certainty. In addition, given the costs, effort, risks and downside of obtaining patent protection, including the requirement to ultimately disclose the invention to the public, we may choose not to seek patent protection for certain innovations; however, such patent protection could later prove to be important to our business. Patent law reform in the U. S. and other countries may also weaken our ability to enforce our patent rights, or make such enforcement financially unattractive. For instance, in September 2011, the U. S. enacted the America Invents Act, which permits enhanced third-party actions for challenging patents and implements a first-to-file system. Further, the U. S. Supreme Court's 2014 decision in *Alice v. CLS Bank* made it easier to invalidate software patents, leading to us to scale back our patent prosecution strategy. These legal changes could result in increased costs to protect our intellectual property or limit our ability to obtain and maintain patent protection for our solutions in these jurisdictions. We also rely on several registered and unregistered trademarks to protect our brand. We have pursued and will pursue the registration of trademarks, logos and service marks in the U. S. and internationally; however, enforcing rights against those who knowingly or unknowingly dilute or infringe our brands can be difficult. There can be no assurance that the steps we have taken and will take to protect our proprietary rights in our brands and trademarks will be adequate or that third parties will not infringe, dilute or misappropriate our brands, trademarks, trade dress or other similar proprietary rights. Competitors may adopt service names similar to ours, or use confusingly similar terms as keywords in Internet search engine advertising programs, thereby impeding our ability to build brand identity and possibly creating confusion in the marketplace. In addition, trade name or trademark infringement claims could be brought against us by owners of other registered trademarks or trademarks that incorporate variations of our trademarks. Any claims or customer confusion related to our trademarks could damage our reputation and brand and adversely impact our business and results of operations. We attempt to protect our intellectual property, technology and confidential information by generally requiring our employees, contractors, and consultants to enter into confidentiality and assignment of inventions agreements and third parties to enter into nondisclosure agreements, all of which offer only limited protection. These agreements may not effectively prevent, or provide an adequate remedy in the event of, unauthorized use or disclosure of our confidential information, intellectual property or technology. Similarly, our customers, contractors, consultants and vendors may allege ownership of, or other rights in or to, confidential information, intellectual property or technology which we consider to be proprietary. Despite our efforts to protect our confidential information, intellectual property, and technology, unauthorized third parties may gain access to our confidential proprietary information, develop and market solutions similar to ours, or use trademarks similar to ours, any of which could materially impact our business and results of operations. In addition, others may independently discover our trade secrets and confidential information, and in such cases, we could not assert any trade secret rights against such parties. Existing U. S. federal, state and international intellectual property laws offer only limited protection. The laws of some foreign countries do not protect our intellectual property rights to as great an extent as the laws of the U. S., and many foreign countries do not enforce these laws as diligently as governmental agencies and private parties in the U. S. More broadly, enforcing intellectual property protections outside the U. S., including in some countries we operate in, can be more challenging than enforcement in the U. S. The Company takes certain actions when operating in countries where protection of IP, technology and confidential information, is not as well protected, including steps such as preventing placing sensitive IP in such countries, as an example. Moreover, policing our intellectual property rights is difficult, costly and may not always be effective. 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 claims of infringement or invalidity. Even if we are successful in defending our claims, litigation could result in substantial costs and diversion of resources and could negatively affect our business, reputation, results of operations and financial condition. To the extent that we seek to enforce our rights, we could be subject to claims that an intellectual property right is invalid, otherwise not enforceable, or is licensed to the party against whom we are pursuing a claim. In addition, our assertion of intellectual property rights may result in the other party seeking to assert alleged intellectual property rights or assert other claims against us, which could adversely impact our business. If we are not successful in defending such claims in litigation, we may not be able to sell or license a particular solution due to an injunction, or we may have to pay damages that could, in turn, adversely impact our results of operations. In addition, governments may adopt regulations, or courts may render decisions, requiring compulsory licensing of intellectual property to others, or governments may require that products meet specified standards that serve to favor local companies. Our inability to enforce our intellectual property rights under these circumstances may adversely impact our competitive position and our business. If we are unable to protect our technology and to adequately maintain and protect our intellectual property rights, we may find ourselves at a competitive disadvantage to others who need not incur the additional expense, time and effort required to create the innovative solutions that have enabled us to be successful to date. We may enter into joint ventures, collaborations or sponsored developments for intellectual property and, as a result, some of our intellectual property may, in the future, be jointly- owned by third parties. Engagement in any type of intellectual property collaboration agreement requires diligent management of intellectual property rights. Other than in specific, limited circumstances, we do not ~~currently~~ engage in joint ventures, collaborations or sponsored development agreements. Should we enter into such agreements in future, the development of joint intellectual property would create additional administrative and financial burdens, and may place us at heightened risk of disputes or litigation regarding ownership, maintenance or enforcement of such joint intellectual property. Assertions by third parties of infringement or other violation by us of their intellectual property rights could result in significant costs and substantially harm our business and results of operations. The software industry is characterized by the existence of a large number of patents and frequent claims and related litigation regarding patents and other intellectual property rights. In particular, leading companies in the software industry own large numbers of patents, copyrights, trademarks and trade secrets, which they may use to assert claims against us. From time to time, third parties holding such intellectual property rights, including companies, competitors, patent holding companies, customers and / or non- practicing entities, may assert patent, copyright, trademark or other intellectual property claims against us, our customers and partners, and those from whom we license technology and intellectual property. Although we believe that our solutions do not infringe upon the intellectual property rights of third parties, any such assertions may require us to enter into royalty arrangements or result in costly litigation, or result in us being unable to use certain intellectual property. Infringement assertions by third parties may involve patent holding companies or other patent owners who have no relevant product revenue, and therefore our own issued and pending patents may provide little or no deterrence to these patent owners in bringing intellectual property rights claims against us. The intellectual property ownership and license rights, including copyright, surrounding AI technologies has not been fully addressed by U. S. courts or other federal or state laws or regulations, and the use or adoption of third- party AI technologies into our solutions and business may result in exposure to claims of copyright infringement or other intellectual property misappropriation, the impacts of which we may not be fully able to mitigate by contract or otherwise. If we are forced to defend against any infringement or misappropriation claims, whether they are with or without merit, are settled out of court, or are determined in our favor, we may be required to expend significant time and financial resources on the defense of such claims. Regardless of the merits or eventual outcome, such a claim could adversely impact our brand and business. Furthermore, an adverse outcome of a dispute may require us to pay damages, potentially including treble damages and attorneys' fees, if we are found to have willfully infringed a party' s intellectual property; cease making, licensing or using our solutions that are alleged to infringe or misappropriate the intellectual property of others; expend additional development resources to redesign our solutions; enter into potentially unfavorable royalty or license agreements in order to obtain the right to use necessary technologies or works; and to indemnify our partners, customers and other third parties. Any of these events could adversely impact our business, results of operations and financial condition. Our solutions or our third- party cloud providers have experienced in the past, and could experience in the future, data security breaches, which could adversely impact our reputation, business, and ongoing operations. As a software business, we face risks of cyber- attacks, including ransomware and phishing attacks, social engineering attacks, computer break- ins, theft, fraud, misappropriation, misuse, denial- of- service attacks, and other improper activity that could jeopardize the performance of our platform and solutions and expose us to financial and reputational impact and legal liability, especially with regards to regulators such as the Federal Trade Commission (the "FTC"), which has become increasingly aggressive in prosecuting alleged failure to secure personal data as unfair and deceptive acts or practices under the Federal Trade Commission Act. Furthermore, such adverse impact could be in the form of theft of our or our customers' confidential information, the inability of our customers to access our systems, or the improper re- routing of customer funds through fraudulent transactions or other frauds perpetrated to obtain inappropriate payments and may result from accidental events (such as human error) or deliberate attacks. To protect the information we collect and our systems, we have implemented and maintain commercially reasonable security measures and information security policies and procedures informed by requirements under applicable law and recommended practices, in each case, as applicable to the data collected, but we cannot be sure that such security measures will be sufficient. In some cases, we must rely on the safeguards put in place by third parties to protect against security threats. These third parties, including vendors that provide products and services for our operations, could also be a source of security risk to us in the event of a failure of their own security systems and infrastructure. Our network of business application providers could also be a source of vulnerability to the extent their business applications interface with ours, whether unintentionally or through a malicious backdoor. We cannot, in all instances, review the software

code included in third- party integrations. Although we vet and oversee such vendors, we cannot be sure such vetting and oversight will be sufficient. We also exercise limited control over these vendors, which increases our vulnerability to problems with services they provide. Any errors, failures, interruptions or delays experienced in connection with these vendor technologies and information services or our own systems could negatively impact our relationships with partners and adversely affect our business and could expose us to liabilities. Because the techniques used to obtain unauthorized access, or to sabotage systems, change frequently and generally are not recognized until launched against a target, and may be difficult to detect for long periods of time, we or these third parties may be unable to anticipate these techniques or to implement adequate preventative measures. With the increasing frequency of cyber- related frauds to obtain inappropriate payments, we need to ensure our internal controls related to authorizing the transfer of funds are adequate. We may also be required to expend resources to remediate cyber- related incidents or to enhance and strengthen our cyber security. Any of these occurrences could create liability for us, put our reputation in jeopardy, and adversely impact our business. Our customers provide us with information that our solutions store, some of which is **personal**, sensitive or confidential information about them, **their customers, insureds or third- party claimants**, or their financial transactions **and which may include medical**. ~~In addition, we store personal information about our employees and, to a lesser extent, those who purchase or utilize products or services from our customers.~~ We have security systems and information technology infrastructure designed to protect against unauthorized access to and disclosure of such information. The security systems and infrastructure we maintain may not be successful in protecting against all security breaches and cyber- attacks, including ransomware and phishing attacks, social-engineering attacks, computer break- ins, theft, fraud, misappropriation, misuse, denial- of- service attacks and other improper activity. Threats to our information technology security can take various forms, including viruses, worms, and other malicious software programs that attempt to attack our solutions or platform or to gain access to the data of our customers or their customers. Non- technical means, for example, actions or omissions by an employee or trespasser, can also result in a security breach. Any significant violations of data privacy could result in the loss of business, litigation, regulatory fines or investigations, loss of customers, and penalties that could damage our reputation and adversely affect the growth of our business. In addition, we maintain liability insurance coverage, including coverage for cyber- liability. It is possible, however, that claims could be denied or exceed the amount of our applicable insurance coverage, if any, or that this coverage may not continue to be available on acceptable terms or in sufficient amounts. Even if these claims do not result in liability to us, investigating and defending against them could be expensive and time consuming and could divert management' s attention away from our operations. In addition, negative publicity caused by these events may negatively impact our customer relationships, market acceptance of our solutions, including unrelated solutions, or our reputation and business. Real or perceived failures in our solutions, an inability to meet contractual service levels, or unsatisfactory performance of our solutions, could adversely affect our business, results of operations and financial condition. Because we offer solutions that operate in complex environments, undetected errors or failures may exist or occur, especially when solutions are first introduced or when new versions are released, implemented or integrated into other systems. Our solutions are often used in large- scale computing environments with different operating systems, system management software and equipment and networking configurations, which may cause errors or failures in our solutions or may expose undetected errors, failures or bugs in our solutions. Despite testing by us, we may not identify all errors, failures or bugs in new solutions or releases until after commencement of commercial sales or installation. In the past, we have discovered errors, failures and bugs in some of our solutions after their introduction. We may not be able to fix errors, failures and bugs without incurring significant costs or an adverse impact to our business. The occurrence of errors in our solutions or the detection of bugs by our customers may damage our reputation in the market and our relationships with our existing customers, and as a result, we may be unable to attract or retain customers. We believe that our reputation and name recognition are critical factors in our ability to compete and generate additional sales. Promotion and enhancement of our name will depend largely on our success in continuing to provide effective solutions and services. The failure to do so may result in the loss of, or delay in, market acceptance of our solutions and services, which could adversely impact our sales, results of operations and financial condition. The license and support of our software creates the risk of significant liability claims against us. Our SaaS arrangements and licenses with our customers contain provisions designed to limit our exposure to potential liability claims. It is possible, however, that the limitation of liability provisions contained in such agreements may not be enforced as a result of international, federal, state and local laws or ordinances or unfavorable judicial decisions. Breach of warranty or damage liability, or injunctive relief resulting from such claims, could adversely impact our results of operations and financial condition. Some of our services and technologies use " open source " software, which may restrict how we use or distribute our services or require that we release the source code of certain solutions subject to those licenses. Some of our services and technologies incorporate software licensed under so- called " open source " licenses. In addition to risks related to license requirements, usage of open source software can lead to greater risks than use of third- party commercial software, as open source licensors generally do not provide warranties or controls on origin of the software. Additionally, some open source licenses require that source code subject to the license be made available to the public and that any modifications or derivative works to open source software continue to be licensed under open source licenses. These open source licenses typically mandate that proprietary software, when combined in specific ways with open source software, become subject to the open source license. If we combine our proprietary software with open source software, we could be required to release the source code of our proprietary software. We take steps to ensure that our proprietary software is not combined with, and does not incorporate, open source software in ways that would require our proprietary software to be subject to many of the restrictions in an open source license. However, few courts have interpreted open source licenses, and the manner in which these licenses may be interpreted and enforced is therefore subject to some uncertainty. Additionally, we rely on hundreds of software programmers to design our proprietary technologies, and although we take steps to prevent our programmers from including objectionable open source software in the technologies and software code that they design, write and modify, we do not exercise

complete control over the development efforts of our programmers, the technical controls we have put in place may not be able to identify all instances of the incorporation of open source software, and we cannot be certain that our programmers have not incorporated such open source software into our proprietary solutions and technologies or that they will not do so in the future. In the event that portions of our proprietary technology are determined to be subject to an open source license, we could be required to publicly release the affected portions of our source code, re-engineer all or a portion of our technologies, or otherwise be limited in the licensing of our technologies, each of which could reduce or eliminate the value of our services and technologies and materially and adversely affect our business, results of operations, and prospects. In the past, companies that have incorporated open source software into their products have faced claims challenging the ownership of open source software or compliance with open source license terms. Accordingly, we could be subject to suits by parties claiming ownership of what we believe to be open source software or claiming noncompliance with open source licensing terms. Issues in the development and use of ~~AI artificial intelligence~~, combined with an uncertain regulatory environment, may result in reputational harm, liability, or other adverse consequences to our business operations. We use machine learning and ~~artificial intelligence (AI)~~ technologies in our solutions and business, and we are making investments in expanding the use of AI solutions, including ongoing deployment and improvement of features using AI technologies. The introduction of AI technologies into new or existing solutions may result in new or enhanced governmental or regulatory scrutiny (such as the ~~recent White House executive order on the development and use of AI~~, **scrutiny by our customers or potential customers** the ~~proposed EU AI Act, and other proposed state and federal regulations~~), litigation, confidentiality or security risks, ethical concerns, legal liability, or other complications. Compliance with new or changing laws, regulations ~~or~~, industry standards ~~or~~ **customer requirements** relating to AI may impose significant operational costs and may limit our ability to develop, deploy or use AI technologies. A failure on our part to develop solutions to permit compliance with regulatory regimes and / or our customers' requirements may result in unforeseen costs or delays deploying new and improved features using AI technologies. Furthermore, while we aim to develop and use AI responsibly and attempt to mitigate ethical and legal issues presented by its use, we may ultimately be unsuccessful in identifying or resolving issues before they arise. Uncertainty around new and emerging AI technologies may require additional investment in the development and maintenance of proprietary datasets and machine learning models, development of new approaches and processes to provide related to the collection and use of training data, and development of appropriate protections and safeguards for handling the use of customer data with AI technologies, which may be costly and could impact our expenses. AI technologies incorporated into our solutions and business processes may use algorithms, datasets, or training methodologies that may be flawed or contain deficiencies that may be difficult or impossible for us to detect during testing, including as a result of the use of biased or insufficient training data. Any of the foregoing may result in decreased demand for our solutions, harm to our business, results of operations or reputation, legal liability, regulatory action or failure to achieve expected results including if use products or enable or offer solutions that draw scrutiny or controversy due to their perceived or actual impact on customers or on society as a whole. In addition, third parties may deploy AI technologies in a manner that reduces customer demand for our solutions. Any disruption of our, our third-party service providers' or our customers' Internet connections could affect the success of our SaaS solutions. Any system failure, including network, software or hardware failure, that causes an interruption in our or our third-party service providers' network or a decrease in the responsiveness of our website or our SaaS solutions could result in reduced user traffic, reduced revenue and potential breaches of our SaaS arrangements. Continued growth in Internet usage could cause a decrease in the quality of Internet connection services. Websites have experienced service interruptions as a result of outages and other delays occurring throughout the worldwide Internet network infrastructure. In addition, there have been several incidents in which individuals have intentionally caused service disruptions of major e-commerce websites. If these outages, delays or service disruptions occur frequently in the future, usage of our web-based services could grow more slowly than anticipated or decline and we may lose customers and revenue. In addition, our users depend on Internet service providers, online service providers and other website operators for access to our website. These providers could experience outages, delays and other difficulties due to system failures unrelated to our systems. Any of these events could adversely impact our business, results of operations and financial condition. There may be adverse tax and / or employment law consequences if the independent contractor status of our consultants or the exempt status of our employees is successfully challenged. We rely on independent third parties to provide certain services to us. The state of the law regarding independent contractor status varies and is subject to change based on court decisions, legislation, and regulation. For example, at the federal level, the ~~DOL~~ **Department of Labor** published a final rule in January 2024 on independent contractor status. Meanwhile, the National Labor Relation Board ("NLRB") modified its own independent contractor standard under the National Labor Relations Act ("NLRA") in a decision published in June 2023. Furthermore, the tests governing the determination of whether an individual is considered to be an independent contractor or an employee are typically fact sensitive and vary from jurisdiction to jurisdiction. We may be subject to claims that certain independent contractors should be treated as our employees. Adverse determinations regarding the status of any of our independent contractors could, among other things, entitle such individuals to the reimbursement of certain expenses and to the benefit of wage- and- hour laws, and could result in the Company being liable for income taxes, employment, social security, and withholding taxes and benefits for such individuals, and penalties and interest related to any unpaid amounts. Additionally, we have classified many of our U. S. employees as "exempt" under the Fair Labor Standards Act ("FLSA") and corresponding state laws. We may be subject to claims that the employees we have classified as "exempt" should be classified as "non-exempt" under relevant laws. Adverse determinations regarding the status of our employees could, among other things, entitle such employees to unpaid overtime, back wages and other benefits and could result in our being liable for additional taxes for such individuals, and penalties and interest related to any unpaid amounts. Any adverse determinations regarding our independent contractors or employees could require us to change our operating model or result in increased costs and could negatively affect our business, reputation, results of operations and financial condition. We **have, and** may **in the**

future, acquire or invest in companies, or pursue business partnerships, which may divert our management's attention or result in dilution to our stockholders, and we may be unable to integrate acquired businesses and technologies successfully or achieve the expected benefits of such acquisitions, investments or partnerships. We expect to continue to grow, in part, by making targeted acquisitions in addition to our organic growth strategy. Our business strategy includes the potential acquisition of shares or assets of companies with software, technologies or businesses complementary to ours, both domestically and globally. Our strategy also includes alliances with such companies. Acquisitions and alliances, **including our recent acquisition of EvolutionIQ, Inc.**, may result in unforeseen operating difficulties and expenditures and may not result in the benefits anticipated by such corporate activity. In particular, we may fail to assimilate or integrate the businesses, technologies, services, solutions, personnel or operations of the acquired companies, retain key personnel necessary to favorably execute the combined companies' business plan, or retain existing customers or sell acquired solutions to new customers. Additionally, the assumptions we use to evaluate acquisition opportunities may not prove to be accurate, and intended benefits may not be realized. Our due diligence investigations may fail to identify all of the problems, liabilities or other challenges associated with an acquired business which could result in increased risk of unanticipated or unknown issues or liabilities, including with respect to environmental, competition and other regulatory matters, and our mitigation strategies for such risks that are identified may not be effective. As a result, we may overpay for, or otherwise not achieve some or any of the benefits, including anticipated synergies or accretion to earnings, that we expect to achieve in connection with our acquisitions, we may not accurately anticipate the fixed and other costs associated with such acquisitions, or the business may not achieve the performance we anticipated- **anticipate**, any of which may materially adversely affect our business, prospects, financial condition, results of operations, cash flows, as well as our stock price. Further, if we fail to achieve the expected synergies from our acquisitions and alliances, we may experience impairment charges with respect to goodwill, intangible assets or other items, particularly if business performance declines or expected growth is not realized. **Impairment charges with respect to goodwill, intangible assets or other items may also be required due to circumstances outside of our control, including macroeconomic factors impacting inputs used in the calculation of the fair value of such items.** Any future impairment of our goodwill or other intangible assets could have an adverse effect on our financial condition and results of operations. Acquisitions and alliances may also disrupt our ongoing business, divert our resources and require significant management attention that would otherwise be available for ongoing development of our current business. In addition, we may be required to make additional capital investments or undertake remediation efforts to ensure the success of our acquisitions, which may reduce the benefits of such acquisitions. We also may be required to use a substantial amount of our cash or issue debt or equity securities to complete an acquisition or realize the potential of an alliance, which could deplete our cash reserves and / or dilute our existing stockholders and newly- issued securities may have rights, preferences or privileges senior to those of existing stockholders. Following an acquisition or the establishment of an alliance offering new solutions, we may be required to defer the recognition of revenue that we receive from the sale of solutions that we acquired or that result from the alliance, or from the sale of a bundle of solutions that includes such new solutions. In addition, our ability to maintain favorable pricing of new solutions may be challenging if we bundle such solutions with sales of existing solutions. A delay in the recognition of revenue from sales of acquired or alliance solutions, or reduced pricing due to bundled sales, may cause fluctuations in our quarterly financial results, may adversely affect our operating margins and may reduce the benefits of such acquisitions or alliances. Additionally, competition within the software industry for acquisitions of businesses, technologies and assets has been, and is expected to continue to be, intense. Acquisitions could become the target of regulatory reviews, which could lead to increased legal costs, or could potentially jeopardize the consummation of the acquisition. As such, even if we are able to identify an acquisition that we would like to pursue, the target may be acquired by another strategic buyer or financial buyer such as a private equity firm, or we may otherwise not be able to complete the acquisition on commercially reasonable terms, if at all. **Increased scrutiny**

Corporate responsibility, specifically related to environmental, social and governance evolving stakeholder expectations with respect to ESG matters may impose additional costs and expose us to new risks. **Public Companies are facing increasing scrutiny from regulators, investors, consumers and other stakeholders related to ESG and sustainability matters. We have developed and disclosed ESG focus areas which reflect our current plans and aspirations but are not guarantees that we will be able to achieve them. Our efforts to accurately reporting--- report is becoming more broadly expected on these focus areas present numerous operational, reputational, financial, legal and other risks, certain of which are outside of our control, and could have, under certain circumstances, a material adverse impact on us, including on our reputation and stock price. Further, we may face reputational damage in the event our ESG and sustainability initiatives do not meet the standards set by our investors, shareholders and, lawmakers, listing exchanges, credit rating agencies or other third parties constituencies. Further, some while other investors, shareholders stakeholders and third parties consider companies' may disagree with our ESG strategy, focus on such efforts to be a distraction areas and initiatives and / or view it as unnecessary. If we do not successfully manage expectations across varied stakeholder interests, it could erode stakeholder trust and thereby affect our brand and reputation.** Certain organizations that provide corporate governance and other corporate risk information to investors and shareholders have developed, and others may in the future develop, scores and ratings to evaluate companies and investment funds based upon ESG or "sustainability" metrics. **Many Certain** investment funds focus on positive ESG business practices and sustainability scores when making investments and may consider a company's ESG or sustainability scores as a reputational or other factor in making an investment decision. In addition, **some** investors, particularly institutional investors, use these scores to benchmark companies against their peers and if a company is perceived as lagging, these investors may engage with such company to improve ESG disclosure or performance and may also make voting decisions, or take other actions, to hold these corporations and their boards of directors accountable. **Simultaneously, there are efforts by some stakeholders to reduce companies' efforts on certain ESG- related matters. Both advocates and opponents to certain ESG initiatives are increasingly resorting to a range of forms of activism,**

including media campaigns and litigation, to advance their perspectives. To the extent we are subject to such activism, it may require us to incur costs or otherwise adversely impact our business. Additionally, credit rating agencies may use these scores, or their own scores and ratings, as a consideration in their evaluation of our credit risk. If our credit rating is downgraded on the basis of ESG or “sustainability” metrics, we may face increased costs of capital. We may **also** face reputational damage in the event ~~our corporate responsibility initiatives or objectives, including with respect to diversity and inclusion, do not meet the standards set by our investors, shareholders, lawmakers, listing exchanges, credit rating agencies or other constituencies, if~~ we are unable to achieve an acceptable ESG or sustainability rating from third-party rating services, or if we **are** viewed by certain investors, shareholders or third parties as putting too heavy a focus on ESG and / or sustainability initiatives. A low ESG or sustainability rating by a third-party rating service could also result in the exclusion of our ~~ordinary shares~~ **common stock** from consideration by certain investors who may elect to invest with our competition instead. Ongoing focus on corporate responsibility matters by investors and other parties as described above may impose additional costs or expose us to new risks. **In addition, we may be subject to disclosure laws and regulations related to sustainability matters. For example, in in October 2023, California enacted legislation that will ultimately require certain companies that do business in California to publicly disclose their Scopes 1, 2, and 3 greenhouse gas emissions, with third party assurance of such data, and issue public reports on their climate-related financial risk and related mitigation measures. Compliance with any new laws, regulations or disclosure obligations increases our regulatory burden and could result in increased legal, accounting and compliance costs, make some activities more difficult, time-consuming and costly and adversely affect our profitability.**

We evaluate our capital structure from time to time and may seek to repurchase our securities, refinance our indebtedness or raise debt or equity to finance our operations. However, we may not be able to do so when desired on favorable terms, if at all, or without dilution to our stockholders and we may not realize the anticipated benefits of these transactions. We may seek to repurchase our securities, refinance our indebtedness or may need to obtain additional financing to execute on our current or future business strategies, including to develop new or enhance existing solutions, acquire businesses and technologies or otherwise respond to competitive pressures. We may not be successful in managing our capital structure through these scenarios, or they may have an adverse impact on our financial position or the price of our common stock. Our ability to raise capital in the future may be limited, and if we fail to raise capital when needed, we could be prevented from growing and executing our business strategy. If we raise additional funds through the issuance of equity or convertible debt securities, the percentage ownership of our stockholders could be significantly diluted. If we accumulate additional funds through debt financing, a substantial portion of our operating cash flow may be dedicated to the payment of principal and interest on such indebtedness, thus limiting funds available for our business activities. We cannot assure stockholders that additional financing will be available on terms favorable to us, or at all. If adequate funds are not available or are not available on acceptable terms, when we desire them, our ability to fund our operations, take advantage of unanticipated opportunities, develop or enhance our solutions, invest in future growth opportunities or otherwise respond to competitive pressures ~~would~~ **could** be significantly limited. Any of these factors could adversely impact our results of operations. We rely on information systems in managing our operations and any system failure or deficiencies of such systems may have an adverse impact on our business. We rely on our financial, accounting, compliance and other data processing systems, and those of our third-party vendors or service providers who support these functions. Any failure or interruption of these systems, whether caused by ~~fire, other~~ natural disaster ~~(including those associated with climate change)~~, power or telecommunications ~~failure~~ **failures**, ~~act~~ **acts** of terrorism or war, system ~~modification~~ **modifications** or ~~upgrade~~ **upgrades**, or otherwise, could materially adversely affect our business. Although back-up systems are in place, our back-up procedures and capabilities in the event of a failure or interruption may not be adequate. We are engaged in an implementation of a new billing system. Such an implementation is a major undertaking from a financial, management, and personnel perspective. The implementation of the billing system may prove to be more difficult, costly, or time consuming than expected, and there can be no assurance that this system will continue to be beneficial to the extent anticipated. Any disruptions, delays or deficiencies in the design and implementation of our new billing system could adversely affect our ability to process orders, send invoices, produce financial reports, or otherwise operate our business. If we are unable to implement the billing system smoothly or successfully, or we otherwise do not capture anticipated benefits, our business, results of operations and financial condition for future periods could be adversely impacted. Regulatory Risk Factors Failure to comply with ~~the CCPA, CPRA, GDPR, FCRA or other~~ data privacy ~~legislation~~ **laws and regulations** could subject us to fines, sanctions or litigation, and could potentially damage our brand and reputation and adversely impact our business, results of operations or financial condition. Data privacy **laws and regulation, as well as proposed** legislation, enforcement and policy activity are rapidly expanding around the world and creating a complex data privacy compliance environment that poses greater compliance risks and costs, as well as the potential for high profile negative publicity in the event of any data breach. The vast majority of our customers are subject to many privacy and data protection laws and regulations in the U. S. and around the world, and we have also agreed in our contracts with certain of our customers to additional data privacy compliance obligations related to data privacy laws and regulations that may be applicable to them. Some of these privacy and data protection laws and regulations place restrictions on our ability to process personal information across our business. For example, the California Consumer Privacy Act (“CCPA”), which went into effect on January 1, 2020, imposes a number of privacy and security obligations on companies who collect, use, disclose, or otherwise process personal information of California residents. The CCPA created an expanded definition of personal information, established certain new data privacy rights for California residents and created a new and potentially severe statutory damages framework and private rights of action for violations of the CCPA, including for failing to implement reasonable security procedures and practices to prevent data breaches. In November 2020, California voters passed the California Privacy Rights Act (the “CPRA”). The CPRA, which took effect on January 1, 2023, significantly expands the CCPA, including by introducing additional data protection obligations such as data minimization and storage limitations, granting additional rights to consumers such as

correction of personal information and additional opt- out rights, and creating a new entity to implement and enforce the CPRA. While we do not yet know the extent of the impact the CPRA will have on our business or operations, such laws will require us to modify our data processing practices and policies in certain respects. The uncertainty and evolving legal requirements in California and other jurisdictions may increase the cost of compliance, restrict our ability to offer services in certain locations or subject us to sanctions by federal, regional, state, local and international data protection regulators, all of which could adversely impact our business, results of operations or financial condition. In addition, the GDPR took direct effect across the EU member states on May 25, 2018. The GDPR seeks to harmonize national data protection laws across the EU, while at the same time, modernizing the law to address new technological developments. Compared to the previous EU data protection laws, the GDPR notably has a greater extra- territorial reach and has a significant impact on data controllers and data processors which either have an establishment in the EU, or offer goods or services to EU data subjects or monitor EU data subjects' behavior within the EU. The regime imposes more stringent operational requirements on both data controllers and data processors, and introduces significant penalties for non- compliance with fines of up to 4 % of total annual worldwide turnover or € 20 million (whichever is higher), depending on the type and severity of the breach. Although our presence in Europe is currently in the early stages of expansion, and we have taken and will continue to take steps to comply with the EU data privacy legislation, there are a significant number of obligations under the GDPR, many of which are operational, and compliance is an ongoing exercise which is never complete. We are aware that we need to monitor the latest legal and regulatory developments, which may involve compliance costs to address any changes required. We may also experience hesitancy, reluctance, refusal or other challenges engaging with European or multi- national customers due to the potential risk exposure, cost, or difficulty in demonstrating to our customers that the Company is in compliance with various regulatory requirements. Furthermore, the Fair Credit Reporting Act (" FCRA ") may ~~one day in the future~~ limit how we use consumer information. The federal law was passed in 1970 to provide consumers with protections relating to the consumer information held by credit reporting agencies. Although we do not believe we are currently subject to the FCRA, we may be in the future, depending on changes to our solutions and services or on additional legislative or regulatory efforts that could further regulate credit reporting agencies and the collection, use, communication, access, accuracy, obsolescence, sharing, correction and security of such personal information. Similar initiatives are underway in other countries. Although we take reasonable efforts to comply with all applicable laws and regulations and have invested and continue to invest human and technology resources into data privacy compliance efforts, there can be no assurance that we will not be subject to regulatory action, including fines, audits or investigations by government agencies relating to our compliance with these laws and regulations. An adverse outcome under any such investigation or audit could result in fines, penalties, other liability, adverse publicity, or a loss of reputation, and could adversely affect our business. Moreover, we or our third- party service providers could be adversely affected if legislation or regulations are expanded to require changes in our or our third- party service providers' business practices or if governing jurisdictions interpret or implement their legislation or regulations in a manner that is adverse to our business, such as by expanding data privacy- related liability into areas to which we and our third- party service providers currently do not and previously did not have exposure, consequently increasing the compliance- related costs borne by us and our third- party service providers. The current data protection landscape may subject us and our third- party service providers to greater risk of potential inquiries and / or enforcement actions. For example, we may find it necessary to establish alternative systems to collect, use, share, retain and safeguard personal information originating from the European Economic Area and caught by the extra- territorial reach of the GDPR, which may involve substantial expense and may cause us to divert resources from other aspects of our business, all of which may adversely affect our results ~~from of~~ operations. Further, any inability to adequately address privacy concerns in connection with our SaaS solutions, or comply with applicable privacy or data protection laws, regulations and policies, could result in additional cost and liability to us, and adversely affect our ability to offer SaaS solutions. Further changes to data privacy legislation may substantially increase the penalties to which we could be subject in the event of any non- compliance. We may incur substantial expense in complying with the new obligations to be imposed by new regulations and we may be required to make significant changes to our solutions and expanding business operations, all of which may adversely affect our business, results of operations or financial condition. The enactment of new data privacy legislation and evolution of current privacy legislation could cause us to incur incremental cost and liability, adversely affecting our business operations and ability to deliver our financial plans. As we continue to focus on our SaaS solutions, the amount of personal information we or our third- party cloud providers collect, use, disclose, or otherwise process will likely continue to increase significantly. In addition, a limited number of our solutions collect, use, disclose, or otherwise process transaction- level data aggregated across our customers. We anticipate that over time we will expand our use and collection of personal information as greater amounts of such personal information may be transferred from our customers to us. We recognize that personal privacy has become a significant issue in the U. S., and other jurisdictions where we operate. Many federal, regional, state, local and international legislatures and government agencies have imposed or are considering imposing restrictions and requirements regarding the collection, use, disclosure, and processing of personal data, including the California Privacy Protection Agency and the Federal Trade Commission. Changes to laws or regulations affecting privacy could impose additional costs and liabilities, including fines, sanctions or other penalties on us and our third- party service providers, which could materially and adversely affect results of operations, business and reputation and could limit our ability to use such information to add value for customers. If we are required to change our business activities or revise or eliminate services, or to implement burdensome compliance measures, our business and results of operations could be adversely impacted. Such changes are a possibility, especially given that consumer advocates, media and elected officials, among others, have increasingly publicly criticized data- focused companies and industries regarding their collection, storage and use of personal data. Additionally, in the case of information from our websites and web- based services that is stored with third- party cloud providers that we do not control, our third- party cloud providers may not adequately implement compliance measures concerning the privacy and / or security of

any stored personal information. We may be subject to fines, penalties and potential litigation if we or our third- party cloud providers fail to comply with applicable privacy and / or data security laws, regulations, standards and other requirements and the costs of compliance with and other burdens imposed by privacy- related laws, regulations and standards may limit the use and adoption of our solutions and reduce their overall demand for our solutions. Furthermore, any determination by a court or agency that our data practices, solutions or services violate, or cause our customers to violate, applicable laws, regulations or other requirements could subject us or our customers to civil or criminal penalties. Such a determination also could require us to modify or terminate portions of our business, disqualify us from serving certain customers or cause us to refund some or all of our fees or otherwise compensate our customers, or alter our business practices, potentially at great expense. Furthermore, concerns regarding data privacy and / or security may cause our customers and end- users to resist providing the data and information necessary to use our solutions effectively. Even the perception that the privacy and / or security of personal information is not satisfactorily managed, or does not meet applicable legal, regulatory and other requirements, could inhibit sales or adoption of our solutions, or could give rise to private class action, or claims by regulators, in each case potentially resulting in a negative impact on our sales and results from operations. Changes in tax laws or adverse outcomes resulting from examination of our income tax returns could adversely affect our results of operations. We are subject to federal, state and local income taxes in the U. S. and in foreign jurisdictions. Our future effective tax rates and the value of our deferred tax assets could be adversely affected by changes in tax laws, including impacts of the Tax Cuts and Jobs Act (the “Tax Act”) enacted in December 2017, the Coronavirus Aid, Relief, and Economic Security Act (also known as the “ CARES Act ”) of 2020 and the Inflation Reduction Act of 2022 (the “Inflation Reduction Act”). The Inflation Reduction Act introduces a 15 % minimum tax for corporations whose average annual adjusted financial statement income for any consecutive three- tax- year period preceding the tax year exceeds \$ 1 billion and a 1 % excise tax on the fair market value of stock repurchased by certain corporations after December 31, 2022. We do not currently expect that the Inflation Reduction Act will have a material impact on our tax liabilities for 2022 or 2023 ; however, we will continue to evaluate their impact as further information becomes available. The U. S. Treasury Department and the IRS are expected to continue to interpret or issue guidance on how provisions of the Tax Act, the CARES Act and the Inflation Reduction Act will be applied or otherwise administered. As guidance is issued, we may make adjustments to amounts that we have previously recorded that may materially impact our **or 2024** financial statements in the period in which the adjustments are made, and the amount of taxes that we may be required to pay could significantly increase. Further, we are subject to the examination of our income tax returns by the IRS and other taxing authorities. We regularly assess the likelihood of adverse outcomes resulting from such examinations to determine the adequacy of our provision for income taxes. Although we believe we have made appropriate provisions for taxes in the jurisdictions in which we operate, changes in the tax laws or challenges from taxing authorities under existing tax laws could adversely affect our business, financial condition and results of operations. Future government regulation of the Internet could create incremental costs or business disruption, harming our results of operations. The future success of our business depends upon the continued use of the Internet as a primary medium for commerce, communication and business services. Because of the Internet’ s popularity and increasing use, federal, state or foreign government bodies or agencies have adopted, and may in the future adopt, laws or regulations affecting the use of the Internet as a commercial medium. These laws and regulations cover issues such as the collection and use of data from website visitors and related privacy issues; pricing; taxation; telecommunications over the Internet; content; copyrights; distribution; and domain name piracy. The enactment of any additional laws or regulations of the Internet, including international laws and regulations, could impede the growth of subscription revenue and place additional financial burdens on our business. Changes to financial accounting standards may affect our results of operations and could cause us to change our business practices. The nature of our business requires the application of accounting guidance that requires management to make estimates and assumptions. Additionally, changes in accounting guidance may cause us to experience greater volatility in our quarterly and annual results. If we are unsuccessful in adapting to the requirements of new guidance, or in clearly explaining to stockholders how new guidance affects reporting of our results of operations, our stock price may decline. We prepare our consolidated financial statements to conform to U. S. Generally Accepted Accounting Principles (“ GAAP ”). These accounting principles are subject to interpretation by the Securities and Exchange Commission (“ SEC ”), the Financial Accounting Standards Board (“ FASB ”), and various bodies formed to interpret and create accounting rules and regulations. Recent accounting standards, such as Accounting Standards Codification (“ ASC ”) 842, Leases (“ ASC 842 ”), which we adopted in fiscal year 2021, or the guidance relating to interpretation and adoption of standards could have a significant effect on our financial results and could affect our business. Additionally, the FASB and the SEC are focused on the integrity of financial reporting, and our accounting policies are subject to scrutiny by regulators and the public. We cannot predict the impact of future changes to accounting principles or our accounting policies on our financial statements going forward. If we are not able to successfully adopt to new accounting requirements, or if changes to our go- to- market strategy create new risks, then we may experience greater volatility in our quarterly and annual results, which may cause our stock price to decline. In addition, GAAP requires management to make estimates and assumptions that affect the amounts reported in the consolidated financial statements. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, the results of which form the basis for making judgments about the carrying values of assets, liabilities, equity, revenue, and expenses that are not readily apparent from other sources. Further, some accounting standards require significant judgment and estimates that impact our results of operations. The use of judgment and estimates can potentially result in differences between forecast figures and subsequently reported actual amounts, which may cause volatility in our stock price. From time to time, we may become involved in legal proceedings or be subject to claims arising in the ordinary course of our business. Litigation might result in substantial costs and may divert management’ s attention and resources, which might harm our business, financial condition, and results of operations. For example, we have been named in several putative class action lawsuits, which generally allege that the total loss vehicle valuation generated by the

Company's total loss valuation solution undervalues the actual total loss incurred by the insured and improper adjustment of claims by insurance carriers. **We have also been named in putative class action lawsuits challenging an insurer's adjustment of medical bills.** While we believe that we can partially mitigate the risk and severity of exposure from these lawsuits through contractual provisions in certain of our agreements with insurance carriers, and carrying our own insurance that we believe is adequate to cover adverse claims arising from these lawsuits or similar lawsuits that may be brought against us, we may not have adequate contractual protection in all of our contracts and defending these and similar litigation is costly, diverts management from day-to-day operations, and could harm our brand and reputation. As a result, we may ultimately be subject to a damages judgment, which could be significant and exceed our insurance policy limits or otherwise be excluded from coverage. Regardless of the outcome of any existing or future litigation, litigation can have an adverse impact on us because of defense and settlement costs, diversion of management resources, harm to our reputation, and other factors. See "Item 3 — Legal Proceedings." Reliance on Third Parties and Key Personnel Risk Factors If we are unable to retain our personnel and hire and integrate additional skilled personnel, we may be unable to achieve our goals and our business may suffer. Our future success depends upon our ability to continue to attract, train, integrate and retain highly skilled employees, particularly those on our management team, and our sales and marketing personnel, SaaS operations personnel, professional services personnel and software engineers. ~~Additionally, our stakeholders increasingly expect us to have a culture that embraces diversity and inclusion in the workplace.~~ Our inability to attract and retain ~~diverse and~~ qualified personnel, or delays in hiring required personnel, including attrition, retention and delay issues due to macroeconomic and other factors beyond our control, may adversely impact our business, results of operations and financial condition. If U. S. immigration policy related to skilled foreign workers were materially adjusted, such a change could hamper our efforts to hire highly skilled foreign employees, including highly specialized engineers, which would adversely impact our business. Our executive officers and other key employees are generally employed on an at-will basis, which means that these personnel could terminate their relationship with us at any time. The loss of any member of our senior management team could significantly delay or prevent us from achieving our business and / or development objectives and could materially impact our business. We face competition for qualified individuals from numerous software and other technology companies. Further, significant amounts of time and resources are required to train technical, sales, services and other personnel. We may incur significant costs to attract, train and retain such personnel, and we may lose new employees to our competitors or other technology companies before we realize the benefit of our investment after recruiting and training them. To the extent that we hire personnel from competitors, we may be subject to allegations that such personnel are restricted from working for us because of their non-competition or non-solicitation obligations to these competitors, have been improperly solicited or have divulged proprietary or other confidential information. In addition, we have a limited number of salespeople and the loss of several salespeople within a short period of time could have a negative impact on our sales efforts. We may be unable to attract and retain suitably qualified individuals who are capable of meeting our growing technical, operational and managerial requirements, or we may be required to pay increased compensation in order to do so. **The use of Federal Trade Commission has recently proposed new rules that would ban employers from imposing noncompete clauses or similar provisions** in employment agreements. ~~If such~~ **is the subject of debate and new laws and** rules are implemented, **our at the federal and state levels.** Our profitability could be harmed if our employees leave to work for our competitors and we may also face increased allegations by third-parties that our employees have disclosed to us, or improperly used for our benefit, proprietary or confidential information of third parties, and may need to expend additional resources to protect our own proprietary and other confidential information. Our ability to expand geographically depends, in large part, on our ability to attract, retain and integrate managers to lead the local business and employees with the appropriate skills. Similarly, our profitability depends on our ability to effectively utilize personnel with the right mix of skills and experience to perform services for our customers, including our ability to transition employees to new assignments on a timely basis. If we are unable to effectively deploy our employees on a timely basis to fulfill the needs of our customers, our reputation could suffer and our ability to attract new customers may be adversely impacted. Because of the technical nature of our solutions and the dynamic market in which we compete, any failure to attract, integrate and retain qualified sales and product development personnel, as well as our contract workers, could adversely impact our ability to generate sales or successfully develop new solutions and enhancements of existing solutions. We rely on third-party service providers, including third-party cloud providers, to host and deliver our websites, web-based solutions, and other information technology systems and any interruptions or delays in these services could negatively impact our business. We currently serve our customers from third-party data center and cloud hosting facilities. Our operations depend in part on these third-party providers' ability to protect these facilities against damage or interruption from natural disasters, power or telecommunications failures, criminal acts, and similar events. In the event that our arrangements with these third-party providers are terminated, or if there are any lapses of service or damage to a provider's facilities, we would likely experience significant interruptions in our cloud-based applications or other business operations as well as delays and additional expenses in making new arrangements to restore services. Any interruptions or delays in our service, whether as a result of third-party error, our own error, ~~fire, floods, earthquakes~~ **extreme weather or natural disasters**, acts of terrorism, power loss, telecommunications failures, break-ins and similar events, or security breaches, whether accidental or willful, could impair our ability to deliver our solutions to our customers, resulting in customer dissatisfaction, damage to our reputation, loss of customers and adverse impact to our operations and our business and could cause our revenue to decrease and / or our expenses to increase. Also, in the event of damage or interruption, our contractual agreements with third party vendors and insurance policies may not adequately compensate us for any losses that we may incur. The controls implemented by our current or future third-party service providers may not prevent or timely detect system failures and we do not control the operations of third-party service providers that we use. Any changes in service levels by our current or future third-party service providers could result in loss or damage to our customers' stored information and any service interruptions at these third-party service providers could hurt our reputation, cause us to lose customers, adversely impact our ability to

attract new customers or subject us to potential liability. Our current or future third- party service providers could decide to close their facilities without adequate notice. In addition, financial difficulties, such as bankruptcy, faced by our current or future third- party service providers, or any of the service providers with whom we or they contract, may have negative effects on our business. If our current or future third- party service providers are unable to keep up with our growing needs for capacity or any spikes in customer demand, it could have an adverse effect on our business. Our contractual agreements with third party vendors, property and business interruption insurance coverage may not be adequate to fully compensate us for losses that may occur. Additionally, our systems redundancies and disaster recovery and business continuity plans may not be sufficient to overcome the failures of third- party service providers hosting our SaaS solutions. In addition, the infrastructure that connects our networks to each other, or to the Internet and other external networks, may become insufficient, including with respect to latency, capacity, reliability and connectivity. In the ordinary course of business, our ~~IT information technology~~ systems will continue to require modification and refinements to address growth and changing business requirements, including technological advancement that could result in our solutions being run less expensively on a different platform or could accelerate obsolescence of our existing systems and infrastructure. If it should be needed, a change in service provider for our data center housing or other third- party solutions would be costly and time- consuming to implement, which could negatively impact our operating results. In addition to the financial impacts, a transition of this type would be a complex effort, which could result in errors or service interruptions for customers and could require considerable staff and management’ s attention being dedicated to the effort, potentially limiting our capacity for undertaking other projects. If we are not able to adapt to changing technologies or meet customer demands for new processes or technologies in a timely and cost- effective manner, or if our existing ~~IT information technology~~ systems and infrastructure becomes, or is perceived as being, outdated or less sophisticated than our competitors’ , we may not be able to retain existing customers and attract new customers necessary to sustain and grow our business. We are currently in the process of migrating certain core ~~IT information technology~~ systems and customer- facing applications to third- party cloud providers. If we do not complete the transition or fail to administer these new environments in a well- managed, secure and effective manner, if the platform (s) we migrate to become unavailable or do not meet their service level agreements for any reason, if our solutions do not perform as we expect them to within these new environments or are unable to integrate efficiently with other environments, or if we are unable to appropriately balance the introduction of new capabilities and systems with the management of existing systems, we may experience unplanned service disruption or unforeseen costs which could result in material harm to our business and results of operations. Our third- party cloud providers, or other service providers, could experience system breakdowns or failures, outages, downtime, cyber- attacks, adverse changes to financial condition, bankruptcy, or other adverse conditions, which could have a material adverse effect on our business and reputation. Indebtedness Our financial leverage could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or our market, expose us to interest rate risk, and prevent us from timely satisfying our obligations. As of December 31, ~~2023-2024~~, our total debt outstanding under the 2021 Credit Agreement (as defined below) was \$ ~~784-776~~. 0 million under our Term B Loan (as defined below) and we had additional unused borrowing capacity under our 2021 Revolving Credit Facility (as defined below) **of \$ 249. 3 million. As of January 23, 2025, the date of the Fourth Amendment (as defined below) to the 2021 Credit Agreement, our total debt outstanding under the 2021 Credit Agreement was \$ 1, 001. 0 million under our Term B Loan and we had additional unused borrowing capacity under our 2021 Revolving Credit Facility** of \$ 249. 3 million. For a description of our 2021 Credit Facilities (as defined below) see “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Debt. ” If we cannot generate sufficient cash flow from operations to service the 2021 Credit Facilities, we may need to refinance the 2021 Credit Facilities, dispose of assets, or issue equity to obtain necessary funds; we do not know whether we will be able to take any such actions on a timely basis or on terms satisfactory to us or at all. Our leverage and the covenant restrictions under the 2021 Credit Agreement could have important consequences, including, without limitation:

- making it more difficult for us to make payments on outstanding principal and interest owed under the 2021 Credit Agreement;
- increasing our vulnerability to general economic and market conditions and to changes in the industries in which we compete;
- requiring a substantial portion of cash flow from operations to be dedicated to the payment of principal and interest owed under the Credit Agreement, thereby reducing our ability to use our cash flow to fund our operations, future working capital, capital expenditures, investments or acquisitions, future strategic business opportunities, or other general corporate requirements;
- restricting us from making acquisitions or causing us to make divestitures or similar transactions;
- limiting our ability to obtain additional financing for the purpose of funding working capital, capital expenditures, debt service requirements, investments, acquisitions, and general corporate purposes;
- limiting our ability to adjust to changing market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged; and
- increasing our cost of borrowing.

Borrowings under the 2021 Credit Facilities bear interest at rates based on the ratio of the Company [┆] s and its subsidiaries [┆] consolidated first lien net indebtedness to the Company’ s and **certain of** its subsidiaries’ consolidated EBITDA for applicable periods specified in the 2021 Credit Facilities. If interest rates increase, our debt service obligations may increase even though the amount borrowed remains the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. While we have implemented an interest rate hedging strategy intended to provide a level of protection against interest rate risks, no strategy can protect us completely from such risks. Furthermore, the nature and timing of hedging transactions influence the effectiveness of these strategies. Poorly designed strategies, improperly executed and documented transactions or inaccurate assumptions could increase our risks and exposure in the event of interest rate fluctuations. In addition, hedging strategies involve transaction and other costs. Our hedging strategies may not be able to adequately offset the risks of interest rate volatility, and our hedging transactions may result in or magnify losses. Furthermore, interest rate derivatives may not be available on favorable terms or at all, particularly during periods of heightened volatility or economic downturns. Any of the foregoing risks could adversely affect our business, financial condition and results of

operations. Restrictions imposed by the covenants in the 2021 Credit Agreement, and any covenants in any future credit facilities documentation, limit our ability to operate our business and to finance our future operations or capital needs or our ability to engage in acquisitions or other business activities necessary to achieve growth. The 2021 Credit Agreement restricts us from engaging in certain activities. Such covenants, which are generally customary and generally reflect market terms, restrict our ability to, among other things: • incur additional indebtedness; • create or incur liens; • pay dividends and distributions on, or purchase, redeem, decrease, or otherwise acquire or retire for value, our capital stock; • make repayments or repurchases of debt that is contractually subordinated with respect to right of payment and / or security; • create negative pledges with respect to the Credit Facilities or restrictions on the payment of dividends or payment of other amounts owed from subsidiaries; • make acquisitions, investments, loans (including guarantees), advance or capital contributions; • engage in consolidations, amalgamations, mergers, liquidations, dissolutions, dispositions and / or sell, transfer, or otherwise dispose of assets, including capital stock of subsidiaries; • enter into certain sale and leaseback transactions; • engage in certain transactions with affiliates; • change our material lines of business; • modify certain documents governing certain debt that is subordinated with respect to right of payment; • change our fiscal year; and • conduct material operations at Holdings. The 2021 Credit Agreement contains representations and warranties, and affirmative and negative covenants, customary for a financing of the type. With respect to the 2021 Revolving Credit Facility, ~~beginning with the fiscal quarter ending March 31, 2022,~~ the Company is subject to a springing first lien leverage test, tested each fiscal quarter, only if a minimum of 35.0 % of the 2021 Revolving Credit Facility is (subject to certain exclusions set forth in the 2021 Credit Agreement) drawn at the end of such fiscal quarter. The Company was not subject to the first lien leverage test as of December 31, ~~2023~~ **2024**. We cannot guarantee that we will be able to maintain compliance with these covenants or, if we fail to do so, that we will be able to obtain waivers from the Administrative Agent and / or the required lenders and / or amend the covenants. Even if we comply with all of the applicable covenants, the restrictions on the conduct of our business could adversely affect our business by, among other things, limiting our ability to take advantage of financings, mergers, acquisitions, investments, and other corporate opportunities that may be beneficial to our business. Even if the 2021 Credit Agreement is terminated, any additional debt that we incur in the future could subject us to similar or additional covenants. A breach of any of the covenants in the 2021 Credit Agreement could result in an event of default, which, if not cured or waived, could trigger acceleration of our indebtedness and an increase in the interest rates applicable to such indebtedness, and may result in the acceleration of or default under any other debt we may incur in the future to which a cross- acceleration or cross- default provision applies. The acceleration of the indebtedness under the 2021 Credit Agreement or under any other indebtedness incurred by the Company and / or its subsidiaries in the future could have a material adverse effect on our business, results of operations, and financial condition. In the event of any event of default under the 2021 Credit Agreement or any additional future credit facilities, the applicable lenders could elect to terminate borrowing commitments and declare all borrowings and loans outstanding, together with accrued and unpaid interest and any fees and other obligations, to be due and payable. In addition, we have granted a security interest in a significant portion of our assets to secure our obligations under the 2021 Credit Agreement. During the existence of an event of default under the 2021 Credit Agreement, if not cured or waived, the Administrative Agent and Collateral Agent, acting on behalf of the relevant lenders, could exercise their rights and remedies thereunder, including by way of initiating foreclosure proceedings against any assets constituting collateral for our obligations under the 2021 Credit Agreement. We may be unable to generate sufficient cash flow to satisfy our significant debt service obligations, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Our ability to make scheduled payments on or to refinance our debt obligations depends on our financial condition and operating performance, which are subject to prevailing economic and competitive conditions and to certain financial, business, legislative, regulatory, and other factors beyond our control. We may not be able to maintain a level of cash flows from operating activities sufficient to permit us to pay the principal, premium, if any, and / or interest on our indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay investments, acquisitions, capital expenditures, and payments on account of other obligations, seek additional capital, restructure or refinance our indebtedness, or sell assets. These alternative measures may not be successful and may not permit us to meet our scheduled debt service obligations. Our ability to restructure or refinance our debt will depend on the condition of the capital markets and our financial condition at such time. Any refinancing of our debt could be at higher interest rates and could require us to comply with more onerous covenants, which could further restrict our business operations. In addition, we cannot assure you that we will be able to refinance any of our indebtedness on commercially reasonable terms, or at all. If we are at any point unable to repay or otherwise refinance our indebtedness when due, or if any other event of default is not cured or waived, the applicable lenders could accelerate our outstanding obligations or proceed against the collateral granted to them to secure that indebtedness, which could force us into bankruptcy or liquidation. In the event the applicable lenders accelerate the repayment of our borrowings, we and our subsidiaries may not have sufficient assets to repay that indebtedness. Any acceleration of amounts due under the 2021 Credit Agreement or the exercise by the applicable lenders of their rights under the security documents would likely have a material adverse effect on our business.

Risks Relating to Ownership of Our Common Stock If the ownership of our common stock continues to be highly concentrated, it may prevent minority stockholders from influencing significant corporate decisions and may result in conflicts of interest. Cypress Investor Holdings, L. P., GPE VIII CCC Co- Investment (Delaware) Limited Partnership and Advent International GPE VIII- C Limited Partnership (collectively, the “Advent Investor”) owns approximately ~~43-21~~ **62-22** % of our common stock based on the number of shares outstanding as of February ~~21-18~~ **2024-2025**. Under the Amended and Restated Registration and Shareholder Rights Agreement by and among Dragoner Growth Opportunities Corp. (n / k / a CCC Intelligent Solutions Holdings Inc.) and the stockholders party thereto, dated as of February 2, 2021 (the “Shareholder Rights Agreement”), the Advent Investor has the right to designate for election or appointment as directors (i) six individuals for so long as it owns at least 50 % of the shares it held as of closing of the Business Combination, (ii) four individuals for so long as it owns at least 25 % of the shares it

held as of closing of the Business Combination and (iii) two individuals for so long as it owns at least 10 % of the shares it held as of closing of the Business Combination. As of February 21-18, 2024-2025, the Advent Investor owns 70-37, 8-39% of the shares it held as of closing of the Business Combination. For as long as the Advent Investor continues to beneficially own a substantial percentage of the voting power of our outstanding common stock, it will continue to have significant influence over us. This concentration of ownership may delay, deter or prevent acts that would be favored by our other stockholders. The interests of the Advent Investor may not always coincide with our interests or the interests of our other stockholders. For example, the Advent Investor could exercise significant influence over all matters requiring a stockholder vote, including, without limitation: the election of directors; mergers, consolidations and acquisitions; the sale of all or substantially all of our assets and other decisions affecting our capital structure; the amendment of our certificate of incorporation and our bylaws; and our winding up and dissolution. This concentration of ownership may also have the effect of delaying, preventing or deterring a change in control, could deprive our stockholders an opportunity to receive a premium for their common stock as part of a sale and might ultimately affect the market price of our common stock. Other than our Chief Executive Officer, members of our Board who are affiliated with the Advent Investor, OH Cypress Aggregator, L. P. (the "OH Investor"), or TCV IX, L. P., TCV IX (A), L. P., TCV IX (B), L. P. or TCV Member Fund, L. P. (collectively, the "TCV Investor"), by the terms of our certificate of incorporation, are not required to offer us any corporate opportunity of which they become aware and can take any such corporate opportunity for themselves or offer it to other companies in which they have an investment. We, by the terms of our certificate of incorporation, will expressly renounce any interest or expectancy in any such corporate opportunity to the extent permitted under applicable law, even if the opportunity is one that we or our subsidiaries might reasonably have pursued or had the ability or desire to pursue if granted the opportunity to do so. The Advent Investor is in the business of making investments in companies and may from time to time acquire and hold interests in businesses that compete directly or indirectly with us. In addition, the Advent Investor may seek to cause us to take courses of action that, in its judgment, could enhance its investment in us, but which might involve risks to our other stockholders or adversely affect us or our other stockholders. As a result, the market price of our common stock could decline, or stockholders might not receive a premium over the then-current market price of our common stock upon a change in control. In addition, this concentration of share ownership may adversely affect the trading price of our common stock because investors may perceive disadvantages in owning shares in a company with significant stockholders. We incur and will continue to incur increased costs as a result of operating as a public company, and our management is required to devote substantial time to compliance initiatives and corporate governance practices. We may fail to comply with the rules that apply to public companies, including Section 404 of the Sarbanes- Oxley Act, which could result in sanctions or other penalties that would adversely impact our business. As a public company we incur significant legal, accounting, and other expenses ~~that we did not incur as a private company~~, including costs resulting from public company reporting obligations under the Securities Act of 1933, as amended (the "Securities Act"), or the Securities Exchange Act of 1934, as amended (the "Exchange Act"), and regulations regarding corporate governance practices. The Sarbanes- Oxley Act, the Dodd- Frank Wall Street Reform and Consumer Protection Act, the rules of the SEC, the listing requirements of The Nasdaq Stock Market LLC ("Nasdaq"), and other applicable securities rules and regulations impose various requirements on public companies, including establishment and maintenance of effective disclosure and financial controls and corporate governance practices. We have hired, and may continue to hire, additional accounting, finance, and other personnel in connection with our efforts to comply with the requirements of being a public company. Our management and other personnel devote a substantial amount of time towards maintaining compliance with these requirements. These requirements have increased our legal and financial compliance costs and have made and will make some activities more time- consuming and costly. We continuously evaluate the rules and regulations applicable to us as a public company and cannot predict or estimate the amount of additional costs we may incur or the timing of such costs. These rules and regulations are often subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We cannot predict or estimate the amount of additional costs we will incur as a result of compliance, disclosure and governance matters or the timing of such costs. These reporting requirements, rules and regulations, coupled with the increase in potential litigation exposure associated with being a public company, could also make it more difficult for us to attract and retain qualified persons to serve on our ~~board~~ Board of directors or ~~board~~ Board committees or to serve as executive officers, or to obtain certain types of insurance, including directors' and officers' insurance, on acceptable terms. If we identify one or more material weaknesses in our internal control over financial reporting in the future, it could result in an adverse reaction in the financial markets due to a loss of confidence in the reliability of our financial statements. The Shareholder Rights Agreement provides that the doctrine of corporate opportunity does not apply with respect to certain of our stockholders, certain of our directors or officers who are not our or our subsidiaries' employees, and certain affiliates of the foregoing. Our certificate of incorporation and the Shareholder Rights Agreement provide that the doctrine of corporate opportunity does not apply with respect to certain of our stockholders, certain of our directors or officers who are not our or our subsidiaries' employees, and certain affiliates of the foregoing. The doctrine of corporate opportunity generally provides that a corporate fiduciary may not develop an opportunity using corporate resources or information obtained in their corporate capacity for their personal advantage, acquire an interest adverse to that of the corporation or acquire property that is reasonably incident to the present or prospective business of the corporation or in which the corporation has a present or expectancy interest, unless that opportunity is first presented to the corporation and the corporation chooses not to pursue that opportunity. The doctrine of corporate opportunity is intended to preclude directors, officers and other fiduciaries from personally benefiting from opportunities that belong to the corporation. Pursuant to our certificate of incorporation, to the fullest extent permitted by law, the doctrine of corporate opportunity will not apply to any of our directors who is not an employee of us or any affiliate of such non- employee director (including any entity of which such

non-employee director serves as a director, manager, officer, employee, agent or other representative, and any direct or indirect partner, stockholder, member, manager or other representative of, or investment vehicle or other entity controlling, controlled by or under common control with, such an entity), and pursuant to the Shareholder Rights Agreement, to the fullest extent permitted by law, the doctrine of corporate opportunity and any analogous doctrine will not apply to (i) Dragoneer Growth Opportunities Holdings, a Cayman Islands limited liability company (“ Sponsor ”), the Advent Investor ~~and certain the other OH Investor investors or the TCV Investor~~, (ii) any of our directors or officers who is not our or our subsidiaries’ full- time employee or (iii) any affiliate, partner, advisory board member, director, officer, manager, member or shareholder of Sponsor, the Advent Investor, ~~or certain the other OH Investor investors or the TCV Investor~~ who ~~is are~~ not our or our subsidiaries’ full- time employee (any such person described in the foregoing sentence being referred to herein as an “ External Party ”). Therefore, we renounced any interest or expectancy in, or being offered an opportunity to participate in, business opportunities that are from time to time presented to any External Party. As a result, the External Parties are not prohibited from operating or investing in competing businesses. We therefore may find ourselves in competition with the External Parties, and we may not have knowledge of, or be able to pursue, transactions that could potentially be beneficial to us. Accordingly, we may lose a corporate opportunity or suffer competitive harm, which could negatively impact our business or prospects. ~~Although we are no longer a “ controlled company ” within the meaning of the Nasdaq rules, we qualify for exemptions from certain corporate governance requirements until November 13, 2024. We have the opportunity to elect any of the exemptions afforded a controlled company until such date. On November 13, 2023, affiliates of Advent disposed of shares of our common stock resulting in us ceasing to be a “ controlled company ” within the meaning of the Nasdaq rules. Although we no longer are a “ controlled company ” within the meaning of the Nasdaq rules, we may, until November 13, 2024, which is one year after the date we ceased to be a controlled company, elect not to comply with the following Nasdaq rules regarding corporate governance: • the requirement that a majority of its board of directors consist of independent directors; • the requirement that the board have a nominating and governance committee composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities; and • the requirement that the board have a compensation committee composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities. The majority of our seven (7) directors are independent directors, and our Board has an independent compensation committee (in addition to an independent audit committee). We utilize the exception to the requirement that our nominating and governance committee be composed entirely of independent directors. Until we implement such requirement, you may not have the same protections afforded to stockholders of companies that are subject to all Nasdaq rules regarding corporate governance.~~ The share price of our common stock may be volatile. The share price of our common stock may fluctuate due to a variety of factors, including, without limitation: • changes in the industries in which we and our customers operate; • variations in our operating performance and the performance of our competitors in general; • material and adverse impact of pandemics and similar events on the markets and the broader global economy; • actual or anticipated fluctuations in our quarterly or annual operating results; • publication of research reports by securities analysts about us or our competitors or industry; • the public’s reaction to our press releases, other public announcements and filings with the SEC; • our failure or the failure of our competitors to meet analysts’ projections or guidance that we or our competitors may give to the market; • additions and departures of key personnel; • changes in laws and regulations affecting our business; • commencement of, or involvement in, litigation; • changes in our capital structure, such as future issuances of securities or the incurrence of additional debt; • the volume of our shares of common stock available for public sale; and • general economic and political conditions such as recessions, interest rates, inflation, fuel prices, foreign currency fluctuations, international tariffs, social, political and economic risks and acts of war or terrorism. These market and industry factors may materially reduce the market price of our common stock regardless of our operating performance. A significant portion of our total outstanding shares may be sold into the market in the near future. This could cause the market price of our common stock to drop significantly, even if our business is doing well. Sales of a substantial number of shares of our common stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of our common stock. The Advent Investor ~~and each other shareholder party to the Shareholder Rights Agreement~~ may sell their shares and we have filed, and may in the future file or amend, registration statements to provide for the resale of such shares from time to time. If any of these shareholders or another large institutional shareholder were to sell a substantial number of shares of our common stock at once or in large blocks, or are perceived by the market as intending to sell them, the market price of our common stock could decline. Reports published by analysts, including projections in those reports that differ from our actual results, could adversely affect the price and trading volume of our common stock. Securities research analysts may establish and publish their own periodic projections with respect to us and our operations. These projections may vary widely and may not accurately predict the results we actually achieve. Our share price may decline if our actual results do not match the projections of these securities research analysts. Similarly, if one or more of the analysts who write reports on us downgrades our stock or publishes inaccurate or unfavorable research about our business, our share price could decline. If one or more of these analysts ceases coverage of us or fails to publish reports on us regularly, our share price or trading volume could decline. Delaware law and our governing documents contain certain provisions, including anti- takeover provisions, that limit the ability of stockholders to take certain actions and could delay or discourage takeover attempts that stockholders may consider favorable. Our governing documents and the Delaware General Corporation Law (the “ DGCL ”) contain provisions that could have the effect of rendering more difficult, delaying, or preventing an acquisition deemed undesirable by our ~~board Board of directors~~ and therefore depress the trading price of our common stock. These provisions could also make it difficult for stockholders to take certain actions, including electing directors who are not nominated by the current members of our ~~board Board of directors~~ or taking other corporate actions, including effecting changes in our management. Among other things, our governing documents include provisions regarding: • the ability of our ~~board Board of directors~~ to issue shares of preferred stock, including “ blank check ” 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; • the limitation of the liability of, and the indemnification of, our directors and officers; • removal of the ability of our stockholders to take action by written consent in lieu of a meeting unless such action has been recommended or approved pursuant to a resolution approved by the affirmative vote of all of the directors then in office; • the requirement that a special meeting of stockholders may be called only by a majority of our entire ~~board Board of directors~~, which could delay the ability of stockholders to force consideration of a proposal or to take action, including the removal of directors; • controlling the procedures for the conduct and scheduling of ~~board Board of directors~~ and stockholder meetings; • the ability of our ~~board Board of directors~~ to amend our bylaws, which may allow our ~~board 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; and • advance notice procedures with which stockholders must comply to nominate candidates to our ~~board Board of directors~~ or to propose matters to be acted upon at a stockholders' meeting, which could preclude stockholders from bringing matters before annual or special meetings of stockholders and delay changes in our ~~board Board of directors~~, and also 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. These provisions, alone or together, could delay or prevent hostile takeovers and changes in control or changes in our ~~board Board of directors~~ or management. In addition, our certificate of incorporation includes a provision substantially similar to Section 203 of the DGCL, which may prohibit certain stockholders holding 15 % or more of our outstanding capital stock from engaging in certain business combinations with us for a specified period of time. Our Certificate of Incorporation designates the Delaware Court of Chancery or the United States federal district courts as the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us or our directors, officers, stockholders, employees or agents. Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware shall be the sole and exclusive forum for state law claims for (i) any derivative action or proceeding brought on behalf of us; (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our current or former directors, officers, employees, agents or stockholders to us or our stockholders, or any claim for aiding or abetting such an alleged breach; (iii) any action asserting a claim arising pursuant to any provision of the DGCL or our certificate of incorporation or bylaws, or to interpret, apply, enforce or determine the validity of our certificate of incorporation or bylaws; (iv) any action asserting a claim against us or any of our current or former directors, officers, employees, agents or stockholders, whether arising under the DGCL, our certificate of incorporation or our bylaws, or such actions as to which the DGCL confer jurisdiction on the Delaware Court of Chancery; or (v) any action asserting a claim against us or any of our current or former directors, officers, employees, agents or stockholders governed by the internal affairs doctrine. The foregoing provisions will not apply to any claims as to which the Delaware Court of Chancery determines that there is an indispensable party not subject to the jurisdiction of such court, which is rested in the exclusive jurisdiction of a court or forum other than such court (including claims arising under the Exchange Act), or for which such court does not have subject matter jurisdiction, or to any claims arising under the Securities Act and, unless we consent in writing to the selection of an alternative forum, the United States District Court for the District of Delaware will be the sole and exclusive forum for resolving any action asserting a claim arising under the Securities Act. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules or regulations thereunder. Accordingly, both state and federal courts have jurisdiction to entertain such Securities Act claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, United States District Court for the District of Delaware shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. There is uncertainty as to whether a court would enforce the forum provision with respect to claims under the federal securities laws. This choice of forum provision in our certificate of incorporation may limit a stockholder's ability to bring a claim in a judicial forum that it finds favorable for disputes with us or any of our directors, officers, or other employees, which may discourage lawsuits with respect to such claims. There is uncertainty as to whether a court would enforce such provisions, and the enforceability of similar choice of forum provisions in other companies' charter documents has been challenged in legal proceedings. It is possible that a court could find these types of provisions to be inapplicable or unenforceable, and if a court were to find the choice of forum provision contained in our certificate of incorporation to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could harm our business, results of operations and financial condition. Furthermore, investors cannot waive compliance with the federal securities laws and rules and regulations thereunder.