

Risk Factors Comparison 2024-02-28 to 2023-02-28 Form: 10-K

Legend: **New Text** ~~Removed Text~~ Unchanged Text **Moved Text** Section

An investment in any security involves risk. An investor or potential investor should consider the risks summarized in this section when making investment decisions regarding our securities. These risks and uncertainties include, but are not limited to, the risk factors set forth below. The risks and uncertainties described in this section are not the only ones we face. Additional risks and uncertainties not presently known to us or that we currently believe are immaterial may also affect our business. If any of these known or unknown risks or uncertainties actually occurs, our business, financial condition and results of operations could be materially adversely affected. Risks Related to Our Results of Operations and Financial Condition We derive a substantial portion of our ~~revenues~~ **revenue** from the delivery of investment solutions and services to clients in the financial services industry and our revenue could suffer if that industry experiences a downturn. A substantial portion of our ~~revenues~~ **revenue** ~~are~~ **is** derived from clients in the financial services industry, particularly in financial advisory services. A decline or lack of growth in demand for financial services would adversely affect our clients and, in turn, our results of operations, financial condition and business. For example, the availability of free or low - cost investment information and resources, including research and information relating to publicly traded companies and ~~mutual~~ funds available on the internet or on company websites, could lead to lower demand by investors for the services provided by financial advisors. In addition, demand for our investment solutions and services could decline for many reasons. Negative public perception and reputation of the financial services industry could reduce demand for our broader services and investment advisory solutions. Consolidation or limited growth in the financial services and advisory industry could reduce the number of our clients and potential clients. Events that adversely affect our clients' businesses, rates of growth or the numbers of customers they serve, including decreased demand for our clients' products and services, adverse conditions in our clients' markets or adverse economic conditions generally, could in turn decrease demand for our investment solutions and services and thereby decrease our ~~revenues~~ **revenue**. Any of the foregoing could have a material adverse effect on our results of operations, financial condition or business. A limited number of clients account for a material portion of our revenue. Renegotiation or termination of our contracts with any of these clients could have a material adverse effect on our results of operations, financial condition or business. For the years ended December 31, **2023**, ~~2022~~ **and 2021 and 2020**, ~~revenues~~ **revenue** associated with **one major client** ~~our relationship with FMR LLC, an affiliate of FMR Corp., or Fidelity~~, accounted for approximately 16 %, **16 % and 17 %**, and ~~15 %~~ respectively, of our total ~~revenues~~ **revenue** and our ten largest clients accounted for approximately **37 %**, ~~34 %~~ **and 33 % and 29 %**, respectively, of our total ~~revenues~~ **revenue**. Our license agreements with large financial institutions are generally multi-year contracts that may be terminated upon the expiration of the contract term or prior to such time for cause, which may include breach of contract, bankruptcy, insolvency and other reasons. A majority of our agreements with financial advisors generally provide for termination at any time. A substantial majority of our ~~revenues~~ **revenue** associated with Fidelity is derived from ongoing asset- based platform service fees paid by firms, advisors or advisors' clients obtained through the Fidelity relationship. ~~The license agreement with Fidelity, which accounted for less than 1 % of our revenue in the year ended December 31, 2022, is subject to renewal on an annual basis.~~ If Fidelity or a significant number of our most important clients were to renegotiate or terminate their contracts with us, our results of operations, financial condition or business could be materially adversely affected. Changes in the estimates of fair value of reporting units or of long- lived assets, particularly goodwill and intangible assets, may result in future impairment charges, which could have a material adverse effect on our results of operations, financial condition, cash flows or business. Over time, the fair values of long- lived assets change. At December 31, ~~2022~~ **2023**, we had \$ ~~998-806.4~~ **6** million of goodwill and \$ ~~380-338.0~~ **1** million of intangible assets, net, collectively representing ~~65-61~~ % of our total assets. Goodwill is reviewed for impairment each year using a qualitative or quantitative process that is performed at least annually or whenever events or circumstances indicate that impairment may have occurred. We perform the annual impairment analysis on October 31 in order to provide management time to complete the analysis prior to year- end. Prior to performing the quantitative evaluation, an assessment of qualitative factors may be performed to determine whether it is more likely than not that the fair value of a reporting unit exceeds the carrying value. If it is determined that it is unlikely that the carrying value exceeds the fair value, we are not required to complete the quantitative goodwill impairment evaluation. If it is determined that the carrying value may exceed fair value when considering qualitative factors, a quantitative goodwill impairment evaluation is performed. When performing the quantitative evaluation, if the carrying value of the reporting unit exceeds its fair value, an impairment loss equal to the difference will be recorded. The identification of reporting units and consideration of aggregation criteria requires management' s judgment. Based on the relevant GAAP authoritative guidance, we aggregate components of a single operating segment into a reporting unit, if appropriate. Future goodwill impairment charges may occur if estimates of fair values decrease, which would reduce future earnings. **As part of the annual goodwill impairment analysis, we performed a quantitative goodwill impairment evaluation for each reporting unit in the fourth quarter of 2023. As a result of this impairment analysis, the carrying value of the Envestnet Data & Analytics reporting unit exceeded its fair value, which resulted in the recognition of a non-cash impairment charge to goodwill of \$ 191.8 million during the fourth quarter of 2023. Although the Company recorded this impairment charge in the fourth quarter of 2023, future goodwill impairment charges may occur if certain estimates and assumptions used to estimate the fair value of the Envestnet Data & Analytics reporting unit in the fourth quarter of 2023 fall below those estimates and assumptions and such impairment charges could be material.** We test our indefinite lived intangible assets on an annual basis and more often if an event occurs or circumstances change that would more

likely than not reduce the fair value of the indefinite lived intangible asset below its carrying amount. We also test property and equipment and other long lived assets for impairment whenever events or changes in circumstances indicate that the carrying amount may not be recoverable. Future asset impairment charges may occur if asset utilization declines, if customer demand decreases, or for a number of other reasons, which would reduce future earnings. Any such impairment charges could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Impairment charges would also reduce our consolidated stockholders' equity and increase our debt- to- total- capitalization ratio, which could negatively impact our access to the debt and equity markets. ~~During the fourth quarter of 2022, we completed our annual goodwill impairment analysis. The qualitative analysis performed as of October 31, 2022 indicated that it is more likely than not that the fair value of each reporting unit exceeded the carrying value, and accordingly, no impairment existed. There can be no assurance that our estimates and assumptions of the fair value of our reporting units, the current economic environment, or the other inputs used to estimate the fair value of our reporting units will prove to be accurate, and any material error in our estimates and assumptions, could result in us needing to take a material impairment charge, which would have the effects discussed above.~~ As part of our ongoing monitoring efforts, we will continue to consider capital markets and other economic factors and its potential impact on our businesses, as well as other factors, in assessing goodwill and other long- lived assets for possible indications of impairment. We have a significant amount of debt and servicing our debt requires a significant amount of cash, and we may not have sufficient cash flow from our business to service our debt. As of December 31, ~~2022-2023~~, we had \$ 45.0 million of ~~outstanding 1.75 % Convertible Notes due 2023~~, \$ 317.5 million of outstanding 0.75 % Convertible Notes due 2025, and \$ 575.0 million of outstanding 2.625 % Convertible Notes due 2027 (collectively, the "Convertible Notes"). As of December 31, ~~2022-2023~~, we had an additional \$ 500.0 million available to us to borrow under our revolving ~~Revolving~~ credit facility (the "Credit ~~Facility Agreement~~"). This indebtedness could, among other things: • make it difficult for us to pay other obligations; • make it difficult to obtain favorable terms for any necessary future financing for working capital, capital expenditures, debt service requirements or other purposes; • require us to dedicate a substantial portion of our cash flow from operations to service the indebtedness, reducing the amount of cash flow available for other purposes; and • limit our flexibility in planning for and reacting to changes in our business. The conditional conversion features of our Convertible Notes, if triggered, may adversely affect our financial condition and operating results. In the event the conditional conversion features of our outstanding Convertible Notes are triggered, holders of the Convertible Notes will be entitled to convert their Convertible Notes at any time during specified periods at their option. We may elect to satisfy our conversion obligation in cash, in shares of our common stock or in a combination of cash and shares of our common stock. If one or more holders elect to convert their Convertible Notes, unless we satisfy our conversion obligation by delivering solely shares of our common stock (other than cash in lieu of any fractional share), we would be required to settle all or a portion of our conversion obligation through the payment of cash, which could adversely affect our liquidity. Furthermore, even if holders do not elect to convert their Convertible Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Convertible Notes as a current rather than long - term liability, which would result in a material reduction of our net working capital. We may not have the ability to raise the funds necessary to settle conversions of our Convertible Notes or purchase the Convertible Notes as required upon a fundamental change, and our existing debt contains, and our future debt may contain, limitations on our ability to pay cash upon conversion or purchase of our Convertible Notes. Following a fundamental change, Convertible Notes holders will have the right to require us to purchase their Convertible Notes for cash. A fundamental change may also constitute an event of default or prepayment under, and result in the acceleration of the maturity of, our then - existing indebtedness. In addition, upon conversion of the Convertible Notes, unless we settle our conversion obligation solely in shares of our common stock (other than cash in lieu of any fractional share), we will be required to make cash payments in respect of the Convertible Notes being surrendered for conversion. We may not have sufficient financial resources, or may not be able to arrange financing, to pay the fundamental change purchase price in cash with respect to the Convertible Notes surrendered by holders for purchase upon a fundamental change or make cash payments upon conversions. In addition, restrictions in our Third Credit Agreement (as described herein) or future credit facilities or other indebtedness, if any, may not allow us to purchase the Convertible Notes upon a fundamental change or make cash payments upon conversions of the Convertible Notes. Our failure to purchase the Convertible Notes upon a fundamental change or make cash payments upon conversions thereof when required would result in an event of default with respect to the Convertible Notes which could, in turn, constitute a default under the terms of our other indebtedness, if any. If the repayment of the related indebtedness were to be accelerated after any applicable notice or grace periods, we may not have sufficient funds to repay the indebtedness and purchase the Convertible Notes or make cash payments upon conversions thereof. For a description of the Company' s ~~Revolving~~ Credit ~~Facility Agreement entered into on November 14, 2022 amending and restating the Third Amended and Restated Credit Agreement~~, see Part II, Item 7, "Management' s Discussion and Analysis of Financial Condition and Results of Operations, Recent Developments, ~~Revolving~~ Credit ~~Facility Agreement Amendment~~" and Part II, Item 8, "Note ~~10-14~~ — Debt". The capped call transactions entered into in connection with the issuance of our 2.625 % Convertible Notes due 2027 may affect the value of such notes and our common stock. In connection with the issuance of our 2.625 % Convertible Notes due 2027 (the "Convertible Notes due 2027"), we entered into privately negotiated ~~capped Capped call Call transactions Transactions~~ with certain financial institutions (the "Capped Call Counterparties"). The ~~capped Capped call Call transactions Transactions~~ were entered into to reduce the potential dilutive effect on our common stock upon any conversion of the Convertible Notes due 2027 and / or offset any potential cash payments we are required to make in excess of the principal amount of converted notes, as the case may be, with such reduction and / or offset subject to cap. In connection with establishing their initial hedges of the capped call transactions, the Capped Call Counterparties or their respective affiliates entered into various derivative transactions with respect to our common stock and / or purchased shares of our common stock concurrently with or shortly after the pricing of the Convertible Notes due 2027. The Capped Call Counterparties and / or their respective affiliates may modify their hedge positions by entering

into or unwinding various derivatives with respect to our common stock and / or purchasing or selling our common stock or other securities of ours in secondary market transactions from time to time prior to the maturity of the Convertible Notes due 2027 (and are likely to do so following any conversion of the Convertible Notes due 2027 or any retirement by us of the Convertible Notes due 2027, in each case if we exercise the relevant election to terminate the corresponding portion of the capped call transactions). This activity could cause or avoid an increase or decrease in the market price of our common stock or the Convertible Notes due 2027. The potential effect, if any, of these transactions and activities on the market price of our common stock or the Convertible Notes due 2027 will depend, in part, on market conditions and cannot be ascertained at this time. Any of these activities could adversely affect the value of our common stock. We are subject to counterparty risk with respect to the capped call transactions, and the capped call transactions may not operate as planned. The Capped Call Counterparties are financial institutions or affiliates of financial institutions, and we will be subject to the risk that any or all of them might default under the capped call transactions. Our exposure to the credit risk of the Capped Call Counterparties will not be secured by any collateral. Global economic conditions have, from time to time, resulted in the actual or perceived failure or financial difficulties of many financial institutions. If a Capped Call Counterparty becomes subject to insolvency proceedings, we will become an unsecured creditor in those proceedings with a claim equal to our exposure at that time under our transactions with that Capped Call Counterparty. Our exposure will depend on many factors, but generally an increase in our exposure will be correlated with increase in the market price of the volatility of our common stock. In addition, upon a default by a Capped Call Counterparty, we may suffer more dilution than we currently anticipate with respect to our common stock. We can provide no assurances as to the financial stability or viability of any Capped Call Counterparty. In addition, the capped call transactions are complex, and they may not operate as planned. For example, the terms of the called call transactions may be subject to adjustment, modification or, in some cases, renegotiation if certain corporate or other transactions occur. Accordingly, these may not operate as we intend if we are required to adjust their terms as a result of transactions in the future or upon unanticipated developments that may adversely affect the functioning of the capped call transactions. **Activist shareholders**

Risks Related to our Operations Our future success depends on our ability to recruit and retain senior executive leadership and other key employees and to successfully manage transitions. If we fail to retain talented, highly qualified senior management and other key employees, attract them when needed or successfully manage transitions, such failure could negatively impact have an adverse effect on our business, impact and create volatility in our stock price, divert board and management's attention and resources, and cause us to incur substantial expense. In January 2023, Impactive Capital, L. P. ("Impactive Capital"), announced the nomination of four candidates for election to our Board of Directors at our 2023 Annual Meeting of Shareholders. If a proxy contest ensues, the Company's business, operating results or financial condition. **Our future success depends on our ability to attract and retain senior executive leadership and other key employees and to successfully manage through transitions in senior executive leadership. Our current chief executive officer, William Crager, will step down as chief executive officer on March 31, 2024, and commencing on April 1, 2024, James Fox, who currently serves as chair of our Board of Directors, will serve as the interim chief executive officer. Our Board of Directors has initiated a search for a successor with assistance from an independent executive search firm. Although our Board of Directors is confident in the interim leadership of Mr. Fox, our success will depend, in part, on the effectiveness of our new chief executive officer. Finding a suitable new chief executive officer can be difficult, and we can provide no assurance as to the length or success of the search process. In addition, on November 15, 2023, we transitioned to a new chief financial officer. Leadership transitions are inherently difficult to manage and may cause uncertainty or disruption within the Company and with external relationships. The failure to adequately manage the transitions of senior executive leaders could negatively impact our financial performance and ability to meet operational goals and strategic plans. This may also impact our ability to retain and hire other key members of management. In addition, our ability to provide our services and maintain and develop relationships with clients depends largely on our ability to attract, train, motivate and retain highly skilled professionals, particularly professionals with backgrounds in sales, marketing, technology and financial and investment services. Consequently, we must hire and retain employees with the technical expertise and industry knowledge necessary to continue to develop our services and effectively manage our sales and marketing organization to assist the growth of our operations. We believe there is significant competition for professionals with the skills necessary to perform the services we offer. We experience competition for these professionals from competitors, other technology companies and financial services organizations, many of which have greater resources than we do and therefore may be able to offer higher compensation packages** adversely affected because actions in connection with the proxy contest could result in us incurring substantial costs, including proxy solicitation, public relations, and legal fees. **Competition** Further, such a proxy contest or for these employees is intense, and we may not have sufficient human resources programs, practices and benefits to be able to retain our existing employees or be able to recruit and retain other highly skilled personnel. The actions taken by activist shareholders could (i) divert the attention of our Board of Directors, management, and employees, and may disrupt the momentum in our business and operations, as well as our ability **inability** to execute our strategic plan, (ii) create perceived uncertainties as to the future direction of our business or strategy, which may result in the loss of customers and potential business opportunities, make it more difficult to attract and retain qualified personnel, and **could negatively** impact our **financial performance** relationship with investors, vendors, and other third parties, and (iii) impact the market price and the volatility of our common stock. If any of the nominees proposed by Impactive Capital are elected to our Board of Directors, their presence may be disruptive, may lead to further uncertainty among our customers, employees and others, and may adversely affect our ability to **meet** effectively implementing the Company's business..... other modified business practices have introduced additional operational **goals** risks, including resiliency, cybersecurity, and execution risks **strategic plans**. Any failure to manage these additional risks effectively may result in inefficiencies or delays, and may affect our ability to, or the manner in which we, conduct our business activities. The extent to

which COVID-19 and any other potential future public health crises, pandemics or similar events may adversely affect our business, results of operations and financial condition, will depend on future developments that are highly uncertain and cannot be predicted, including the duration and scope of the COVID-19 or any other future pandemic, actions taken in response to any pandemic and the availability and efficacy of vaccines. Further, the impact on U. S. and global economies and the extent and strength of any economic recovery after the COVID-19 pandemic abates is uncertain and subject to various evolving factors and conditions. In addition, to the extent COVID-19 or any other pandemic adversely affects our business or the global economic conditions more generally, it may also have the effect of heightening many of the other risks described in this section entitled “ Risk Factors ” and any subsequent filings with the SEC. **Risks Related to our Operations**

If sources from which we obtain information limit our access to such information or charge us fees for accessing such information, our business could be materially and adversely harmed. Our Envestnet Data & Analytics data aggregation solutions require certain data that we obtain from thousands of sources, including banks, other financial institutions, retail businesses and other organizations, some of which are not our current customers. As of December 31, 2022-2023, we receive over 75-80% of this data through structured data feeds that are provided under the terms of our contracts with most of our customers. Although all of the information we currently gather is end user- permissioned, non- identified data and, currently, we generally have free, unrestricted access to, or ability to use, such information, one or more of our current customers could decide to limit or block our access to the data feeds we currently have in place with these customers due to factors outside of our control, such as more burdensome regulation of our or our customers’ industry, increased compliance requirements or changes in business strategy. If the sources from which we obtain information that is important to our solutions limit or restrict our ability to access or use such information, we may be required to attempt to obtain the information, if at all, through end user- permissioned data scraping or other means that could be more costly and time- consuming, and less effective or efficient. In the past, a limited number of third parties, primarily airline and international sites, have either blocked our access to their websites or requested that we cease employing data scraping of their websites to gather information, and we could receive similar, additional requests in the future. Any such limitation or restriction may also preclude us from providing our solutions on a timely basis, if at all. In addition, if in the future one or more third parties challenge our right to access information from these sources, we may be required to negotiate with these sources for access to their information or to discontinue certain services currently provided by our solutions. The legal environment surrounding data scraping and similar means of obtaining access to information on third- party websites is not completely clear and is evolving, and one or more third parties could assert claims against us seeking damages or to prevent us from accessing information in that manner. In the event sources from which we obtain this information begin to charge us fees for accessing such information, we may be forced to increase the fees that we charge our customers, which could make our solutions less attractive, or our gross margins and other financial results could suffer. Because some of our sales efforts are targeted at large financial institutions and large FinTech companies, we face prolonged sales cycles, substantial upfront sales costs and less predictability in completing some of our sales. If our sales cycle lengthens, or if our upfront sales investments do not result in sufficient revenue, our operating results may be harmed. We target a portion of our sales efforts at large financial institutions and large FinTech companies, which presents challenges that are different from those we encounter with smaller customers. Because our large customers are often making an enterprise- wide decision to deploy our solutions, we face longer sales cycles, complex customer requirements, substantial upfront sales costs, significant contract negotiations and less predictability in completing sales with these customers. Our sales cycle can often last one year or more with our largest customers, who often undertake an extended evaluation process, but is variable and difficult to predict. We anticipate that we will experience even longer sales cycles, more complex customer needs, higher upfront sales costs and less predictability in completing sales with customers located outside of the United States. If our sales cycle lengthens or our upfront sales investments do not generate sufficient revenue to justify our investments in our sales efforts, our operating results may be harmed. Investors’ decisions regarding their investment assets are affected by many factors and investors may redeem or withdraw their investment assets generally at any time. Significant changes in investing patterns or large - scale withdrawal of investment funds could have a material adverse effect on our results of operations, financial condition or business. The clients of our financial advisors are generally free to change financial advisors, forgo the advice and other services provided by financial advisors or withdraw the funds they have invested with financial advisors. These clients of financial advisors may elect to change their investment strategies, by moving their assets away from equity securities to fixed income or other investment options, or by withdrawing all or a portion of their assets from their accounts to avoid all securities markets - related risks. These actions by investors are outside of our control and could materially adversely affect the market value of the investment assets that our clients manage, which could materially adversely affect the asset - based fees we receive from our clients. A substantial portion of our revenue is based on fees earned in-on the value of assets under management or administration. Changes in market and economic conditions could lower the value of assets on which we earn revenues- revenue and could decrease the demand for our investment solutions and services. Asset - based fees make up a significant portion of our revenues- revenue. Asset - based fees represented approximately 60% , 60% and 54% of our total revenues- revenue for the years ended December 31, 2023, 2022 , and 2021 and 2020, respectively. We expect that asset - based fees will continue to represent a significant percentage of our total revenues- revenue in the future. Significant fluctuations in securities prices may materially affect the market value of the assets managed by our clients and may also influence financial advisor and investor decisions regarding whether to invest in, or maintain an investment in, a particular investment or strategy. If such market fluctuation led to less investment in the securities markets, our revenues- revenue and earnings derived from asset - based fees could be materially adversely affected. Our asset-based fees are generally calculated quarterly using the value of assets at the end of each calendar quarter. Our methodology may result in lower fees if the financial markets are down when fees are calculated, even if the market had performed well earlier in the quarter. We provide our investment solutions and services to the financial services industry. The financial markets, and in turn the financial services industry, are affected by many factors, such as U. S. and foreign economic conditions and general

trends in business and finance that are beyond our control. In the event that the U. S. or international financial markets suffer a severe or prolonged downturn, investors may choose to withdraw assets from financial advisors, which we refer to as “ redemptions ”, and transfer them to investments that are perceived to be more secure, such as bank deposits and Treasury securities, and on which we might not earn fees. For example, in early 2022 continuing through the fourth quarter of 2022, the financial markets experienced a broad downturn, our redemption rates were higher than our historical average, and our results of operations, financial condition and business were materially adversely affected. A continued downturn in financial markets or increased levels of asset withdrawals could have a material adverse effect on our results of operations, financial condition or business. Historically, redemption rates have typically increased during periods where there has been a significant downturn in financial markets. Any potential decline in assets on which we earn fees would not necessarily be proportional to, and in total, could be greater than the overall market decline. **Increased geopolitical unrest and other events outside of our control could adversely affect the global economy or specific international, regional and domestic markets, which could cause the assets on which we earn revenue to decrease and adversely affect our revenue and earnings. Geopolitical risks, including those arising from trade tension and / or the imposition of trade tariffs, terrorist activity or acts of civil or international hostility, are increasing. For instance, the conflicts in the Middle East and between Russia and Ukraine have and may continue to result in geopolitical instability and adversely affect the global economy, supply chains and specific markets. Similarly, other events outside of the Company’s control, including natural disasters, climate- related events, pandemics or health crises may arise from time to time and be accompanied by governmental actions that may increase international tension. Any such events and responses, may cause significant volatility and declines in the global markets, disproportionate impacts to certain industries or sectors, disruptions to commerce (including to economic activity, travel and supply chains), loss of life and property damage, and may adversely affect the global economy or capital markets, as well as the Company’s products, operations, clients, vendors and employees, which may cause the assets on which we earn revenue to decrease thus causing our revenue and earnings to decline.** We must continue to introduce new investment solutions and services and technological enhancements to address our clients’ changing needs, market changes, regulations, and technological developments and failure to do so could have a material adverse effect on our results of operations, financial condition or business. The market for our investment solutions and services is characterized by shifting client demands, evolving market practices, new and evolving regulations, and for some of our investment solutions and services, rapid technological change, **including the use of AI by Envestnet or our clients**. Changing client demands, new market rules and practices, or new technologies can render existing investment solutions and services obsolete and unmarketable. As a result, our future success will continue to depend upon our ability to develop new investment solutions and services, and service and technological enhancements that address the future needs of our target markets and respond to technological and market changes. We incurred technology development costs of approximately \$ ~~112-234~~ million, \$ ~~80-239~~ million and \$ ~~72-192~~ million in the years ended December 31, **2023, 2022, and 2021 and 2020**, respectively. We expect that our technology development costs will **continue at this level reduce in 2024 as we have completed or our they investment cycle but** may increase in the future. We may not be able to accurately estimate the impact of new investment solutions and services on our business or how their benefits will be perceived by our clients. Further, we may not be successful in developing, introducing, marketing and licensing our new investment solutions or services or investment solution or service enhancements on a timely and cost effective basis, or at all, and our new investment solutions and services and enhancements may not adequately meet the requirements of the marketplace or achieve market acceptance. In addition, clients may delay purchases in anticipation of new investment solutions or services or enhancements. Any of these factors could materially adversely affect our results of operations, financial condition or business. As a global organization, our business is susceptible to risks associated with our international operations. We currently maintain international operations in India, the United Kingdom, Canada and Australia, **engage with lease space in** other jurisdictions outside of the United States for the purpose of gathering data, and have customers located around the globe. Managing a global organization outside of the United States is difficult and time- consuming and introduces risks that we may not face with our operations and sales in the United States. These risks include: • the burdens of complying with a wide variety of foreign regulations, laws and legal standards, including **financial services, privacy, data security cybersecurity**, tax and employment, some of which may be materially different or more stringent than those of the United States; • regional data privacy laws that apply to the transmission of data across international borders; • lack of familiarity with, and unexpected changes in, foreign regulatory requirements; • customers’ unfamiliarity with and concerns regarding laws and regulations of the United States that may impact our business operations in their jurisdictions; • negative, local perception of industries and customers that we may pursue; • laws and business practices favoring local competitors; • localization of our solutions, including unanticipated costs related to translation into foreign languages and adaptation for local practices and regulatory requirements; • different pricing environments; • difficulties in managing and staffing international operations; • reduced or varied protection for intellectual property rights in some countries; • compliance with laws and regulations for foreign operations, including the U. S. Foreign Corrupt Practices Act, the U. K. Bribery Act, import and export control laws, tariffs, trade barriers, economic sanctions and other regulatory or contractual limitations on our ability to sell our solutions in certain foreign markets, and the risks and costs of compliance; • fluctuations in currency exchange rates; • potentially adverse tax consequences, including the complexities of foreign value added tax systems, difficulty in interpreting international tax laws and restrictions on the repatriation of earnings; • increased financial accounting and reporting burdens and complexities; and • political, social and economic instability abroad, terrorist attacks and security concerns in general. Operating in international markets also requires significant management attention and financial resources. A component of our growth strategy involves the further expansion of our operations and the development of new customer relationships internationally. **In order As we seek to potentially** expand internationally, we will need to develop relationships with additional partners and add internal capabilities to effectively manage the operational, financial, legal and regulatory requirements and risks associated with our international

operations. The investment we make and additional resources we use to expand our operations, target new international customers, expand our presence globally within our existing customers and manage operational and sales growth in other countries may not produce desired levels of revenue or profitability, which could adversely affect our business and operating results. If we are unable to effectively manage certain risks and challenges related to our India operations, our business could be harmed. Our India operations are a key factor to our success. We believe that our significant presence in India provides certain important advantages for our business, such as direct access to a large pool of skilled professionals and assistance in growing our business internationally. However, it also creates certain risks that we must effectively manage. As of December 31, **2022-2023**, **46 % of our** approximately **1,400** of our approximate **3,100** ~~400 total~~ employees were based in India. Wage costs in India for skilled professionals are currently lower than in the United States for comparably skilled professionals. However, wages in India are increasing at a faster rate than in the United States, which could result in us incurring increased costs for technical professionals and reduced margins. There is intense competition in India for skilled technical professionals, and we expect such competition to increase. As a result, we may be unable to retain our current employee base in India or hire additional new talent or do so cost-effectively. In addition, India has experienced significant inflation, low growth in gross domestic product and shortages of foreign exchange. India also has experienced civil unrest and terrorism and, in the past, has been involved in conflicts with neighboring countries. The occurrence of any of these circumstances could result in disruptions to our India operations, which, if continued for an extended period of time, could have a material adverse effect on our business. If we are unable to effectively manage any of the foregoing risks related to our India operations, our development efforts could be impaired, our growth could be slowed, and our operating results could be negatively impacted. We operate in highly competitive industries, with many firms competing for business from financial advisors and financial institutions on the basis of a number of factors, including the quality and breadth of investment solutions and services, ability to innovate, reputation and the prices of services and this competition could hurt our financial performance. We compete with many different types of companies that vary in size and scope, including custodians, turnkey asset management platforms, data and analytics providers, and other financial technology companies. Representative competitors include Pershing LLC (a subsidiary of BNY Mellon Corporation), **InvestCloud AssetMark, Inc.**, Advent Software (a subsidiary of SS & C Technologies Holdings, Inc.) and Orion Advisor Services in our Envestnet Wealth Solutions business and Intuit, Inc., Plaid Inc., **Finity Corporation (a subsidiary of Mastercard International Inc.)** and Fiserv, Inc in our Envestnet Data & Analytics business. Competition is discussed in greater detail under “ Business — Competition ” included in this Annual Report. In addition, some of our clients have developed or may develop the in-house capability to provide the technology and / or investment advisory services they have retained us to perform. These clients may also offer internally developed services to their financial advisors, obviating the need to hire us, and they may offer these services to third-party financial advisors or financial institutions, thereby competing directly with us for that business. Many of our competitors in this business have significantly greater resources than we do. These resources may allow our competitors to respond more quickly to changes in demand for investment solutions and services, to devote greater resources to developing and promoting their services and to make more attractive offers to potential clients and strategic partners, which could hurt our financial performance. We may lose clients as a result of the sale or merger of a client, a change in a client’s senior management, competition from other financial advisors and financial institutions and for other reasons. We also face increased competition due to the current trend of industry consolidation. If large financial institutions that are not our clients are able to attract assets from our clients, our ability to grow ~~revenues-~~ **revenue** and earnings may be adversely affected. We compete with many companies that have greater name recognition, substantially greater financial, technical, marketing and other resources, the ability to devote greater resources to the promotion, sale and support of their solutions, more extensive customer bases and broader customer relationships, and longer operating histories than we have. We expect competition to increase as other companies continue to evolve their offerings and as new companies enter our market. New companies entering our market may choose to offer internally-developed solutions at little or no additional cost to their end users by bundling them with their existing applications and solutions. Increased competition is likely to result in pricing pressures, which could negatively impact our gross margins. Our failure to successfully compete in any of the above-mentioned areas could result in reduced ~~revenues-~~ **revenue** or lack of market share which could have a material adverse effect on our results of operations, financial condition or business. Competition could also affect the revenue mix of services we provide, resulting in decreased ~~revenues-~~ **revenue** in lines of business with higher profit margins. We are subject to liability for losses that result from potential, perceived or actual conflicts of interest. Potential, perceived and actual conflicts of interest are inherent in our existing and future business activities and could give rise to client dissatisfaction, litigation or regulatory enforcement actions. In particular, we pay **and / or charge** varying fees to third-party asset managers and custodians and our financial advisor customers, or their clients, could accuse us of directing them toward those asset managers or custodians that charge us **the lowest-lower fees or pay us higher** fees and therefore provide us with a greater financial advantage. In addition, we offer proprietary mutual funds and proprietary investment strategies through our internal investment management and portfolio consulting group, and financial advisors or their clients could conclude that we favor our proprietary investment products because of their belief that we earn higher fees when our proprietary investment products are used. **Conflict may also be introduced through revenue sharing arrangements from third parties, including custodians, issuers and / or asset managers, and clients or regulators could assert that Envestnet’s decisions are being made not in the best interest of the client (s), but to increase the amount of revenue paid to Envestnet through these revenue sharing arrangements.** Adequately addressing conflicts of interest is complex and difficult. If we fail, or appear to fail, to adequately address **or disclose** potential, perceived or actual conflicts of interest, the resulting negative public perception and reputational harm could materially adversely affect our client relations or ability to enter into contracts with new clients and, consequently, our results of operations, financial condition and business. We are substantially dependent on our intellectual property rights, and a failure to protect these rights could adversely affect our results of operations, financial condition or business. We have made substantial

investments in software and other intellectual property on which our business is highly dependent. As of December 31, 2022, notwithstanding expiration of some of our oldest patents, we had over 50 issued patents in the U. S. and foreign jurisdictions as well as additional pending patent applications in the U. S. and foreign jurisdictions. Many of our key technologies, investment solutions or services are not covered by any copyright registration, issued patent or patent application. We are the owner of certain patent rights, registered trademarks in the United States, including “ ENVESTNET, ” and we claim common law rights in other trademarks that are not registered. We rely on a combination of patent, trade secret, trademark and copyright laws, confidentiality and nondisclosure agreements and other contractual and technical security measures to protect our proprietary technology, all of which provide only limited protection. Despite our efforts, unauthorized copying or other misappropriation of our proprietary technologies could enable third parties to benefit from our intellectual property rights without paying us for doing so, which could harm our business. Policing unauthorized use of proprietary technology is difficult and expensive and our monitoring and litigation may be necessary to protect and enforce our intellectual property rights. If litigation is necessary to protect and enforce our intellectual property rights, any such litigation could be very costly and could divert management attention and resources. If we are unable to protect our intellectual property rights or if third parties independently develop or gain access to our or similar technologies, investment solutions or services, our results of operations, financial condition and business could be materially adversely affected. We cannot guarantee that: • our intellectual property rights will provide competitive advantages to us; • our ability to assert our intellectual property rights against potential competitors or to settle current or future disputes will not be limited by our agreements with third parties; • our intellectual property rights will be enforced in jurisdictions where competition may be intense or where legal protection may be weak; • any of the trademarks, copyrights, trade secrets or other intellectual property rights that we presently employ in our business will not lapse or be invalidated, circumvented, challenged or abandoned; • our trademark applications will lead to registered trademarks.

We are dependent upon third- party service providers in our technology development and operations. Envestnet utilizes third- party service providers to provide support and development in connection with our technology and operations. A failure by a third- party service provider could expose us to an inability to provide services to our clients on a timely basis. Additionally, if a third- party service provider is unable to provide these services, we may incur significant costs to develop these services internally or find a replacement provider. Our reliance on outsourcing arrangements subjects us to risk and may disrupt or adversely affect our operations. We have entered into an agreement with Tata Consulting Services (“ TCS ”) pursuant to which we have outsourced certain development, engineering and back office functions of the Envestnet Data & Analytics business located in Bangalore, India to increase operations scale and business agility. Although we have service- level arrangements with TCS and a variety of contractual obligations and options designed to (a) monitor TCS’ s performance and (b) incentivize a high level of performance by TCS, because we do not ultimately control its performance, our reliance on a third- party vendor could subject us to additional risk risks, including the loss of valuable intellectual property, data security cybersecurity issues and non- compliance with data protection and privacy laws. If TCS fails to perform as required or terminates our arrangements, we might not realize the expected financial and operational benefits of the outsourcing arrangement and may be required to pursue new third- party relationships, which could significantly disrupt our Envestnet Data & Analytics’ operations and adversely affect our business, financial condition, and results of operations. We may also be unable to establish comparable new vendor relationships on as favorable terms or at all. Even if we are able to obtain replacement services in these scenarios, there may be a disruption or delay in our ability to operate our Envestnet Data & Analytics- business, and the replacement services might be more expensive than those we have currently. The process of transitioning services and data from one provider to another can be complicated, time- consuming, expensive and may lead to significant disruptions in our Envestnet Data & Analytics’ business and could adversely affect our business, financial condition, and results of operations.

effectively implementing customers and potential business opportunities, make it more difficult to attract and retain qualified personnel, and impact our relationship with investors, vendors, and other -- the third parties Company’ s business strategy and (iii) create additional value for our shareholders. In addition, the proxy fight may result in litigation by or against the Company or the Board, which could also be a significant distraction for our management and employees and may require us incurring substantial to incur significant costs, including legal, proxy solicitation and public relations fees. Any of these impacts could materially and adversely affect our business and operating results. Further, the market price of our common stock could be subject to significant fluctuation or otherwise be result in an adversely -- adverse affected by effect on the Company events, risks and uncertainties described above. Public health crises, pandemics or similar events, such as the COVID- 19 pandemic, have and may continue to adversely affect our business, including our operations and financial condition. The effects of public health crises, pandemics and similar events, such as the COVID- 19 pandemic, including responses and restrictions related thereto have had, and may continue to have, a significant impact on global economic and market conditions.

Although certain economic conditions have improved since their worst levels during the pandemic, the pandemic continues to evolve and the effects of COVID- 19, its variants or any other widespread public health crisis could lead to deterioration in then- current economic conditions or result in other adverse consequences to our business, results of operations and financial condition in the future. Such effects could have adverse impacts on our clients, vendors and other third- parties with whom we do business. Additionally, our business operations may be disrupted if significant portions of our workforce are unable to work effectively, including because of illness, quarantines, government actions or other restrictions in connection with any ongoing effects of the pandemic. Further, remote working and other modified business practices have introduced, if required, could pose additional operational risks, including resiliency, cybersecurity, and execution risks. Any failure to manage these additional risks effectively may result in inefficiencies or delays, and may affect our

Risks Related to our Acquisitions and Investments Our growth strategy includes growing through acquisitions and acquisitions investments which involve a number of risks. We expect to grow our business by, among other things, making acquisitions and investments. Over the past five years we have completed a number of acquisitions. Acquisitions and investments involve a number of risks. They

can be time - consuming and may divert management's attention from day - to - day operations. Financing an acquisition **or investment** could result in dilution from issuing equity securities or a weaker balance sheet from using cash or incurring debt. Acquisitions **and investments** might also result in losing key employees. In addition, we may fail to successfully integrate acquisitions **and investments**. We may also fail to generate enough ~~revenues~~ **revenue** or profits from an acquisition **or investment** to earn a return on the associated purchase price. To the extent we grow our business through acquisitions **and investments**, any such future ~~acquisitions~~ **acquisition or investment** could present a number of other risks, including:

- incorrect assumptions regarding the future results of acquired **or invested in** operations or assets or expected cost reductions or other synergies expected to be realized as a result of acquiring **or investing in** operations or assets;
- failure to integrate the operations or management of any acquired **or invested in** operations or assets successfully and on a timely and cost effective basis;
- insufficient knowledge of the operations and markets of acquired **or invested in** businesses;
- loss of key personnel;
- failure to obtain necessary customer consents or retain key customers;
- diversion of management's attention from existing operations or other priorities;
- increased costs or liabilities as a result of historical, undetected or undisclosed legal, regulatory or financial issues related to acquired **or invested in** operations or assets; and
- inability to secure, on terms we find acceptable, sufficient financing that may be required for any such acquisition or investment.

In addition, if we are unsuccessful in completing acquisitions **or investments** of other businesses, operations or assets or if such opportunities for expansion do not arise, our results of operations, financial condition or business could be materially adversely affected.

Risks Related to our Information Technology and Data

Our failure to successfully execute the conversion of our clients' assets from their technology platform to our platforms in a timely and accurate manner could have a material adverse effect on our results of operations, financial condition or business. When we begin working with a new client, or acquire new client assets through an acquisition or other transaction, we are often required to convert all or a significant portion of assets from the clients' technology platform to our technology platforms. These conversions present significant technological and operational challenges that can be time - consuming and may divert management's attention from other operational activities. If we fail to successfully complete our conversions in a timely and accurate manner, we may be required to expend more time and resources than anticipated, which could erode the profitability of the client relationship. In addition, any such failure may harm our reputation and may make it less likely that prospective clients will commit to working with us. Any of these risks could materially adversely affect our results of operations, financial condition or business.

Our hosting, collection, use and storage of customer information and data require the implementation of effective security controls, and a ~~data security~~ **cybersecurity** breach could disrupt our business, result in the disclosure of confidential information, expose us to liability and protracted and costly litigation, adversely affect our reputation and revenue and cause losses. We, and our customers through which our solutions are made available to end users, collect, use, transmit and store confidential financial information, such as bank account numbers, social security numbers, non-public personally identifiable information, portfolio holdings, credit card data and outstanding debts and bills. The measures we take to provide security for collection, use, storage, processing and transmission of confidential end user information may not be effective to protect against ~~data security~~ **cybersecurity** breaches by third parties. We use commercially available security technologies, including hardware and software data encryption techniques and multi-layer network security measures, to protect transactions and information. Although we encrypt data fields that typically include sensitive, confidential information, other unencrypted data fields may include similar information that could be accessible in the event of a security breach. We use security and business controls to limit access and use of confidential end user information. ~~Although we require~~ **The technologies and practices of** our customers and third-party suppliers ~~to implement controls similar to ours, the technologies and practices of our customers and third-party suppliers may not meet~~ **standards** ~~all of the requirements we include in our contracts~~ and we may not have the ability to effectively monitor the implementation of security measures of our customers and third-party suppliers. In a number of cases, our customers build and host their own web applications and access our solutions through our APIs. In these cases, additional risks reside in the customer's system with respect to security and preventive controls. As a result, inadequacies of our customers' and third-party suppliers' security technologies and practices may only be detected after a security breach has occurred. Errors in the collection, use, storage or transmission of confidential end user information may result in a breach of privacy or theft of assets. The risk of unauthorized circumvention of our security measures has been heightened by advances in computer capabilities and the increasing sophistication of hackers. Criminals are using increasingly sophisticated techniques to engage in illegal activities involving solutions such as ours or involving end user information, such as counterfeiting, fraudulent payment and identity theft. Because the techniques used by hackers change frequently and generally are not recognized until launched against a target, we may be unable to anticipate these techniques or to implement adequate preventive measures. In addition to hackers, it is possible that a customer could gain unauthorized access to our database through the use of our solutions. Improper access to our systems or databases by hackers or customers intending to commit criminal activities could result in the theft, publication, deletion or modification of confidential end user information. An actual or perceived breach of our security may require notification under applicable ~~data privacy~~ **cybersecurity** regulations. A ~~data security~~ **cybersecurity** breach of the systems on which sensitive user data and account information are stored could lead to private claims or regulatory actions, including fines, against us. Many of our agreements with clients do not limit our potential liability for breaches of confidentiality, and consequential damages. If any person, including any of our employees, contractors, or consultants, penetrates our network security, misappropriates or mishandles sensitive data, inadvertently or otherwise, we could be involved in protracted and costly litigation. If unsuccessful in defending that litigation, we might be forced to pay damages and / or change our business practices or pricing structure, any of which could have a material adverse effect on our revenue and profitability. In addition, our customer contracts typically require us to meet specified minimum system security and privacy standards. If a ~~data security~~ **cybersecurity** breach occurs and we have not been in compliance with these standards, we could be liable for breach of contract claims brought by our customers. We could also be required to indemnify our customers for third-party claims, fines, penalties and / or other assessments imposed on our customers as a result of any ~~data~~

security-cybersecurity breach and our liability could exceed our insurance coverage or ability to pay. Our registered investment adviser and broker-dealer subsidiaries may face SEC, FINRA and state enforcement actions, including monetary fines, if it is determined that we had inadequate data-security-cybersecurity measures in place to prevent such theft. Our security procedures and technologies are regularly audited by independent security auditors engaged by us, and many of our prospective and current customers conduct their own audits or review the results of such independent security audits as part of their evaluation of our solutions. We are also periodically audited by regulatory agencies to which our operations or our customers are subject. Adverse findings in these audits or examinations, even if not accompanied by any data-security-cybersecurity breach, could adversely affect our ability to maintain our existing customer relationships and establish new customer relationships. Data security Cybersecurity breaches, acts of fraud involving our solutions, or adverse findings in security audits or examinations, could result in reputational damage to us, which could reduce the use and acceptance of our solutions, cause our customers to cease doing business with us and / or have a significant adverse impact on our revenue and future growth prospects. Further, any of these events could lead to additional regulation and oversight by federal and state agencies, which could impose new and costly compliance obligations and may lead to the loss of our ability to make our solutions available. Risks Related to Laws and Regulations Our operations are subject to extensive government regulation, and compliance failures or regulatory action against us could adversely affect our results of operations, financial condition or business. The financial services industry is among the most extensively regulated industries in the United States. We operate investment advisory, broker - dealer, and mutual fund funds lines of business, each of which is subject to a specific and extensive regulatory scheme. In addition, we are subject to numerous laws and regulations of general application. It is very difficult to predict the future impact of the legislative and regulatory requirements affecting our business and our clients' businesses. Certain of our subsidiaries are registered as "investment advisers" with the SEC under the Advisers Act and are regulated thereunder. In addition, many of our investment advisory services are conducted pursuant to the non - exclusive safe harbor from the definition of an "investment company" provided under Rule 3a - 4 under the Investment Company Act. If Rule 3a - 4 were to cease to be available, or if the SEC were to modify the rule or its interpretation of how the rule is applied, our business could be adversely affected. Certain of our registered investment adviser subsidiaries provide advice to mutual fund funds clients. Mutual funds Funds are registered as "investment companies" under the Investment Company Act. Our advisory subsidiaries provide advice on assets subject to the ERISA. The Advisers Act, Investment Company Act and ERISA, together with related regulations and interpretations of the SEC and the Department of Labor, impose numerous obligations and restrictions on investment advisers and mutual funds, including requirements relating to the safekeeping of client funds and securities, limitations on advertising, disclosure and reporting obligations, prohibitions on fraudulent activities, restrictions on transactions between an adviser and its clients, and between a mutual fund and its advisers and affiliates, and other detailed operating requirements, as well as general fiduciary obligations. **In addition, ESI and FIDx Markets are registered as broker - dealers with the SEC, select state securities regulators and are members of FINRA, a securities industry self - regulatory organization that supervises and regulates the conduct and activities of its members. Broker - dealers are subject to regulations that cover all aspects of their business, including sales practices, market making and trading among broker - dealers, use and safekeeping of customer funds and securities, capital structure, recordkeeping and the conduct of directors, officers, employees, representatives and associated persons. FINRA conducts periodic examinations of the operations of its members, including ESI and FIDx Markets. As broker - dealers, ESI and FIDx Markets are also subject to certain minimum net capital requirements under SEC and FINRA rules. Compliance with the net capital rules may limit our ability to withdraw capital from these companies.** Investnet Data & Analytics is examined on a periodic basis by various regulatory agencies. For example, it is a supervised third- party technology service provider subject to multi- agency supervisory examinations in a wide variety of areas based on published guidance by the Federal Financial Institutions Examination Council **and other potential future regulatory agencies.** These examinations include examinations of our management, acquisition and development activities, support and delivery, IT, and disaster preparedness and business recovery planning. The Office of the Comptroller of the Currency is the agency in charge of these examinations. If deficiencies are identified, customers may choose to terminate or reduce their relationships with us. Either as a result of direct regulation or obligations under customer agreements, many of our subsidiaries are required to comply with certain provisions of the Gramm- Leach- Bliley Act, related to the privacy of consumer information and may be subject to other privacy and data-security-cybersecurity laws because of the solutions we provide. In addition, numerous regulations have been proposed and are still being written to implement the Dodd- Frank Act for enhanced due diligence of the internal systems and processes of companies like ours by their regulated customers. If we are required to make changes to our internal processes and solutions as result of this heightened scrutiny, we could be required to invest substantial additional time and funds and divert time and resources from other corporate purposes to remedy any identified deficiency. All of the foregoing laws and regulations are complex, evolving, unclear and inconsistent across various jurisdictions and we are required to expend significant resources in order to maintain our monitoring of, and compliance with, such laws and regulations. We continually develop improvements to our existing products and services as well as new products and services. Many of these improvements or new products and services may implicate regulations to which we may not already be subject or with which we may not have experience. Any failure on our part to comply with these and other applicable laws and regulations could result in decreasing the demand for these products and services, increasing our potential liability or increase or costs, regulatory fines, suspensions of personnel or other sanctions, including revocation of our subsidiaries as an investment adviser or broker - dealer, as the case may be, which could, among other things, require changes to our business practices and scope of operations or harm our reputation. Any of the foregoing could have a material adverse effect on our results of operations, financial condition or business. We regularly rely on exemptions from various requirements of the Exchange Act, the Advisers Act, the Investment Company Act and ERISA in conducting our activities. These exemptions are sometimes highly complex and may in certain circumstances depend on compliance by third parties whom we do not control. If for any reason these exemptions were to

become unavailable to us, we could become subject to regulatory action or third - party claims and our business could be materially and adversely affected. Privacy laws and regulations, industry standards and contractual obligations, and changes in these laws, regulations, standards and obligations, can affect the way in which we do business and cause us to incur significant costs and failure to comply with these requirements could negatively affect our business. As part of our business, we de- identify and then provide consumer transaction data panels to customers to support data analytics and market research. We collect the underlying transaction data when requested by each applicable consumer. **In addition, we provide analytics on the use of investment strategies to third- party investment managers, exchange traded funds, mutual funds and similar investment vehicles by financial professional users of our technology.** These activities are subject to numerous laws, regulations, industry standards and contractual obligations. We have incurred, and will continue to incur, significant expenses to comply with these requirements. New laws have been passed by several jurisdictions regulating the use of personal data and setting requirements for the de- identification of data. Other jurisdictions are considering imposing additional requirements. As our business continues to expand to new industry segments that may be more highly regulated for privacy and **data security cybersecurity**, and to countries outside the United States that have more strict data protection laws, we may be subject to increased compliance requirements and costs which could have a material adverse effect on our results of operations, financial condition or business. Industry practices relating to this business activity may change. We are in the process of negotiating new agreements with certain financial institutions governing our access to consumer transaction data when requested by the consumer. These agreements may contain additional requirements relating to our processing and provision of de- identified data. Additionally, our data panel customers might demand that the data that they purchase meet additional data sourcing standards, which we may not satisfy in all cases in the future. Failure to comply with existing or new laws, regulations, standards and obligations could result in loss of rights to use source data for data panels, loss of data panel subscriptions, fines, sanctions or other penalties, which could have a material adverse effect on our results of operations, financial condition or business. State or federal legislation, regulatory requirements, or regulatory enforcement applicable to this business activity may also change. Privacy groups, governmental agencies and individuals also may seek to restrict or prevent, or may advocate for greater regulation of, our provision of data panels to data panel customers. For example, in January 2020, three members of Congress wrote to the **Federal Trade Commission (the “FTC”)** to request a review of these business practices. In February 2020, we received a civil investigative demand from the FTC for documents and information relating to our data collection, assembly, evaluation, sharing, correction and deletion practices, with which demand we fully complied. In November 2020, we were informed by the FTC that it had closed the matter with no further action. Our use of data panels is subject to the agreement of our business customers from which we obtain the underlying data or for which we source their underlying data. Although our arrangements with these customers generally permit us to use non- identified transaction level data, some customers decline to permit the use of this data. The inability to use data may limit the usefulness of our solutions and services which could adversely affect our business. For some of our solutions, we contractually require our customers to provide necessary notices and to obtain necessary permissions and waivers for use and disclosure of information through our solutions. A failure by our customers to comply with these contractual requirements could limit our use of the related data and therefore the usefulness of our solutions and services which could adversely affect our business. Furthermore, a failure by our customers to comply with these contractual requirements could subject us to claims or liability for unauthorized use or disclosure of information. These claims or liabilities could subject us to unexpected costs and have a material adverse effect on our results of operations, financial condition or business. Our investment advisory services may subject us to liability for losses that result from potential, perceived or actual breaches of our fiduciary duties. Our investment advisory services involve fiduciary obligations that require us to act in the best interests of our clients, and we may be sued and face liabilities for actual or claimed breaches of our fiduciary duties. Because we provide investment advisory services, both directly and indirectly, with respect to substantial assets we could face substantial liability if it is determined that we have breached our fiduciary duties. In certain circumstances, which generally depend on the types of investment solutions and services we are providing, we may enter into client agreements jointly with advisors and retain third - party investment money managers on behalf of clients. As a result, we may be included as a defendant in lawsuits against financial advisors and third - party investment money managers that involve claims of breaches of the duties of such persons, and we may face liabilities for the improper actions and / or omissions of such advisors and third - party investment money managers. In addition, we may face claims based on the results of our investment advisory recommendations, even in the absence of a breach of our fiduciary duty. This risk may be heightened during periods when equity or other financial markets are declining in value or are particularly volatile, or when clients or investors with financial advisory clients are experiencing losses. Such claims and liabilities could have a material adverse effect on our results of operations, financial condition or business. We may become subject to liability based on the use of our investment solutions and services by our clients. Our investment solutions and services support the investment processes of our clients, which, in the aggregate, manage billions of dollars of assets. Our client agreements have provisions designed to limit our exposure to potential liability claims brought by our clients or third parties based on the use of our investment solutions and services. However, these provisions have certain exceptions and could be invalidated by unfavorable judicial decisions or by federal, state, foreign or local laws. Use of our products as part of the investment process creates the risk that clients, or the parties whose assets are managed by our clients, may pursue claims against us for very significant dollar amounts. Any such claim, even if the outcome were to be ultimately favorable to us, would involve a significant commitment of our management, personnel, financial and other resources and could have a negative impact on our reputation. Such claims and lawsuits could therefore have a material adverse effect on our results of operations, financial condition or business. Furthermore, our clients may use our investment solutions and services together with software, data or products from other companies. As a result, when problems occur, it might be difficult to identify the source of the problem. Even when our investment solutions and services do not cause these problems, the existence of these errors might cause us to incur significant costs and divert the attention of our management and technical personnel, any of which

could materially adversely affect our results of operations, financial condition or business. If our investment solutions and services fail to perform properly due to undetected errors or similar problems, our results of operations, financial condition and business could be materially adversely affected. Investment solutions and services we develop or license may contain undetected errors or defects despite testing. Such errors can exist at any point in the life cycle of our investment solutions or services, but are frequently found after introduction of new investment solutions and services or enhancements to existing investment solutions or services. We continually introduce new investment solutions and services and new versions of our investment solutions and services. Despite internal testing and testing by current and potential clients, our current and future investment solutions and services may contain serious defects or malfunctions. If we detect any errors before release, we might be required to delay the release of the investment solution or service for an extended period of time while we address the problem. We might not discover errors that affect our new or current investment solutions, services or enhancements until after they are deployed, and we may need to provide enhancements to correct such errors. Errors may occur that could have a material adverse effect on our results of operations, financial condition or business and could result in harm to our reputation, lost sales, delays in commercial release, third - party claims, regulatory actions, contractual disputes, contract terminations or renegotiations, or unexpected expenses and diversion of management and other resources to remedy errors. In addition, negative public perception and reputational damage caused by such claims would adversely affect our client relationships and our ability to enter into new contracts. Any of these problems could have a material adverse effect on our results of operations, financial condition and business. We could face liability for certain information we provide, including information based on data we obtain from other parties. We may be subject to claims for securities law violations, negligence, breach of fiduciary duties or other claims relating to the information we provide. For example, individuals may take legal action against us if they rely on information we have provided and it contains an error. In addition, we could be subject to claims based upon the content that is accessible from our website through links to other websites. Moreover, we could face liability based on inaccurate information provided to us by others. Defending any such claims could be expensive and time - consuming, and any such claim could materially adversely affect our results of operations, financial condition or business. Our charter provides that the Court of Chancery of the State of Delaware will be the exclusive forum for certain legal actions between us and our stockholders, which could increase costs to bring a claim, discourage claims or limit the ability of our stockholders to bring a claim in a judicial forum viewed by the stockholders as more favorable for disputes with us or our directors, officers or other employees. Our charter provides that unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for any (i) derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our stockholders, (iii) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, or (iv) any action asserting a claim governed by the internal affairs doctrine. Although we believe this exclusive forum provision benefits us by providing increased consistency in the application of Delaware law for the specified types of actions and proceedings, this choice of forum provision may increase costs to bring a claim, discourage claims or limit a stockholder' s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us or our directors, officers and other employees. The exclusive forum provision in our charter will not preclude or contract the scope of exclusive federal or concurrent jurisdiction for actions brought under the federal securities laws including the Securities Act of 1933, as amended, or the Securities Exchange Act of 1934, as amended, or the respective rules and regulations promulgated thereunder. A deemed " change of control " of our company could require us to obtain the consent of our clients and a failure to do so properly could adversely affect our results of operations, financial condition or business. Under the Advisers Act, the investment advisory agreements entered into by our investment adviser subsidiaries may not be assigned without the client' s consent. Under the Investment Company Act, advisory agreements with registered funds terminate automatically upon assignment and, any assignment of an advisory agreement must be approved by the board of directors and the shareholders of the registered fund. Under the Advisers Act and the Investment Company Act, such an assignment may be deemed to occur upon a change of control of the Company. A change of control includes either gaining or losing a " controlling person ". Whether someone is a controlling person for these purposes depends significantly on the specific facts and circumstances. There can be no assurance that if we undergo a change of control, we would be successful in obtaining all necessary consents or that the method by which we obtain such consents could not be challenged at a later time. If we are unable to obtain all necessary consents or if such a challenge were to be successful it could have a material adverse effect on our results of operations, financial condition or business. Risks Related to our Common Stock Holders of our common stock may be diluted by future issuances of common or preferred stock or convertible securities in connection with our incentive plans, acquisitions or otherwise; and future sales of such shares in the public market, or the expectations that such sales may occur, could lower our stock price. Our charter authorizes us to issue shares of our common stock and options, warrants and appreciation rights relating to our common stock for the consideration and on the terms and conditions established by our Board of Directors in its sole discretion. We could issue a significant number of shares of common stock, or securities convertible into shares of our common stock, in the future in connection with investments or acquisitions. Any of these issuances could dilute our existing stockholders, and such dilution could be significant. Moreover, such dilution could have a material adverse effect on the market price for the shares of our common stock. The future issuance of shares of preferred stock with voting rights may adversely affect the voting power of the holders of shares of our common stock, either by diluting the voting power of our common stock if the preferred stock votes together with the common stock as a single class, or by giving the holders of any such preferred stock the right to block an action on which they have a separate class vote, even if the action were approved by the holders of our shares of our common stock. The future issuance of shares of preferred stock with dividend or conversion rights, liquidation preferences or other economic terms favorable to the holders of preferred stock could adversely affect the market price for our common stock by making an investment in the common stock less attractive. We do not currently intend to pay dividends on our

common stock for the foreseeable future and any share repurchases will be subject to our discretion; consequently, your ability to achieve a return on your investment may depend only on appreciation in the price of our common stock. We do not anticipate paying any cash dividends to holders of our common stock in the foreseeable future. Consequently, investors must rely on sales of their common stock after price appreciation, which may never occur, as the only way to realize any gains on their investment. Investors seeking cash dividends should not purchase our common stock. Additionally, in 2016, we announced that our Board of Directors authorized a share repurchase program under which we may repurchase up to 2.0 million shares of our outstanding common stock. **As of December 31, 2023, 0.3 million shares could still be purchased under this program.** We retain the ability to repurchase when circumstances warrant and may suspend or discontinue such program at any time. The Inflation Reduction Act of 2022, which was signed into law in August 2022, imposes a 1 % excise tax on the fair market value of stock repurchases after December 31, 2022, which may impact our future decisions on how to return value to stockholders in the most tax efficient manner. Certain provisions in our charter documents and agreements and Delaware law may inhibit potential acquisition bids for our company and prevent changes in our management. Our certificate of incorporation and bylaws contains provisions that could depress the trading price of our common stock by acting to discourage, delay or prevent a change of control of our company or changes in management that our stockholders might deem advantageous. As a result of these provisions in our certificate of incorporation, the price investors may be willing to pay for shares of our common stock may be limited. In addition, we are subject to Section 203 of the Delaware General Corporation Law, which imposes certain restrictions on mergers and other business combinations between us and any holder of 15 % or more of our common stock.