Risk Factors Comparison 2024-02-28 to 2023-03-01 Form: 10-K

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The following discussion of " risk factors " sets forth some of the most ~~material~~ **significant** factors that may adversely affect our business, operations, financial position or future financial performance, reputation **,** and / or value of our stock. This information should be read in conjunction with the description of our business, Management' s Discussion and Analysis **,** and the consolidated financial statements and related notes contained in this Annual Report on Form 10- K. Because of the following factors, as well as other factors, whether known or unknown, affecting our business, operations, financial position or future financial performance, reputation **,** and / or value of our stock, past financial performance should not be considered to be a reliable indicator of future performance, and investors should not use historical trends to anticipate results or trends in future periods. GOVERNMENT BUDGETING AND SPENDING PRIORITIES RISKS The failure of Congress to approve appropriations bills in a timely manner for the federal government agencies and departments we support, or the failure of the Administration and Congress to reach an agreement on fiscal issues, could delay and reduce spending, cause us to lose revenue and profit, and affect our cash flow. On an annual basis, Congress is required to approve appropriations bills that govern spending by each of the federal government agencies and departments we support. When Congress is, or Congress and the Administration are, unable to agree on budget priorities or specifics, and thus unable to pass annual appropriations bills on a timely basis, Congress typically enacts a continuing resolution. Continuing resolutions generally allow federal government agencies and departments to operate at spending levels based on the previous fiscal year. When agencies and departments operate on the basis of a continuing resolution, funding we expect to receive from clients for work we are already performing and for new initiatives may be delayed or canceled. Congress and the Administration have from time to time failed to agree on a continuing resolution, resulting in temporary shutdowns of non- essential federal government functions and our work on such functions. Thus, the failure by Congress and the Administration to enact appropriations bills in a timely manner can result in the loss of revenue and profit when federal government agencies and departments are required to cancel or change existing or new initiatives or the deferral of revenue and profit to later periods due to shutdowns or delays in implementing existing or new initiatives. There is also the possibility that Congress will fail to raise the U. S. debt ceiling when necessary which, in addition to resulting in federal government shutdowns, could significantly impact the U. S. and global economy, affecting the discretionary spending decisions of our non- governmental clients and affecting the capital markets and our access to ~~related~~ sources of liquidity on terms that are acceptable to us. The delayed funding or shutdown of many parts of the federal government, including agencies, departments, programs, and projects we support, could have a substantial negative affect on our revenue, profit, and cash flows. Budget compromises that may be needed for future fiscal years may continue to be extraordinarily difficult given the complicated grassroots political environment, a closely divided Congress, an increasing federal deficit and debt load, ~~the continuing COVID- 19 pandemic due to emerging variants,~~ and a challenged economy. The budgets of many of our state and local government clients are also subject to similar divisions, risks, and uncertainties as are inherent in the federal budget process. Government spending priorities may change in a manner adverse to our business. We derived approximately 55 %, **55 %, and** 47 % ~~, and 44 %~~ of our revenue in **2023,** 2022, **and** 2021 ~~, and 2020~~ , respectively, from contracts with federal government clients, and approximately 21 %, **21 %, and** 24 ~~%, and 21~~ % of our revenue from contracts with state and local governments and international governments in **2023,** 2022, **and** 2021 ~~, and 2020~~ , respectively. Expenditures by our federal government clients may be restricted or reduced by Administration or Congressional actions, by action of the Office of Management and Budget, by action of individual agencies or departments, or by other actions. In addition, many state and local governments are not permitted to operate with budget deficits, and nearly all state and local governments face considerable challenges in balancing their budgets. Accordingly, we expect that, due to changing government budgeting and spending priorities, including necessary balancing of defense spending with civilian agency spending, and related disputes among Congress and the Administration, some of our government clients in the future may delay payments due to us, eventually fail to pay what they owe us, and / or delay certain programs and projects. For some government clients, we may face a difficult choice: turn down (or stop) work due to budget uncertainty with the risk of damaging a valuable client relationship or perform work with the risk of not being paid in a timely fashion or perhaps at all. Federal, state and local government, and / or international government elections could also affect spending priorities and budgets at all levels of government. In addition, increased government deficits and debt, both domestic and international, may lead to reduced spending by agencies and departments on projects or programs we support. Risks Related to THE Changing Business ENVIRONMENT IN WHICH WE OPERATE As we develop new services, clients and practices, enter new lines of business, and focus more of our business on providing a full range of client solutions, our operating risks increase. As part of our corporate strategy, we are attempting to leverage our advisory services to sell our full suite of services across the life cycle of a policy, program, project, or initiative and we are regularly searching for ways to provide new services to clients. In addition, we ~~plan to~~ extend our services to new clients, lines of business, and selected geographic locations, including outside the U. S., and to seek out cross- border opportunities. As we focus more on our delivery of a full range of consulting services from advisory through implementation and attempt to develop new services, clients, practice areas, and lines of business, these efforts could be unsuccessful and adversely affect our results of operations. Such growth efforts place substantial additional demands on our management and staff, as well as on our information, financial, cash flow, and administrative and operational systems. We may not be able to manage these demands successfully. Growth may require increased recruiting efforts, business development, ~~and~~ selling, marketing and other actions that are expensive and increase risk. We may need to invest more in our people and systems, controls, compliance efforts, policies, and procedures than we anticipate. Further, we may need to enhance or modify our systems or processes, or transition to more efficient or effective ones, and these changes and how we handle them may impact the business. Therefore, even if we do grow, the demands on our people and systems, controls, compliance efforts, policies, and procedures may adversely affect the quality of our work, our operating margins, and our operating results, at least in the short- term, and perhaps in the long- term. Efforts involving a different focus, new services, new clients, new practice areas, new lines of business, and increasing internationalization include risks associated with our inexperience and competition from mature participants in those areas. Our expansion of services may result in decisions that could harm our profit and operating results. In particular, implementation and improvement services often relate to the development, implementation, and improvement of critical infrastructure or operating systems that our clients may view as “ mission critical ”. If we fail to satisfy the needs of our clients in providing these services, we could incur reputational damage and clients could claim significant costs and losses for which they could seek compensation from us. RISKS RELATED TO THE GOVERNMENT CONTRACTS BUSINESS Maintaining our client relationships and professional reputation is critical to our ability to successfully win new contracts and renew expired contracts. Our client relationships and professional reputation are key factors in maintaining and growing our business, revenue, and profit levels under contracts with our clients. We continually bid for and execute new contracts, and our existing contracts regularly become subject to re- competition and expiration. If we are not able to replace the revenue from these contracts, either through follow- on contracts or new contracts for those requirements or for other requirements, our revenue and operating results may be adversely affected. On the expiration of a contract, we typically seek a new contract or subcontractor role relating to that client to replace the revenue generated by the expired contract. There can be no assurance that those expiring contracts we are servicing will continue after their expiration, that the client will re- procure those requirements, that any such re- procurement will not be restricted in a way that would eliminate us from the competition (e. g., set asides for small businesses), or that we will be successful in any such re- procurements or in obtaining subcontractor roles. Any factor that diminishes client relationships and / or professional reputation with federal, state and local, and international government clients, as well as commercial clients, could make it substantially more difficult for us to compete successfully for new engagements and qualified employees. To the extent our client relationships and / or professional reputation deteriorate, our revenue and operating results could be adversely affected. The diversity of the services we provide, and the clients we serve, may create actual, potential, and perceived conflicts of interest and business conflicts that limit our growth and could lead to potential liabilities for us. Because we provide services to a wide array of both government and commercial clients, occasions arise where, due to actual, potential, or perceived conflicts of interest or business conflicts, we cannot perform work for which we are qualified. A number of our contracts contain limitations on the work we can perform for others, for example, when we are assisting a government agency or department in developing regulations or enforcement strategies. Actual, potential, and perceived conflicts limit the work we can do and, consequently, can limit our opportunity for growth and adversely affect our operating results. In addition, if we fail to address actual or potential conflicts properly, or even if we simply fail to recognize a perceived conflict, we may be in violation of our existing contracts, may otherwise incur liability, may lose future business for not preventing the conflict from arising, and our reputation may suffer. Particularly as we continue to grow our commercial business, we anticipate that conflicts of interest and business conflicts will pose a greater risk. We derive significant revenue and profit from contracts awarded through a competitive bidding process, which can impose substantial costs on us, and we will lose revenue and profit if we fail to compete effectively. We derive significant revenue and profit from contracts that are awarded through competitive bidding processes. Competitive bidding imposes substantial costs and presents a number of risks, including the: • Substantial cost and managerial time and effort that we spend to prepare bids and proposals; • Need to estimate accurately the resources and costs that will be required to service any contracts we are awarded, sometimes in advance of the final determination of their full scope; • Expense and delay that may arise if our competitors protest or challenge awards made to us pursuant to competitive bidding, as discussed elsewhere; and • Opportunity cost of not bidding on and winning other contracts we may have otherwise pursued. To the extent we engage in competitive bidding and are unable to win particular contracts, we not only incur substantial costs in the bidding process that negatively affect our operating results, but we may lose the opportunity to operate in the market for the services provided under those contracts for a number of years. Even if we win a particular contract through competitive bidding, our profit margins may be depressed, or we may even suffer losses as a result of the costs incurred through the bidding process and the need to lower our prices to overcome competition. Our reliance on GSA Schedule and other IDIQ contracts creates the risk of volatility in our revenue and profit levels. We believe that one of the elements of our success is our position as a prime contractor under GSA Schedule contracts and other IDIQ contracts, and we believe this position is important to our ability to sell our services to federal government clients. However, these contract vehicles require us to compete for each delivery order and task order, rather than having a more predictable stream of activity during the term of a multi- year contract. In addition, we may spend considerable cost and managerial time and effort to prepare bids and proposals for contracts, delivery orders or task orders that we may not win. There can be no assurance that we will continue to obtain revenue from such contracts at current levels, or in any amount, in the future. To the extent that federal government agencies and departments choose to employ GSA Schedule contracts and other IDIQ contracts encompassing activities for which we are not able to compete or provide services, we could lose business, which would negatively affect our revenue and profitability. We may not receive revenue corresponding to the full amount of our backlog, or may receive it later than we expect, which could adversely affect our revenue and operating results. The calculation of backlog is ~~highly subjective and~~ conditioned on numerous uncertainties and estimates, and there can be no assurance that we will in fact receive the amounts we have included in our backlog. Our assessment of a contract’ s potential value is based on factors such as the amount of revenue we have recently recognized on that contract under the assumption that future utilization will be similar, **historical trends and** our experience in utilizing contract capacity on similar types of contracts, and our professional judgment. In the case of contracts that may be renewed at the option of the client, we generally calculate backlog by assuming that the client will exercise all of its renewal options; however, the client may elect not to do so. In addition, federal government contracts rely on Congressional appropriation of funding, which is typically provided only partially at any point during the term of federal government contracts, and all or some of the work to be performed under a contract may require future appropriations by Congress and the subsequent allocation of funding by the procuring agency or department to the contract. Protests of contracts continue to be common in our industry. We do not include contract awards that are subject to a pending protest in our calculation of backlog. If a contract previously included in backlog becomes the subject of a protest, we would adjust backlog to remove that amount and reassess following resolution of the protest. Our estimate of the portion of backlog that we expect to recognize as revenue in any future period may differ from actual results because the receipt and timing of this revenue often depends on subsequent appropriation and allocation of funding and is subject to various contingencies, such as timing of task orders and delivery orders, many of which are beyond our control. In addition, we may never receive revenue from some of the engagements that are included in our backlog, and this risk is greater with respect to unfunded backlog. Although we adjust our backlog to reflect modifications to or renewals of existing contracts, awards of new contracts, or approvals of expenditures, if we subsequently fail to realize revenue corresponding to our backlog, our revenue and operating results could be adversely affected. Our contracts may contain provisions that are unfavorable to us and permit our clients to, among other things, terminate our contracts partially or completely at any time prior to completion. Our contracts may contain provisions that allow our clients to terminate or modify these contracts at their convenience on short notice. If a client terminates one of our contracts for convenience, we ~~should~~ **would** only bill the client for work completed prior to the termination, plus any commitments and settlement expenses that we may claim and the client agrees to pay, but not for any work not yet performed. In addition, many of our government contracts and task and delivery orders are incrementally funded as appropriated funds become available. The reduction or elimination of such funding can result in contract options not being exercised and further work on existing contracts and orders being curtailed. In any such event, we **likely** would have no right to seek lost fees or other damages. In addition, certain contracts with international government clients may have more severe and / or different contract clauses than what we are accustomed to with federal and state and local government clients, such as penalties for any delay in performance. If a client were to terminate, decline to exercise options under, or curtail further performance under one or more of our major contracts, our revenue and operating results could be adversely affected. Our relationships with other contractors are important to our business and, if disrupted, could cause us damage. We derive a portion of our revenue from contracts under which we act as a subcontractor or from " teaming " arrangements in which we and other contractors jointly bid on particular contracts, projects, or programs. As a subcontractor or team member, we often lack control over fulfillment of a contract. Poor performance on the contract, whether resulting from our performance or the performance of another contractor, could tarnish our reputation, result in a reduction of the amount of our work under, or termination of, that contract or other contracts, and cause us to not obtain future work, even when we perform as required. Moreover, our revenue, profit and operating results could be adversely affected if any prime contractor or teammate does not pay our invoices in a timely fashion, chooses to offer products or services of the type that we provide, teams with other companies to provide such products or services, or otherwise reduces its reliance upon us for such products or services. PROFITABILITY RISKS **Our inability** ~~If we are unable~~ to accurately estimate ~~and~~ **or** control our ~~contract~~ costs ~~, then we~~ **on our fixed price contracts** may **result in a** ~~incur losses on our contracts, which could~~ decrease **of** our operating margins ~~and reduce our profits. In particular~~ , ~~the unpredictability of our earnings could increase on our fixed- price contracts if we cannot accurately estimate~~ and ~~control our~~ **in some cases result in** contract **losses** ~~costs. It is important for us to accurately estimate and control our contract costs and maintain positive operating margins and profitability~~ . As described elsewhere in this Form 10- K, we **have** ~~generally enter into~~ three principal types of contracts with our clients: fixed- price, time- and- materials and cost- based. We derived 45 %, **45 %, and** 41 % ~~, and 35 %~~ of our **total** revenue from fixed- price contracts in **2023,** 2022, **and** 2021 ~~, and 2020~~ , respectively. Under fixed- price contracts, we receive a fixed price irrespective of the actual costs we incur and, consequently, we ~~are exposed to a number of risks. We~~ realize a profit on fixed- price contracts only if we can control our costs and prevent cost overruns while ~~also~~ meeting **our** ~~contract~~ **contractual** ~~requirements~~ **obligations** . **Revenue recognition on** ~~Fixed~~ **fixed** - price contracts ~~require~~ **requires us to make** cost and scheduling estimates ~~that are~~ based on a number of assumptions, including ~~those~~ **assumptions** about **availability of labor, equipment, materials, change in contractual scope, and** future economic conditions, **among** ~~costs, and availability of labor, equipment and materials, and other~~ **others** ~~exigencies~~ . ~~We could~~ **While estimates are inherently subjective and often change, we may** experience **contract** cost overruns ~~if these estimates are inaccurate~~ as a result of ~~errors or~~ ambiguities in ~~the~~ contract specifications **,** ~~or~~ **our inability** ~~if they become inaccurate as a result of a change in circumstances following the submission of the estimate due~~ to **meet service- level agreements** , ~~among other things~~ **inflationary pressures, high demand for skilled labor** , unanticipated technical problems, difficulties in obtaining permits or approvals, changes in local laws or labor conditions, weather delays, ~~or the~~ inability of our vendors or subcontractors to perform **, or for other reasons** . ~~If~~ **Contract** cost overruns **that are not reimbursed by** ~~occur, we could experience reduced profits or~~ **our customers** , **would result** in ~~some cases,~~ a loss for that project ~~. If a~~ **and, if the** project is significant ~~,~~ or if ~~there are one or more common issues that impact~~ multiple projects **are impacted** , ~~cost~~ **such aggregate** overruns **may** ~~could increase the unpredictability of our earnings, as well as~~ have ~~an~~ **a material** adverse impact on our business and earnings. Certain lines of business of our commercial work depend on certain sectors of the global economy that are highly cyclical, which can lead to substantial variations in our revenue and profit from period to period. Our commercial clients, which include clients outside the U. S., generated approximately 24 %, **24 %, and** 29 % ~~, and 35 %~~ of our revenue in **2023,** 2022, **and** 2021 ~~, and 2020~~ , respectively. This reliance on commercial clients presents certain risks and challenges. For example, our commercial work is heavily concentrated in industries which can be cyclical, such as: energy, air transportation, and environmental services. Demand for our services from our commercial clients has historically declined when their industries have experienced downturns, and we expect a decline in demand for our services when these industries or their customer bases experience downturns in the future. Our efforts to become involved in engagements that are greater in terms of size, scope and performance demands may result in increased performance and credit risk. As we expand our national and global footprint, we may become involved in a greater number of engagements that will be larger in size ~~and~~ **,** scope and **complexity** ~~more international~~ . The increase in size ~~and~~ **,** scope **, and complexity** of the engagements in which we become involved in subjects us to the potential for a larger impact of performance risk associated with larger and more challenging engagements and the credit risk associated with certain larger customers, particularly among our commercial non- U. S. government and non- federal U. S. government clients. Our customers may face unexpected circumstances that adversely impact their ability to pay their trade payables to us and we may face unexpected borrowing needs or losses as a result. Such circumstances could lead to our commercial customers filing for bankruptcy. This can ultimately lead to variations in our profit from period to period. We **regularly** monitor the aging of receivables ~~regularly~~ and make assessments of the ability of customers to pay amounts due. Our business could be adversely affected by delays caused by our competitors protesting contract awards received by us, which could stop our work. Likewise, we may protest the contracts awarded to some of our competitors, a process that takes the time and energy of our management and may ~~incur~~ **result in** additional legal and consultant costs. Due in part to the competitive bidding process under which government contracts are awarded, we are at risk of incurring expenses and delays if one or more of our competitors protest contracts awarded to us. Contract protests remain common in our industry and may result in a requirement to resubmit offers for the protested contract or in the termination, reduction, or modification of the awarded contract. It can take many months to resolve contract protests and, in the interim, the contracting government agency or department may suspend our performance under the contract pending the outcome of the protest. Even if we prevail in defending the contract award, the resulting delay in the startup and funding of the work under these contracts may adversely affect our operating results. Moreover, in order to protect our competitive position, we may protest the contract awards of our competitors. This process takes the time and energy of our executives and employees, is likely to divert management' s attention from other important matters and could cause us to incur additional legal and consultant costs. COMPLIANCE RISKS We are subject to various routine and non- routine governmental and other reviews, audits and investigations, and unfavorable results could force us to adjust previously reported operating results, affect future operating results, and subject us to a variety of penalties and sanctions. Government departments and agencies we work for, including non- U. S., U. S. federal, and many state and local government clients, review, audit and investigate our contract performance, pricing practices, cost structure, financial capability, and compliance with applicable laws, rules, and regulations. We have experienced growth in services related to disaster recovery in recent years, and those activities, by their nature, may become politicized and involve interaction with multiple tiers of national, state, territorial and local governments, subcontractors, and citizens that increase the risk of claims, audits, investigations, reviews, monitoring and litigation. Any of these reviews, audits and investigations could raise issues that have significant adverse effects, including, but not limited to, delayed payments, substantial adjustments to our previously reported operating results and substantial effects on future operating results. If a government review, audit, or investigation uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, repayment of amounts already received under contracts, forfeiture of profits, suspension of payments, fines, and suspension or debarment from doing business with government agencies and departments, any of which could adversely affect our reputation, our revenue, our operating results, and / or the value of our stock. In addition, we could suffer serious harm to our reputation and our stock price could decline if allegations of impropriety are made against us, whether true or not. Federal government audits have been completed on our incurred contract costs only through ~~2011~~ **2019** for our NIH- cognizant indirect rates and through 2015 for our USAID- cognizant indirect rates. Audits for costs incurred on work performed since then have not yet been completed. In addition, non- audit reviews may still be conducted on all of our government contracts, even for periods before ~~2011~~ **2015** ~~. INTERNATIONAL OPERATIONS RISKS Our business in the U. K. and the E. U. could be negatively affected by uncertainties related to the U. K.' s exit from the E. U. and other potential developments in the E. U. Our U. K. and Belgian operations have traditionally serviced most of our European clients, including the European Commission, and there has been, and remains, a risk that these operations could be disrupted by the withdrawal of the U. K. from the E. U., often referred to as " Brexit. " The U. K.' s withdrawal from the E. U. became effective on January 31, 2020 but was subject to a transition period that lasted until December 31, 2020, when a new U. K. / E. U. trade agreement became effective. Consistent with the political declaration that accompanied the withdrawal treaty, the new trade deal preserved significant elements of " free trade " between the U. K. and the E. U. However, such an exit from the E. U. was unprecedented. It remains uncertain how the commercial, legal, regulatory and tax environment in which we, our customers and our counterparties operate will be affected by Brexit going forward. Among the many necessary changes, the U. K. will have its own customs territory and set its own tariffs. The new trade deal was relatively undeveloped in terms of trade in services, which could affect our ability to provide services into the E. U. from the U. K. The challenges that continue to surround the terms of the U. K.' s exit from the E. U. and its consequences could adversely impact customer and investor confidence and relationships, result in additional market volatility and adversely affect our businesses and results of operations. These effects have derived, and could continue to derive, from delays or reductions in contract awards, canceled contracts, increased costs, fluctuations in exchange rates, difficulty in recruiting or in gaining permission to employ existing staff, difficulty in supplying services across the E. U.- U. K. border, or less favorable payment terms. There also remains the possibility of further political and constitutional changes within the U. K., specifically in relation to Scotland or Northern Ireland (which is accorded a special status with enhanced access to the E. U. Single Market under the withdrawal treaty), with different but significant consequences. Further changes to the functioning model of the E. U. could result in a reduction in the financial resources of the European Commission which could lead to a decrease in the funding and scope of our work for that client. In addition, security, sovereignty, and financial system stability issues resulting from Brexit or other geopolitical events, or the E. U. actions driven by those events, could change the current balance of responsibility established between the European Commission and member states, or affect the results of the E. U. budget- setting process, either of which could also reduce the funding and scope of our work for that client~~ . PRIVACY,

CYBERSECURITY, TECHNOLOGY, AND DATA PROTECTION RISKS electronic security breaches such as unauthorized access to our and our clients' systems.Any of these could lead to disruptions in critical systems,unauthorized releases of confidential or otherwise protected information,and / or corruption of data.The so- called " insider threat," the introduction of unauthorized data and changes into systems by employees and contractors,is an increasingly present risk to be managed.As a federal government contractor,we face a heightened risk of a security breach or disruption with respect to personally identifiable,controlled unclassified information,classified,or otherwise protected data resulting from an attack by computer hackers,foreign governments,and / or cyber terrorists.Improper disclosure of this Impermissible use, misuse or an improper disclosure of personal data or confidential information and breaches of, or disruptions to, our information technology systems or those of our third- party providers, could adversely affect our business and could result in liability and harm **to** our reputation. We and our vendors process increasingly large amounts of ~~personal and~~ sensitive personal data (collectively, " Personal Data ") concerning our existing and potential employees, clients, client customers, vendors, or other third parties (collectively, " Data Subjects "), as well as handle confidential information on our clients' behalf. Therefore, we must ensure that we, as well as our vendors, can comply and demonstrate compliance with the various countries' and U. S. states' privacy and data protection laws, rules, and regulations (collectively, " Privacy and Data Protection Law (s) ") in any location where we or our vendors process Data Subjects' Personal Data. Privacy and Data Protection Laws often vary significantly, and the changes to existing laws and adoption of new, more rigorous laws occurs on an increasing basis. For example, the **European Union' s (" E. U. ") General Data Protection Regulation ("** GDPR **")** requires us to meet stringent requirements regarding (i) our access, use, disclosure, transfer, protection, or other processing of Personal Data; and (ii) the ability of Data Subjects to exercise their related various rights such as to access, correct **,** or delete their Personal Data. The 2018 California Consumer Privacy Act (" CCPA "), which went into effect January 2020, now imposes similar requirements. New privacy laws in California, Colorado, ~~and~~ Virginia ~~will take~~ **, and other states took** effect in 2023, with others likely to follow. Several privacy bills have also been introduced in Congress. Key markets in the Asia- Pacific region have also recently adopted GDPR- like legislation, including China' s new Personal Information Protection Law. Failure to meet Privacy and Data Protection Law requirements could result in significant civil penalties (including fines up to 4 % of annual worldwide revenue under the GDPR) as well as criminal penalties. Privacy and Data Protection Law requirements also confer a private right of action in some countries, including under the GDPR. We may incur substantial costs associated with protecting Personal Data and maintaining compliance with the various Privacy and Data Protection Laws, including restrictions on international data transfers, ~~in particular~~ **particularly** in light of the increasing scrutiny by supervisory authorities. These costs could adversely affect our results of operations. In addition, any inability, real or perceived, to adequately address privacy and data protection concerns, or to comply with applicable Privacy and Data Protection Laws, policies, industry standards, or contractual obligations could result in additional cost and liability to us, damage our reputation, negatively impact our ability to win new contracts or process Personal Data in certain geolocations, and otherwise adversely affect our business. Systems and / or service failures could interrupt our operations, leading to reduced revenue and profit. Any interruption in our operations or any systems failures, including, but not limited to: (i) the inability of our staff to perform their work in a timely fashion, whether caused by limited access to and / or closure of our and / or our clients' offices or otherwise; (ii) the failure of network, software **,** and / or hardware systems; and (iii) other interruptions and failures, whether caused by us, a third- party service provider, unauthorized intruders ~~and~~ / ~~or~~ hackers, computer viruses, natural disasters, power shortages, terrorist attacks **,** or otherwise, could cause loss of data and interruptions or delays in our business or that of our clients, or both. In addition, the failure or disruption of mail, communications and / or utilities could cause an interruption or suspension of our operations or otherwise harm our reputation or business. Our property and business interruption insurance may be inadequate to compensate us for all losses that may occur as a result of any system or operational failure or disruption and, as a result, revenue, profits ~~and operating results could be adversely affected. We provide digital marketing services in highly competitive and constantly evolving markets. Our success in these markets depends on our ability to develop and integrate new technologies into our business and enhance our existing products and services~~ , ~~as well as our ability to respond to rapid changes in technology in order to remain competitive. In our consumer and financial market, we provide digital marketing services in highly competitive markets. We compete principally with large systems consulting and implementation firms, traditional and digital advertising and marketing agencies, offshore consulting and outsourcing companies, and clients' internal information systems departments. To a lesser extent, other competitors include boutique consulting firms that maintain specialized skills and / or are geographically focused. We expect these competitors to devote significant effort to maintaining and growing their respective market shares. If we cannot respond effectively to advances by our competitors in this market, or grow our own business efficiently, our overall business and operating results could be adversely affected. Our success in this competitive market depends in part on our ability to adapt to rapid technological advances and evolving standards in computer and mobile device hardware and software development and media infrastructure, changing and increasingly sophisticated customer needs, newly developed digital marketing services and platform introductions and enhancements. If, within this market, we are unable to develop new or sufficiently differentiated products and services, to enhance and improve our products and support services in a timely manner or to position and / or price our products and services to meet demand, our overall business~~ and operating results could be adversely affected. We depend on our intellectual property and our failure to protect it could harm our competitive position. Our success depends in part upon our internally developed technology and models, proprietary processes, and other intellectual property that we incorporate in our products and utilize to provide our services. If we fail to protect our intellectual property, our competitors could market services or products similar to our services and products, which could reduce demand for our offerings. Government clients typically retain a perpetual, worldwide, royalty-free right to use the intellectual property we develop for them in a manner defined within government regulations, including providing it to other government agencies or departments, as well as to our competitors in connection with their performance of government contracts. When necessary, we seek authorization to use intellectual property developed for the government or to secure export authorization. Government clients may grant us the right to commercialize software developed with government funding, but they are not required to do so. If we improperly use intellectual property that was even partially funded by government clients, these clients could seek damages and royalties from us, sanction us, and prevent us from working on future government contracts. Actions could also be taken against us if we improperly use intellectual property belonging to others besides our government clients. In addition, there can be substantial costs associated with protecting our intellectual property, which can also have an adverse effect on our results of operations. RISKS RELATED TO ACQUISITIONS When we undertake acquisitions, they may present integration challenges, fail to perform as expected, increase our liabilities, and / or reduce our earnings. One of our growth strategies is to make strategic acquisitions. When we complete acquisitions, it may be challenging and costly to integrate the acquired businesses due to operating and integrating new accounting systems, differences in the locations of personnel and facilities, differences in corporate cultures, disparate business models, or other reasons. If we are unable to successfully integrate acquired companies, our revenue and operating results could suffer. In addition, we may not successfully achieve the anticipated cost efficiencies and synergies from these acquisitions. Also, our costs for managerial, operational, financial, and administrative systems may increase and be higher than anticipated. During and following the integration of an acquired business, we may experience attrition, including losing key employees and / or clients of the acquired business, which could adversely affect our future revenue and operating results and prevent us from achieving the anticipated benefits of the acquisition. The businesses we acquire may have liabilities or adverse operating issues, or both, that we either fail to discover through due diligence or underestimate prior to the consummation of the acquisition. These liabilities and / or issues may include the acquired business' failure to comply with, or other violations of, applicable laws, rules, or regulations or contractual or other obligations or liabilities. As the successor owner, we may be financially responsible for, and may suffer harm to our reputation or otherwise be adversely affected by, such liabilities and / or issues. An acquired business also may have problems with internal controls over financial reporting, which could in turn cause us to have material deficiencies or material weaknesses in our own internal controls over financial reporting. These and any other costs, liabilities, issues, and / or disruptions associated with any past or future acquisitions, and the related integration, could harm our operating results. As a result of our acquisitions, we have substantial amounts of goodwill and intangible assets, and changes in business conditions could cause these assets to become impaired, requiring write- downs that would adversely affect our operating results. All of our acquisitions have involved purchase prices in excess of tangible asset values net of liabilities assumed, resulting in the creation of an increased amount of goodwill and other intangible assets. As of December 31, ~~2022~~ **2023** , goodwill and purchased intangibles accounted for approximately ~~58~~ **61** % and ~~6~~ **5** %, respectively, of our total assets. Under U. S. generally accepted accounting principles, we do not amortize goodwill acquired in a purchase business combination. We evaluate the recoverability of recorded goodwill annually, as well as when events or circumstances indicate there may be an impairment or if we have a material change in reporting units. Although we have to date determined that goodwill has not been impaired, future events or changes in circumstances that result in an impairment of goodwill or intangible assets would have a negative impact on our profitability and operating results. RISKS RELATED TO OUR CORPORATE AND CAPITAL STRUCTURE Provisions of our charter documents and Delaware law may prevent or deter potential acquisition bids to acquire us and other actions that stockholders may consider favorable, and the market price of our common stock may be lower as a result. Our charter documents contain the following provisions that could have an anti- takeover effect: • Our board of directors **(the " Board ")** is divided into three classes, making it more difficult for stockholders to change the composition of the ~~board~~ **Board** ; • Directors may be removed only for cause; • Our stockholders are not permitted to call a special meeting of the stockholders; • All stockholder actions are required to be taken by a vote of the stockholders at an annual or special meeting or by a written consent signed by all of our stockholders; • Our stockholders are required to comply with advance notice procedures to nominate candidates for election to our ~~board~~ **Board** ~~of directors~~ or to place stockholders' proposals on the agenda for consideration at stockholder meetings; and • The approval of the holders of capital stock representing at least two- thirds of our voting power is required to amend our indemnification obligations, director classifications, stockholder proposal requirements, and director candidate nomination requirements set forth in our amended and restated certificate of incorporation and amended and restated bylaws. In addition, we are subject to the anti- takeover provisions of Section 203 of the Delaware General Corporation Law, which regulates corporate acquisitions. These provisions could discourage potential acquisition proposals; delay or prevent a change- in- control transaction; discourage others from making tender offers for our common stock; and / or prevent changes in our management. There are risks associated with our outstanding and future indebtedness which could reduce our profitability, limit our ability to pursue certain business opportunities **,** and reduce the value of our stock **. At our discretion, we borrow funds from our various credit facilities (the " Credit Facility ") under a credit agreement with a group of lenders** . As of December 31, ~~2022~~ **2023** , we had an aggregate of $ ~~556~~ **430** . ~~3~~ **4** million of outstanding indebtedness (net of unamortized debt issuance costs) ~~under a credit facility~~ that will mature on May 6, 2027. Subject to the limits contained in the agreements governing our ~~outstanding debt~~ **Credit Facility** , we may incur additional debt in the future to fund our ongoing operations as well as acquisitions. Our ability to pay interest and repay the principal for our indebtedness from time to time, as well as meet our financial and operating covenant requirements, is dependent upon our ability to, among other things, manage our business operations, and generate sufficient cash flows to service such debt. If we are unable to comply with the terms of our financing agreements or obtain additional required financing, this could ultimately result in a material adverse effect on our financial results and the value of our stock. Among other things, our debt could: • Make it difficult to obtain additional financing for working capital, capital expenditures, acquisitions, or other general corporate purposes; • Result in a substantial portion of our cash flows from operations being dedicated to the payment of the principal and interest on our debt, as well as used to make debt service payments; • Limit our flexibility in planning for, and reacting to, changes in our business and the marketplace; • Place us at a competitive disadvantage relative to other less leveraged firms; and • Increase our vulnerability to economic downturns and rises in interest rates. Should any of these or other unforeseen consequences arise, they could have an adverse effect on our business, financial condition, results of operations, future business opportunities and / or ability to satisfy our obligations under our debt. We cannot assure you that we will pay special or regular dividends on our stock in the future. The ~~board~~ **Board** ~~of directors~~ has authorized, declared and paid regular dividends each quarter since 2018. The declaration of any future dividends and the establishment of the per share amount, record dates and payment dates for any such future dividends are subject to the discretion of the ~~board~~ **Board** ~~of directors~~ taking into account future earnings, cash flows, net income, dividend yield and other factors. Authorization of dividends by the Board is subject to adherence / compliance with our ~~credit~~ **Credit** ~~facility~~ **Facility** . There can be no assurance that the board of directors will declare any dividends in the future. To the extent that expectations by market participants regarding the potential payment, or amount, of any special or regular dividend prove to be incorrect, the price of our common stock may be materially and negatively affected and investors that bought shares of our common stock based on those expectations may suffer a loss on their investment. GENERAL RISK FACTORS ~~Health epidemics, pandemics and similar outbreaks may have material adverse effects on our business, financial position, results of operations, and / or cash flows. We face various risks and uncertainties related to health epidemics, pandemics and similar outbreaks, including the global pandemic resulting from the outbreak of COVID- 19 and its variants. These risks relate to, among other things, the demand for our services, the availability of our staffing and business partners, a possible slowdown of client decision- making as to our services, a significant deterioration of global supply chains and other business conditions, and a possible reprioritization of spending by our clients. We serve both government and commercial clients around the globe, with our services concentrated in the U. S. and Europe, both of which have experienced severe levels of COVID- 19 illness. The effects of the pandemic on client needs, priorities, spending patterns and decision- making can have a material effect on our activity levels and revenues. The pandemic may also affect significant portions of our workforce, and that of our subcontractors and other suppliers and business partners, who may be unable to work effectively due to illness, lockdowns and quarantines, facility closures, travel restrictions, or other government actions and reasons in connection with the COVID- 19 pandemic. As a result, our operations and operating results could be adversely affected by factors such as an inability to perform fully or efficiently on our contracts, and some of our costs may not be fully recoverable or be adequately covered by insurance. It is possible that the spread of new variants of COVID- 19 or other infectious diseases may also cause delays in the willingness or ability of clients to perform, including making timely payments to us, and other unpredictable events. In addition, volatility in the global capital markets that may result from the pandemic and related business conditions could restrict our access to capital and / or increase our cost of capital. We continue to work with our stakeholders (including customers, employees, subcontractors and other suppliers and business partners) to assess, address and mitigate the impact of this global pandemic. While efforts have been made to curtail the pandemic, at this time given potential new variants, we cannot predict the continuing impact of the COVID- 19 pandemic, but it could have a material adverse effect on our business, financial position, results of operations, and / or cash flows.~~ Failure to identify, hire, train **,** and retain talented employees who are committed to our mission and vision could have a negative effect on our reputation and our business. Our business, which entails the provision of professional services to government and commercial clients, largely depends on our ability to attract and retain qualified employees who are often in demand. Additionally, as our business continues to evolve, as we acquire new businesses, and as we provide a wider range of services, we become increasingly dependent on the capabilities of our employees in order to meet the needs of our diverse client base. If we are unable to recruit and retain a sufficient number of qualified employees that are committed to our mission and vision, we may incur higher costs related to an increase in subcontractors, hiring, training **,** and retention. We also rely on key senior members of management. As a result, effective succession planning is important to our long- term success. Failure to ensure effective transfer of knowledge and smooth transitions involving these key employees could hinder our strategic planning and execution as well as impair our ability to effectively serve our clients and maintain and grow our business. Such developments could adversely affect our future revenue and operating results. Changes to U. S. tax laws may adversely affect our financial condition or results of operation and create the risk that we may need to adjust our accounting for these changes. We are subject to taxation in the U. S. and in certain foreign jurisdictions in which we operate, and any changes to income tax laws and rules and regulations could adversely affect our business and our results of operations. Our failure to comply with complex laws, rules, and regulations could cause us to lose business and subject us to a variety of penalties and sanctions. We must comply with laws, rules, and regulations that affect how we do business with our government clients and impose added costs on our business. Each government client has its own laws, rules, and regulations that affect its contracts. Some of the more significant laws and regulations affecting the formation, administration, and performance of U. S. government contracts include: • U. S. Federal Acquisition Regulation, as well as Cost Accounting Standards, and agency and department regulations analogous or supplemental to federal regulation; • U. S. Foreign Corrupt Practices Act; • U. S. Truthful Cost or Pricing Data Act (formerly known as the Truth in Negotiations Act); • U. S. Procurement Integrity Act; • U. S. Civil False Claims Act and the False Statements Act; and • U. S. laws, rules **,** and regulations restricting (i) the use and dissemination of information classified for national security purposes, (ii) the exportation of specified products, technologies, and technical data, and (iii) the use and dissemination of sensitive but unclassified data. Any failure to comply with applicable federal, and / or state and local government laws, rules **,** and regulations could subject us to civil and criminal penalties and administrative sanctions, including termination of contracts, repayment of amounts already received under contracts, forfeiture of profits, suspension of payments, fines, and suspension or debarment from doing business with federal and / or state and local government agencies and departments, any of which could adversely affect our reputation, our revenue, our operating results, and / or the value of our stock. In addition, the federal government and other governments with which we do business may change their procurement practices or adopt new contracting laws, rules, or regulations that could be costly to satisfy or that could impair our ability to obtain new contracts and reduce our revenue and profit, such as curtailing the use of services firms or increasing the use of firms with a " preferred status, " such as small businesses. In addition to our U. S. operations, we also have a significant presence in key markets outside the U. S., including offices in the U. K., Belgium, India, and Canada. Failure to abide by laws, rules **,** and regulations applicable to us because of our work outside the U. S., such as the U. K. Bribery Act **2010** and the ~~European Union' s (" E. U. ") General Data Protection Regulation ("~~ GDPR ~~")~~, could have similar effects to those described above. Our international operations pose additional risks to our profitability and operating results. We have offices in the U. K., Belgium, India ~~, China~~ , and Canada, among others, and expect to continue to have international operations and offices, some of which are in economically developing countries that do not have a well- established business infrastructure. We also perform work in some countries where we do not have a physical office. Some of the countries in which we work have a history of political instability or may expose our employees and subcontractors to physical danger over and above pandemic- related risk. Expansion into selective new geographic regions requires considerable management and financial resources, the expenditure of which may negatively impact our results, and we may never see any return on our investment. Our international operations are subject to risks associated with operating in, and selling to and in, countries other than the U. S., that could, directly or indirectly, adversely affect our international and domestic operations and our overall revenue, profit, and operating results including, but not limited to: • Compliance with the laws, rules, regulations, policies, legal standards, and enforcement mechanisms of the U. S. and the other countries in which we operate, including bribery and anti- corruption laws, economic sanctions, trade restrictions, local tax and income laws, and local labor and employment laws, which are sometimes inconsistent; • Restrictions on the ability to repatriate profits to the U. S. or otherwise move funds; • Potential personal injury to personnel who may be exposed to military conflicts and other hostile situations in foreign countries; • Expropriation and nationalization of our assets or those of our subcontractors, and other inabilities to protect our property rights; and / or • Difficulties in managing and staffing such operations, including obtaining work permits or visas, identifying qualified local employees, operating according to different local labor laws and regulations, dealing with different local business cultures and practices, and collecting contract receivables. In addition, because of our work with international clients, certain of our revenues and costs are denominated in other currencies, then translated to U. S. dollars for financial reporting purposes. Our revenues and profits may decrease as a result of currency fluctuations and devaluations and limitations on the conversion of foreign currencies into U. S. dollars and in the conversion between foreign currencies. We may, from time to time, have forward contract agreements (" hedges ") related to our operations in the U. K. ~~,~~ to hedge the remeasurement between the Euro and the pound sterling. We recognize the changes in the fair value of the economic hedges in our results of operations. We cannot be sure that our hedges will be successful in reducing the risks to us of our exposure to foreign currency fluctuations and, in fact, the hedges may adversely affect our operating results. Presently, there is active armed conflict across the territory of Ukraine as a result of **a** Russian invasion. The war has impacted member states of the E. U. in a variety of ways, including through their provision of weapons, humanitarian supplies, and substantial financial support to Ukraine, and their absorption of millions of Ukrainian ~~and other~~ refugees. While no E. U. member states have become active participants in the conflict, a number of them have greatly increased their defense preparations and investments, reflecting a wholesale shift in the security environment on the continent. It is not currently foreseen that an immediate diplomatic resolution to the conflict is likely. In such an environment, it is possible that E. U. spending priorities may shift suddenly, that our current programs could be disrupted, and that our future opportunities could be diminished. ~~Our~~ **Health epidemics, pandemics, and similar outbreaks may have material adverse effects on our business, financial position, results of** operations **,** ~~face continuous and evolving cybersecurity risks. The continued occurrence of high-profile data breaches of other companies provides evidence of an~~ **and /** ~~external environment hostile to information security. In particular, cybersecurity attacks are increasing in number and sophistication for~~ - **or** ~~the Company~~ **cash flows** . We face **various** ~~a constant risk~~ **risks** ~~of cybersecurity threats, whether from deliberate attacks or unintentional events, including computer viruses, attacks by computer hackers, malicious code, cyber~~ and ~~phishing attacks~~ **uncertainties related to health epidemics** , **pandemics,** and **similar outbreaks. These risks relate to, among** other electronic security breaches such as unauthorized access...... cyber terrorists. Improper disclosure of this **things** ~~information could harm~~ **, the demand for** our ~~reputation and affect~~ **services, the availability of** our ~~relationships with~~ **staffing and** business partners, ~~lead~~ **a possible slowdown of client decision- making as** to ~~legal exposure, or~~ **our services** ~~subject us to liability under laws~~ , ~~rules,~~ **a significant deterioration of global supply chains** and ~~regulations that protect personal or~~ other ~~confidential data, resulting in increased costs or loss of revenue. Although we devote significant resources to our cybersecurity programs and have implemented security measures to protect our systems and to prevent, detect, and respond to cybersecurity incidents, we have been the target of these types of attacks in the past. We have not identified a material adverse impact on our~~ business **conditions, and a possible reprioritization of spending by** ~~or~~ **our clients** ~~our financial results, individually or in the aggregate, due to being the target of prior cyber- attacks~~ . ~~While we are committed to threat detection and mitigation efforts to reduce such impact, there can be no assurance that our efforts will prevent such attacks or their impact in the future. As these security threats continue to evolve, we may be required to devote additional resources to protect, prevent, detect, and respond against cybersecurity attacks, system disruptions and security breaches. Moreover, we also rely in part on third- party software and information technology vendors to run our information systems. Any failure of these third- party systems, which are outside of our control but still impact us, could have similar adverse effects.~~