

Risk Factors Comparison 2024-02-21 to 2023-02-17 Form: 10-K

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You should carefully consider the following risk factors, in addition to the other information contained in this Annual Report on Form 10-K, including the section of this report titled “Management’s Discussion and Analysis of Financial Condition and Results of Operations” and our financial statements and related notes. If any of the events described in the following risk factors and the risks described elsewhere in this Annual Report **on Form 10-K** materializes, our business, operating results and financial condition could be negatively affected, which in turn could affect the trading value of our securities. This Annual Report on Form 10-K also contains forward-looking statements that involve risks and uncertainties. Our actual results could differ materially from those anticipated in the forward-looking statements as a result of factors that are described below and elsewhere in this report or factors that are currently unknown to us. Summary of Risk Factors There are a number of risks related to our business, regulation, our indebtedness and our common stock that you should consider. You should carefully consider all of the information presented in this section “Risk Factors.” Some of the principal risks related to our business include the following:

- Risks associated with the continued economic uncertainty, including **persistent record-high inflation, supply chain challenges**, labor shortages, high interest rates, foreign currency exchange volatility, concerns of economic slowdown or recession **and**, reduced spending or suspension of investment in new or enhanced projects **and geopolitical instability**.
- **We In recent years, we have** experienced increased customer acquisitions and renewals ~~as a result of the COVID-19 pandemic~~ and such increases in customer acquisitions and renewals may not be sustained or may reverse over time or at any time.
- **The recent** increased adoption and use of our platform ~~that began with the COVID-19 pandemic~~ may result in interruptions, delays, or outages, increased customer interactions and waiting times, and increased variable costs, any of which could harm our business, financial condition and results of operations.
- Our business could be adversely affected by the effects of health pandemics or epidemics ~~, including the ongoing COVID-19 pandemic~~.
- We have a history of losses, and we do not expect to be profitable for the foreseeable future.
- Our future revenues and operating results will be harmed if we are unable to acquire new customers, if our customers do not renew their contracts with us, or if we are unable to expand sales to our existing customers or develop new products that achieve market acceptance.
- If the markets for our applications develop more slowly than expected, our growth may slow or stall.
- If we fail to manage our growth effectively or our business does not grow as we expect, our operating results may suffer.
- Acquisitions could disrupt our business and may divert management’s attention and, if unsuccessful, harm our business and operating results.
- We face significant competition from both established and new companies, and the risk of new entrants, including established entrants, offering learning platforms, which may adversely affect our ability to add new customers, retain existing customers and grow our business.
- We rely on our management team and other key employees, and the loss of one or more key employees could harm our business.
- If we fail to maintain, enhance or protect our brand, our ability to expand our customer base will be impaired and our business, financial condition and results of operations may suffer.
- A breach or compromise of our security measures or those we rely on could result in unauthorized access to customers’ data, which may materially and adversely impact our reputation, business and results of operations.
- A substantial portion of the source code for Canvas is available under the terms of an open source license, and accepts contributions or modifications to that source code, each of which could negatively affect our ability to offer our learning platform or subject us to possible litigation.
- Failure to protect and enforce our proprietary technology and intellectual property rights could substantially harm our business, operating results and financial condition.
- Our customers, domestically and internationally, are highly regulated and subject to a number of challenges and risks. Our failure to comply with laws and regulations applicable to us as a technology provider for Higher Education and K-12 could adversely affect our business and results of operations, increase costs and impose constraints on the way we conduct our business.
- We face risk if our estimates of market opportunity and forecasts of market growth prove to be inaccurate or if we need to change our pricing models to compete successfully.

Risks Related to **Economic Events – our Business** and **Industry COVID-19** Our results could be affected by continued economic uncertainty, an economic slowdown or a recession. **Geopolitical instability, including the war between Russia and Ukraine and more recently the war between Israel and Hamas, actual and potential shifts in U. S. and foreign, trade, economic and other policies, and trade tensions between the United States and China, as well as other global events have created macroeconomic uncertainty at a global level.** The current macroeconomic environment is characterized by **persistent record-high inflation, supply chain challenges**, labor shortages, high interest rates, foreign currency exchange volatility, volatility in global capital markets and ~~growing~~ risk of recession. Concerns about the systemic impact of a potential widespread recession (in the U. S. or internationally) or geopolitical issues have ~~lead~~ **led** to increased market volatility and diminished growth expectations in the U. S. economy and abroad, which in turn could result in reductions in IT spending by our existing and prospective customers, reduced enrollments, and pressure on tuition rates and collection thereof. Prolonged economic slowdowns may result in customers delaying or canceling IT projects or seeking to lower their costs by requesting us to renegotiate existing contracts on less advantageous terms or defaulting on payments due on existing contracts or not renewing at the end of existing contract terms. As a result, broadening or protracted extension of an economic downturn could harm our business, revenue, results of operations and cash flows. Even though as of December 31, **2022-2023**, our pipeline ~~of for~~ new **K-12** contracts and cross-sell opportunities ~~remained~~ **remains healthy and robust, complemented by the strength of** state budgets ~~for~~ **dedicated to** digital transformation projects, ~~were robust with approximately 70% of the Elementary and Secondary School Emergency Relief (“ESSER”) fund-funds yet to be invested according to the Department of Education, record teacher retirements~~ **with the third and largest set of funds, carry and an obligation deadline of**

September 30, 2024 strained capacity began slowing decision-making and impacted K-12 sales cycles. We have not experienced material adverse impacts to our results of operations, but there is no guarantee that worsening of economic conditions will not result in reduced ~~K-12~~ or higher education spend or a delay or suspension of investment in new or enhanced projects. In addition, during 2022, the U. S. dollar strengthened against **may fluctuate relative to** foreign currencies **depending on whether**. The U. S. dollar may continue to strengthen against foreign currencies as the U. S. Federal Reserve further raises the federal funds interest rate **or if they choose to lower the federal funds interest rate as some recent reports have indicated**, which could further impact our reported expenses. Similarly, as a result of increased federal funds interest rates **in 2023**, the interest rate applicable to our Senior Term Loan increased from 3.25% as of December 31, 2021 to 6.12% as of December 31, 2022 **to 8.68% as of December 31, 2023**, impacting our cost of debt. These items have not had a material impact on our results of operations to date. A severe or prolonged economic downturn, including a recession or depression, could impact our customer spending and as a result, impact our business, including our revenues and our ability to raise additional capital when needed on favorable terms or at all. We cannot anticipate the impact of the current economic environment on our business and any of the foregoing could materially harm our business. Nevertheless, if economic conditions worsen or a recession occurs, our business, operations and financial results could be materially adversely affected. Our new customer acquisition and expansion and customer renewals increased as a result of the COVID-19 pandemic and such increases in customer acquisitions and renewals may not be sustained or may reverse over time or at any time. We experienced significant increases in customer acquisition and expansion and customer renewals **as a result of, which began with** the COVID-19 pandemic **and have since continued**, particularly as it ~~related~~ **relates** to statewide implementations of our learning platform. You should not rely on the increase in customer acquisitions and renewals experienced **in recent years** during the height the ~~COVID-19 pandemic~~ as an indication of our future performance. Many factors may contribute to declines in our acquisitions of customers and customer renewals in future periods, including if there is slowing demand for our learning platform, as a result of macroeconomic conditions or a potential recession. If our growth rate declines, investors' perceptions of our business and the trading price of our common stock could be adversely affected. The continued **recent** increased use of our platform ~~that began with the COVID-19 pandemic~~ has resulted in increased customer interactions and wait times, and may result in interruptions, delays, or outages in our learning platform, which could result in breach of our standard customer agreements, our performance guarantees and service level standards thereunder; and ~~will~~ **has** result **resulted** in increased variable costs, all of which could harm our business financial condition and results of operations. The usage and adoption of our learning platform increased as a result of the COVID-19 pandemic and **has since continued and** customer interactions and wait times for our customers increased accordingly. If our customer support teams are unable to keep up with the increased demands of our customers, customers may experience delays or interruptions in service, which could result in the breach of our standard customer agreements including performance guarantees and service level standards that obligate us to provide credits in the event of a significant disruption in our platform. We rely upon AWS to operate certain aspects of our services and if our arrangement with AWS is unable to keep up with our increased needs for capacity, particularly in light of the increased adoption and usage of our platform ~~that began with the pandemic~~, we will need to adapt our arrangement with AWS to meet such increased demand. As a result of our AWS usage demands increasing, we experienced higher variable costs. If such higher variable costs continue to increase, they may disproportionately affect our flat fee arrangements and further be disproportionate to any fee increases for our services, which may harm our business, financial condition, and operating results. As our customers transitioned back to the classroom, the demand for our network and data storage capacity, inclusive of third-party cloud hosting, ~~has come~~ **came** down from peak pandemic levels, but remains significantly higher than pre-pandemic levels. **Health pandemics or epidemics, including the..... Risks Related to Our Business and Industry** We have a history of losses and anticipate that we will continue to incur losses for the foreseeable future and may not achieve or maintain profitability in the future. We have incurred net losses of \$ 34.1 million, \$ 34.2 million, and \$ 88.7 million, \$ 178.0 million, and \$ 22.2 million, for the years ended December 31, **2023**, 2022, and the year ended December 31, 2021, ~~Successor 2020 Period, and Predecessor 2020 Period~~, respectively. We had an accumulated deficit of \$ ~~300.335.90~~ million at December 31, **2022-2023**. We must generate and sustain higher revenue levels in future periods to become profitable, and, even if we do, we may not be able to maintain or increase our profitability. We expect to continue to incur losses for the foreseeable future as we expend substantial financial and other resources on, among other things: • sales and marketing, including expanding our direct sales organization and marketing programs, particularly for larger customers; • investments in our research and development team, and the development of new applications and new features for, and enhancements of, our existing applications; • expansion of our operations and infrastructure, both domestically and internationally; and • general administration, including legal, accounting, and other expenses related to being a public company. These expenditures may not result in additional revenue or the growth of our business. We also expect that our revenue growth rate will continue to decline over time. Accordingly, we may not be able to generate sufficient revenue to offset our expected cost increases and achieve and sustain profitability. If we fail to achieve and sustain profitability, the market price of our common stock could decline. We depend on new customer acquisition and expansion and customer renewals to grow our business. We derive, and expect to continue to derive, a substantial majority of our revenue from the sale of new subscriptions or renewals of subscriptions to our learning platform and applications and cross-selling additional offerings into our existing customer base. Our growth today is primarily driven by new subscriptions and the related services and support bookings. Our contracts typically vary in length between one and five years and our customers have no obligation to renew their subscriptions after the expiration of their initial subscription periods. Our customers may elect not to renew or may seek to renew for lower subscription amounts or for shorter contract lengths. Our customers may make their decision to renew based on a number of factors, including their respective resources, pricing changes, their adoption and utilization of our applications and services, their satisfaction with our learning platform and applications, procurement or budgetary decisions from legislative or other regulatory bodies, and deteriorating general economic conditions. As our customer base continues to grow, renewals will become an

increasingly important part of our results. If our customers do not renew their subscriptions for our learning platform and applications, or decrease the amount they spend with us, our revenue will decline and our business will be harmed. If the markets for our applications develop more slowly than we expect, our growth may slow or stall as demand for our learning platform reduces, and our operating results would be harmed. The markets for learning platforms are still evolving, and we depend on continued growth of these markets. In particular, we do not know whether the trend of adoption of cloud applications and infrastructure we have experienced with our academic customers in the past will continue in the future. To date, we have derived a substantial majority of our revenue from Canvas. A critical factor for our continued growth is our ability to sell our learning platform to new customers in Higher Education and K- 12. The adoption trend for our academic customers is subject to influence from federal, state and local policymakers. We will continue to incur substantial operating costs, particularly in sales and marketing and research and development, in attempting to develop these markets. If the market for our learning platform does not develop as we anticipate, or does not continue to grow, or grows more slowly than we expect, our operating results would be harmed. We have also benefited from the accelerated adoption of remote learning **as a result of, which began with the COVID- 19 pandemic**, and have therefore experienced significant revenue growth in prior periods. You should not rely on the revenue growth of any prior quarterly or annual period as an indication of our future performance. ~~The accelerated remote learning trend has eased and the COVID-19 pandemic continues to taper.~~ To the extent these trends continue to slow or reverse, our sales and profitability would be adversely affected. We could lose customers and revenue if there are changes in the spending policies or budget priorities for government funding of colleges, universities, K- 12 schools and other education providers. Our customers include colleges, universities, K- 12 schools and other education providers, many of which depend substantially on government funding. Accordingly, any general decrease, delay or change in federal, state or local funding for colleges, universities, schools and other education providers could cause our current and potential customers to reduce their purchases of our learning platform, or decide not to renew their subscriptions, any of which could cause us to lose customers and revenue. In addition, a specific reduction in governmental funding support for learning ~~platform~~ **platforms** could also cause us to lose customers and revenue. Our business may be adversely affected by changes in state educational funding, resulting from changes in legislation, both at the federal and state levels, changes in the state procurement process, changes in government leadership, declines in K- 12 school enrollment, emergence of other priorities and changes in the condition of the local, state or U. S. economy. Moreover, future reductions in federal funding and the state and local tax bases could create an unfavorable environment, leading to budget shortfalls resulting in a decrease in educational funding. Any decreased funding for schools may harm our recurring and new business materially if our customers are not able to find and obtain alternative sources of funding. Interruptions or performance problems associated with our learning platform may adversely affect our business, financial condition and results of operations. Our continued growth depends in part on the ability of our existing and potential customers to access our learning platform and its capabilities at any time and within an acceptable amount of time. We have experienced, and may in the future experience, disruptions, outages, and other performance problems due to a variety of factors, including infrastructure changes, introductions of new functionality, human or software errors, capacity constraints due to an overwhelming number of users accessing our learning platform and its capabilities simultaneously, denial of service attacks, or other security- related incidents. In some instances, we may not be able to identify the cause or causes of these performance problems within an acceptable period of time. It may become increasingly difficult to maintain and improve our performance, especially during peak usage times and as our learning platform and its capabilities become more complex and our user traffic increases. If our learning and its capabilities are unavailable or if our users are unable to access our learning platforms and its capabilities within a reasonable amount of time or at all, we may experience a loss of customers, lost or delayed market acceptance of our learning platform, delays in payment to us by customers, injury to our reputation and brand, legal claims against us, particularly potential contractual liabilities with our customers, and the diversion of our resources. In addition, to the extent that we do not effectively address capacity constraints, upgrade our systems as needed and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, financial condition and results of operations may be adversely affected. Moreover, our standard customer agreements include performance guarantees and service level standards that obligate us to provide credits in the event of a significant disruption in our platform. To the extent that our third- party service providers experience outages, or to the extent we do not effectively address capacity constraints, upgrade our systems as needed, and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business and operating results may be adversely affected. If we fail to manage our growth effectively or our business does not grow as we expect, or if we fail to scale our business or manage our expenses, our operating results may suffer. Our growth has placed, and will continue to place, a significant strain on our operational, financial and management infrastructure. To manage this growth effectively, we must continue to improve our operational, financial and management systems and controls by, among other things: • effectively attracting, training and integrating new employees, particularly technical personnel and members of our management and sales teams; • further improving our key business systems, processes and information technology infrastructure to support our business needs; • enhancing our information and communication systems to ensure that our employees are well- coordinated and can effectively communicate with each other and our customers; and • improving our internal control over financial reporting and disclosure controls and procedures to ensure timely and accurate reporting of our operational and financial results. If we fail to manage our expansion or implement new systems, or if we fail to implement improvements or maintain effective internal controls and procedures, costs and expenses may increase more than expected and we may not expand our customer base, increase renewals, enhance existing solutions, develop new solutions, satisfy customers, respond to competitive pressures, or otherwise execute our business plan. If we are unable to effectively manage our growth, our operating results will be harmed. We have expanded specific functions over time in order to scale efficiently, to improve our cost structure and help scale our business. Our need to scale our business has placed, and will continue to place, a significant strain on our administrative and operational business

processes, infrastructure, facilities and other resources. Our ability to manage our operations will require significant expenditures and allocation of valuable management resources to improve internal business processes and systems, including investments in automation. Further, we expect to continue to expand our business globally, which will require additional resources and controls. If our operations, infrastructure and business processes fail to keep pace with our business and customer requirements, customers may experience disruptions in service or support or we may not scale the business efficiently, which could adversely affect our reputation and adversely affect our revenue. There is no guarantee that we will be able to continue to develop and expand our infrastructure and business processes at the pace necessary to scale the business, and our failure to do so may have an adverse effect on our business. If we fail to efficiently expand our engineering, operations, customer support, professional services, cloud infrastructure, IT and financial organizations and systems, or if we fail to implement or maintain effective internal business processes, controls and procedures, our costs and expenses may increase more than we planned or we may fail to execute on our learning platform roadmap or our business plan, any of which would likely seriously harm our business, operating results and financial condition. Because we generally recognize revenue from subscriptions ratably over the term of the agreement, near term changes in sales may not be reflected immediately in our operating results. We offer our learning platform primarily through multi- year subscription agreements and generally recognize revenue ratably over the related subscription period. As a result, much of the revenue we report in each quarter is derived from agreements entered into during prior quarters or years. A decline in new or renewed subscriptions in any one quarter is not likely to be reflected immediately in our revenue results for that quarter. However, declines would negatively affect our revenue and deferred revenue balances in future periods, and the effect of significant downturns in sales and market acceptance of our platform and applications, and potential changes in our rate of renewals, may not be fully reflected in our results of operations until future periods. Our subscription model also makes it difficult for us to rapidly increase our total revenue and deferred revenue balance through additional sales in any period, as revenue from new customers is recognized over the applicable subscription term. Acquisitions could disrupt our business and may divert management' s attention and, if unsuccessful, harm our business. We intend to expand by continuing to make acquisitions that could be material to our business. **We As of the date of the filing of this Annual Report on Form 10- K, we** have completed **seven-eight** acquisitions since 2017 and our ability as an organization to successfully acquire and integrate technologies or businesses is limited. Acquisitions involve many risks, including the following: • an acquisition may negatively affect our results of operations and financial condition because it may require us to incur charges or assume substantial debt or other liabilities, may cause adverse tax consequences or unfavorable accounting treatment, may expose us to claims and disputes by third parties, including intellectual property claims and disputes, or may not generate sufficient financial return to offset additional costs and expenses related to the acquisition; • we may encounter difficulties or unforeseen expenditures in integrating the business, technologies, products, personnel or operations of any company that we acquire, particularly if key personnel of the acquired company decide not to work for us; • an acquisition may disrupt our ongoing business, divert resources, increase our expenses and distract our management; • an acquisition may result in a delay or reduction of customer purchases for both us and the company we acquired due to customer uncertainty about continuity and effectiveness of service from either company; • we may encounter difficulties in successfully selling, or may be unable to sell, any acquired products; • an acquisition may involve the entry into geographic or business markets in which we have little or no prior experience or where competitors have stronger market positions; • challenges inherent in effectively managing an increased number of employees in diverse locations; • the potential strain on our financial and managerial controls and reporting systems and procedures; • potential known and unknown liabilities associated with an acquired company; • our use of cash to pay for acquisitions would limit other potential uses for our cash; • if we incur debt to fund such acquisitions, such debt may subject us to material restrictions on our ability to conduct our business and financial maintenance covenants, and materially increase our interest expense; • the risk of impairment charges related to potential write- downs of acquired assets or goodwill in future acquisitions; • to the extent that we issue a significant amount of equity or equity- linked securities in connection with future acquisitions, existing stockholders may be diluted and earnings per share may decrease; and • managing the varying intellectual property protection strategies and other activities of an acquired company. We may not succeed in addressing these or other risks or any other problems encountered in connection with the integration of any acquired business. The inability to integrate successfully the business, technologies, products, personnel or operations of any acquired business, or any significant delay in achieving integration, could harm our business and operating results. Our ability to use net operating losses to offset future taxable income may be subject to limitations. As of December 31, **2022-2023**, we had approximately \$ **271-173. 08** million and \$ **376-345. 07** million of federal and state net operating loss carryforwards, respectively, available to reduce future taxable income that if unused will begin to expire in 2036 for federal purposes and **2022-2024** for state tax purposes. Unused federal net operating loss carryforwards for the tax year ended December 31, 2017 and prior years could expire unused and be unavailable to offset future income tax liabilities. Under the Tax Cuts and Jobs Act (the " TCJA "), as modified by the Coronavirus Aid, Relief, and Economic Security Act (the " CARES Act "), federal net operating losses incurred after December 31, 2017 and in future years may be carried forward indefinitely, but the deductibility of such federal net operating losses after 2020 is limited to 80 % of current year taxable income in any given year. The CARES Act temporarily repealed the 80 % taxable income limitation for tax years beginning before January 1, 2021; net operating loss carryforwards generated after December 31, 2017 and carried forward to taxable years beginning after December 31, 2020 are subject to the 80 % limitation. Also, under the CARES Act, net operating losses arising in 2018, 2019 and 2020 can be carried back 5 years. It is uncertain if and to what extent various states will conform to the TCJA or the CARES Act. In addition, under Section 382 of the Internal Revenue Code of 1986, as amended (the " Code "), and corresponding provisions of state law, if a corporation undergoes an " ownership change, " which is generally defined as a greater than 50 % change, by value, in its equity ownership over a three- year period, the corporation' s ability to use its pre- change net operating loss carryforwards and other pre- change tax attributes to offset its post- change income or taxes may be limited. We may experience ownership changes in the future as a

result of subsequent shifts in our stock ownership, some of which may be outside of our control. If an ownership change occurs and our ability to use our net operating loss carryforwards is materially limited, it would harm our future operating results by effectively increasing our future tax obligations. Changes in our pricing models could adversely affect our revenue, gross profit and financial position. We have in the past and expect in the future that we will need to change our pricing model or contract length from time to time. For example, in September 2020, we raised our subscription prices for North America. As the market for our platform and applications grows, as new competitors introduce new competitive applications or services, or as we enter into new international markets, we may be unable to attract new customers at the same price or based on the same pricing models we have historically used, or for contract lengths consistent with our historical averages. Pricing and contract length decisions may also impact the adoption of our learning platform and negatively impact our overall revenue. Moreover, larger organizations may demand substantial price concessions or shorter contract duration. As a result, in the future we may be required to reduce our prices or offer shorter contract durations, which could adversely affect our revenue, gross profit and financial position. The length and unpredictability of the sales cycle for our learning platform could delay new sales and cause our revenue for any given quarter to fail to meet our estimates or market expectations. The sales cycle between our initial contact with a potential customer and the signing of a subscription agreement varies. As a result of the variability and length of the sales cycle, we have only a limited ability to forecast the timing of sales. A delay in or failure to complete sales could harm our business and financial results and could cause our financial results to vary significantly from period to period. Our sales cycle varies widely, reflecting differences in our potential customers' decision-making processes, procurement requirements and budget cycles, and is subject to significant risks over which we have little or no control, including:

- customers' budgetary constraints and priorities;
- the timing of our customers' budget cycles;
- the need by some customers for lengthy evaluations that often include both their administrators and faculties; and
- the length and timing of customers' approval processes.

Potential customers typically conduct extensive and lengthy evaluations before committing to our applications and services and generally require us to expend substantial time, effort and money educating them as to the value of our learning platform. If we fail to effectively develop and expand our sales and marketing capabilities, our ability to increase our customer base and increase the market share of our learning platform and applications could be harmed. In order to continue to increase the number of customers and market share of our platform and applications, we will need to continue to develop our sales and marketing operations, including our domestic and international sales force. We expect to continue dedicating significant resources to sales and marketing programs for the foreseeable future. The effectiveness of our inbound sales and marketing has varied over time and may vary in the future. Our business will be harmed if our efforts do not generate a correspondingly significant increase in revenue. We may not achieve anticipated revenue growth from expanding our sales force if we are unable to hire, develop and retain talented sales personnel, if our new sales personnel are unable to achieve desired productivity levels in a reasonable period of time or if our sales and marketing programs are not effective. We face significant competition from both established and new companies, and the risk of new established entrants, offering learning platforms, which may harm our ability to gain new customers, retain existing customers and grow our business. The learning platform market is evolving and highly competitive, particularly in the Higher Education and K-12 market. With the introduction of new technologies and the potential entry of new competitors into the market, we expect competition to persist and intensify in the future, which could harm our ability to increase sales, maintain or increase renewals and maintain our prices. We face intense competition from other software companies that develop learning platforms. With respect to LMS, companies such as Blackboard, D2L, Moodle, and Schoology have offerings that compete with certain of our products across our different end markets. We may also in the future face competition from new entrants to our market, some of whom would be able to invest massive resources to develop a unified platform that competes directly with ours or to acquire one or more of our competitors to compete with us. If existing or new companies develop or market a learning platform similar to ours, develop an entirely new software platform for the Higher Education and K-12 sector, acquire one of our existing competitors or form a strategic alliance with one of our competitors or other industry participants, our ability to compete effectively could be significantly impacted, which would have a material adverse effect on our business, results of operations and financial condition. Competition could significantly impede our ability to sell or renew subscriptions to our platform and applications on terms favorable to us. Our current and potential competitors may develop and market new technologies that render our existing or future solutions less competitive, unmarketable or obsolete. In addition, if these competitors develop platforms and applications with similar or superior functionality to our learning platform, we may need to decrease the prices or accept less favorable terms for our subscriptions in order to remain competitive. If we are unable to maintain our pricing due to competitive pressures, margins will be reduced and operating results will be negatively affected. Certain competitors have, and potential competitors may have, significantly more financial, technical, marketing and other resources than us, and may be able to devote greater resources to the development, promotion, sale and support of their applications and services, have more extensive customer bases and broader customer relationships, and longer operating histories and greater name recognition than us. As a result, these competitors may be better able to respond quickly to new technologies and to undertake more extensive marketing campaigns. In a few cases, these vendors may also be able to offer additional software at little or no additional cost by bundling them with their existing suite of applications. To the extent any competitor has existing relationships with potential customers for other applications, those customers may be unwilling to purchase our learning platform because of their existing relationships with the competitor. If we are unable to compete with such companies, the demand for our platform and applications could be adversely affected. Joint ventures, platform partnerships, and strategic alliances may have a material adverse effect on our business, results of operations and prospects. We may enter into joint ventures, platform partnerships, and strategic alliances as part of our long-term business strategy, including with current and future competitors. Joint ventures, platform partnerships, strategic alliances, and other similar arrangements involve significant investments of both time and resources, and there can be no assurances that they will be successful. They may present significant challenges and risks, including that they may not advance our business strategy, we

may get an unsatisfactory return on our investment or lose some or all of our investment, they may distract management and divert resources from our core business, they may expose us to unexpected liabilities, or we may choose a partner that does not cooperate as we expect them to and that fails to meet its obligations or that has economic, business, or legal interests or goals that are inconsistent with ours. Entry into certain joint ventures, platform partnerships, or strategic alliances now or in the future, particularly if entered into with a current and future competitor, may be subject to government regulation, including review by U. S. or foreign government entities, or restrict our operations. If a joint venture or similar arrangement were subject to regulatory review, such regulatory review might limit our ability to enter into the desired strategic alliance and thus our ability to carry out our long- term business strategy. Additionally, in the event we enter into an arrangement with a particular partner, we may be less likely (or unable) to work with one or more direct competitors of our partner with which we would have worked absent the arrangement. If we fail to offer high- quality professional services and support, our business and reputation may suffer. High- quality professional services and support, including training, implementation and consulting services, are important for the successful marketing, sale and use of our learning platform and applications and for the renewal of existing customers. The importance of high- quality professional services and support will increase as we expand our business and pursue new customers. If we do not provide effective ongoing support, our ability to sell additional functionality and services to, or to retain, existing customers may suffer and our reputation with existing or potential customers may be harmed. Our expense reduction plan may not produce the savings expected and may negatively impact our other initiatives and efforts to grow our business. We are consistently exploring measures aimed at improving our profitability and maintaining flexibility in our capital resources, including the introduction of our expense reduction plan. For example, in 2020 we began restructuring our mix of onshore and offshore research and development through a variety of initiatives, including moving a portion of our development efforts to Budapest, Hungary. Also in 2020, we simplified our organizational design and aligned the organization with our sole focus on serving education, eliminating low ROI program expenses, and closing and consolidating facilities internationally and within the United States. We expect to continue to take measures to improve our profitability and cash flows from operating activities. However, there can be no assurance that the cost control measures will be successful. In addition, these and any future spending reductions, if any, may negatively impact our other initiatives or our efforts to grow our business, which may negatively impact our future results of operations and increase the burden on existing management, systems, and resources. Our business outside the U. S. exposes us to risks associated with international operations. In 2022-2023, 21-20 % of our revenue was derived from outside the United States. We opened our international headquarters in London, England in 2014 and have offices in Sydney, Australia, Hong Kong, Sao Paulo, Brazil, and Amsterdam, Netherlands, Mexico City, Mexico, Budapest, Hungary, and Singapore. Our international efforts strategy focuses on the United Kingdom (the “ U. K. ”), the Nordics, Australia, and New Zealand, and is expected to be bolstered in the future in growing markets such as the Benelux region, Spain, Singapore, Philippines, and Brazil. Our current international operations and future initiatives involve a variety of risks, including: • more stringent regulations relating to data security and the unauthorized use of, or access to, commercial and personal information, particularly in the European Union (the “ EU ”) and the U. K.; • technical or latency issues in delivering our platform and applications; • dependence on certain third parties, including potentially resellers with whom we do not have extensive experience; • unexpected changes in regulatory requirements, taxes or trade laws; • differing labor regulations, especially in the EU, where labor laws are generally more advantageous to employees as compared to the U. S., including deemed hourly wage and overtime regulations in these locations; • challenges inherent in efficiently managing an increased number of employees over large geographic distance-distances, including the need to implement appropriate systems, policies, benefits and compliance programs; • difficulties in maintaining our company culture with a dispersed and distant workforce; • difficulties in managing a business in new markets with diverse cultures, languages, customs, legal systems, alternative dispute systems and regulatory systems; • currency exchange rate fluctuations and the resulting effect on our revenue and expenses, and the cost and risk of entering into hedging transactions if we choose to do so in the future; • limitations on our ability to reinvest earnings from operations in one country to fund the capital needs of our operations in other countries; • limited or insufficient intellectual property protection; • political instability or terrorist activities, including the war between Russia and Ukraine and more recently the war between Israel and Hamas, and trade tensions between the United States and China, as well as other global events; • requirements to comply with foreign privacy and information security laws and regulations and the risks and costs of non- compliance; • likelihood of potential or actual violations of domestic and international anticorruption laws, such as the U. S. Foreign Corrupt Practices Act of 1977, as amended (the “ FCPA ”), and the U. K. Bribery Act 2010, or of U. S. and international export control and sanctions regulations, which likelihood may increase with an increase of sales or operations in foreign jurisdictions and operations in certain industries; and • adverse tax burdens and foreign exchange controls that could make it difficult to repatriate earnings and cash. Our limited experience in operating our business internationally increases the risk that any potential future expansion efforts that we may undertake will not be successful. If we invest substantial time and resources to expand our international operations and are unable to do so successfully and in a timely manner, our business and operating results will be harmed. Our success and future growth depend upon the continued services of our management team and other key employees in the areas of engineering, marketing, sales, services and general and administrative functions. From time to time, there may be changes in our management team resulting from the hiring or departure of executives. We also are dependent on the continued service of our existing software engineers and information technology personnel because of the complexity of our learning platform, technologies and infrastructure. Further, we have recently experienced significant changes to our executive leadership team. In 2022, we named a new President and Chief Operating Officer and in 2023 we named a new Chief Financial Officer. This type of management change has the potential to disrupt our operations due to the operational and administrative inefficiencies, added costs, increased likelihood of turnover, and the loss of personnel with vital institutional knowledge, experience and expertise, which could result in significant disruptions to our operations. In addition, changes in key leadership positions may temporarily affect our financial performance and results of operations as new leadership becomes

familiar with our business. We may terminate any employee's employment at any time, with or without cause, and any employee may resign at any time, with or without cause. We do not maintain any "key man" insurance for any employee. The loss of one or more of our key employees could harm our business. If we fail to attract and retain additional qualified personnel, we may be unable to execute our business strategy. To execute our business strategy, we must attract and retain highly qualified personnel. In particular, we compete with many other companies for software developers with high levels of experience in designing, developing and managing cloud-based software, as well as for skilled information technology, marketing, sales and operations professionals, and we may not be successful in attracting and retaining the professionals we need. In addition, as remote working arrangements continue to become normalized, we anticipate increased competition in attracting and retaining the professionals we need from companies located elsewhere in the U. S. and internationally. Companies based in Silicon Valley may offer remote working arrangements and compete for the same employees in our target markets. We have from time to time experienced, and we expect to continue to experience, difficulty in hiring and retaining highly skilled employees with appropriate qualifications which may, among other things, impede our ability to execute our software development and sales strategies. Many of the companies with which we compete for experienced personnel have greater resources than we do. In addition, in making employment decisions, particularly in the software industry, job candidates often consider the value of the stock options or other equity incentives they are to receive in connection with their employment. If the price of our stock declines, or experiences significant volatility, our ability to attract or retain qualified employees will be adversely affected. If we fail to attract new personnel or fail to retain and motivate our current personnel, our growth prospects could be harmed. If we cannot maintain our company culture as we grow, we could lose the innovation, teamwork, passion and focus on execution that we believe contribute to our success and our business may be harmed. We believe that a critical component to our success has been our company culture, which is based on dedication to openness, relationships, equality, ownership and simplicity. We have invested substantial time and resources in building our team within this company culture. If we fail to preserve our culture, our ability to retain and recruit personnel and to effectively focus on and pursue our corporate objectives could be harmed. As we grow, we may find it difficult to maintain these important aspects of our company culture. If we fail to maintain our company culture, our business may be harmed. Our business is dependent upon our brand recognition and reputation, and if we fail to maintain or enhance our brand recognition or reputation, our business could be harmed. We believe that maintaining and enhancing our brands and our reputation are critical to our relationships with our customers and to our ability to attract new customers. We also believe that our brands and reputation will be increasingly important as competition in our markets continues to develop. Our success in this area will depend on a wide range of factors, some of which are beyond our control, including the following: • the efficacy of our marketing efforts; • our ability to continue to offer high-quality, innovative and error- and bug-free applications; • our ability to retain existing customers and obtain new customers; • our ability to maintain high customer satisfaction; • the quality and perceived value of our applications; • our ability to successfully differentiate our applications from those of our competitors; • actions of competitors and other third parties; • our ability to provide customer support and professional services; • any misuse or perceived misuse of our applications; • positive or negative publicity; • interruptions or delays on our platform or applications; • cyber-attacks on or security breaches of our platform and applications or the platforms of certain of our subcontractors; and • litigation, legislative or regulatory-related developments. If our brand promotion activities are not successful, our operating results and growth may be harmed. Furthermore, negative publicity, whether or not justified, relating to events or activities attributed to us, our employees, our partners or others associated with any of these parties, may tarnish our reputation and reduce the value of our brand. Damage to our reputation and loss of brand equity may reduce demand for our learning platform and have an adverse effect on our business, operating results and financial condition. Moreover, any attempts to rebuild our reputation and restore the value of our brands may be costly and time consuming, and such efforts may not ultimately be successful. ~~Any Our billing and collections processing activities are complex and time-consuming, and any~~ ~~delay in transmitting and collecting payment could have an adverse effect on our future revenue - Billing for our learning platform is complex, time-consuming and expensive.~~ Depending on the billing arrangement and applicable law, we often bill various entities within a school district, all of which may have different billing requirements. In addition, because many of our customers are educational institutions that provide fundamental services, it is difficult to cease service when bills are not paid, which limits our collection methods. These factors create increased risk in our collection efforts, including long collection cycles and the risk that we may never collect at all, either of which could adversely affect our business, financial condition and results of operations. Risks Related to our Technology and our Intellectual Property Rights We rely upon AWS to operate certain aspects of our service and any disruption of or interference with our use of AWS could impair our ability to deliver our learning platform to our customers, resulting in customer dissatisfaction, damage to our reputation, loss of customers and harm to our business. AWS provides a distributed computing infrastructure platform for business operations, or what is commonly referred to as a cloud computing service. We have designed our learning platform, software and computer systems to use data processing, storage capabilities and other services provided by AWS. Currently, our cloud service infrastructure is run on AWS. Given this, we cannot easily switch our AWS operations to another cloud provider, so any disruption of or interference with our use of AWS would impact our operations and our business would be adversely impacted. AWS provides us with computing and storage capacity pursuant to an agreement that continues until terminated by either party. AWS may terminate the agreement without cause by providing 90 days' prior written notice, and may terminate the agreement with 30 days' prior written notice for cause, including any material default or breach of the agreement by us that we do not cure within the 30-day period. The agreement requires AWS to provide us their standard computing and storage capacity and related support in exchange for timely payment by us. If any of our arrangements with AWS is terminated, we could experience interruptions in our learning platform as well as delays and additional expenses in arranging new facilities and services. Additionally, if our arrangement with AWS is unable to keep up with our increased needs for capacity, customers may experience delays or interruptions in their use of our learning platform. We plan to continue adapting our arrangement with

AWS to meet increased demand, but we may be unable to do so in a timely manner. As our AWS usage demands increase, we will experience higher variable costs and such higher variable costs may disproportionately affect our flat fee arrangements and further be disproportionate to any fee increases for our services, which may harm our business, financial condition, and operating results. We utilize third- party data center hosting facilities operated by AWS, located in various sites within the states of Virginia, Ohio and Oregon. For international customers, we utilize third- party data center hosting facilities operated by AWS located in Dublin, Ireland, Frankfurt, Germany, Sydney, Australia, Montreal, Canada and Singapore. Our operations depend, in part, on AWS' s abilities to protect these facilities against damage or interruption from natural disasters, power or telecommunications failures, criminal acts and similar events. Despite precautions taken at our data centers, the occurrence of spikes in usage volume, a natural disaster, an act of terrorism, vandalism or sabotage, a decision to close a facility without adequate notice, or other unanticipated problems at a facility could result in lengthy interruptions in the availability of our platform. Even with current and planned disaster recovery arrangements, our business could be harmed. Also, in the event of damage or interruption, our insurance policies may not adequately compensate us for any losses that we may incur. These factors in turn could further reduce our revenue, subject us to liability and cause us to issue credits or cause customers to fail to renew their subscriptions, any of which could harm our business or negatively impact our brand. If we fail to adapt and respond effectively to rapidly changing technology, evolving industry standards and changing customer needs or requirements, our learning platform may become less competitive. Our future success depends on our ability to adapt and enhance our learning platform. To attract new customers and increase revenue from existing customers, we need to continue to enhance and improve our application offerings, features and enhancements to meet customer needs at prices that our customers are willing to pay. Such efforts will require adding new functionality and responding to technological advancements, which will increase our research and development costs. If we are unable to develop applications that address customers' needs, or enhance and improve our platform in a timely manner, we may not be able to maintain or increase market acceptance of our learning platform. Further, our competitors may expend a considerably greater amount of funds on their research and development programs, and those that do not may be acquired by larger companies that would allocate greater resources to our competitors' research and development programs. If we fail to maintain adequate research and development resources or compete effectively with the research and development programs of our competitors our business could be harmed. Our ability to grow is also subject to the risk of future disruptive technologies. Access and use of our platform and applications is provided via the internet, which, itself, was disruptive to the previous enterprise software model. If new technologies emerge that are able to deliver learning platforms and related applications at lower prices, more efficiently, more conveniently or more securely, such technologies could adversely affect our ability to compete. If we do not maintain the compatibility of our learning platform with third- party applications that our customers use in their schools or businesses, our revenue will decline. A significant percentage of our customers choose to integrate our applications and platform with certain capabilities of third- party publishers and software providers using APIs. The functionality and popularity of our platform depends, in part, on our ability to integrate our platform with third- party applications and software. Third- party providers of applications may change the features of their applications and software, restrict our access to their applications and software or alter the terms governing the use of their applications and software and access to those applications and software in an adverse manner. Such changes could functionally limit or terminate our ability to use these third- party applications and software in conjunction with our learning platform, which could negatively impact our offerings and harm our business. If we fail to integrate our platform with new third- party applications and software that our customers utilize, we may not be able to offer the functionality that our customers need, which would negatively impact our ability to generate revenue and adversely impact our business. If our network or computer systems are breached or unauthorized access to customer or other data is reported to have occurred or information is otherwise actually obtained, our platform and applications may be perceived as insecure and we may lose existing customers or fail to attract new customers, our reputation may be damaged and we may incur significant liabilities. Use of our learning platform involves the storage, transmission and processing of our customers' data, including personal or identifying information regarding their students or employees. Our systems that house this data are potentially vulnerable to security breaches from inadvertent or intentional actions by our employees, contractors, consultants, business partners, and / or other third parties, or from cyber- attacks by malicious third parties (including the deployment of harmful malware, ransomware, denial- of- service attacks, social engineering and other means to affect service reliability and threaten the confidentiality, integrity and availability of information), which may compromise our system infrastructure or lead to the loss, destruction, alteration or dissemination of, or damage to, our data. ~~For example, due to the COVID-19 pandemic, substantially all of our employees are working remotely.~~ As a result, we may have increased cyber security and data security risks, due to increased use of home Wi- Fi networks and virtual private networks, as well as increased disbursement of physical machines. Cyber- attacks and other accidental or malicious internet- based activities continue to increase generally, and cloud- based platform providers of software and services have been targeted by bad actors. If any unauthorized access to or security breaches of our platform or applications, or those of our service providers, occurs, or is believed to have occurred, such an event or perceived event could result in the loss of or unauthorized processing of data, loss of intellectual property or trade secrets, loss of business, severe reputational or brand damage adversely affecting customer or investor confidence, regulatory investigations and orders, litigation, indemnity obligations, damages for contract breach, penalties for violation of applicable laws, regulations, or contractual obligations, and significant costs for remediation that may include liability for stolen assets or information and repair of system damage that may have been caused, incentives offered to customers or other business partners in an effort to maintain business relationships after a breach, and other liabilities. Additionally, any such event or perceived event could impact our reputation, harm customer confidence, hurt our sales and expansion into existing and new markets, or cause us to lose existing customers. Additionally, actual, potential or anticipated attacks may cause us to incur increasing costs, including costs to deploy additional personnel and protection technologies, train employees and engage third- party experts and consultants. Moreover, failure to maintain effective internal accounting controls

related to data security breaches and cybersecurity in general could impact our ability to produce timely and accurate financial statements and could subject us to regulatory scrutiny. In addition, if customers believe that our platform and applications do not provide adequate security for the storage of personal or other sensitive or confidential information or the transmission of such information over the internet, our business will be harmed. Customers' concerns about security or privacy may deter them from using our platform and applications for activities that involve personal or other sensitive or confidential information. Although we maintain liability insurance for liabilities incurred as a result of some security and privacy incidents and damages, we cannot be certain that our coverage will be adequate for liabilities actually incurred or that insurance will continue to be available to us on economically reasonable terms, or at all. Additionally, cybersecurity has become a top priority for regulators around the world, and every state in the U. S. and most other countries have laws in place requiring companies to notify users if there is a security breach that compromises certain categories of their PII. In the U. S., the SEC has **proposed rules issued a final ruling** for mandatory disclosure of cybersecurity incidents suffered by public companies, as well as cybersecurity governance and risk management. Any failure or perceived failure by us to comply with these laws may subject us to significant regulatory fines and private litigation, any of which could harm our business. Because data security is a critical competitive factor in our industry, we make public statements in our privacy policies describing the security of our learning platform. Should any of these statements be untrue, become untrue, or be perceived to be untrue, even if through circumstances beyond our reasonable control, we may face claims, including claims of unfair or deceptive trade practices, brought by the U. S. Federal Trade Commission (the "FTC"), federal, state, local, or foreign regulators, and private litigants. Our use of open source software could impose limitations on our ability to commercialize our learning platform or subject us to possible litigation. Our applications, in particular a substantial portion of Canvas, use open source software that we, in some cases, have obtained from third parties. Open source software is generally freely accessible, usable and modifiable, and is made available to the general public on an "as-is" basis under the terms of a non-negotiable license. The open source software used in our applications may contain real or perceived defects or security vulnerabilities which could adversely affect our reputation or subject us to claims or disputes if our customers are specifically targeted by attackers exploiting such vulnerabilities in our applications. Use and distribution of open source software may entail greater risks than use of third-party commercial software. Open source software licensors generally do not provide warranties or other contractual protections regarding infringement, misappropriation or other violation claims or the quality of the code. In addition, certain open source licenses, like the GNU Affero General Public License (the "AGPL"), may require us to offer for no cost the components of our software that incorporate the open source software, to make available source code for modifications or derivative works we create based upon incorporating or using the open source software, or to license our modifications or derivative works under the terms of the particular open source license. If we are required, under the terms of an open source license, to release the source code of our proprietary software to the public, our competitors could create similar applications with lower development effort and time, which ultimately could result in a loss of sales for us. We may also face claims alleging noncompliance with open source license terms or infringement or misappropriation of proprietary software. These claims could result in litigation, require us to purchase a costly license or require us to devote additional research and development resources to change our software, any of which would have a negative effect on our business and operating results, including being enjoined from the offering of the components of our software that contained the open source software. In addition, if the license terms for open source software that we use change, and we cannot continue to use the version of such software that we had been using, we may be forced to re-engineer our applications, incur additional costs, or discontinue the sale of applications or services if re-engineering could not be accomplished on a timely basis, or make generally available, in source code form, all or a portion of our proprietary source code, any of which could materially and adversely affect our business and operating results. We could also be subject to suits by parties claiming ownership of what we believe to be open source software. Litigation could be costly for us to defend, have a negative effect on our operating results and financial condition and require us to devote additional research and development resources to change our applications. Although we monitor our use of open source software to avoid subjecting our applications to unintended conditions, few courts have interpreted open source licenses, and there is a risk that these licenses could be construed in a way that could impose unanticipated conditions or restrictions on our ability to commercialize our applications. We cannot guarantee that we have incorporated open source software in our proprietary software in a manner that will not subject us to liability, or in a manner that is consistent with our current policies and procedures, and we may inadvertently use open source software in a manner that we do not intend or that could expose us to claims for breach of contract or intellectual property infringement, misappropriation or other violation. We make a substantial portion of the source code for Canvas available under the terms of an open source license, and accept contributions of modifications to that source code, each of which could negatively affect our ability to offer our platform and applications or subject us to possible litigation. To promote our open platform philosophy, we make a substantial portion of the source code for Canvas available to the public on the "GitHub" platform for no charge, under the terms of the AGPL. An individual or entity with the appropriate technical and human resources may choose to use this open source version of Canvas to try to self-host the platform to avoid paying any fees to us. In addition, some individuals or entities may try to use the open source version of Canvas for commercial purposes and directly compete with us for customers. We are aware of a few entities that currently self-host the platform and are aware of some entities that are currently selling hosting and support services. If more customers decide to self-host or other entities use the base code to compete with us, we may experience lower revenue and our business may be harmed. We accept modifications of the source code for Canvas from contributors who agree to the terms of our contributor agreement. Our contributor agreement provides for assignment of joint ownership in the copyright to the contribution, and a license to any patent rights of the contributor. Contributors must also represent that it is an original work and that the contribution does not violate any third-party intellectual property right. However, we cannot ensure that any of these contributions is free of all third-party rights and claims of intellectual property infringement or misappropriation. By incorporating any contribution into our code base, we may be subject to intellectual

property infringement or misappropriation claims, which as discussed elsewhere, are costly to defend and could require costly re-writing of our code base or licensing of replacement third-party solutions. Third-party alternatives may not be available to us on commercially reasonable terms. We are dependent on the continued availability of the internet and third-party computer and communications systems. Our ability to provide our platform and applications to our customers depends on our ability to communicate with our customers through the public internet and third-party computer and communications systems. A severe disruption of one or more of these systems could impair our ability to process information, which could impede our ability to provide services to our customers, harm our reputation, subject us to financial penalties and liability under our SLAs, result in a loss of customers and harm our business and operating results. Real or perceived errors, failures, or bugs in our learning platform could adversely affect our operating results and growth prospects. We push updates to our platform on a frequent basis. Despite testing by us, errors, failures, bugs or defects may not be found in our platform or applications until after they are deployed to our customers. We have discovered and expect we will continue to discover software errors, failures, bugs or defects in our platform or applications and anticipate that certain of these errors, failures, bugs or defects will only be discovered and remediated after deployment to customers. Real or perceived errors, failures, bugs or defects in our platform and applications could result in negative publicity, loss of or delay in market acceptance of our platform and applications, loss of competitive position, or claims by customers for losses sustained by them. In such an event, we may be required, or may choose, for customer relations or other reasons, to expend significant additional resources in order to help correct the problem. We implement bug fixes and upgrades as part of our regular system maintenance, which may lead to system downtime. Even if we are able to implement the bug fixes and upgrades in a timely manner, any history of defects or inaccuracies in the data we collect for our customers, or the loss, damage or inadvertent release of confidential data could cause our reputation to be harmed, and customers may elect not to purchase or renew their agreements with us or we may incur increased insurance costs. The costs associated with any material defects or errors in our software or other performance problems may be substantial and could harm our operating results. Because many of our customers use our applications to store and retrieve critical information, we may be subject to liability claims if our applications do not work properly. We cannot be certain that the limitations of liability set forth in our licenses and agreements would be enforceable or would otherwise protect us from liability for damages. A material liability claim against us, regardless of its merit or its outcome, could result in substantial costs, significantly harm our business reputation and divert management's attention from our operations. Third-party claims that we are infringing the intellectual property rights of others, whether successful or not, could subject us to costly and time-consuming litigation or require us to purchase expensive licenses, and our business could be harmed. The software industry is characterized by the existence of a large number of patents, copyrights, trademarks, trade secrets and other intellectual property rights. Companies in the software industry must often defend against litigation claims based on allegations of infringement or other violations of intellectual property rights. Third parties, including our competitors, may own patents or other intellectual property rights that cover aspects of our technology or business methods and may assert patent or other intellectual property rights within the industry. Moreover, in recent years, individuals and groups that are non-practicing entities, commonly referred to as "patent trolls," have purchased patents and other intellectual property assets for the purpose of making claims of infringement in order to extract settlements. From time to time, we may receive threatening letters, notices or "invitations to license," or may be the subject of claims that our learning platform or services and underlying technology infringe or violate the intellectual property rights of others. Responding to such claims, regardless of their merit, can be time consuming, costly to defend in litigation, divert management's attention and resources, damage our reputation and brand and cause us to incur significant expenses. Our technologies may not be able to withstand any third-party claims against their use. Claims of intellectual property infringement or violation might require us to stop using technology found to be in violation of a third-party's rights, redesign our application, which could require significant effort and expense, and cause delays of releases, enter into costly settlement or license agreements or pay costly damage awards, or face a temporary or permanent injunction prohibiting us from marketing or selling our learning platform. If we cannot or do not license the infringed technology on reasonable terms or at all, or substitute similar technology from another source, we could be forced to limit or stop selling our learning platform, we may not be able to meet our obligations to customers under our customer contracts, our revenue and operating results could be adversely impacted, and we may be unable to compete effectively. Additionally, our customers may not purchase our applications if they are concerned that such applications may infringe or violate third-party intellectual property rights. The occurrence of any of these events may harm our business. In our subscription agreements with our customers, we generally agree to indemnify our customers against any losses or costs incurred in connection with claims by a third party alleging that the customer's use of our learning platform or services infringes the intellectual property rights of the third party. Our customers who are accused of intellectual property infringement may seek indemnification from us. If any claim is successful, or if we are required to indemnify or defend our customers from any of these or other claims, these matters could be disruptive to our business and management and result in additional legal expenses. The success of our business depends in part on our ability to protect and enforce our intellectual property and proprietary rights. Our success is dependent, in part, upon protecting our proprietary technology. We rely on a combination of patents, copyrights, trademarks, service marks, trade secret laws and contractual restrictions to establish and protect our intellectual property and proprietary rights in our applications and services. However, the steps we take to protect our intellectual property and proprietary rights may be inadequate. We will not be able to protect our intellectual property and proprietary rights if we are unable to enforce our rights or if we do not detect unauthorized use of our intellectual property and proprietary rights. Any of our trademarks or other intellectual property or proprietary rights may be challenged by others or invalidated through administrative ~~process~~ processes or litigation. Furthermore, legal standards relating to the validity, enforceability and scope of protection of intellectual property and proprietary rights are uncertain. Despite our precautions, it may be possible for unauthorized third parties to copy our technology and use information that we regard as proprietary to create applications and services that compete with ours. Some license provisions protecting against unauthorized use, copying, transfer

and disclosure of our offerings may be unenforceable under the laws of certain jurisdictions and foreign countries. Our corporate name and the name of our platform and applications have not been trademarked in each market where we operate and plan to operate. If we do not secure registrations for our trademarks, we may encounter more difficulty in enforcing them against third parties. Effective copyright, trademark and trade secret protection may not be available in every country in which our platform and applications are available. To the extent we expand our international operations, our exposure to unauthorized copying and use of our technology and proprietary information may increase. Accordingly, despite our efforts, we may be unable to prevent third parties from infringing upon or misappropriating, or violating, our technology and intellectual property and proprietary rights. Although we enter into confidentiality and invention assignment agreements with our employees and consultants and enter into confidentiality agreements with the parties with whom we have strategic relationships and business alliances, no assurance can be given that these agreements will be effective in controlling access to and distribution of our applications and proprietary information or prevent reverse engineering. Further, these agreements may not prevent our competitors from independently developing technologies that are substantially equivalent or superior to our learning platform. We may be required to spend significant resources to monitor and protect our intellectual property and proprietary rights. Litigation may be necessary in the future to enforce our intellectual property and proprietary rights and to protect our trade secrets. Such litigation could be costly, time consuming and distracting to management and could result in the impairment or loss of portions of our intellectual property and proprietary rights. Furthermore, our efforts to enforce our intellectual property and proprietary rights may be met with defenses, counterclaims and countersuits attacking the validity and enforceability of our intellectual property and proprietary rights. We may not prevail in any lawsuits that we initiate. Any litigation, whether or not resolved in our favor, could subject us to substantial costs, divert resources and the attention of management and technical personnel from our business and adversely affect our business. Our inability to protect our proprietary technology against unauthorized copying or use, as well as any costly litigation, could delay further sales or the implementation of our learning platform, impair the functionality of our learning platform, delay introductions of new features or enhancements, result in our substituting inferior or more costly technologies into our learning platform, or injure our reputation. Incorrect or improper use of our solutions or our failure to properly train customers on how to use our solutions could result in customer dissatisfaction and negatively affect our business. Our solutions are complex and the proper use of such solutions requires training of the customer and end user. If our solutions are not used correctly or as intended, inadequate performance may result. Because our customers rely on our solutions, services and maintenance support to manage a wide range of operations, the incorrect or improper use of our solutions, our failure to properly train customers on how to efficiently and effectively use our solutions, or our failure to properly provide maintenance services to our customers may result in negative publicity or legal claims against us.

Risks Related to Laws and Regulations We are subject to governmental laws, regulation and other legal obligations, particularly related to privacy, data protection and information security, and such laws, regulation and other legal obligations continue to evolve, and any actual or perceived failure to comply with such obligations could harm our business. Privacy and information security are significant issues in the U. S. and the other jurisdictions where we offer our learning platform. The legislative and regulatory framework for privacy and security issues worldwide is rapidly evolving and is likely to remain uncertain for the foreseeable future. The education technology community has been the subject of particular scrutiny. For instance, in 2019, a letter was circulated by certain members of the U. S. Senate to various educational technology companies, including us, reiterating its concerns about the amount of data being collected regarding students and the potential safety and security risks to children. Our handling of data is subject to a variety of laws and regulations, including laws and regulations enforced by various government agencies, such as the FTC and various federal, state, local and foreign agencies. We collect PII and other data from our employees, customers and users. We use this information to provide services to our customers and users and to operate, support, expand and improve our business. We may also share customers' or users' PII with third parties as allowed by applicable law and agreements, as authorized by the customer, or as described in our privacy policies. The U. S. federal and various state and foreign governments have adopted or proposed limitations on the collection, distribution, use storage and other processing of PII. In the U. S., the FTC and many state attorneys general are applying federal and state consumer protection laws to impose standards on the online collection, use, dissemination, processing and security of data. Furthermore, many states have enacted laws that apply directly to the operators of online services that are intended for Higher Education and K- 12 purposes or are proposing legislation to mandate privacy and data security obligations on the collection, use, disclosure, processing and security of PII generally. **For example, the California Consumer Privacy Act of 2018 (the "CCPA"), which took effect on January 1, 2020, and the California Privacy Rights Act (the "CPRA"), which went into effect in January 2023, impose a number of additional privacy and security obligations on companies who collect, use, disclose or otherwise process PII of California residents. The law broadly defines PII, gives California residents expanded privacy rights, allows consumers to opt out of certain data sharing with third parties, and provides for civil penalties for violations, and includes a private right of action for data breaches, which may increase the likelihood and cost of data breach litigation. Similarly, the states of Connecticut, Colorado, Virginia and Utah have enacted comprehensive privacy laws that go into effect at different times in 2023.** The effects of this legislation are **still being realized, but may** potentially be far-reaching and may require us to modify our data management practices and to incur substantial expense in an effort to comply. Many foreign countries and governmental bodies, including Australia, Canada, the EU, and other jurisdictions, have laws and regulations concerning the collection, use, disclosure, processing and security of PII obtained from their residents or by businesses operating within their jurisdiction. These laws and regulations often are more restrictive than those in the U. S. laws and regulations in these jurisdictions may apply broadly to the collection, use, storage, disclosure, processing and security of data that identifies or may be used to identify or locate an individual and other personal information, such as names, email addresses and Internet Protocol addresses and other online identifiers. We publicly post our privacy policies and practices concerning our collection, use, disclosure and other processing of PII. Our publication of our privacy policy and other statements we publish that provide promises and assurances about privacy and security can subject us

to potential state and federal action if they are found to be deceptive or misrepresentative of our practices. In the EU, where companies must meet specified privacy and security standards, the General Data Protection Regulation (the “GDPR”) introduced new and enhanced data protection requirements throughout the EU and significant penalties of up to the greater of 4 % of worldwide turnover or € 20 million for violations of data protection rules. The GDPR notably has extra-territorial reach and has a significant impact on ‘data controllers’ and ‘data processors’ either with an establishment in the EU, or which offer goods or services to EU data subjects or monitor EU data subjects’ behavior within the EU. As GDPR enforcement evolves, we may find it necessary to establish systems to maintain EU- origin data in the European Economic Area (the “EEA”), or to amend agreements with our customers which may involve substantial expense and distraction from other aspects of our business. In addition, data protection authorities in each member state of the EU have the ability to interpret certain aspects of the GDPR, which has the potential to create inconsistencies on a country- by- country basis. Ongoing implementation of the GDPR could require us to change certain business practices and result in increased costs. Further, the EU’s draft proposed Regulation on Privacy and Electronic Communications (the “ePrivacy Regulation”), which remains under debate, would alter rules on third- party cookies, web beacons and similar technologies, and significantly increase penalties for non- compliance.

~~We The ePrivacy Regulation is unlikely to come into effect before the end of 2023, and we cannot yet determine the impact~~ such future laws, regulations, and standards may have on our business. Following the U. K.’s departure from the EU, the EU GDPR’s data protection obligations continue to apply in the U. K. in substantially unvaried form combining the GDPR and the U. K.’s Data Protection Act of 2018 (the “U. K. GDPR”). In June 2021, the European Commission published a decision finding that the U. K. ensures an adequate level of data protection, permitting ~~PI~~ **PII** to be transferred between the EU to the U. K. However, the U. K. adequacy decision will automatically expire in June 2025 unless the European Commission re- assesses and renews / extends that decision, and it remains under review by the European Commission during this interim period, resulting in uncertainty as to how U. K. data protection laws and regulations will develop in the near- and long- term. Divergence in application, interpretation or enforcement of the GDPR between the U. K. and the EU could lead to an increase in data protection compliance costs. Additionally, the Court of Justice of the European Union (the “CJEU”), in its landmark judgment in Schrems II, invalidated the EU- U. S. Privacy Shield with immediate effect, but upheld the European Commission’s standard contractual clauses (“SCCs”) as a means for legitimizing the transfer of PII by U. S. companies doing business in the EU from the EEA to the U. S. While the use of SCCs was upheld, the CJEU held that compliance with the SCCs must be closely monitored by parties and the data exporter relying on them must perform a case- by- case assessment as to whether the laws of the country of importation of personal data provide adequate protection, as under EU data protection laws. The decision in Schrems II has impacted our current and planned business activities which involve transfers of PII outside of the EEA (both intra- group and to third parties) and requires ongoing monitoring of the latest legal and regulatory developments and as such, may involve compliance costs to address any changes required. We may experience hesitancy, reluctance, or refusal by European or multi- national customers to continue to use our services due to the potential risk exposure to such customers as a result of the uncertainty around the legality of cross- border data transfer methods on which we rely. Ongoing legal challenges to the SCCs may render either or both methods invalid or could result in further limitations on the ability to transfer data across borders. Additionally, certain countries have passed or are considering passing laws requiring local data residency, and two new SCCs with revised set of clauses were published ~~on~~ **on** June 4, 2021. Although we endeavor to comply with those federal, state, and foreign laws and regulations, industry standards, contractual obligations and other legal obligations that apply to us, those laws, regulations, standards and obligations are evolving, particularly in our industry, and may be modified, interpreted and applied in an inconsistent manner from one jurisdiction to another, and may conflict with one another, other requirements or legal obligations, our practices or the features of our learning platform. Any failure or perceived failure by us to comply with federal, state or foreign laws or regulations, industry standards, contractual obligations or other legal obligations, or any actual or suspected security incident, whether or not resulting in unauthorized access to, or acquisition, release or transfer of PII or other data, may result in governmental enforcement actions and prosecutions, private litigation, fines and penalties or adverse publicity and could cause our customers to lose trust in us, which could have an adverse effect on our reputation and business. Any inability to adequately address privacy and security concerns, even if unfounded, or comply with applicable laws, regulations, policies, industry standards, contractual obligations, or other legal obligations could result in liability to us, damage our reputation, inhibit sales, and materially adversely affect our business. We also expect that this will continue to be a point of focus for legislation and there will continue to be new proposed laws, regulations and industry standards concerning privacy, data protection and information security in the U. S. and globally, and we cannot yet determine the impact such future laws, regulations and standards may have on our business. Future laws, regulations, standards and other obligations, and changes in the interpretation of existing laws, regulations, standards and other obligations could impair our or our customers’ ability to collect, use, disclose or process information relating to consumers, which could decrease demand for our applications, increase our costs and impair our ability to maintain and grow our customer base and increase our revenue. If we fail to comply with federal, state and international data privacy laws and regulations our ability to successfully operate our business and pursue our business goals could be harmed. We also may find it necessary or desirable to join industry or other self- regulatory bodies or other privacy- or data protection- related organizations that require compliance with their rules pertaining to privacy and data protection. We also may be bound by additional, more stringent contractual obligations relating to our collection, use, disclosure and processing of personal, financial and other data. We are subject to contractual clauses that require us to comply with certain provisions of the Family Educational Rights and Privacy Act ~~;~~ **;** and we are subject to the Children’s Online Privacy Protection Act, and if we fail to comply with these laws, our reputation and business could be harmed. The Family Educational Rights and Privacy Act (“FERPA”) generally prohibits educational institutions that receive federal funding from disclosing PII from a student’s education records without the student’s consent. Through our learning platform, our customers and users disclose to us certain information that may originate from or comprise a student education record, as the term is defined under FERPA. As

an entity that provides services to institutions, we are often subject to contractual clauses that impose restrictions derived from FERPA on our ability to collect, process, transfer, disclose, and store student data. If we violate our obligations to any of our educational institution customers relating to the privacy of student records subject to FERPA, such a violation could constitute material breach of contract with one or more of our customers and could harm our reputation and business. Further, in the event that we disclose student information in a manner that results in a violation of FERPA by one of our educational customers, the U. S. Department of Education could require that customer to suspend our access to the customer's student information that is covered under FERPA for a period of at least five years. We are also subject to the Children's Online Privacy Protection Act ("COPPA"), which applies to operators of commercial websites and online services directed to U. S. children under the age of 13 that collect PII from children, and to operators of general audience websites with actual knowledge that they are collecting information from U. S. children under the age of 13. Our learning platform is directed, in part, at children under the age of 13. Through our learning platform, we collect certain PII, including names and email addresses from children. COPPA is subject to interpretation by courts and other governmental authorities, including the FTC, and the FTC is authorized to promulgate, and has promulgated, revisions to regulations implementing provisions of COPPA, and provides non-binding interpretive guidance regarding COPPA that changes periodically with little or no public notice. Although we strive to ensure that our platform and applications are compliant with applicable COPPA provisions, these provisions may be modified, interpreted, or applied in new manners that we may be unable to anticipate or prepare for appropriately, and we may incur substantial costs or expenses in attempting to modify our systems, platform, applications, or other technology to address changes in COPPA or interpretations thereof. If we fail to accurately anticipate the application, interpretation or legislative expansion of COPPA we could be subject to governmental enforcement actions, litigation, fines and penalties or adverse publicity, and we could be in breach of our customer contracts and our customers could lose trust in us, which could harm our reputation and business. In addition to government regulation, privacy advocates and industry groups may propose self-regulatory standards, such as the Student Privacy Pledge, from time to time. These and other industry standards may legally or contractually apply to us, or we may elect to comply with such standards or to facilitate our customer's compliance with such standards. Following these privacy standards and adapting to future standards involves significant operational challenges. In addition, any inability or decision not to join these industry initiatives could damage our reputation, inhibit sales, slow our sales cycles and adversely affect our business. Because the interpretation and application of many privacy and data protection laws along with contractually imposed industry standards are uncertain, it is possible that these laws may be interpreted and applied in a manner that is inconsistent with our existing data management practices or the features of our learning platform and platform capabilities. If so, in addition to the possibility of fines, lawsuits and other claims and penalties, we could be required to fundamentally change our business activities and practices or modify our learning platform and platform capabilities, which could have an adverse effect on our business. Any inability to adequately address privacy and security concerns, even if unfounded, or comply with applicable privacy and data security laws, regulations and policies, could result in additional cost and liability to us, damage our reputation, inhibit sales, and adversely affect our business. We could face liability, or our reputation might be harmed, as a result of the activities of our customers or users, the content in our platform or the data they store on our servers. As a provider of cloud-based software, we may be subject to potential liability for the activities of our customers or users on or in connection with the data they store on our servers. Although our customer terms of use prohibit illegal use of our services by our customers and permit us to take down content or take other appropriate actions for illegal use, customers may nonetheless engage in prohibited activities or upload or store content with us in violation of applicable law or the customer's own policies, which could subject us to liability or harm our reputation. Various U. S. federal statutes may apply to us with respect to various customer activities. The Digital Millennium Copyright Act of 1998 ("DMCA") provides recourse for owners of copyrighted material who believe that their rights under U. S. copyright law have been infringed on the internet. Under the DMCA, based on our current business activity as an internet service provider that does not own or control website content posted by our customers, we generally are not liable for infringing content posted by our customers or other third parties, provided that we follow the procedures for handling copyright infringement claims set forth in the DMCA. Generally, if we receive a proper notice from, or on behalf, of a copyright owner alleging infringement of copyrighted material located on websites we host, and we fail to expeditiously remove or disable access to the allegedly infringing material or otherwise fail to meet the requirements of the safe harbor provided by the DMCA, the copyright owner may seek to impose liability on us. Technical mistakes in complying with the detailed DMCA take-down procedures, or if we fail to otherwise comply with the other requirements of the safe harbor, could subject us to liability for copyright infringement. Although statutes and case law in the U. S. have generally shielded us from liability for customer activities to date, court rulings in pending or future litigation may narrow the scope of protection afforded us under these laws. In addition, laws governing these activities are unsettled in many international jurisdictions, or may prove difficult or impossible for us to comply with in some international jurisdictions. Also, notwithstanding the exculpatory language of these bodies of law, we may become involved in complaints and lawsuits which, even if ultimately resolved in our favor, add cost to our doing business and may divert management's time and attention. Finally, other existing bodies of law, including the criminal laws of various states, may be deemed to apply or new statutes or regulations may be adopted in the future, any of which could expose us to further liability and increase our costs of doing business. Additionally, our customers could use our learning platform to store or process PII, including sensitive PII, without our knowledge of such storage or processing. In the event that our systems experience a data security incident, or an individual or entity accesses information without, or in excess of, proper authorization, we could be subject to data security incident notification laws, as described elsewhere, which may require prompt remediation and notification to individuals. If we are unaware of the data and information stored on our systems, we may be unable to appropriately comply with all legal obligations, and we may be exposed to governmental enforcement or prosecution actions, private litigation, fines and penalties or adverse publicity and these incidents could cause our customers to lose trust in us, which could harm our reputation and business. Changes in tax laws or regulations that are applied adversely to

us or our customers could increase the costs of our learning platform and adversely impact our business. New income, sales, use or other tax laws, statutes, rules, regulations or ordinances could be enacted at any time. Any new taxes could adversely affect our domestic and international business operations, and our business and financial performance. Further, existing tax laws, statutes, rules, regulations or ordinances could be interpreted, changed, modified or applied adversely to us. For example, the TCJA, as modified by the CARES Act, enacted many significant changes to the U. S. tax laws. Future guidance from the U. S. Internal Revenue Service and other tax authorities with respect to the TCJA, the CARES Act, the Inflation Reduction Act (the “IRA”) or other tax legislation may affect us, and certain aspects of any such tax legislation could be repealed or modified in future legislation. In addition, it is uncertain if and to what extent various states will conform to the TCJA, the CARES Act or any newly enacted federal tax legislation. Changes in corporate tax rates, the realization of net deferred tax assets relating to our operations, the taxation of foreign earnings, and the deductibility of expenses under the TCJA, the CARES Act or future reform legislation could have a material impact on the value of our deferred tax assets, could result in significant one- time charges, and could increase our future U. S. tax expense. These events could require us or our customers to pay additional tax amounts on a prospective or retroactive basis, as well as require us or our customers to pay fines or penalties and interest for past amounts deemed to be due. If we raise our prices to offset the costs of these changes, existing and potential future customers may elect not to purchase our learning platform in the future. Additionally, new, changed, modified or newly interpreted or applied tax laws could increase our customers’ and our compliance, operating and other costs, as well as the costs of our learning platform. Any or all of these events could harm our business and operating results. In addition, the public schools we contract with are financed with government funding from federal, state and local taxpayers. Our business may be adversely affected by changes in tax laws, statutes, rules, regulations, or ordinances or by diminished tax revenues which could lead to significant declines in public school funding. The results of federal, state and local elections can also result in shifts in education policy and the amount of funding available for various education programs. Any decreased funding for schools may harm our recurring and new business materially if our customers are not able to find and obtain alternative sources of funding. We are subject to export controls and economic sanctions laws, and our customers and channel partners are subject to import controls **that or may be sanctioned entities and we** could be subject us to liability if we are not in full compliance with applicable laws. Certain of our solutions are subject to U. S. export controls and we are permitted to export such solutions to certain countries outside the U. S. only by first obtaining an export license from the U. S. government or by utilizing an existing export license exception. Obtaining the necessary export license for a particular export may be time- consuming and may result in the delay or loss of sales opportunities. Furthermore, U. S. export control laws and economic sanctions, including economic and trade sanctions regulations administered by the U. S. Treasury Department’s Office of Foreign Assets Control (“OFAC”), prohibit the sale or supply of our solutions and services to U. S. embargoed or sanctioned countries, regions, governments, persons and entities. Although we take precautions to prevent our solutions from being provided in violation of U. S. export control and economic sanctions laws, our solutions may have been in the past, and could in the future be, provided inadvertently in violation of such laws. **In the fourth quarter of 2023, the Company determined that a customer in Russia had been designated on the Specially Designated Nationals and Blocked Persons List (“SDN List”) by OFAC pursuant to Executive Order 14024 and the Russian Harmful Foreign Activities Sanctions Regulations. Upon discovery of this matter, we immediately ceased providing services to the customer. In addition, we determined that we did not receive any revenue from this customer after its SDN List designation. We filed a voluntary self- disclosure of the matter to OFAC and, although we have taken corrective measures to prevent any future transactions with this customer, ceased services to our two other Russian customers and we believe the matter is immaterial, we cannot predict if OFAC will take any actions.** If we were to fail to comply with U. S. export law requirements, U. S. customs regulations, U. S. economic sanctions or other applicable U. S. laws, we could be subject to substantial civil and criminal penalties, including fines, incarceration for responsible employees and managers and the possible loss of export or import privileges. U. S. export controls, sanctions and regulations apply to our channel partners as well as to us. Any failure by our channel partners to comply with such laws, regulations or sanctions could have negative consequences, including reputational harm, government investigations and penalties. Also, various countries, in addition to the United States, regulate the import and export of certain encryption and other technology, including import and export licensing requirements, and have enacted laws that could limit our ability to distribute our products or could limit our end- customers’ ability to implement our products in those countries. Changes in our solutions or changes in export and import regulations may create delays in the introduction of our solutions into international markets, prevent our customers with international operations from deploying our solutions globally or, in some cases, prevent the export or import of our solutions to certain countries, governments or persons altogether. In addition, any change in export or import regulations, economic sanctions or related legislation, shift in the enforcement or scope of existing regulations, or change in the countries, governments, persons or technologies targeted by such regulations, could result in decreased use of our solutions by, or in our decreased ability to export or sell our solutions to, existing or potential customers with international operations. Any decreased use of our solutions or limitation on our ability to export or sell our solutions would likely adversely affect our business, financial condition and operating results. We are subject to anti- corruption, anti- bribery and similar laws, and non- compliance with such laws can subject us to criminal penalties or significant fines and harm our business and reputation. We are subject to anti- corruption and anti- bribery and similar laws, such as the FCPA, the U. S. domestic bribery statute contained in 18 U. S. C. § 201, the U. S. Travel Act, the USA PATRIOT Act, the U. K. Bribery Act 2010 and other anti- corruption, anti- bribery and anti- money laundering laws in countries in which we conduct activities. Anti- corruption and anti- bribery laws have been enforced aggressively in recent years and are interpreted broadly and prohibit companies and their employees and agents from promising, authorizing, making, offering, soliciting, or accepting, directly or indirectly, improper payments or other improper benefits to or from any person whether in the public or private sector. As we increase our international sales and business, our risks under these laws may increase. Noncompliance with these laws could subject us to investigations, sanctions, settlements,

prosecution, other enforcement actions, disgorgement of profits, significant fines, damages, other civil and criminal penalties or injunctions, adverse media coverage and other consequences. Any investigations, actions or sanctions could adversely affect our business, results of operations and financial condition. These laws also require that we keep accurate books and records and maintain internal controls and compliance procedures designed to prevent any such actions. While we have policies and procedures to address compliance with such laws, we cannot assure you that our third- party business partners or intermediaries, employees, representatives, contractors, and agents will not take actions in violation of our policies and applicable law, for which we may be ultimately held responsible. Our failure to comply with a variety of complex procurement rules and regulations could damage our reputation and result ~~on in~~ our being liable for penalties, including termination of our government contracts, disqualification from bidding on future government contracts, suspension or debarment from government contracting. We must comply with laws and regulations relating to government contracts, which affect how we do business with our customers and may impose added costs on our business. Some significant laws and regulations that affect us include: • federal, state and local laws and regulations (including the Federal Acquisition Regulation) regarding the formation, administration and performance of government contracts; • the Civil False Claims Act (and similar state and local false claims acts), which provides for substantial civil penalties for violations, including for submission of a false or fraudulent claim to the U. S. government for payment or approval; and • federal, state and local laws and regulations regarding procurement integrity including gratuity, bribery and anti- corruption requirements as well as limitations on political contributions and lobbying. Any failure to comply with applicable laws and regulations could result in contract termination, damage to our reputation, price or fee reductions or suspension or debarment from contracting with the government, each of which could materially adversely affect our business, results of operations and financial condition. In addition, federal, state and local government entities may revise existing contract rules and regulations or adopt new contract rules and regulations at any time and may also face restrictions or pressure regarding the type and amount of services that they may obtain from private contractors. Any of these changes could impair our ability to obtain new contracts or renew contracts under which we currently perform when those contracts are eligible for recompetition. Litigation against us could damage our reputation and be costly and time- consuming to defend. We are subject, from time to time, to legal proceedings and claims that arise in the ordinary course of business, such as claims brought by our customers in connection with commercial disputes or employment claims made by current or former employees ~~, including as a result of actions taken by us in response to the COVID-19 pandemic~~. Litigation, regardless of merit, could result in reputational damage and substantial costs and may divert management’ s attention and resources, which might adversely impact our business, overall financial condition and results of operations. Insurance might not cover such claims, might not provide sufficient payments to cover all the costs to resolve one or more such claims and might not continue to be available on terms acceptable to us. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, thereby reducing our results of operations and leading analysts or potential investors to reduce their expectations of our performance, which could reduce the value of our common stock. While we currently are not aware of any material pending or threatened litigation against us, we can make no assurances the same will continue to be true in the future.

Risks Related to Being a Public CompanyThe requirements of being a public company may strain our resources and distract our management, which could make it difficult to manage our business. As a recent public company, we incur legal, accounting and other expenses that we did not incur as a private company. We are now subject to the reporting requirements of the Exchange Act and the Sarbanes- Oxley Act, the listing requirements of NYSE and other applicable securities rules and regulations. Compliance with these rules and regulations has and will continue to increase our legal and financial compliance costs, make some activities more difficult, time- consuming or costly and increase demand on our systems and resources. The Exchange Act requires that we file annual, quarterly and current reports with respect to our business, financial condition, results of operations, cash flows and prospects. The Sarbanes- Oxley Act requires, among other things, that we establish and maintain effective internal controls and procedures for financial reporting. Furthermore, the need to continue establishing the corporate infrastructure demanded of a public company may divert our management’ s attention from implementing our growth strategy, which could prevent us from improving our business, financial condition, results of operations, cash flows and prospects. We have made, and will continue to make, changes to our internal controls and procedures for financial reporting and accounting systems to meet our reporting obligations as a public company. However, the measures we take may not be sufficient to satisfy our obligations as a public company. These additional obligations could have a material adverse effect on our business, financial condition, results of operations, cash flows and prospects. In addition, changing laws, regulations and standards relating to corporate governance and public disclosure are creating uncertainty for public companies, increasing legal and financial compliance costs and making some activities more time consuming. These laws, regulations and standards are subject to varying interpretations, in many cases due to their lack of specificity, and, as a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies. This could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. We intend to invest resources to comply with evolving laws, regulations and standards, and this investment may result in increased general and administrative expenses and a diversion of our management’ s time and attention from revenue- generating activities to compliance activities. If our efforts to comply with new laws, regulations and standards differ from the activities intended by regulatory or governing bodies due to ambiguities related to their application and practice, regulatory authorities may initiate legal proceedings against us and there could be a material adverse effect on our business, financial condition, results of operations, cash flows and prospects. As a result of becoming a public company, we are obligated to develop and maintain proper and effective internal control over financial reporting in order to comply with Section 404 of the Sarbanes- Oxley Act. We may not complete our analysis of our internal control over financial reporting in a timely manner, or these internal controls may not be determined to be effective, which may adversely affect investor confidence in us and, as a result, the value of our common stock. Our management is responsible for establishing and maintaining adequate internal control over financial reporting. Internal control over financial reporting is a process designed to provide reasonable

assurance regarding the reliability of financial reporting and the preparation of financial statements in accordance with GAAP. As a prior reporting company, the framework of our system and processing documentation is established; however, we continue to update as necessary to perform the evaluation needed to comply with Section 404 of the Sarbanes- Oxley Act. If, during the evaluation and testing process, we are unable to assert that our internal control over financial reporting is effective, we could lose investor confidence in the accuracy and completeness of our financial reports, which could cause the price of our common stock to decline, and we may be subject to investigation or sanctions by the SEC. We are required, pursuant to Section 404 of the Sarbanes- Oxley Act, to annually furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. This assessment will need to include disclosure of any material weaknesses identified by our management in our internal control over financial reporting. We are also required to disclose changes made in our internal control and procedures on a quarterly basis. Our independent registered public accounting firm is also required to report on the effectiveness of our internal control over financial reporting pursuant to Section 404 of the Sarbanes- Oxley Act. It is possible that our independent registered public accounting firm may issue a report that is adverse in the event it is not satisfied with the level at which our controls are documented, designed or operating. Additionally, the existence of any material weakness or significant deficiency would require management to devote significant time and incur significant expense to remediate any such material weaknesses or significant deficiencies and management may not be able to remediate any such material weaknesses or significant deficiencies in a timely manner. The existence of any material weakness in our internal control over financial reporting could also result in errors in our financial statements that could require us to restate our financial statements, cause us to fail to meet our reporting obligations and cause stockholders to lose confidence in our reported financial information, all of which could materially and adversely affect our business and stock price. ~~Our management team has limited experience managing a public company. Many members of our management team, including our Chief Executive Officer and Chief Financial Officer, have limited experience managing a publicly-traded company, interacting with public company investors and complying with the increasingly complex laws pertaining to public companies. Our management team may not successfully or efficiently manage us as a public company that is subject to significant regulatory oversight and reporting obligations under the federal securities laws and the continuous scrutiny of securities analysts and investors. These new obligations and constituents require significant attention from our senior management and could divert their attention away from the day-to-day management of our business, which could adversely affect our business, results of operations and financial condition.~~ Risks Related to Our Indebtedness Our existing indebtedness could adversely affect our business and growth prospects. As of December 31, ~~2022~~ **2023** and December 31, ~~2021~~ **2022**, we had total current and long-term indebtedness outstanding of approximately \$ ~~496.491~~ **3** million and \$ ~~500.496~~ **0.3** million, respectively, in term loans and unamortized debt ~~discounts~~ **issuance costs** of \$ ~~4.9 million and~~ **\$ 5.8 million and** \$ ~~6.7 million~~, respectively. Our indebtedness, or any additional indebtedness we may incur, could require us to divert funds identified for other purposes for debt service and impair our liquidity position. If we cannot generate sufficient cash flow from operations to service our debt, we may need to refinance our debt, dispose of assets or issue equity to obtain necessary funds. We do not know whether we would be able to take any of these actions on a timely basis, on terms satisfactory to us or at all. Our indebtedness, the cash flow needed to satisfy our debt and the covenants contained in our credit agreement, dated as of October 29, 2021, with a syndicate of lenders and JPMorgan Chase Bank, N. A, as administrative agent (the “2021 Credit Agreement”), have important consequences, including: • limiting funds otherwise available for financing our capital expenditures by requiring us to dedicate a portion of our cash flows from operations to the repayment of debt and the interest on this debt; • limiting our ability to incur or prepay existing indebtedness, pay dividends or distributions, dispose of assets, engage in mergers and consolidations, make acquisitions or other investments and make changes in the nature of the business, among other things; • making us more vulnerable to rising interest rates, as substantially all of our borrowings, including borrowings under the Senior Secured Credit Facilities, bear variable rates of interest; and • making us more vulnerable in the event of a downturn in our business. Our level of indebtedness may place us at a competitive disadvantage to our competitors that are not as highly leveraged. Fluctuations in interest rates can increase borrowing costs. Increases in interest rates may directly impact the amount of interest we are required to pay and reduce earnings accordingly. In addition, tax laws, including the disallowance or deferral of tax deductions for interest paid on outstanding indebtedness, could have an adverse effect on our liquidity and our business, financial condition, results of operations, cash flows and prospects. Further, our 2021 Credit Agreement contains customary affirmative and negative covenants and certain restrictions on operations that could impose operating and financial limitations and restrictions on us, including restrictions on our ability to enter into particular transactions and to engage in other actions that we may believe are advisable or necessary for our business. ~~Interest rates under the 2021 Credit Agreement are based partly on the London interbank offered rate (“LIBOR”). LIBOR is currently expected to be phased out by the middle of 2023. The U. S. Federal Reserve is publishing a Secured Overnight Funding Rate to serve as an alternative reference rate to LIBOR. There can be no assurance that the application of, or transition to, SOFR or any other alternative reference rate will not increase our interest expense or will not introduce operational risks in our accounting or financial reporting and other aspects of our business. Further, we may need to renegotiate our agreements or any other borrowings that utilize LIBOR as a factor in determining the interest rate to replace LIBOR with the new standard that is established.~~ We expect to use cash flow from operations to meet current and future financial obligations, including funding our operations, debt service requirements and capital expenditures. The ability to make these payments depends on our financial and operating performance, which is subject to prevailing economic, industry and competitive conditions and to certain financial, business, economic and other factors beyond our control. Despite current indebtedness levels, we may incur substantially more indebtedness, which could further exacerbate the risks associated with our substantial indebtedness. We may incur significant additional indebtedness in the future. We may also consider investments in joint ventures or acquisitions, which may increase our indebtedness. If new debt is added to our current indebtedness levels, the related risks that we face could intensify. Variable rate indebtedness that we have incurred or may in the future incur will

subject us to interest rate risk, which could cause our debt service obligations to increase significantly. Substantially all of our borrowings, including borrowings under our Senior Secured Credit Facilities, bear variable rates of interest. An increase in prevailing interest rates would increase our debt service obligations, which would have a negative impact on our net income and cash flows, including cash available for servicing our indebtedness. As of December 31, 2022-2023, these interest rates have not had a material effect on our financial condition and cash flows. We may not be able to generate sufficient cash flow to service all of our indebtedness and may be forced to take other actions to satisfy our obligations under such indebtedness, which may not be successful. Our ability to make scheduled payments or to refinance outstanding debt obligations depends on our financial and operating performance, which will be affected by prevailing economic, industry and competitive conditions and by financial, business and other factors beyond our control. We may not be able to maintain a sufficient level of cash flow from operating activities to permit us to pay the principal, premium, if any, and interest on our indebtedness. Any failure to make payments of interest and principal on our outstanding indebtedness on a timely basis would likely result in a reduction of our credit worthiness, which would also harm our ability to incur additional indebtedness. If our cash flows and capital resources are insufficient to fund our debt service obligations, we may be forced to reduce or delay capital expenditures and acquisitions, sell assets, seek additional capital or seek to restructure or refinance our indebtedness. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants. Refinancing may not be successful and may not permit us to meet our scheduled debt service obligations. In the absence of such cash flows and resources, we could face substantial liquidity problems and might be required to sell material assets or operations to attempt to meet our debt service obligations. The financing documents governing our Senior Secured Credit Facilities include certain restrictions on our ability to conduct asset sales and / or use the proceeds from asset sales for certain purposes. We may not be able to consummate these asset sales to raise capital or sell assets at prices and on terms that we believe are fair and any proceeds that we do receive may not be adequate to meet any debt service obligations then due. If we cannot meet our debt service obligations, the holders of our indebtedness may accelerate such indebtedness and, to the extent such indebtedness is secured, foreclose on our assets. In such an event, we may not have sufficient assets to repay all of our indebtedness. The terms of the financing documents governing our Senior Secured Credit Facilities restrict our current and future operations, particularly our ability to respond to changes or to take certain actions. The financing documents governing our Senior Secured Credit Facilities contain a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long- term best interests, including restrictions on our ability to: • incur additional indebtedness; • incur liens; • merge, dissolve, liquidate, amalgamate, consolidate or sell all or substantially all of our assets; • declare or pay certain dividends, payments or distribution or repurchase or redeem certain capital stock; • permit our subsidiaries to enter into agreements restricting their ability to pay dividends, make loans, incur liens and sell assets; and • make certain investments. These restrictions could limit, potentially significantly, our operational flexibility and affect our ability to finance our future operations or capital needs or to execute our business strategy. We may be unable to refinance our indebtedness. Our Senior Secured Credit Facilities mature on October 29, 2028. In addition, we may need to refinance all or a portion of our indebtedness before maturity. Our ability to repay, refinance, replace or extend these facilities by their maturity dates will be dependent on, among other things, business conditions, our financial performance and the general condition of the financial markets. If a financial disruption were to occur at the time that we are required to repay indebtedness outstanding under these facilities, we could be forced to undertake alternate financings, including a sale of additional common stock, negotiate for an extension of the maturity of the applicable facility or sell assets and delay capital expenditures in order to generate proceeds that could be used to repay indebtedness. There can be no assurance that we will be able to obtain sufficient funds to enable us to repay or refinance our debt obligations on commercially reasonable terms, or at all. Risks Related to Our Common Stock Thoma Bravo controls us, and its interests may conflict with ours or yours in the future. As of December 31, 2022-2023, Thoma Bravo held approximately 85.84, 4.1% of the voting power of our outstanding common stock, which means that, based on its percentage voting power, Thoma Bravo controls the vote of all matters submitted to a vote of our stockholders. This control enables Thoma Bravo to control the election of the members of our board of directors (the “ Board ”) and all other corporate decisions. Even when Thoma Bravo ceases to control a majority of the total voting power, for so long as Thoma Bravo continues to own a significant percentage of our common stock, Thoma Bravo will still be able to significantly influence the composition of our Board and the approval of actions requiring stockholder approval. Accordingly, for such period of time, Thoma Bravo will have significant influence with respect to our management, business plans and policies, including the appointment and removal of our officers, decisions on whether to raise future capital and amending our charter and bylaws, which govern the rights attached to our common stock. In particular, for so long as Thoma Bravo continues to own a significant percentage of our common stock, Thoma Bravo will be able to cause or prevent a change of control of us or a change in the composition of our Board and could preclude any unsolicited acquisition of us. The concentration of ownership could deprive you of an opportunity to receive a premium for your shares of common stock as part of a sale of us and ultimately might affect the market price of our common stock. In addition, we have entered into a Director Nomination Agreement with Thoma Bravo that provides it the right to designate: (i) all of the nominees for election to our Board for so long as Thoma Bravo beneficially owns 40 % or more of the total number of shares of our common stock beneficially owned by Thoma Bravo upon completion of our initial public offering (“ IPO ”), as adjusted for any reorganization, recapitalization, or such amount of shares, as adjusted (the “ Original Amount ”) (ii) a number of directors (rounded up to the nearest whole number) equal to 40 % of the total directors for so long as Thoma Bravo beneficially owns at least 30 % and less than 40 % of the Original Amount; (iii) a number of directors (rounded up to the nearest whole number) equal to 30 % of the total directors for so long as Thoma Bravo beneficially owns at least 20 % and less than 30 % of the Original Amount; (iv) a number of directors (rounded up to the nearest whole number) equal to 20 % of the total directors for so long as Thoma Bravo beneficially owns at least 10 % and less than 20 % of the Original Amount; and (v) one director for so long as Thoma Bravo beneficially owns at least 5 % of the Original Amount. The Director Nomination

Agreement also provides that Thoma Bravo may assign such right to an affiliate. The Director Nomination Agreement prohibits us from increasing or decreasing the size of our Board without the prior written consent of Thoma Bravo. Thoma Bravo and its affiliates engage in a broad spectrum of activities, including investments in our industry generally. In the ordinary course of their business activities, Thoma Bravo and its affiliates may engage in activities where their interests conflict with our interests or those of our other stockholders, such as investing in or advising businesses that directly or indirectly compete with certain portions of our business or are suppliers or customers of ours. Our certificate of incorporation provides that none of Thoma Bravo, any of its affiliates or any director who is not employed by us (including any non-employee director who serves as one of our officers in both his or her director and officer capacities) or its affiliates have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. Thoma Bravo also may pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. In addition, Thoma Bravo may have an interest in pursuing acquisitions, divestitures and other transactions that, in their judgment, could enhance their investment, even though such transactions might involve risks to you or may not prove beneficial. We are a “controlled company” within the meaning of the rules of NYSE and, as a result, we qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You do not have the same protections as those afforded to stockholders of companies that are subject to such governance requirements. Thoma Bravo controls a majority of the voting power of our outstanding common stock. As a result, we are a “controlled company” within the meaning of the corporate governance standards of NYSE. Under these rules, a company of which more than 50 % of the voting power for the election of directors is held by an individual, group or another company is a “controlled company” and may elect not to comply with certain corporate governance requirements, including:

- the requirement that a majority of our Board consist of independent directors;
- the requirement that we have a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities;
- the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee’s purpose and responsibilities; and
- the requirement for an annual performance evaluation of the nominating and corporate governance and compensation committees.

We have, and intend to continue utilizing these exemptions. As a result, we do not, and may not in the future, have a majority of independent directors on our Board, our compensation and nominating and corporate governance committees do not, and may not in the future, consist entirely of independent directors and our compensation and nominating and corporate governance committees do not, and may not in the future, be subject to annual performance evaluations. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of NYSE. Provisions of our corporate governance documents could make an acquisition of us more difficult and may prevent attempts by our stockholders to replace or remove our current management, even if beneficial to our stockholders. Our certificate of incorporation and bylaws and the Delaware General Corporation Law (the “DGCL”) contain provisions that could make it more difficult for a third party to acquire us, even if doing so might be beneficial to our stockholders. Among other things, these provisions:

- allow us to authorize the issuance of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without stockholder approval, and which may include supermajority voting, special approval, dividend, or other rights or preferences superior to the rights of stockholders;
- provide for a classified board of directors with staggered three- year terms;
- provide that, at any time when Thoma Bravo controls, in the aggregate, less than 40 % in voting power of our stock entitled to vote generally in the election of directors, directors may only be removed for cause, and only by the affirmative vote of holders of at least sixty- six and two- thirds percent (66 $\frac{2}{3}$ %) in voting power of all the then- outstanding shares of our stock entitled to vote thereon, voting together as a single class;
- prohibit stockholder action by written consent from and after the date on which Thoma Bravo controls, in the aggregate, less than 35 % in voting power of our stock entitled to vote generally in the election of directors;
- provide that for as long as Thoma Bravo controls, in the aggregate, at least 50 % in voting power of our stock entitled to vote generally in the election of directors, any amendment, alteration, rescission or repeal of our bylaws by our stockholders will require the affirmative vote of a majority in voting power of the outstanding shares of our capital stock and at any time when Thoma Bravo controls, in the aggregate, less than 50 % in voting power of all outstanding shares of our stock entitled to vote generally in the election of directors, any amendment, alteration, rescission or repeal of our bylaws by our stockholders will require the affirmative vote of the holders of at least sixty- six and two- thirds percent (66 $\frac{2}{3}$ %) in voting power of all the then- outstanding shares of our stock entitled to vote thereon, voting together as a single class; and
- establish advance notice requirements for nominations for elections to our Board or for proposing matters that can be acted upon by stockholders at stockholder meetings; provided, however, at any time when Thoma Bravo controls, in the aggregate, at least 10 % in voting power of our stock entitled to vote generally in the election of directors, such advance notice procedure will not apply to Thoma Bravo. We have opted out of Section 203 of the DGCL, which generally prohibits a Delaware corporation from engaging in any of a broad range of business combinations with any interested stockholder for a period of three years following the date on which the stockholder became an interested stockholder. However, our certificate of incorporation contains a provision that provides us with protections similar to Section 203, and prevents us from engaging in a business combination with a person (excluding Thoma Bravo and any of their direct or indirect transferees and any group as to which such persons are a party) who acquires at least 15 % of our common stock for a period of three years from the date such person acquired such common stock, unless board or stockholder approval is obtained prior to the acquisition. These provisions could discourage, delay or prevent a transaction involving a change in control of our company. These provisions could also discourage proxy contests and make it more difficult for you and other stockholders to elect directors of your choosing and cause us to take other corporate actions you desire, including actions that you may deem advantageous, or negatively affect the trading price of our common stock. In addition, because our Board is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our stockholders to replace current members of our management team. These and

other provisions in our certificate of incorporation, bylaws and Delaware law could make it more difficult for stockholders or potential acquirers to obtain control of our Board or initiate actions that are opposed by our then- current Board, including actions to delay or impede a merger, tender offer or proxy contest involving our company. The existence of these provisions could negatively affect the price of our common stock and limit opportunities for you to realize value in a corporate transaction. Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation that may be initiated by our stockholders and the federal district courts of the U. S. as the exclusive forum for litigation arising under the Securities Act, which could limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. Pursuant to our certificate of incorporation, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for any claims in state court for (1) any derivative action or proceeding brought on our behalf, (2) 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, (3) any action asserting a claim against us arising pursuant to any provision of the DGCL, our certificate of incorporation or our bylaws or (4) any other action asserting a claim against us that is governed by the internal affairs doctrine; provided that for the avoidance of doubt, the forum selection provision that identifies the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation, including any " derivative action, " will not apply to suits to enforce a duty or liability created by the Securities Act, the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Our certificate of incorporation also provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the U. S. shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. Our certificate of incorporation further provides that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the provisions of our certificate of incorporation described above. The forum selection provisions in our certificate of incorporation may have the effect of discouraging lawsuits against us or our directors and officers and may limit our stockholders' ability to obtain a favorable judicial forum for disputes with us. If the enforceability of our forum selection provisions were to be challenged, we may incur additional costs associated with resolving such challenge. While we currently have no basis to expect any such challenge would be successful, if a court were to find our forum selection provisions to be inapplicable or unenforceable with respect to one or more of these specified types of actions or proceedings, we may incur additional costs associated with having to litigate in other jurisdictions, which could have an adverse effect on our business, financial condition, results of operations, cash flows and prospects and result in a diversion of the time and resources of our employees, management and Board. An active, liquid trading market for our common stock may not be sustained, which may limit your ability to sell your shares. Although we have listed our common stock on the NYSE under the trading symbol " INST, " an active trading market for our shares may not be sustained. A public trading market having the desirable characteristics of depth, liquidity and orderliness depends upon the existence of willing buyers and sellers at any given time, such existence being dependent upon the individual decisions of buyers and sellers over which neither we nor any market maker has control. The failure of an active and liquid trading market to develop and continue would likely have a material adverse effect on the value of our common stock. The market price of our common stock may decline and you may not be able to sell your shares of common stock above the price you paid, or at all. An inactive market may also impair our ability to raise capital to continue to fund operations by issuing additional shares of our common stock or other equity or equity- linked securities and may impair our ability to acquire other companies or technologies by using any such securities as consideration. Substantial blocks of our total outstanding shares may be sold into the market. If there are substantial sales of shares, or the perception of such sales, the price of our common stock could decline. The price of our common stock could decline if there are substantial sales of shares of our common stock, particularly sales by our directors, executive officers and significant stockholders, if there is a large number of shares of our common stock available for sale, or if there is a perception that these sales could occur. As of December 31, 2022 2023, there were 142-145, 917-207, 080-497 outstanding shares of common stock. All of the shares of common stock sold in our IPO are available for sale in the public market. In addition, we have also registered shares of common stock in connection with our equity compensation plans, these shares can be freely sold in the public market upon issuance. Shares held by directors, executive officers and other affiliates are subject to volume limitations under Rule 144 under the Securities Act and various vesting agreements. In connection with our IPO, we entered into a registration rights agreement with Thoma Bravo which requires us to effect the registration of Thoma Bravo' s shares in certain circumstances. If Thoma Bravo exercises its rights under this agreement to resell a significant amount of its shares of our common stock, we will not receive any proceeds from those offerings. Because we have no current plans to pay regular cash dividends on our common stock for the foreseeable future, you may not receive any return on investment unless you sell your common stock for a price greater than that which you paid for it. We do not anticipate paying any regular cash dividends on our common stock for the foreseeable future. Any decision to declare and pay dividends in the future will be made at the discretion of our Board and will depend on, among other things, our results of operations, financial condition, cash requirements, contractual restrictions and other factors that our Board may deem relevant. In addition, our ability to pay dividends is, and may be, limited by covenants of existing and any future outstanding indebtedness we or our subsidiaries incur, including under our 2021 Credit Agreement. Therefore, any return on investment in our common stock is solely dependent upon the appreciation of the price of our common stock on the open market, which may not occur. Our quarterly operating results and other metrics may vary significantly and be unpredictable, which could cause the trading price of our stock to decline. Our quarterly operating results are likely to fluctuate in the future. In addition, securities markets worldwide have experienced, and are likely to continue to experience, significant price and volume fluctuations, including as a result of slowing economy or recession, or periods of economic uncertainty. This market volatility, as well as general economic, market or political conditions, could subject the market price of our common stock to wide price fluctuations regardless of our operating performance. Our operating results and the trading price of our common stock may fluctuate in response to various factors, including: • adverse macroeconomic conditions, including heightened inflation, increased interest

rates, and an economic downturn that could affect IT spending; • changes in spending on learning platforms by our current or prospective customers; • pricing our applications effectively so that we are able to attract and retain customers without compromising our operating results; • attracting new customers and increasing our customers' use of our applications; • customer renewals and the amounts for which agreements are renewed; • awareness of our brand; • changes in the competitive dynamics of our market, including consolidation among competitors or customers and the introduction of new applications or application enhancements; • changes to the commission plans, quotas and other compensation- related metrics for our sales representatives; • the amount and timing of payment for operating expenses, particularly research and development, sales and marketing expenses and employee benefit expenses; • our ability to manage our existing business and future growth, including increases in the number of customers on our platform and the introduction and adoption of our platform in new markets outside of the U. S.; • unforeseen costs and expenses related to the expansion of our business, operations and infrastructure, including disruptions in our hosting network infrastructure and privacy and data security. • insolvency or credit difficulties confronting our customers, affecting their ability to purchase or pay for our learning platform; • litigation- related costs, settlements or adverse litigation judgments; • our ability to maintain scalable internal systems for reporting, order processing, license fulfillment, solution delivery, purchasing, billing and general accounting, among other functions; • significant security breaches of, technical difficulties with, or interruptions to, the delivery and use of our offerings • foreign currency exchange rate fluctuations; • general economic and political conditions in our domestic and international markets; • costs related to the acquisition of businesses, talent, technologies or intellectual property by us, including potentially significant amortization costs and possible write- downs; and • future accounting pronouncements or changes in our accounting policies. Any one of the factors above or the cumulative effect of some of the factors referred to above may result in significant fluctuations in our financial and other operating results, including fluctuations in our key metrics. Fluctuations in our quarterly operating results could limit or prevent investors from readily selling their shares of common stock and may otherwise negatively affect the market price and liquidity of our shares of common stock. In addition, in the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the company that issued the stock. If any of our stockholders brought a lawsuit against us, we could incur substantial costs defending the lawsuit. Such a lawsuit could also divert the time and attention of our management from our business, which could significantly harm our profitability and reputation. If securities or industry analysts do not publish research or reports about our business, if they publish unfavorable research or reports, or adversely change their recommendations regarding our common stock or if our results of operations do not meet their expectations, our stock price and trading volume could decline. The trading market of our common stock is influenced by the research and reports that industry or securities analysts publish about us or our business. We do not have any control over these analysts or the information contained in their reports. As a newly public company, we may be slow to attract research coverage. In the event we obtain securities or industry analyst coverage, if any of the analysts who cover us provide inaccurate or unfavorable research, issue an adverse opinion regarding our stock price or if our results of operations do not meet their expectations, our stock price could decline. Moreover, if one or more of these analysts cease coverage of us or fail to publish reports on us regularly, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. We may issue shares of preferred stock in the future, which could make it difficult for another company to acquire us or could otherwise adversely affect holders of our common stock, which could depress the price of our common stock. Our certificate of incorporation authorizes us to issue one or more series of preferred stock. Our Board has the authority to determine the preferences, limitations and relative rights of the shares of preferred stock and to fix the number of shares constituting any series and the designation of such series, without any further vote or action by our stockholders. Our preferred stock could be issued with voting, liquidation, dividend and other rights superior to the rights of our common stock. The potential issuance of preferred stock may delay or prevent a change in control of us, discouraging bids for our common stock at a premium to the market price, and materially adversely affect the market price and the voting and other rights of the holders of our common stock. **General Risk**

Certain Factors **Health pandemics or epidemics, including ones similar to the COVID-19 pandemic,** could materially adversely affect our business and prospects. Our business could be adversely affected by the effects of health pandemics or epidemics, including **ones similar to the ongoing COVID-19 pandemic, the evolution of which continues to be uncertain.** As a result of COVID-19, we incurred increased costs for our operations; performed our operations remotely; experienced difficulty in recruiting personnel; were subject to the risk that our suppliers, system integrators and channel partners could experience delays or interruptions in their ability to provide services to us or our customers; and were subject to the risk that the systems of third parties that we rely on for certain critical inputs to our business and learning platform, such as data centers and technology infrastructure, could be interrupted. **An A resurgence of COVID-19 or the outbreak of another health pandemic or epidemic could disrupt our business and could have a negative impact on our revenue, cash flows and results of operations.** **Certain** estimates of market opportunity and forecasts of market growth included in this Annual Report on Form 10- K may prove to be inaccurate. This Annual Report on Form 10- K includes estimates of the addressable market for our learning platform. Market opportunity estimates and growth forecasts, whether obtained from third- party sources or developed internally, are subject to significant uncertainty and are based on assumptions and estimates that may prove to be inaccurate as a result of various factors, including the economic uncertainty. The estimates and forecasts in this Annual Report on Form 10- K relating to the size and expected growth of our target market, market demand and adoption, capacity to address this demand and pricing may also prove to be inaccurate. In particular, our estimates regarding our current and projected market opportunity are difficult to predict. The addressable market we estimate may not materialize for many years, if ever, and even if the markets in which we compete meet the size estimates and growth forecasted herein, our business could fail to grow at similar rates, if at all. Our business is subject to the risks of fire, floods and other natural catastrophic events, and to interruption by man- made problems such as power disruptions, computer viruses, data security breaches or terrorism. A significant natural disaster, such as a fire or flood, occurring at our headquarters, at one of our other facilities, at any of our cloud hosting provider facilities, or

where a business partner is located, as a result of climate change or otherwise, could adversely affect our business, results of operations and financial condition. Prolonged health concerns or political or governmental developments in countries in which we or our customers, partners and service providers operate could result in further economic, social or labor instability, slow our sales process, result in customers not purchasing or renewing our learning platform or failing to make payments, and could otherwise have a material adverse effect on our business and our results of operations and financial condition. Further, if a natural disaster or man-made incident were to affect Internet service providers, this could adversely affect the ability of our customers to use our learning platform. Although we maintain incident management and disaster response plans, in the event of a major disruption caused by a natural disaster or man-made incident, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our development activities and lengthy interruptions in service, any of which could adversely affect our business, results of operations and financial condition. Our failure to raise additional capital or generate cash flows necessary to expand our operations and invest in new technologies in the future could reduce our ability to compete successfully and harm our competitive position and results of operations. We may need to raise additional funds, and we may not be able to obtain additional debt or equity financing on favorable terms or at all. If we raise additional equity financing, our security holders may experience significant dilution of their ownership interests. If we engage in additional debt financing, we may be required to accept terms that restrict our ability to incur additional indebtedness, force us to maintain specified liquidity or other ratios or restrict our ability to pay dividends or make acquisitions. If we need additional capital and cannot raise it on acceptable terms, or at all, we may not be able to, among other things: • develop and enhance our solution offerings; • continue to expand our organization; • hire, train and retain employees; • respond to competitive pressures or unanticipated working capital requirements; or • pursue acquisition opportunities. In addition, if we issue additional equity to raise capital, your interest in us will be diluted. Increasing scrutiny and changing expectations from investors, lenders, customers, and other market participants with respect to our Environmental, Social and Governance (“ ESG ”) policies and activities may impose additional costs on us or expose us to additional risks. Companies across all industries and around the globe are facing increasing scrutiny relating to their ESG policies, initiatives and activities by investors, lenders, customers, and other market participants. Regulatory requirements related to ESG have been issued in the EE, its Member States and other countries, particularly with respect to climate change, emission reduction and environmental stewardship. In the U. S., amongst other regulatory efforts, in March 2021, the SEC announced the creation of a Climate and ESG Task Force in the Division of Enforcement and in March 2022, the SEC proposed rules that would require public companies to disclose certain climate-related information in periodic filings with the SEC. We expect regulatory requirements related to ESG matters to continue to expand globally and increase our costs of compliance. We risk damage to our brand and reputation, impacts to our ability to secure government contracts, or limited access to capital markets and loans if we fail to adapt to, or comply with, investor, lender, customer or other stakeholder expectations and standards and potential government regulation with respect to ESG matters, including in areas such as diversity and inclusion, environmental stewardship, support for local communities and corporate governance and transparency.