

Risk Factors Comparison 2025-02-07 to 2024-02-06 Form: 10-K

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

• **AI adoption- related risk.** As we include generative AI features in our software products, some of our customers, especially those in highly regulated industries, may be reluctant or unwilling to use generative AI products. Accordingly, their reluctance to do so could reduce or delay customer adoption, and this may adversely affect our business, results of operations, and financial condition. • **Operational risks.** Our use of third- party generative AI tools exposes us to greater risks related to the quality of our products (for further information regarding this risk, see the risk factor entitled “ Our ability to sell our cloud solutions is highly dependent on the quality of our services offerings, and our failure to offer high quality services could adversely impact our business, results of operations, cash flow, and financial condition ”). For example: • **Generative AI features embedded in our software products may create incomplete or inaccurate outputs and this could result in customer dissatisfaction or potential claims related to product performance** (for further information regarding this risk, see the risk factor entitled “ Our software may contain undetected errors or “ bugs ” causing harm to our reputation, which could adversely impact our business, results of operations, cash flow, and financial condition ”); • **Our use of third- party generative AI tools to power features of our software products may impair our ability to correct defects or cure unavailability in a timely manner because we have no control over our third- party vendors’ operations and infrastructure** (for further information regarding this risk, see the risk factor entitled “ We incorporate third- party software in our solutions, the failure or unavailability of which could adversely affect our ability to sell, support, and service our products ”). • **Cybersecurity and Third- Party Rights.** Generally, because we mainly use generative AI tools that are developed by third- party vendors, we have lesser control over the further use or distribution of any content we may share or create via these third- party tools. In addition, the vendors of these tools may fail to comply with their contractual obligations to us, or not provide warranties, indemnities or other remedies, regarding the confidentiality or security of this content. Further, our use of generative AI tools to generate computer code may present additional security risks because the generated source code may contain security vulnerabilities. As a result, our sensitive information or that of our employees or customers could be leaked or disclosed, or other IT security incidents may arise (for further information regarding this risk, see the risk factor entitled “ If our data protection or other security measures are compromised and, as a result, our data, our customers’ data or our IT systems are accessed improperly, made unavailable, or improperly modified, our products and services may be perceived as vulnerable ... ”). In addition, we have little insight into, and no control over, the content used or provided by third- party vendors to train their generative AI tools. For example, there is ongoing litigation over whether the use of copyrighted materials to train AI models is lawful, however the impact of its outcome on our ability to use certain generative AI tools is unknown. • **Regulatory risks.** Several jurisdictions around the globe, including in Europe and the U. S. (at state and federal level), have proposed or already enacted legislative frameworks governing the development, use and marketing of AI tools, including the European Union’ s AI Act and the Colorado AI Act. We expect other jurisdictions will adopt similar regulations. Additionally, certain privacy laws may apply to our use of generative AI tools (such as a data subject’ s right to have a precise view of how their personal data are processed). These legal requirements may make it harder for us to conduct our business using AI (especially third- party AI tools), lead to regulatory fines or penalties, require us to change our business practices, or prevent or limit our use of AI tools, which in turn, may lead our business to be less efficient, or us to be at a competitive disadvantage (for further information regarding this risk, see the risk factor entitled “ Our technology must be advanced if we are to remain competitive ”). Any of these risks could be difficult to eliminate or manage, and, if not addressed, could adversely affect our business, financial condition, results of operations, and growth prospects. Our pricing models may need to be modified due to price competition. The competitive markets in which we operate may oblige us to reduce our prices in order to contend with the pricing models of our competitors. If our competitors discount certain products or services, we may have to lower prices on certain products or services in order to attract or retain customers. Any such price modifications would likely reduce margins and could adversely affect our business, results of operations, cash flow, and financial condition. We may encounter long sales cycles, particularly with our larger customers, which could have an adverse effect on the amount, timing, and predictability of our revenue, adversely affecting our business, results of operations, cash flow, and financial condition. Our products have lengthy sales cycles, which typically extend from nine to twelve months and may take up to several years. Potential and existing customers, particularly larger enterprise customers, often commit significant resources to an evaluation of available solutions and services and require us to expend substantial time and resources in connection with our sales efforts. The length of our sales cycles also varies depending on the type of customer to which we are selling, the product being sold, and customer requirements. We may incur substantial sales and marketing expenses and expend significant management effort during this time, regardless of whether we make a sale. Many of the key risks relating to sales processes are beyond our control, including: our customers’ budgetary and scheduling constraints; the timing of our customers’ budget cycles and approval processes; our customers’ willingness to replace their currently deployed software solutions; and general economic conditions. As a result of these lengthy and uncertain sales cycles of our products and services, it is difficult for us to predict when customers may purchase products or services from us, thereby affecting when we can recognize the associated revenue, and our operating results may vary significantly and may be adversely affected. The length of our sales cycle makes us susceptible to having pending transactions delayed or

terminated by our customers if they decide to delay or withdraw funding for IT projects. Our customers may decide to delay or withdraw funding for IT projects for various reasons, including, but not limited to, global economic cycles and capital market fluctuations. Our technology must be advanced if we are to remain competitive. The market for our products is characterized by rapid technological change, frequent new product introductions and enhancements, changes in customer demands, and evolving industry standards. Our existing products could be rendered obsolete if we fail to continue to advance our technology. We have also found that the technological life cycles of our products are difficult to estimate, partially because of changing demands of other participants in the supply chain. We believe that our future success will depend in large part upon our ability to continue to enhance our current product line while we concurrently develop and introduce new products that keep pace with competitive and technological developments. These developments require us to continue to make substantial product development investments. Although we are presently developing a number of product enhancements to our product sets, we cannot assure you that these enhancements will be completed on a timely basis or gain customer acceptance. Our ability to maintain and develop our brand is critical for our continued success. The brand identity we have developed has significantly contributed to the continued success of our business. Our ability to maintain and develop our brand is critical in expanding our base of customers, partners and employees. Our brand will depend largely on our ability to remain a technology leader and continue to provide high- quality innovative products, services, and features. Significant investments may be required in order to maintain and develop our brand. However, the investments may later be proven to be unsuccessful. If we fail to maintain and develop our brand, or if we incur excessive expenses in our efforts to do so, our business, operating results and financial condition may be materially and adversely affected. Disruption in our vertical markets could materially affect our revenues and results of operations. Our largest market, retail, is experiencing significant business disruption and transformation, primarily driven by digital commerce. We believe that disruption is causing many traditional retailers to assess the challenges of the transformation and evaluate their store networks and costs, as they face increasing competitive pressures from e- commerce retailers. Since our solutions often require our customers to make significant capital investments, traditional retailers could delay purchase decisions on our products. While this disruption may present significant opportunity for our company, we believe extended sales cycles for large cloud subscriptions could have a material adverse effect on our revenues and results of operations. Inability to attract, integrate, and retain management and other personnel could adversely impact our business, results of operations, cash flow, and financial condition. Our success greatly depends on the continued service of our executives, as well as our other key senior management, technical personnel, and sales personnel. Our future success will depend in large part upon our ability to attract, retain, and motivate highly skilled executives and employees. We face significant competition for individuals with the skills required to perform the services we offer, and thus we may encounter increased compensation costs that are not offset by increased revenue. In the broader technology industry in which we compete for talented hires, there is substantial and continuous competition for engineers with high levels of experience in designing, developing and managing software, as well as competition for sales executives and operations personnel. We cannot guarantee that we will be able to attract and retain sufficient numbers of these highly skilled employees or motivate them. Because of the complexity of the supply chain market, we may experience a significant time lag between the date on which technical and sales personnel are hired and the time at which these persons become fully productive. We may not be able to continue to successfully compete with other companies. We compete in markets that are intensely competitive and are expected to become more competitive as current competitors expand their product offerings. Our current competitors come from many segments of the software industry and offer a variety of solutions directed at various aspects of the extended supply chain, as well as the enterprise as a whole. We face competition for product sales from: • Corporate information technology departments of current or potential customers capable of internally developing solutions; • ERP vendors, including: Oracle, SAP, and Infor, among others; • Supply chain execution and planning vendors, including Blue Yonder / Panasonic (formerly JDA), Korber (formerly HighJump), SAS Institute, the Sterling Commerce division of IBM, Relex, and others; • POS vendors, including Aptos, Oracle, and others; and • Smaller independent companies that have developed or are attempting to develop supply chain execution solutions or planning solutions that apply either globally or in specific countries. Some of these potential competitors have longer operating histories, significantly more financial, technical, marketing, and other resources, greater name recognition, broader solutions, and larger installed bases of customers than we do. We believe the domain expertise required to continuously innovate supply chain technology in our target markets, effectively and efficiently implement solutions, identify and attract sales opportunities, and compete successfully in the sales cycle provides us with a competitive advantage and is a significant barrier to market entry. However, in order to be successful in the future, we must continue to respond promptly and effectively to technological change and competitors' innovations, and consequently we cannot assure you that we will not be required to make substantial additional investments in connection with our research, development, marketing, sales, and customer service efforts in order to meet any competitive threat, or that we will be able to compete successfully in the future. Some of our competitors have significant resources at their disposal, and the degree to which we will compete with their new innovative products in the marketplace is undetermined. Increased competition could result in price reductions, fewer customer orders, reduced earnings and margins, and loss of market share. In turn, this could have a material adverse effect on our business, results of operations, cash flow, and financial condition. Our operating results are substantially dependent on one line of business. We continue to derive our revenues from sales of our supply chain cloud solutions and related professional services. Accordingly, any factor adversely affecting the markets for supply chain cloud solutions could have an adverse effect on our business, results of operations, cash flow, and financial condition. Because we recognize revenue from our cloud subscriptions over the term of the subscription, downturns or upturns in new business

may not be immediately reflected in our results of operations. We recognize revenue from cloud customers over the terms of their subscription agreements. As a result, most of the cloud revenue we report in each quarter is attributable to agreements entered into during previous quarters. Consequently, a decline in new or renewed subscriptions in any one quarter may have a minimal impact on our revenue for that quarter but will negatively affect our revenue in future quarters. Accordingly, if we experience significant downturns in sales and market acceptance of our offerings, it may not be fully reflected in our results of operations until future periods. Our research and development activities may not generate significant returns. We anticipate continuing to make significant investments in software research and development (R & D) and related product opportunities because we believe that we must continue to allocate significant resources to our research and development activities to compete successfully. There is no assurance that our research and development will successfully anticipate market needs and result in significant new marketable solutions or enhancements to our solutions. Accordingly, we cannot estimate with any certainty when we will, if ever, receive significant revenues from these investments. In addition, if, we fail to compete effectively with our competitors' R & D programs, because we fail to maintain adequate R & D resources or otherwise, our competitors may gain an advantage, and our business, results of operations, cash flow, and financial condition could be adversely affected. Our growth is dependent upon the successful development of our direct and indirect sales channel mix. We believe that our future growth also will depend on further developing and maintaining a successful direct sales force and strategic relationships with systems integrators and other technology companies. We invest significant resources to maintain and develop our sales channels. Our investment could adversely affect our operating results if these efforts do not generate cloud and services revenue necessary to offset the investment. Mergers or other strategic transactions involving our competitors could weaken our competitive position or reduce our revenue. Our competitors have been consolidating, which may make them more formidable. Competing with stronger companies may cause us to experience pricing pressure and loss of market share, either of which could have a material adverse effect on our business, results of operations, cash flow, and financial condition. Our business, results of operations, cash flow, and financial condition may be adversely affected if we cannot integrate acquired companies or manage joint ventures. We may from time to time acquire companies with complementary products and services. These acquisitions will expose us to increased risks and costs, including those arising from the following: assimilating new operations and personnel; diverting financial and management resources from existing operations; and integrating acquired technologies. We may not be able to generate sufficient revenue from any of these acquisitions to offset the associated acquisition costs. We may also evaluate joint venture relationships with complementary businesses. Any joint venture we enter into would involve many of the same risks posed by acquisitions, particularly the following: risks associated with the diversion of resources; the inability to generate sufficient revenue; the management of relationships with third parties; and potential additional expenses. Our business may require additional capital. We may require additional capital to finance our growth or to fund acquisitions or investments in complementary businesses, technologies or product lines. Our capital requirements may be impacted by many factors, including: demand for our products; the timing of and extent to which we invest in new technology; the timing of and extent to which we acquire other companies; the level and timing of revenue; the expenses of sales and marketing and new product development; the success and related expense of increasing our brand awareness; the cost of facilities to accommodate a growing workforce; the extent to which competitors are successful in developing new products and increasing their market share; and the costs involved in maintaining and enforcing intellectual property rights.

Risks Related to Our Intellectual Property and Cybersecurity Our software may contain undetected errors or "bugs" causing harm to our reputation, which could adversely impact our business, results of operations, cash flow, and financial condition. Software products as complex as those we offer might contain undetected errors or failures when we first introduce them or when we release new versions. Despite testing, we cannot ensure errors will not be found in new products or product enhancements after commercial release. Any errors could cause substantial harm to our reputation, result in additional unplanned expenses to remedy any defects, delay the introduction of new products, result in the loss of existing or potential customers, or cause a loss in revenue. Further, such errors could subject us to customer claims for significant damages, and we cannot guarantee courts would enforce the provisions in our customer agreements limiting our damage liability. In turn, this could materially affect our business, results of operations, cash flow, and financial condition. If our data protection or other security measures are compromised and, as a result, our data, our customers' data or our IT systems are accessed improperly, made unavailable, or improperly modified, our products and services may be perceived as vulnerable, possibly damaging our brand and reputation, disrupting the IT services we provide to our customers, and causing our customers to stop using our products and services, all of which could reduce our revenue and earnings, increase our expenses and expose us to legal claims and regulatory actions. Our products and services can store, retrieve, manipulate and manage our customers' information and data as well as our own. We have a reputation for secure and reliable software products and services and invest time and resources into protecting the integrity and security of our products, services and internal and external data that we manage. Nevertheless, we encounter attempts by third parties to penetrate or bypass our data protection and other security measures and gain unauthorized access to our networks, systems and data or compromise our customers' confidential information or data. Unauthorized third parties also could improperly access or modify data as a result of employee or supplier error or malfeasance and third parties may attempt to fraudulently induce employees or customers into disclosing sensitive information such as user names, passwords or other information. These risks are persistent and likely will increase as we continue to grow our cloud offerings and services and store and process increasingly large amounts of our customers' confidential information and data. We also may acquire companies, products, services and technologies and inherit such risks when we integrate these acquisitions within Manhattan. If a cyber- attack or other security incident were to occur, we could

suffer damage to our brand and reputation, which could reduce our revenue, earnings, and operating cash flow resulting from increased expenses, including potential legal claims and regulatory actions to address and fix the incidents. We are subject to stringent and evolving U. S. and foreign laws, regulations, rules, contractual obligations, policies, and other requirements relating to privacy and data security. Further, as regulatory focus on privacy issues continues to increase and become more complex, these potential risks to our business will intensify. Changes in laws or regulations associated with the enhanced protection of certain types of sensitive data could significantly increase our cost of providing our products and services. If we are unable to develop software applications that interoperate with computing platforms developed by others, our business, results of operations, cash flow, and financial condition may be adversely affected. We develop software applications that interoperate with operating systems, database platforms, and hardware devices developed by others, which we refer to collectively as computing platforms. If the developers of these computing platforms do not cooperate with us or we are unable to devote the necessary resources so that our applications interoperate with those computing platforms, our software development efforts may be delayed and our business and results of operations may be adversely affected. When new or updated versions of these computing platforms are introduced, it is often necessary for us to develop updated versions of our software applications so that they interoperate properly with these computing platforms. We may not accomplish these development efforts quickly or cost- effectively, and it is difficult to predict what the relative growth rates of adoption of these computing platforms will be. These development efforts require substantial investment, the devotion of substantial employee resources, and the cooperation of the developers of the computing platforms. For some computing platforms, we must obtain some proprietary application program interfaces from the owner in order to develop software applications that interoperate with the computing platforms. Computing platform providers have no obligation to assist in these development efforts. If they do not provide us with assistance or the necessary proprietary application program interfaces on a timely basis, we may experience delays or be unable to expand our software applications into other areas. The computing platforms we use may not continue to be available to us on commercially reasonable terms. Any loss of the right to use any of these systems could result in delays in the provision of our products and services, and our results of operations may be adversely affected. Defects in computing platforms could result in errors or failure of our products, which could harm our business. We incorporate third- party software in our solutions, the failure or unavailability of which could adversely affect our ability to sell, support, and service our products. We incorporate and include third- party software into and with certain of our products and solutions and expect to continue to do so. The operation of our products could be impaired if there are defects in that third- party software. It may be difficult for us to correct any defects in third- party software because the development and maintenance of the software is not within our control. Such defects could adversely affect our business. In addition, there can be no assurance that these third parties will continue to make their software available to us on acceptable terms, or at all; not make their products available to our competitors on more favorable terms; invest the appropriate levels of resources in their products and services to maintain and enhance the capabilities of their software; or remain in business. Any impairment in our relationship with these third parties or our ability to license or otherwise use their software could have a material adverse effect on our business, results of operations, cash flow, and financial condition. Liability for intellectual property claims can be costly and result in the loss of significant rights, which could adversely impact our business, results of operations, cash flow, and financial condition. It is possible that third parties will claim that we have infringed their current or future products, inventions, or other intellectual property. We expect that supply chain software developers like us will increasingly be subject to infringement claims as the number of products grows. Any claims, with or without merit, could be time- consuming, result in costly litigation, cause product shipment delays, or require us to pay monetary damages or to enter into royalty or licensing agreements, any of which could negatively impact our operating results. There are no assurances that these royalty or licensing agreements, if required, would be available on terms acceptable to us, if at all. We also may be required to indemnify our customers for damages they suffer as a result of such infringement. There are no assurances that legal action claiming patent infringement will not be commenced against us, or that we would prevail in litigation given the complex technical issues and inherent uncertainties in patent litigation. If a patent claim against us were successful and we could not obtain a license on acceptable terms or license a substitute technology or redesign the product or feature to avoid infringement, we may be prevented from distributing our software or required to incur significant expense and delay in developing non- infringing software. Any of these events could seriously harm our business, results of operations, cash flow, and financial condition. Our failure to adequately protect our proprietary rights could adversely impact our business, results of operations, cash flow, and financial condition. Our success and ability to compete is dependent in part upon our proprietary technology. There are no assurances that we will be able to protect our proprietary rights against unauthorized disclosure or third- party copying or use. We rely on a combination of copyright, patent, trademark, and trade secret laws, as well as confidentiality agreements, licensing arrangements, and contractual commitments to establish and protect our proprietary rights. Despite our efforts to protect our proprietary rights, existing copyright, patent, trademark, and trade secret laws afford only limited protection. In addition, the laws of certain foreign countries do not protect our rights to the same extent as do the laws of the United States. Attempts may be made to copy or reverse engineer aspects of our products or to obtain and use information that we regard as proprietary. Any infringement of our proprietary rights could negatively impact our future operating results. Furthermore, policing the unauthorized use of our products is difficult, and litigation may be necessary in the future to enforce our intellectual property rights, to protect our trade secrets, or to determine the validity and scope of the proprietary rights of others. Litigation could result in substantial costs and diversion of resources. In turn, our business, results of operations, cash flow, and financial condition could be materially adversely affected. The use of open

source software in our products may expose us to additional risks and harm our intellectual property, which could adversely impact our business, results of operations, cash flow, and financial condition. Some of our products use or incorporate software that is subject to one or more open source licenses. Open source software is typically freely accessible, usable and modifiable. Certain open source software licenses require a user who intends to distribute the open source software as a component of the user's software to disclose publicly part or all of the source code to the user's software. In addition, certain open source software licenses require the user of such software to make any derivative works of the open source code available to others on unfavorable terms or at no cost. This can subject previously proprietary software to open source license terms. While we monitor the use of all open source software in our products, processes, and technology and try to ensure that no open source software is used in such a way as to require us to disclose the source code to the related product or solution, such use could inadvertently occur. Additionally, if a third-party software provider has incorporated open source software into software we license from them for use in our products and solutions, we could, under certain circumstances, be required to disclose the source code to our products and solutions. This could harm our intellectual property position and have a material adverse effect on our business, results of operations, cash flow, and financial condition.

Risks Related to Laws and Regulations We may have exposure to additional tax liabilities. As a multinational corporation, we are subject to income taxes in the U. S. and various foreign jurisdictions. Significant judgment is required in determining our global provision for income taxes and other tax liabilities. In the ordinary course of a global business, there are many intercompany transactions and calculations where the ultimate tax determination is uncertain. Our income tax returns are routinely subject to audits by tax authorities. Although we regularly assess the likelihood of adverse outcomes resulting from these examinations to determine our tax estimates, a final determination of tax audits or tax disputes could have an adverse effect on our financial condition, results of operations and cash flows. Also, the earnings of our foreign subsidiaries are considered to be indefinitely reinvested. If our plans change in the future or if we elect to repatriate the unremitted earnings of our foreign subsidiaries in the form of dividends or otherwise, we could be subject to additional local withholding taxes which may result in a higher effective tax rate. In addition, the United States and other governments adopt tax reform measures from time to time that impact future effective tax rates favorably or unfavorably. These tax reforms may be in the form of changes in tax rates, changes in the valuation of deferred tax assets or liabilities, or changes in tax laws or their interpretation. Such changes can have a material adverse impact on our financial results. In 2022, the United States enacted the Inflation Reduction Act, which includes a 1 % excise tax on corporate stock repurchases. While we do not anticipate that changes in the tax laws or rates in that Act will have a material, direct impact on the Company, imposition of new excise taxes and minimum corporate tax rates such as these can have a material adverse impact on the Company in the future. We are also subject to non- income taxes, such as payroll, sales, use, value- added, net worth, property and goods and services taxes in the U. S. and various foreign jurisdictions. We are regularly under audit by tax authorities with respect to these non- income taxes and may have exposure to additional non- income tax liabilities, which could have an adverse effect on our results of operations, financial condition and cash flows. We can be subject to criminal or civil liability if we fail to comply with anti- corruption and anti- boycott regulations, and that can adversely affect our business, financial condition, and results of operations. We are subject to the U. S. Foreign Corrupt Practices Act (" FCPA"), U. S. domestic bribery laws, and foreign anti- corruption regulation as well as domestic and foreign anti- boycott regulation, which many governments have interpreted more broadly and enforced aggressively in recent years. Under certain circumstances, we can be held liable for the corrupt or other illegal activities of our employees, representatives, contractors, partners, and agents, even if our Company does not explicitly authorize those activities. While we have policies and procedures and conduct training that addresses compliance with anti- corruption and anti- boycott regulation, our employees and representatives may violate those regulations, we may be held responsible. Detecting, investigating, and resolving actual or alleged violations of those regulations can divert our management team's time, resources, and attention. In addition, noncompliance with anti- corruption or anti- boycott regulation could subject us to whistleblower complaints, investigations, sanctions, settlements, prosecution, enforcement actions, fines, damages, other civil or criminal penalties or injunctions, suspension or debarment from contracting with certain persons, reputational harm, adverse media coverage, and other collateral consequences. Other laws and regulations. We face risks related to other laws and regulations in areas discussed elsewhere in this " Risk Factors " section, including data protection, export controls and immigration.

Risks Related to International Operations Our international operations have many associated risks. We continue to strategically manage our presence in international markets, and these efforts require significant management attention and financial resources. We may not be able to successfully penetrate international markets, or, if we do, there can be no assurance that we will grow our business in these markets at the same rate as in North America. International sales are subject to many risks and difficulties, including those arising from complying with a variety of foreign laws, import and export restrictions and tariffs, reduced protection for intellectual property rights in some countries, potential adverse tax treatment, less stringent adherence to ethical and legal standards by prospective customers in some countries, language and cultural barriers and political and economic instability. Because of these inherent complexities and challenges, lack of success in international markets could adversely affect our business, results of operations, cash flow, and financial condition. Our operating results may include foreign currency gains and losses. We conduct a portion of our business in currencies other than the United States dollar. Our revenues, expenses, operating profit and net income are affected when the dollar weakens or strengthens in relation to other currencies. In addition, we have a large development center in Bangalore, India, that does not have a natural in-market revenue hedge to mitigate currency risk to our operating expense in India. Fluctuations in the value of other currencies could materially impact our revenues, expenses, operating profit and net income. Our employee retention and

hiring may be hindered by immigration restrictions, which could adversely impact our business, results of operations, cash flow, and financial condition. Foreign nationals who are not U. S. citizens or permanent residents constitute a significant part of our professional U. S. workforce. Our ability to hire and retain these workers, and their ability to remain and work in the U. S. are impacted by laws and regulations as well as by processing procedures of various government agencies. Changes in laws, regulations, or procedures may adversely affect our ability to hire or retain such workers and may affect our costs of doing business and / or our ability to deliver services.

Risks Related to Our Common Stock Our stock price has been highly volatile. The trading price of our common stock could be subject to wide fluctuations in response to various factors, including: global macro- economic contraction impacting demand for supply chain solutions; quarterly variations in operating results; announcements of technological innovations or new products by us or our competitors; developments with respect to patents or proprietary rights; changes in financial estimates by securities analysts; and mergers, acquisitions, and combinations involving our competitors or us. Our operating results are difficult to predict and could cause our stock price to fall. Our quarterly revenue and operating results are difficult to predict and can fluctuate significantly from quarter to quarter. If our quarterly revenue or operating results fall below the expectations of investors or public market analysts, the price of our common stock could fall substantially. Our quarterly revenue is difficult to forecast for several reasons, including the following: global macro- economic disruptions; credit and equity market disruptions, which can significantly impact capital availability and spend timing of customers or potential customers; the varying sales cycle for our products and services from customer to customer, including multiple levels of authorization required by some customers; the varying demand for our products; customers' budgeting and purchasing cycles; delays in our implementations at customer sites; timing of hiring new services employees and the rate at which these employees become productive; timing of introduction of new products; development and performance of our distribution channels; and timing of any acquisitions and related costs. Most of our expenses, including employee compensation and rent, are relatively fixed. In addition, our expense levels are based, in part, on our expectations regarding future revenue increases. As a result, any shortfall in revenue in relation to our expectations could cause significant changes in our operating results from quarter to quarter and could result in quarterly losses. As a result of these factors, we believe that period- to- period comparisons of our revenue levels and operating results are not necessarily meaningful. Historical growth rates and historical quarterly revenue and operating results may not be a good indicator of future operating results and reliance on historical results should not be used to predict our future performance. Our articles of incorporation and bylaws and Georgia law may inhibit a takeover of our company. Our corporate organizational documents and Georgia law contain provisions that might enable our management to resist a takeover of our company. These provisions might discourage, delay or prevent a change in control of our company or a change in our management. These provisions could also discourage proxy contests and make it more difficult for shareholders to elect their own director nominees and compel other corporate actions. The existence of these provisions could also limit the price that investors might be willing to pay for shares of our common stock.

Other Risk Factors Economic, political and market conditions can adversely affect our business, results of operations, cash flow and financial condition, including our revenue growth and profitability, which in turn could adversely affect our stock price. Our business is influenced by a range of factors that are beyond our control and that we have no comparative advantage in forecasting. These include: • general economic and business conditions; • interest and inflation rates, trends and fluctuations of each, and efforts to control them; • financial and credit market fluctuations and bank failures; • overall demand for enterprise software and services; • governmental policy, budgetary constraints, potential U. S. federal government shutdowns or shifts in government spending priorities; • general geo- political developments, including political instability, economic sanctions, terrorist activities or international conflicts, such as the wars in Ukraine and the Middle East; and • currency exchange rate fluctuations. Macroeconomic developments in the United States and Europe and in parts of Asia and South America could negatively affect our business, operating results, financial condition, and outlook, which, in turn, could adversely affect our stock price. Any general weakening of, and related declining corporate confidence in, the global economy or the curtailment in government or corporate spending could cause current or potential customers to reduce or eliminate their information technology budgets and spending, which could cause customers to delay, decrease or cancel purchases of our products and services; or cause customers not to pay us; or to delay paying us for previously purchased products and services. In addition, political unrest and the related potential impact on global stability, acts of war or terrorism and the potential for other hostilities in various parts of the world, as well as potential public health crises and natural disasters continue to contribute to a climate of economic and political uncertainty that could adversely affect our results of operations and financial condition, including our revenue growth and profitability. Changes in, or interpretation of, accounting principles could result in unfavorable accounting changes. Our Consolidated Financial Statements are prepared in conformity with U. S. generally accepted accounting principles (GAAP) and accompanying accounting pronouncements, implementation guidelines, and interpretations. These rules are subject to interpretation by the SEC and various bodies formed to interpret and create appropriate accounting principles. Changes in these rules or their interpretation could significantly change our reported results and may even retroactively affect previously reported transactions. Changes resulting from these new accounting standards or the adoption of other new or revised accounting principles may result in materially different financial results and may require that we make changes to our systems, processes, and controls. In addition, as we work to align with the guidelines of the Financial Stability Board' s Task Force on Climate- Related Financial Disclosures (“ TCFD ”) and the Sustainability Accounting Standards Board (“ SASB ”) environmental metrics, we may continue to expand our disclosure in these areas. Our failure to report accurately or achieve progress on our metrics timely could adversely affect our reputation, financial performance and business growth. Adverse litigation results could affect our business.

From time to time, we may be involved in litigation relating to claims arising in the ordinary course of business, and occasionally legal proceeding not in the ordinary course. Litigation can be lengthy, expensive and disruptive to our operations, and can divert our management's attention away from running our core business. The results of any litigation also cannot be predicted with certainty. An adverse decision could result in monetary damages or injunctive relief that could affect our business, operating results or financial condition. Additional information regarding legal matters in which we are involved, if any, can be found in Note 5 to our Consolidated Financial Statements. The effects of a pandemic, or major public health concern such as the COVID-19 pandemic, or other major public health crisis could materially adversely affect our business, results of operations and financial condition. In March 2020, the World Health Organization declared the outbreak of the novel coronavirus, and the disease it causes, COVID-19, a pandemic. The pandemic disease spread throughout the U.S. and the world, prompting governmental and private authorities to implementing --- implement numerous measures from time to time to contain the virus pandemic, including travel bans and restrictions, quarantines, shelter-in-place orders, and business limitations and shutdowns. A While we are unable to completely predict the full impact that a future pandemic or other public health crisis, and related remedial measures will have on, could adversely impact our results from operations, financial condition, liquidity and cash flows in due to numerous uncertainties ways, including but not limited to: • any such crisis could reduce the availability duration and severity of the pandemic and containment measures, our or productivity of our workforce compliance with these measures could impact impacting our day-to-day operations and could disrupt ability to meet our business and operations, as well as that of our customers customer obligations; • customer demand, suppliers and other counterparties, for an indefinite period of time. The negative effects of a global pandemic such as COVID-19 on the overall economy could cause our products could revenues and profitability to decline or they may request extended payment terms for products purchased due to their need to reduce their numerous reasons, including: • Our customers could implement cost-saving measures, which may include reductions in information technology expense or requests preserve cash, for or extended payment terms as a result of reductions in their sales and profits; • Some customers could file for bankruptcy; • Forced forced store closures could accelerate pre-existing disruption in the retail sector; and /or • The the spending habits of our customers' customers could change, reducing our customers' own revenues and profitability, which in turn could affect our revenues and profitability. In addition, restrictions on in-person interaction, whether occasioned by government orders or changed habits or customs regarding social distancing and group activity after the expiration of strict government measures, may have a material impact on our business. For instance, implementation of our software may be impeded if either our personnel or our customer's information technology personnel are working remotely. A decrease in revenues could also negatively affect our liquidity, as we primarily rely on cash generated from operating activities for our liquidity needs. Compounding this issue, a pandemic or other public health crisis may make outside capital less available or more expensive. Fires or other catastrophic events at our principal facilities could disrupt our business. Fires, natural disasters, weather events, political unrest, disruptions in critical infrastructure or other catastrophic events, particularly those affecting our Atlanta headquarters or India research and development center, may cause damage or disruption to our operations, and thus could have a strong negative effect on us. Our business operations are subject to interruption by natural disasters, weather events, political unrest, fire, power shortages and other disruptions of critical infrastructure, health crises or pandemics and other events beyond our control. Although we maintain crisis management and disaster response plans, such events could make it difficult or impossible for us to deliver our services to our customers.