

## Risk Factors Comparison 2024-12-16 to 2024-03-19 Form: 10-K

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

Below is a summary of the principal factors that make an investment in our common stock speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below and should be carefully considered, together with other information in this Annual Report on Form 10-K and our other filings with the Securities and Exchange Commission before making investment decisions regarding our common stock.

**Risks Associated With Our Business and Operations**

- We currently derive substantially all of our revenue from a few types of technologies. If these technologies and the related products do not achieve or continue to achieve market acceptance, our business, financial condition, and results of operations would be adversely affected.
- We cannot predict the impact that the decline of the use of checks, changes in consumer behavior facilitated by advances in technologies, and the development of check alternatives, or the plateau of the penetration of active mobile banking users may have on our business.
- Claims that our products infringe upon the rights, or have otherwise utilized proprietary information, of third parties may give rise to costly litigation against us or our customers who we may be obligated to indemnify, and we could be prevented from selling those products, required to pay damages, and obligated to defend against litigation or indemnify our customers.
- If the patents we own or license, or our other intellectual property rights, do not adequately protect our technologies, **brands or other intellectual property**, we may lose market share to our competitors and be unable to operate our business profitably.
- We face competition from several companies that may have greater resources than we do, which could result in price reductions, reduced margins, or loss of market share.
- We must continue to engage in extensive research and development in order to remain competitive.
- Defects or malfunctions in our products could hurt our reputation, sales and profitability.
- Our lengthy sales cycles and the difficulty in predicting timing of sales or delays may impair our operating results.
- Our historical order flow patterns, which we expect to continue, have caused forecasting difficulties for us. If we do not meet our forecasts or analysts' forecasts for us, the price of our common stock may decline.
- Entry into new lines of business, and our offering of new products and services ~~resulting from our acquisitions~~ may result in exposure to new risks.
- Adverse economic conditions or reduced spending on information technology solutions may adversely impact our revenue and profitability.
- We may need to raise additional capital to fund continuing operations and an inability to raise the necessary capital or the inability to do so on acceptable terms could threaten the success of our business.
- We expect to incur additional expenses related to the integration of ID R & D, Inc. and HooYu Ltd.
- We may be unable to successfully integrate our business with the respective businesses of ID R & D ~~and HooYu~~ **or future acquisitions** and realize the anticipated benefits of the acquisitions.
- Our actual financial and operating results following the acquisitions of ID R & D and HooYu could differ materially from any expectations or guidance provided by us concerning our future financial and operating results.
- Our annual and quarterly results have fluctuated greatly in the past and will likely continue to do so, which may cause substantial fluctuations in our common stock price.
- ~~We face risks related to the storage of our customers' and their end users' confidential and proprietary information. Our products may not provide absolute security. We may incur increasing costs in an effort to minimize those risks and to respond to cyber incidents.~~

Due to our operations in non- U. S. markets, we are subject to certain risks that could adversely affect our business, results of operations or financial condition.

- Our international operations may increase our exposure to potential liability under anti-corruption, trade protection, tax, and other laws and regulations.
- Fluctuations in foreign currency exchange and interest rates could adversely affect our results of operations ~~Compliance with changing regulations concerning corporate governance and public disclosure may result in additional expenses.~~
- ~~We have a history of losses and we may not be able to maintain profitability in the future.~~

An "ownership change" could limit our ability to utilize our net operating loss and tax credit carryforwards, which could result in our payment of income taxes earlier than if we were able to fully utilize our net operating loss and tax credit carryforwards.

- Our cash and cash equivalents could be adversely affected if the financial institutions at which we hold our cash and cash equivalents fail.
- Our business could be adversely affected in the event we default under our debt agreements.
- Our revenues are dependent on our ability to maintain and expand existing customer relationships and our ability to attract new customers.
- **The loss of one or more of our key customers could slow our revenue growth or cause our revenues to decline.**

**Risks Related to Privacy, Artificial Intelligence, and Cybersecurity**

- Evolving domestic and international data privacy **and Artificial Intelligence laws and** regulations may restrict our ability, and that of our customers, to solicit, collect, process **, transfer**, disclose and use personal information or may increase the costs of doing so, which could harm our business.
- ~~From time~~ **Recent and proposed laws regarding the use of facial recognition technology and the processing of biometric data could increase compliance costs or otherwise make it harder for us to conduct our business, require us to change our business practices, lead to regulatory investigations or actions, and have a material adverse effect on demand for certain of our products.**
- **Our business and operations are subject to a variety of regulatory requirements in the countries in which we operate or in which we offer our solutions, including, among other things, with respect to artificial intelligence ("AI") and machine ~~to time our Board explores~~ learning ("ML") technologies that may be difficult and expensive to comply with and that could negatively impact** ~~consider strategic alternatives, including financings, strategic alliances, acquisitions, or our the possible sale of business.~~
- **Security breaches our ~~or~~ company cyberattacks could expose us to significant liability, cause our business and reputation to suffer and harm our competitive position.**

**Risks Related to Investing in** ~~Our Board may not be able to identify or complete any suitable strategic alternatives, and announcements regarding any such strategic alternatives could have an impact on our operations or stock price.~~

- ~~Future sales of our common~~ **Common** stock ~~Stock~~ by our insiders may cause our stock price to decline.
- A potential proxy

contest for the election of directors at our annual meeting could result in potential operational disruption, divert our resources, and could potentially result in adverse consequences under certain of our agreements. • Our corporate documents and the Delaware General Corporation Law (the “DGCL”) contain provisions that could discourage, delay, or prevent a change in control of our company, prevent attempts to replace or remove current management, and reduce the market price of our stock. • Our restated certificate of incorporation and third amended and restated bylaws provide for indemnification of officers and directors at our expense and limits their liability, which may result in a major cost to us and hurt the interests of our stockholders because corporate resources may be expended for the benefit of officers and / or directors. • The market price of our common stock has been volatile and your investment in our stock could suffer a decline in value. • Because we do not intend to pay cash dividends, our stockholders will benefit from an investment in our common stock only if our stock price appreciates in value. • As a result of our failure to timely file this Annual Report on Form 10-K for year ended September 30, 2023, and our Quarterly Report on Form 10-Q for the quarter ended December 31, 2023, we are currently ineligible to file new short form registration statements on Form S-3 or to have resale registration statements declared effective in a timely manner, which may impair our ability to raise capital on terms favorable to us, in a timely manner or at all. • Our third amended and restated bylaws provide that a state or federal court located within in the State of Delaware will be the sole and exclusive forum for substantially all disputes between us and our stockholders, which could limit our stockholders’ ability to obtain a favorable judicial forum for disputes with us or our directors, officers or employees. • **Future sales of our common stock could cause the market price of our common stock to decline.** • **If financial or common stock is delisted from Nasdaq, industry analysts do not publish research or reports about our business, or if financial condition, results of operations and share price could be adversely affected, and the liquidity issue negative or misleading evaluations of our common stock, our stock price and trading volume could decline** be impaired. **Risks Related to Regulation and Compliance** • We have identified material weaknesses in our internal control over financial reporting, and if our remediation of such material weaknesses is not effective, or if we fail to develop and maintain an effective system of disclosure controls and internal control over financial reporting, our ability to produce timely and accurate financial statements or comply with applicable laws and regulations could be impaired. • **General Risk** • If we are unable to retain and recruit qualified personnel, or if any of our key executives or key employees discontinues his or her employment with us, it may have a material adverse effect on our business. • Legislation and governmental regulations enacted in the U. S. and other countries that apply to us or to our customers may require us to change our current products and services and / or result in additional expenses, which could adversely affect our business and results of operations. • **Future sales of our common stock could,..... and regulations could be impaired.** • Natural disasters or other catastrophic events may disrupt our business. **Risk Factors** • The following risk factors and other information included in this Form 10-K should be carefully considered. The risks and uncertainties described below are not the only ones we face. Additional risks and uncertainties not presently known to us or that we presently deem less significant may also impair our business operations. If any of the following risks actually occur, our business, financial condition, results of operations, cash flows, projected results, and future prospects could be materially and adversely affected. In these circumstances, the market price of our common stock could decline, and **you an investor** could lose all or part of **your their** investment or interest. **Risks Associated With Our Business and Operations** • We currently derive substantially all of our revenue from license sales and services provided with our software products to customers incorporating our intelligent mobile imaging technology and software products. If we are unable to achieve or continue to achieve market acceptance of our core technologies or products incorporating such technologies, we will not generate significant revenue growth from the sale of our products. Additionally, factors adversely affecting the pricing of or demand for our products and services, such as competition from other products or technologies, any decline in the demand for mobile image processing, negative publicity, or obsolescence of the software environments in which our products operate could adversely affect our business, financial condition, and results of operations. **The** **Over the last few years, the use of checks has started to decline declined - in recent years as a result of Advances advances** in technologies **that** have enabled the development of check alternatives like Zelle and Venmo, which have caused certain changes in consumer behavior. **Though we are developing and offering new technologies, many of our current product offerings center around solutions involving the use of checks by banking customers**. As check alternatives become more widely accepted by consumers, the use of checks could continue to decline, which could have a negative effect on our business. In addition, as the mobile banking market matures, the growth of active mobile banking users is slowing, which may negatively impact our ability to grow our business, **which therefore could adversely affect our financial condition and results of operations**. In the past, third parties have brought claims against us and against our customers who use our products asserting that certain technologies incorporated into our products infringe on their intellectual property rights. Although we have resolved past claims against us that we have infringed on third-party patents, there can be no assurance that we will not receive additional claims against us asserting that our products infringe on the intellectual property rights of third parties or that our products otherwise utilize such third parties’ proprietary information. **Since On July 7, 2018, United Services Automobile Association (“USAA”) has filed suit a lawsuit against various parties alleging patent infringement concerning four USAA-owned patents related to mobile deposits, including** Wells Fargo Bank, N. A. (“Wells Fargo”) in the Eastern District of Texas alleging that Wells Fargo’s remote deposit capture systems (which in part utilize technology provided by the Company to Wells Fargo through a partner) infringe four USAA-owned patents related to mobile deposits (the “First Wells Lawsuit”). On August 17, 2018, USAA filed a second lawsuit (the “Second Wells Lawsuit” and together with the First Wells Lawsuit, the “Wells Lawsuits”) against Wells Fargo in the Eastern District of Texas asserting that an **and** additional five patents owned by USAA were infringed by Wells Fargo’s remote deposit capture system. In neither lawsuit was the Company named in the Complaint as an infringer and at no time did USAA allege specifically that the Company’s products by themselves infringed any of the asserted patents. Subsequently, on November 6, 2019, a jury in the First Wells Lawsuit found that Wells Fargo willfully infringed at least one of the Subject Patents (as defined below) and awarded USAA \$ 200 million in damages. In the

Second Wells Lawsuit, USAA dropped two of the patents from the litigation, and the judge in the case found that one of the remaining three patents was invalid. On January 10, 2020, a jury in the Second Wells Lawsuit found that Wells Fargo willfully infringed at least one of the patents at issue in that case and awarded USAA \$ 102 million in damages. No Mitek product was accused of infringing either of the two patents in question in the Second Wells Lawsuit as the litigation involved broad banking processes and not the Company's specific mobile deposit features. USAA and Wells Fargo subsequently reached a settlement, and on April 1, 2021, the Court granted the parties' joint motion and stipulation of dismissal of the Wells Lawsuits with prejudice. Wells Fargo filed petitions for Inter Partes Review ("IPR") with the Patent Trial and Appeal Board ("PTAB") challenging the validity of the four patents in the First Wells Lawsuit. Three of those four petitions were instituted, while one (relating to U. S. Patent No. 9, 818, 090 ("the '090 Patent")) was denied institution. On November 24, 2020, and January 26, 2021, the PTAB issued final written decisions determining that Wells Fargo had not demonstrated by a preponderance of the evidence that any claims of the U. S. Patent Nos. 8, 977, 571 ("the '571 Patent"), 8, 699, 779 ("the '779 Patent"), or 9, 336, 517 ("the '517 Patent") were unpatentable. On September 30, 2020, USAA filed suit against PNC Bank (the "First PNC Lawsuit") in the Eastern District of Texas alleging infringement of U. S. Patent Nos. 10, 482, 432 ("the '432 Patent") and 10, 621, 559. These **these** two patents are continuations of an asserted patent in the Second Wells Lawsuit **lawsuits do** and relate to similar subject matter. On October 19, 2020, PNC Bank's integration partner, NCR Corporation, sent an indemnification demand to the Company requesting indemnification from all claims related to the First PNC Lawsuit. The complaint against PNC Bank does not claim that any Company product infringes any of the asserted patents. At this time, the Company does not believe it is obligated to indemnify NCR Corporation or end-users of NCR Corporation resulting from the patent infringement allegations by USAA. On December 4, 2020, USAA filed an amended complaint against PNC Bank also asserting two patents at issue in the First Wells Lawsuit — the '779 Patent and the '571 Patent. On February 2, 2021, NCR Corporation sent a second indemnification demand to the Company requesting indemnification of the claims described in the amended complaint. On March 31, 2021, USAA filed another suit against PNC Bank in the Eastern District of Texas alleging infringement of two patents from the Second Wells Lawsuit, U. S. Patent Nos. 10, 013, 605 ("the '605 Patent") and 10, 013, 681 ("the '681 Patent") (the "Second PNC Lawsuit"). On July 7, 2021, USAA filed a third lawsuit against PNC Bank (the "Third PNC Lawsuit" and together with the First PNC Lawsuit and the Second PNC Lawsuit, the "PNC Lawsuits") asserting infringement of U. S. Patents 10, 769, 598; 10, 402, 638; and 9, 224, 136. A jury trial was held in May 2022 on the consolidated First PNC Lawsuit and Second PNC Lawsuit. The jury found that PNC willfully infringed at least one patent claim and awarded USAA \$ 218 million in damages. The Court denied PNC Bank's equitable defenses and entered a Final Judgment in the consolidated First PNC Lawsuit and Second PNC Lawsuit on August 19, 2022. A jury trial was held in September 2022 on the Third PNC Lawsuit. The jury found that PNC infringed at least one patent claim and awarded USAA \$ 4. 3 million in damages. The Court entered a Final Judgment in the Third PNC Lawsuit on February 16, 2023. While neither the Wells Lawsuits nor the PNC Lawsuits name the Company as a defendant, given (among other factors) the Company's prior history of litigation with USAA and the continued use of the Company's products by its customers, on November 1, 2019, the Company filed a complaint in the U. S. District Court for the Northern District of California seeking declaratory judgment that its products do not infringe **certain the '779 Patent patents held by USAA**, the '571 Patent, the '517 Patent, and the '090 Patent (collectively, the "Subject Patents"). On January 15, 2020, USAA filed motions requesting the dismissal of the declaratory judgment of the Subject Patents and transfer of the case to the Eastern District of Texas, both of which the Company opposed. On April 21, 2020, the Court in the Northern District of California transferred the Company's declaratory judgment action to the Eastern District of Texas and did not rule on USAA's motion to dismiss. On April 28, 2021, the Court in the Eastern District of Texas granted USAA's motion to dismiss the Company's declaratory judgment action on jurisdictional grounds. The Court's ruling did not address the merits of the Company's claim of non- infringement. The Company appealed the ruling on the motion to dismiss and the decision to transfer the declaratory judgment action from California to Texas to the U. S. Court of Appeals for the Federal Circuit. The Federal Circuit heard oral argument on the Company's appeal on April 4, 2022 and on May 20 2022, issued an opinion vacating and remanding the district court's order granting USAA's motion to dismiss. On August 1, 2022, the parties submitted additional briefing to the district court in light of Federal Circuit's opinion. The court held another hearing on USAA's motion to dismiss the Company's declaratory judgment action on jurisdictional grounds, and once again granted USAA's motion to dismiss on February 23, 2023. The Company timely filed a notice of appeal to the U. S. Court of Appeals for the Federal Circuit. The appeal is fully briefed, and the Company is awaiting oral argument. The Company continues to believe that its products do not infringe the Subject Patents and will vigorously defend the right of its end- users to use its technology . In April, May, and June 2020, the Company filed petitions for IPR with the PTAB of the U. S. Patent & Trademark Office challenging the validity of the Subject Patents. On November 6 and 17, 2020, the PTAB decided to exercise its discretion and deny institution of the four petitions due to the alleged relationship between the Company and Wells Fargo, who previously filed petitions for IPR on the Subject Patents. The PTAB did not address the merits of the Company's petitions or the prior art cited in those petitions. The Company continues to believe that the prior art cited in the petitions renders all the claims of the Subject Patents invalid. On each of December 6, 2020, December 17, 2020, and February 23, 2021, the Company filed requests for rehearing and Precedential Opinion Panel ("POP") review of the four denied IPR petitions. The Patent Office denied the requests for rehearing and for POP review. In September 2020, the Company filed an additional two petitions for IPR with the U. S. Patent & Trademark Office challenging the validity of the '681 Patent and the '605 Patent — two of the patents at issue in the Second Wells Lawsuit. In March 2021, the PTAB decided not to institute the two petitions. On July 7, July 14, and July 21 2021, PNC Bank filed six additional petitions for IPR with the U. S. Patent & Trademark Office challenging the validity of the '779 Patent, the '571 Patent, the '559 Patent, and the '432 Patent. On August 27, 2021, PNC filed two additional petitions for IPR challenging the validity of the '681 Patent and the '605 Patent. In October and November of 2021, PNC Bank filed four more petitions for IPR challenging the validity of the '638 Patent, the '136 Patent, and the '598 Patent. The Patent Office

denied institution with respect to the petitions challenging the '432 Patent, the '605 Patent, the '681 Patent, and the '638 Patent, but instituted inter partes review on the petitions relating to the '779 Patent, the '571 Patent, the '559 Patent, and the '598 Patent—finding a reasonable likelihood that at least one challenged patent claim was invalid. The U. S. Patent & Trademark Office issued a final written decision in each of the IPRs challenging the '779 Patent, the '571 Patent, and the '559 Patent and found all challenged claims of each patent unpatentable. USAA filed requests for rehearing and requests for POP review. The requests for POP review and for rehearing were denied in March 2023. On August 16, 2021, USAA filed suit against BBVA USA (“BBVA”) in the Eastern District of Texas alleging infringement of the same patents at issue in the PNC Lawsuits. While the Company’s IPR petitions were mentioned in the complaint, the Company was not named as a defendant or mentioned in connection with any alleged infringement. BBVA then sent the Company an indemnification demand on September 7, 2021. For the same reasons discussed above in connection with PNC Bank and PNC Lawsuits, the Company does not believe it is obligated to indemnify BBVA. On June 6, 2022, the Court granted the parties’ request to administratively close the case and stay all deadlines in view of the pending appeal in the PNC Lawsuits. On July 29, 2022, USAA filed another patent infringement lawsuit against Truist Bank (“Truist”) in the Eastern District of Texas. The lawsuit alleges infringement of the '090 Patent, the '432 Patent, and the U. S. Patent No. 11, 182, 753 (“the '753 Patent”). The Company was not named as a defendant or mentioned in connection with any alleged infringement. On October 5, 2022, Truist’s integration partner, NCR Corporation, sent an indemnification demand to the Company requesting indemnification from all claims related to the lawsuit. For the same reasons discussed above in connection with the PNC Lawsuits, the Company does not believe it is obligated to indemnify NCR Corporation or end- users of NCR Corporation resulting from the patent infringement allegations by USAA. On October 7, 2022, Truist filed a motion to transfer venue to the Western District of North Carolina. The motion was denied on April 8, 2023. On December 30, 2022, Truist filed a motion for leave to file counterclaims against USAA alleging patent infringement of U. S. Patent Nos. 7, 336, 813; 7, 519, 214; 8, 136, 721; and 9, 760, 797, which was granted on April 8, 2023. On March 13, 2023, USAA moved for leave to file a First Amended Complaint, adding an additional allegation of patent infringement of U. S. Patent No. 11, 544, 944 (“the '944 Patent”). On April 4, 2023, Truist sent another indemnification demand to the Company requesting indemnification related to the lawsuit. On May 3, 2023, USAA moved for leave to file a Second Amended Complaint, adding an additional allegation of patent infringement of U. S. Patent No. 11, 625, 770 (“the '770 Patent”). On May 30, 2023, Truist sent another indemnification demand to the Company requesting indemnification related to the Second Amended Complaint. On October 6, 2023, the parties filed a Notice of Settlement and Joint Motion and Stipulation of Dismissal. All claims and causes of ~~actions~~ **action** between the parties were dismissed with prejudice on October 10, 2023 in view of the settlement. ~~In October and November of 2022, Truist filed a petition for IPR with the U. S. Patent & Trademark Office challenging the validity of the '090 Patent, the '432 Patent, and the '753 Patent. The Patent Office instituted the petitions directed to the '090 and '753 Patents, but denied institution of the petition directed to the '432 Patent. In view of the settlement between USAA and Truist, the IPRs were withdrawn.~~ Furthermore, we may initiate other claims or litigation against parties for infringement of our intellectual property rights or to establish the validity of our intellectual property rights. Litigation, either as plaintiff or defendant, could result in significant expense to us, whether or not such litigation is resolved in our favor. Even if we were to prevail, any litigation could be costly and time- consuming and would divert the attention of our management and key personnel from our business operations. Our success depends significantly on our ability to protect our rights to the technologies used in our products, including Mobile Deposit ®. We rely on trademark, trade secret, copyright, and patent law, as well as a combination of non- disclosure, confidentiality, and other contractual arrangements to protect our technology and rights **in and to our intellectual property**. However, these legal protections afford ~~only~~ limited protection and may not adequately protect our rights or permit us to gain or maintain any competitive advantage. In addition, we cannot be assured that any of our pending patent applications will result in the issuance of a patent. The Patent and Trademark Office (“PTO”) may deny or require significant narrowing of claims in our pending patent applications, and patents issued as a result of the pending patent applications, if any, may not provide us with significant commercial protection or may not be issued in a form that is advantageous to us. We could also incur substantial costs in proceedings before the PTO. Our issued and licensed patents and those that may be issued or licensed in the future may expire or may be challenged, invalidated, or circumvented, which could limit our ability to stop competitors from marketing technologies related to ours. Additionally, upon expiration of our issued or licensed patents, we may lose some of our rights to exclude others from making, using, selling or importing products using the technology based on the expired patents. We also must rely on contractual provisions with the third parties that license technology to us and that obligate these third parties to protect our rights in the technology licensed to us. There is no guarantee that these third parties would be successful in attempting to protect our rights in any such licensed technology. There is no assurance that competitors will not be able to design around our patents or other intellectual property or any intellectual property or technology licensed to us. We also rely on unpatented proprietary technology. We cannot ~~assert~~ **assert** ~~assure you~~ that we can meaningfully protect all our rights in our unpatented proprietary technology or that others will not independently develop substantially equivalent proprietary technology or otherwise gain access to our unpatented proprietary technology. We seek to protect our know- how and other unpatented proprietary technology with confidentiality agreements and intellectual property assignment agreements with our employees, consultants, partners, and customers. However, such agreements may not be enforceable or may not provide meaningful protection for our proprietary information in the event of unauthorized use or disclosure or other breaches of the agreements or in the event that our competitors discover or independently develop similar or identical designs or other proprietary information. In addition, we rely on the use of registered and **unregistered** common law trademarks with respect to the brand names of some of our products. Common law trademarks provide less protection than registered trademarks. Loss of rights in **or infringement of** our trademarks could adversely affect our business, financial condition, and results of operations. Furthermore, the laws of foreign countries may not protect our intellectual property rights to the same extent as the laws of the U. S. If we cannot adequately protect our intellectual property rights in these foreign

countries, our competitors may be able to compete more effectively against us, which could adversely affect our competitive position, as well as our business, financial condition, and results of operations. We compete against numerous companies in the mobile imaging software market. Competition in this market may increase as a result of a number of factors, such as the entrance of new or larger competitors or alternative technologies. These competitors may have greater financial, technical, marketing and public relations resources, larger client bases, and greater brand or name recognition. These competitors could, among other things: • announce new products or technologies that have the potential to replace our existing product offerings; • force us to charge lower prices; or • adversely affect our relationships with current clients. We may be unable to compete successfully against our current and potential competitors and if we lose business to our competitors or are forced to lower our prices, our revenue, operating margins, and market share could decline. If our competitors offer deep discounts on certain products or services in an effort to recapture or gain market share or to sell other products or services, we may need to lower prices or offer other favorable terms in order to compete successfully. For these and other reasons, in the future we may choose to make changes to our pricing practices. Such changes could materially and adversely affect our margins, and our revenues may be negatively affected if our competitors are able to recapture or gain market share. Our ability to compete effectively ~~with our mobile imaging software products~~ depends upon our ability to meet changing market conditions and develop enhancements to our products on a timely basis in order to maintain our competitive advantage. The markets for products incorporating mobile imaging **and voice** software technology and products are characterized by rapid advancements in technology and changes in user preferences. Our continued growth will ultimately depend upon our ability to develop additional technologies and attract strategic alliances for related or separate products. There can be no assurance that we will be successful in developing and marketing product enhancements and additional technologies, that we will not experience difficulties that could delay or prevent the successful development, introduction and marketing of these products, or that our new products and product enhancements will adequately meet the requirements of the marketplace, will be of acceptable quality, or will achieve market acceptance. Our business and the level of customer acceptance of our products depend upon the continuous, effective, and reliable operation of our products. Our products are extremely complex and are continually being modified and improved, and as such may contain undetected defects or errors when first introduced or as new versions are released. To the extent that defects or errors cause our products to malfunction and our customers' use of our products is interrupted, our reputation could suffer and our revenue could decline or be delayed while such defects are remedied. We may also be subject to liability for the defects and malfunctions of third- party technology partners and others with whom our products and services are integrated. In addition, our products are typically intended for use in applications that are critical to a customer' s business. As a result, we believe that our customers and potential customers have a greater sensitivity to product defects than the market for software products in general. There can be no assurance that, despite our testing, errors will not be found in new products or releases after commencement of commercial shipments, resulting in loss of revenues or delay in market acceptance, diversion of development resources, damage to our reputation, adverse litigation, or increased service and warranty costs, any of which would have a material adverse effect upon our business, operating results, and financial condition. The long sales cycle and the implementation cycles for our software and services may cause operating results to vary significantly from period to period. The sales cycle for our products can be six months or more and varies substantially from customer to customer. Because we sell complex and deeply integrated solutions, **the sale of our software and services may require a significant commitment of capital and other resources and** it can take many months of customer education to secure sales and implement our product. Since our potential customers may evaluate our products before, if ever, executing definitive agreements, we may incur substantial expenses and spend significant management and legal effort in connection with a potential customer. Historically, a significant portion of our sales have resulted from ~~shipments-orders~~ during the last few weeks of the quarter from orders received in the final month of the applicable quarter. We do, however, base our expense levels, in significant part, on our expectations of future revenue. As a result, we expect our expense levels to be relatively fixed in the short term. Any concentration of sales at the end of the quarter may limit our ability to plan or adjust operating expenses. Therefore, if anticipated ~~shipments-orders~~ in any quarter do not occur or are delayed, expenditure levels could be disproportionately high as a percentage of sales, and our operating results for that quarter would be adversely affected. As a result, we believe that period- to- period comparisons of our results of operations are not and will not necessarily be meaningful, and ~~you-an investor~~ should not rely upon them as an indication of future performance. If our operating results for a quarter are below the expectations of public market analysts and investors, it could have a material adverse effect on the price of our common stock. New lines of business, products or services could have a significant impact on the effectiveness of our system of internal controls and could reduce our revenues and potentially generate losses. New products and services, or entrance into new markets, may require substantial time, resources and capital, and profitability targets may not be achieved. Entry into new markets entails inherent risks associated with our inexperience, which may result in costly decisions that could harm our profit and operating results. There are material inherent risks and uncertainties associated with offering new products, and services, especially when new markets are not fully developed or when the laws and regulations regarding a new product are not mature. Factors outside of our control, such as developing laws and regulations, regulatory orders, competitive product offerings and changes in commercial and consumer demand for products or services may also materially impact the successful implementation of new products or services. Failure to manage these risks, or failure of any product or service offerings to be successful and profitable, could have a material adverse effect on our financial condition and results of operations. Unpredictable and unstable changes in ~~economic macroeconomic~~ conditions **both domestically and internationally**, including a recession, inflation, ~~increased~~ **changes in interest rates, changes to** government **policies intervention, or measures taken in response to a global pandemic like COVID-19**, or other **adverse market** changes, may adversely affect our general business strategy . **Any general weakening of, and related declining corporate confidence in, the global economy or the curtailment in 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; cause customers not to pay us; or to delay payment for previously purchased products and services.** In particular an economic downturn affecting small and medium sized businesses could significantly affect our business as many of our existing and target customers are in the small and medium sized business sector and these businesses are more likely to be significantly affected by economic downturns than larger, more established businesses. Additionally, these customers often have limited discretionary funds, which they may choose to spend on items other than our products and services, causing our revenue to decline. We currently anticipate that our available capital resources and operating cash flows will be sufficient to meet our expected working capital and capital expenditure requirements for at least the next 12 months **and the foreseeable future**. However, such resources may not be sufficient to fund the long- term growth of our business. If we determine that it is necessary to raise additional funds, we may choose to do so through public or private equity or debt financings, a bank line of credit, strategic collaborations, licensing, or other arrangements. We cannot be sure that any additional funding, if needed, will be available on terms favorable to us, if at all. Furthermore, any additional equity or equity-related financing may be dilutive to our stockholders, new equity securities may have rights, preferences or privileges senior to those of existing holders of our shares of common stock, and debt or equity financing, if available, may subject us to restrictive covenants and significant interest costs. If we obtain funding through a strategic collaboration or licensing arrangement, we may be required to relinquish our rights to certain of our technologies, products or marketing territories. If we are unable to obtain the financing necessary to support our operations, we may be required to defer, reduce or eliminate certain planned expenditures or significantly curtail our operations. **In May 2021 We expect to incur additional expenses in connection with the integration of the business, Mitek acquired policies, procedures, operations, technologies, and systems of ID R & D, Inc., an award-winning provider of AI- based voice and face biometrics and liveness detection, and in March 2022, we acquired HooYu Ltd., a New York leading KYC technology provider in the United Kingdom. We expect to incur additional expenses in connection with the integration of the business, policies, procedures, operations , technologies, and systems of ID R & D** and HooYu Ltd. There are a number of systems and functions that are being integrated into our larger organization, including, but not limited to, management information, accounting and finance, billing, payroll and benefits, and regulatory compliance. In addition, the acquisitions of non- public entities such as ID R & D and HooYu, are particularly challenging because their prior practices may not meet the requirements of the Sarbanes- Oxley Act of 2002 (“ Sarbanes- Oxley ”) and / or accounting principles generally accepted in the U. S. (“ GAAP ”). While we have assumed that a certain level of expenses would be incurred to integrate this business, there are a number of factors beyond our control that could affect the total amount or the timing of all of the expected integration expenses. Moreover, many of the expenses that will be incurred, by their nature, are difficult to estimate accurately at the present time. **Our management will be As part of our operating history and growth strategy, we have required acquired other to continue to devote significant attention and resources to integrating our business- businesses , such as practices and operations with that of ID R & D and HooYu . In particular, and in the future, we may continue to seek to acquire the other businesses. We can provide no assurance that we will be able to identify and acquire targeted businesses or obtain financing for such acquisitions on satisfactory terms. The process of integrating acquired businesses into our operations may result in unforeseen difficulties and may require a disproportionate amount of resources and management attention. If integration of our acquired businesses is not successful, we may not realize the potential benefits of an acquisition or suffer other adverse effects. Our management continues to devote significant attention and resources to integrating our business practices and operations with that of ID R & D and HooYu . In particular, the acquisitions of ID R & D and HooYu involve involved** the combination of companies that previously operated independently in different countries. Potential difficulties we may encounter as part of the integration process include, but are not limited to, the following: • complexities associated with managing our business and the respective businesses of ID R & D and HooYu following the completion of the acquisition, including the challenge of integrating complex systems, technology, networks, and other assets of each of the companies in a seamless manner that minimizes any adverse impact on customers, suppliers, employees, and other constituencies; • integrating the workforces of the companies while maintaining focus on providing consistent, high quality customer service; and • potential unknown liabilities and unforeseen increased expenses or delays associated with the acquisitions, including costs to integrate the companies that may exceed anticipated costs. Any of the potential difficulties listed above could adversely affect our ability to maintain relationships with customers, suppliers, employees, and other constituencies or our ability to achieve the anticipated benefits of the acquisitions or otherwise adversely affect our business and financial results. The combined company resulting from the acquisitions of ID R & D and HooYu may not perform as we or the market expects. Expectations regarding each of ID R & D’ s and HooYu’ s impact on our financial and operating results are subject to numerous assumptions, including assumptions derived from our diligence efforts concerning the status of and prospects for the businesses of ID R & D and HooYu, respectively, and assumptions relating to the near- term prospects for our industry generally and the market for the products of ID R & D and HooYu in particular. Additional assumptions that we have made relate to numerous matters, including, without limitation, the following: • projections of future revenues; • anticipated financial performance of products and products currently in development; • our expected capital structure after the acquisitions, including after the distribution of any earnout shares that may (under certain circumstances) become payable to the former shareholders of ID R & D; • our ability to maintain, develop and deepen relationships with the respective customers of ID R & D and HooYu; and • other financial and strategic risks of the acquisitions. We cannot provide any assurances with respect to the accuracy of our assumptions, including our assumptions with respect to future revenues or revenue growth rates, if any, of ID R & D or HooYu. Risks and uncertainties that could cause our actual results to differ materially from currently anticipated results include, but are not limited to, risks relating to our ability to realize incremental revenues from the acquisitions in the amounts that we currently anticipate; risks relating to the willingness of customers and other partners of ID R & D or HooYu to continue to conduct business with the combined company; and numerous risks and uncertainties that affect our industry generally and the markets for our products and those of each of ID R & D and HooYu. Any failure to realize the

financial benefits we currently anticipate from the acquisitions would have a material adverse impact on our future operating results and financial condition and could materially and adversely affect the trading price or trading volume of our common stock. Our annual and quarterly operating results have in the past, and may in the future, fluctuate significantly depending on factors including the timing of customer projects and purchase orders, new product announcements and releases by us and other companies, gain or loss of significant customers, price discounting of our products, the timing of expenditures, customer product delivery requirements, the availability and cost of components or labor, and economic conditions, both generally and in the information technology market. Revenues related to our licenses for mobile imaging software products are required to be recognized upon satisfaction of all applicable revenue recognition criteria. The recognition of future revenues from these licenses is dependent on a number of factors, including, but not limited to, the terms of our license agreements, the timing of implementation of our products by our channel partners and customers and the timing of any re- orders of additional licenses and / or license renewals by our channel partners and customers. Any unfavorable change in these or other factors could have a material adverse effect on our operating results for a particular quarter or year, which may cause downward pressure on our common stock price. Historically, sales of licenses to our channel partners have comprised a significant part of our revenue. This is attributable to the timing of the purchase or renewal of licenses and does not represent a dependence on any single channel partner. If we were to lose a channel partner relationship, we do not believe such a loss would adversely affect our operations because either we or another channel partner could sell our products to the end- users that had purchased products from the channel partner we lost. However, in that case, we or another channel partner must establish a relationship with the end- users, which could take time to develop, if it develops at all. We expect quarterly and annual fluctuations to continue for the foreseeable future. These fluctuations may result in volatility in our results of operations, have an adverse effect on the market price of our common stock, or both.

~~Our products are designed to maintain the confidentiality and security of our customers' and their end-users' confidential and proprietary information that is stored on our systems, which may include sensitive financial data and personally identifiable information about consumers. However, any accidental or willful security breaches or other unauthorized access to this data could expose us to liability for the loss of such information, time-consuming and expensive litigation, and other possible liabilities as well as negative publicity. We devote significant resources to addressing security vulnerabilities in our products, systems and processes, however our maintenance and regular upgrades of our products, systems and processes, which are designed to protect the security of our products and the confidentiality, integrity and availability of information belonging to us and our clients, may not provide absolute security. Techniques used to obtain unauthorized access or to sabotage systems change frequently, are increasingly sophisticated, and generally are difficult to recognize and react to. We may be unable to anticipate these techniques or implement adequate preventative or reactionary measures. As cyber- attacks become more sophisticated, the need to develop our infrastructure to secure our business and customer data can lead to increased cybersecurity protection costs. Such costs may include making organizational changes, deploying additional personnel and protection technologies, training employees, and engaging third- party experts and consultants. These efforts come at the potential cost of revenues and human resources that could be utilized to continue to enhance our product offerings. A successful penetration or circumvention of the security of our products could cause serious negative consequences, including significant disruption of our operations, misappropriation of our confidential information or that of our clients, or damage to our systems or those of our clients and counterparties, and could result in violations of applicable privacy and other laws, financial loss to us or to our clients, loss of confidence in our security measures, client dissatisfaction, significant litigation exposure, and harm to our reputation, all of which could have a material adverse effect on us. We may not have adequate insurance coverages for a cybersecurity breach or may realize increased insurance premiums as a result of a security breach. If an actual or perceived breach of security occurs, client perception of the effectiveness of our security measures could be harmed and could result in the loss of clients. Actual or anticipated attacks and risks 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.~~

We generate revenue in markets outside of the U. S. The risks inherent in global operations include: • lack of familiarity with, and unexpected changes in, foreign laws and legal standards, including employment laws, **Artificial Intelligence**, and privacy laws, which may vary widely across the countries in which we sell our products; • increased expense to comply with U. S. laws that apply to foreign corporations, including the Foreign Corrupt Practices Act (the "FCPA"); • compliance with, and potentially adverse tax consequences of foreign tax regimes; • fluctuations in currency exchange rates, currency exchange controls, price controls, and limitations on repatriation of earnings; • local economic conditions; • increased expense related to localization of products and development of foreign language marketing and sales materials; • longer accounts receivable payment cycles and difficulty in collecting accounts receivable in foreign countries; • increased financial accounting and reporting burdens and complexities; • restrictive employment regulations; • difficulties and increased expense in implementing corporate policies and controls; • international intellectual property laws, which may be more restrictive or may offer lower levels of protection than U. S. law; • compliance with differing and changing local laws and regulations in multiple **domestic and international locations** **jurisdictions**, including regional **Artificial Intelligence and** data privacy laws, as well as compliance with U. S. laws and regulations where applicable in these **jurisdictions international locations**; and • limitations on our ability to enforce legal rights and remedies. If we are unable to successfully manage these and other risks associated with managing and expanding our international business, the risks could have a material adverse effect on our business, results of operations, or financial condition. Further, operating in international markets requires significant management attention and financial resources. Due to the additional uncertainties and risks of doing business in foreign jurisdictions, international acquisitions tend to entail risks and require additional oversight and management attention that are typically not attendant to acquisitions made within the U. S. We cannot be certain that the investment and additional resources required to establish, acquire or integrate operations in other countries will produce desired levels of revenue or profitability. The FCPA and other anti- corruption laws and regulations ("Anti- Corruption Laws") prohibit corrupt payments by our employees, vendors, or agents. From time to time, we may receive

inquiries from authorities in the U. S. and elsewhere about our business activities outside of the U. S. and our compliance with Anti- Corruption Laws. While we have implemented policies, training, and internal controls designed to reduce the risk of corrupt payments, our employees, vendors, or agents may violate our policies. Our acquisitions of ID Checker, ICAR, A2iA, ID R & D, and HooYu may significantly increase our exposure to potential liability under Anti- Corruption Laws. ID Checker, ICAR, A2iA, ID R & D, and HooYu were not historically subject to the FCPA, the Sarbanes- Oxley Act of 2002 (“ Sarbanes- Oxley ”), or other laws, to which we are subject, and we may become subject to liability if in the past, ID Checker’s, ICAR’s, A2iA’s, ID R & D’s, and HooYu’s operations did not comply with such laws. Our failure to comply with Anti- Corruption Laws could result in significant fines and penalties, criminal sanctions against us, our officers or our employees, prohibitions on the conduct of our business, and damage to our reputation. Operations outside of the U. S. may be affected by changes in trade protection laws, policies and measures, and other regulatory requirements affecting trade and investment. The transfer of personal data from the European Union (“ EU ”) to the U. S. has become a significant area of potential operational and compliance risk. In 2020-2023, the Court of Justice of the European Union (“ CJEU ”) and the Swiss Federal Data Protection and Information Commissioner invalidated the U. S. - EU and U. S. - Swiss Privacy Shield frameworks. Framework, respectively. Privacy Shield was introduced as a new mechanism for companies to transfer data from EU member states, the United Kingdom, or Switzerland to the U. S. after. In its decision predecessor, the CJEU Data Privacy Shield, was invalidated. The EU, the United Kingdom, and Switzerland also allow the use of indicated that individual EU member states could determine whether Standard Contractual Clauses (“ SCCs ”), but some decisions have indicated that Compliance with new (another “ adequate ” option for data transfers) are sufficient to securely transfer frameworks data out of the EU. A number of local country data protection authorities in the EU subsequently determined that SCCs were invalid for data transfers to the U. S. The EU Data Protection Board subsequently published updated SCCs to address some of the issues presented in the CJEU decision. Those new SCCs were required to be in place by December 27, 2022, and required significant effort for companies to review and revise their procedures and current EU- U. S. data transfer agreements. NYOB and its founder Max Schrems, the parties responsible for initiating actions to invalidate the previous Frameworks, have indicated it will bring similar challenges against the Data Privacy Framework. Because of the legal challenges presented by these court and data protection authority decisions, there is continuing uncertainty regarding the legal basis for data transfers to the U. S., which could lead to interruption of such transfers. The complex nature and shifting laws related to EU / UK / Switzerland to U. S. data transfers could cause operational interruptions, liabilities and reputational harm. These and other requirements could increase the cost of compliance for us and our customers, restrict our and our customers’ ability to store and process data, negatively impact our ability to offer our solutions in certain locations and limit our customers’ ability to deploy our solutions globally. These consequences may be more significant in countries with legislation that requires data to remain localized “ in country, ” as this could require us or our customers to establish data storage in other jurisdictions or apply local operational processes that are difficult and costly to integrate with global processes. If we fail to comply with such laws and regulations, we may be subject to significant fines, penalties or liabilities for noncompliance, thereby harming our business. For example, in 2016, the EU adopted the General Data Protection Regulation (“ GDPR ”), which establishes new requirements regarding the handling of personal data and which became effective in May 2018. Non- compliance with the GDPR may result in monetary penalties of up to 4 % of worldwide revenue. Due to our international operations, we are subject to certain foreign tax regulations. Such regulations may not be clear, not consistently applied, and subject to sudden change, particularly with regard to international transfer pricing. Our earnings could be reduced by the uncertain and changing nature of such tax regulations. Our business is generally conducted in U. S. dollars. However, we earn revenues, pay expenses, own assets and incur liabilities in countries using currencies other than the U. S. dollar. Because our consolidated financial statements are presented in U. S. dollars, we must translate revenues and expenses into U. S. dollars at the average exchange rate during each reporting period, as well as assets and liabilities into U. S. dollars at exchange rates in effect at the end of each reporting period. The costs of operating in The United Kingdom, France, the Netherlands, Spain, France, and other European markets are subject to the effects of exchange fluctuations of the Euro and British pound sterling against the U. S. dollar. Therefore, increases or decreases in the value of the U. S. dollar against other major currencies will affect our net revenues, net income (loss), and the value of balance sheet items denoted in foreign currencies, and can adversely affect our operating results. Our business is subject to laws, rules, regulations, and standards relating to corporate governance and public disclosure, including the Dodd- Frank Wall Street Reform and Consumer Protection Act (the “ Dodd- Frank Act ”), Sarbanes- Oxley, and various other new regulations promulgated by the SEC and rules promulgated by the national securities exchanges. The Dodd- Frank Act, enacted in July 2010, expands federal regulation of corporate governance matters and imposes requirements on publicly- held companies, including us, to, among other things, provide stockholders with a periodic advisory vote on executive compensation and also adds compensation committee reforms and enhanced pay- for- performance disclosures. While some provisions of the Dodd- Frank Act were effective upon enactment, and others have been implemented upon the SEC’s adoption of related rules and regulations, the Dodd- Frank Act is not yet fully implemented and the scope and timing of the adoption of additional rules and regulations thereunder is uncertain and accordingly, the cost of compliance with the Dodd- Frank Act is also uncertain. In addition, Sarbanes- Oxley specifically requires, among other things, that we maintain effective internal control over financial reporting and disclosure of controls and procedures. In particular, we must perform system and process evaluation and testing of our internal control over financial reporting to allow management to report on the effectiveness of our internal control over financial reporting, as required by Section 404 of Sarbanes- Oxley Act (“ Section 404 ”). Our independent registered public accounting firm is required to attest to our internal control over financial reporting. Our testing, or the subsequent testing by our independent registered public accounting firm may reveal deficiencies in our internal control over financial reporting that are deemed to be material weaknesses. Our compliance with Section 404 requires that we incur substantial accounting expenses and expend significant management efforts. We currently have limited internal audit capabilities and will need to hire additional

accounting and financial staff with appropriate public company experience and technical accounting knowledge. Moreover, if we are not able to comply with the requirements of Section 404, or if we or our independent registered public accounting firm, if applicable, identifies deficiencies in our internal control over financial reporting that are deemed to be material weaknesses, the market price of our stock could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities, which would require additional financial and management resources. These and other new or changed laws, rules, regulations and standards are, or will be, subject to varying interpretations in many cases due to their lack of specificity. As a result, their application in practice may evolve over time as new guidance is provided by regulatory and governing bodies, which could result in continuing uncertainty regarding compliance matters and higher costs necessitated by ongoing revisions to disclosure and governance practices. Our efforts to comply with evolving laws, regulations and standards are likely to continue to result in increased general and administrative expenses and a diversion of management time and attention from revenue-generating activities to compliance activities. Further, compliance with new and existing laws, rules, regulations and standards may make it more difficult and expensive for us to maintain director and officer liability insurance, and we may be required to accept reduced coverage or incur substantially higher costs to obtain coverage. Members of our board of directors (the “ Board ”) and our principal executive officer and principal financial officer could face an increased risk of personal liability in connection with the performance of their duties. As a result, we may have difficulty attracting and retaining qualified directors and executive officers, which could harm our business. We continually evaluate and monitor regulatory developments and cannot estimate the timing or magnitude of additional costs we may incur as a result. Although we generated net income for the twelve months ended September 30, 2022, 2021, and 2020, operations resulted in a net loss of \$ 0. 7 million and \$ 11. 8 million for the twelve months ended September 30, 2019, 2018, respectively. We may continue to incur significant losses for the foreseeable future which may limit our ability to fund our operations and we may not generate income from operations in the future. As of September 30, 2023, September 30, 2022, and September 30, 2021, we had an accumulated deficit of \$ 9 million, \$ 17 million, and \$ 6 million, respectively. Our future profitability depends upon many factors, including several that are beyond our control. These factors include, without limitation: • changes in the demand for our products and services; • loss of key customers or contracts; • the introduction of competitive software; • the failure to gain market acceptance of our new and existing products; • the failure to successfully and cost effectively develop, introduce and market new products, services and product enhancements in a timely manner; and • the timing of recognition of revenue. In addition, we incur significant legal, accounting, and other expenses related to being a public company. As a result of these expenditures, we will have to generate and sustain increased revenue to achieve and maintain future profitability. Federal and state tax laws impose restrictions on the utilization of net operating loss (“ NOL ”) and tax credit carryforwards in the event of an “ ownership change ” as defined by Section 382 of the Internal Revenue Code of 1986, as amended (“ Section 382 ”). Generally, an “ ownership change ” occurs if the percentage of the value of the stock that is owned by one or more direct or indirect “ five percent shareholders ” increases by more than 50 % over their lowest ownership percentage at any time during an applicable testing period (typically, three years). Under Section 382, if a corporation undergoes an “ ownership change, ” such corporation’ s ability to use its pre- change NOL and tax credit carryforwards and other pre- change tax attributes to offset its post- change income may be limited. While no “ ownership change ” has resulted in annual limitations, future changes in our stock ownership, which may be outside of our control, may trigger an “ ownership change. ” In addition, future equity offerings or acquisitions that have equity as a component of the consideration could result in an “ ownership change. ” If an “ ownership change ” occurs in the future, utilization of our NOL and tax credit carryforwards or other tax attributes may be limited, which could potentially result in increased future tax liability to us. Our cash and cash equivalents that we use to satisfy our working capital and operating expense needs are held in accounts at various financial institutions. The balance held in deposit accounts often exceeds the Federal Deposit Insurance Corporation (“ FDIC ”) deposit insurance limit or similar government deposit insurance schemes. Our cash and cash equivalents could be adversely impacted, including the loss of uninsured deposits and other uninsured financial assets, if one or more of the financial institutions in which we hold our cash or cash equivalents fails or is subject to other adverse conditions in the financial or credit markets. We maintain a significant amount our cash and cash equivalents in Silicon Valley Bank, a division of First Citizens Bank (“ SVB ”), and our deposits at this institution exceeds insured limits. In March 2023, SVB failed and the FDIC took control of SVB. The Federal Reserve subsequently announced that account holders would be made whole and we were able to access all of our cash held at SVB. There is no guarantee that the Federal Reserve Board, the U. S. Treasury Department and the FDIC will provide access to uninsured funds in the future in the event of the closure of any other banks or financial institutions in a timely fashion or at all. Any inability to access or delay in accessing these funds could adversely affect our business, financial position, and liquidity. If we do not effectively diversify our bank deposits and investment portfolio, the value and liquidity of our investments may fluctuate substantially which could affect our access to capital and results of operations in a material way. Furthermore, our access to our cash and cash equivalents in amounts adequate to finance our operations could be significantly impaired if the financial institutions with which we have arrangements directly face liquidity constraints or failures. Investor concerns regarding the U. S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on acceptable terms or at all. Any material decline in available funding or our ability to access our cash and cash equivalents could adversely impact our results of operations and liquidity. In the event we default on any debt agreement, including those related to our convertible notes due 2026, our business, ability to make distributions, financial condition, results of operations and cash flows could be adversely affected. If we were unable to obtain a waiver of a default from the lenders or holders of that indebtedness, as applicable, those lenders or holders could accelerate repayment under that indebtedness. An acceleration could have a material adverse impact on our business, financial condition and results of operations. Our ability to meet our payment obligations under our debt instruments depends on our ability to generate significant cash flows in the future. This, to some extent, is subject to

market, economic, financial, competitive, legislative, and regulatory factors as well as other factors that are beyond our control. There can be no assurance that our business will generate cash flow from operations, or that additional capital will be available to us, in amounts sufficient to enable us to meet our debt payment obligations and to fund other liquidity needs. The continued growth of our revenues is dependent in part on our ability to expand the use of our solutions by existing customers and attract new customers. If we are unable to expand our customers' use of our solutions, sell additional solutions to our customers, maintain our renewal rates for maintenance and subscription agreements and expand our customer base, our revenues may decline or fail to increase at historical growth rates, which could adversely affect our business and operating results. In addition, if we experience customer dissatisfaction with customers in the future, we may find it more difficult to increase use of our solutions within our existing customer base and it may be more difficult to attract new customers, or we may be required to grant credits or refunds, any of which could negatively impact our operating results and materially harm our business. **A substantial portion of our total revenues in any given period may come from a relatively small number of customers. For the twelve months ended September 30, 2024, the Company derived revenue of \$ 29. 6 million from one customer, with such customer accounting for 17 % of the Company' s total revenue. For the twelve months ended September 30, 2023, the Company derived revenue of \$ 27. 7 million from the same single customer, with such customer accounting for 16 % of the Company' s total revenue. For the twelve months ended September 30, 2022, the Company derived revenue of \$ 25. 0 million from the same single customer, with such customer accounting for 17 % of the Company' s total revenue. We expect that we will continue to depend upon a relatively small number of customers for a significant portion of our total revenues for the foreseeable future. The loss of any of our significant customers or groups of customers for any reason, or a change of relationship with any of our key customers may cause a significant decrease in our total revenues. Additionally, mergers or consolidations among our customers could reduce the number of our customers and could adversely affect our revenues and sales. In particular, if our customers are acquired by entities that are not also our customers, that do not use our solutions or that have more favorable contract terms and choose to discontinue, reduce or change the terms of their use of our solutions, our business and operating results could be materially and adversely affected.** Federal, state and foreign governments and supervising authorities have enacted, and may in the future enact, laws and regulations concerning the solicitation, collection, processing, disclosure ~~or, transfer and~~ use of consumers' personal information ; ~~including sensitive information such as biometric data. Evolving regulations regarding personal data and personal information, in the European Union and elsewhere, especially relating to classification of IP addresses, machine identification, household data, location data, biometric data, and other information, may limit or inhibit our ability to operate or expand our business.~~ Such laws and regulations require or may in the future require us or our customers to implement **additional and revise existing** privacy and security policies and practices; permit individuals to access, correct or delete personal information stored or maintained by us or our customers; inform individuals of security ~~incidents~~ **breaches** that affect their personal information; and, in some cases, obtain consent to use **certain** personal information for ~~specified~~ **certain** purposes. Other proposed ~~legislation~~ **laws and regulations** could, if enacted, impose additional requirements and prohibit the use of specific technologies, such as those that track individuals' activities on web pages or record when individuals click on a link contained in an email message ; ~~or those relating to collection and use of biometric identifiers,~~ and systems reliant on such technologies. Such laws and regulations could restrict our ~~and our~~ customers' ability to collect and use web browsing data and personal information, ~~or utilize biometrics derived information,~~ which may reduce our customers' demand for our solutions. The laws in this area are complex and developing rapidly. In the United States, many ~~state~~ **states** legislatures have adopted legislation that regulates how businesses operate online, including measures relating to privacy, data security and data breaches. Laws in all states require businesses to provide notice to customers whose ~~personally~~ **personal identifiable** information has been disclosed as a result of a data breach. The laws are not ~~consistent~~ **identical** , and compliance in the event of a widespread data breach is costly , **as we must ensure our compliance with each individual state law** . Further, states ~~are constantly~~ **have continued** adopting new laws or amending existing laws, requiring attention to frequently changing regulatory requirements. For example, California enacted the California Consumer Privacy Act (the " CCPA ") on June 28, 2018, which went into effect on January 1, 2020. The CCPA gives California residents expanded rights to access and delete their personal information, opt out of certain personal information sharing and receive detailed information about how their personal information is used by requiring covered companies to provide new disclosures to California consumers (as that term is broadly defined) and provides such consumers new ways to opt- out of certain sales of personal information. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches that is expected to increase data breach litigation. The CCPA may increase our compliance costs and potential liability. The California Privacy Rights Act (the " CPRA ") revised and expanded the CCPA, adding additional data protection obligations on covered businesses, including additional consumer rights processes, limitations on data uses, new audit requirements for higher risk data, and opt outs for certain uses of sensitive data. It also created a new California data protection agency authorized to issue substantive regulations and could result in increased privacy and information security enforcement. The CPRA was in full effect as of January 1, 2023. Similar laws passed in Virginia, Colorado, Connecticut, and Utah took effect in 2023. Additionally, Delaware, Indiana, Iowa, Montana, Oregon, Tennessee ~~and,~~ Texas , **Kentucky, Maryland, Minnesota, Nebraska, New Hampshire, New Jersey, and Rhode Island** have adopted privacy laws, which take effect ~~at different dates~~ **from July 1, 2024** through 2026. Additional U. S. states have enacted, or are considering, similar data privacy laws. We cannot fully predict the impact of these state laws , ~~including the California Legislation,~~ on our business or operations, but it may require us to modify our data processing practices and policies and to incur substantial costs and expenses in an effort to comply. We expect that new legislation proposed or enacted in various other states will continue to shape the data privacy environment nationally. Certain state laws may be more stringent or broader in scope, or offer greater individual rights, with respect to confidential, sensitive and personal information than federal, international or other state laws, and such laws may differ from each other, which may complicate compliance efforts. **In**

addition to the growing number of state-level privacy laws, the U. S. Congress has been actively considering a federal privacy law for some time which, if passed, would likely create a comprehensive national framework for data protection and privacy. This law could supersede many state privacy laws and establish uniform privacy protections across the country, addressing issues such as data security, artificial intelligence governance and consumer rights. The final form, timeline, and effective date of a potential U. S. federal privacy law is uncertain at this time. Changing industry standards and industry self-regulation regarding the collection, use and disclosure of data may have similar effects. Existing and future privacy and data protection laws and increasing sensitivity of consumers to unauthorized disclosures and use of personal information may also negatively affect the public's perception of our customers' sales practices. If our solutions are perceived to cause, or are otherwise unfavorably associated with, insecurity of personal information, whether or not illegal, we or our customers may be subject to public criticism. Public concerns regarding data collection, privacy and security may also cause some consumers to be less likely to visit our customers' websites or otherwise interact with our customers, which could limit the demand for our solutions and inhibit the growth of our business. Any failure on our part to comply with applicable privacy and data protection laws, regulations, policies and standards or any inability to adequately address privacy or security concerns associated with our solutions, even if unfounded, could subject us to liability, damage our reputation, impair our sales and harm our business. Furthermore, the costs to our customers of compliance with, and other burdens imposed by, such laws, regulations, policies and standards may limit adoption of and demand for our solutions. ~~Risks Related~~ Some of our solutions require the storage and transmission of proprietary and confidential information of our clients and their employees, including biometric data. Several jurisdictions have imposed legal and compliance requirements on biometric data that are more stringent than requirements on other classifications of personal data. For example, under GDPR, biometric data is considered "sensitive data" which requires special attention and technical and organizational measures to protect the biometric data against breaches of confidentiality, integrity, and availability. The processing of biometric data for such purposes is prohibited unless one of a very limited and specific set of conditions is satisfied (such as explicit consent of the data subject). Effective compliance in this area (including in the context of use of certain of our products) can be highly challenging, and we are reliant on our customers to ensure that such a condition is satisfied when they use our products to identify someone. We may be unable to provide certain of our products in certain jurisdictions, in particular in Europe where provision of such technologies in compliance with the GDPR is highly challenging. Similarly, in the United States, the Illinois Biometric Information Privacy Act ("BIPA") regulates the collection, use, safeguarding, and storage of biometric identifiers and information, requires informed consent before collection, imposes fines for non-compliance, and grants residents a private right of action over improper collection and mishandling of biometric data. BIPA provides for substantial penalties and statutory damages and have generated significant class action activity; the cost of litigating and settling any claims that we have violated the BIPA or similar laws could be significant. Several other states have passed or are considering passing similar laws, such as the Texas Collection and Use of Biometric Information ("CUBI") Act and the Washington Biometric Data Act. Similarly, Québec's Act respecting the protection of personal data in the private sector ("Law 25" formerly known as "Bill 64") introduces substantial changes to the privacy landscape in Quebec, enhancing protection for personal data and introducing new obligations for transparency and accountability in data processing activities, including those involving biometric data. AI, automated decision making, and ML technologies are increasingly subject to regulatory scrutiny and oversight, for example, under the comprehensive legal framework governing the use of artificial intelligence adopted by the European Parliament in the European Union (the "EU AI Act"). The EU AI Act imposes onerous obligations related to the development, deployment and use of AI / ML systems. In particular, the EU AI Act is likely to designate certain AI technologies, including technologies used in an employment-related context (such as in relation to recruitment, targeted job advertisements, acquisitions and decision-making concerning promotion, termination and task allocation), as 'high risk' and subject to numerous onerous compliance obligations, including various transparency, conformity and risk assessment, monitoring and human oversight requirements. As our products and services develop, they may fall within one or more of these categories. Under the EU AI Act, non-compliant companies may be subject to administrative fines of up to 35 million Euros or 7% of a company's total worldwide annual turnover for the preceding financial year, whichever is the higher. The EU AI Act has a phased implementation process and is likely to be fully effective by Spring 2026. Moreover, in the United Kingdom, the government has confirmed its position that existing regulators are to implement certain specific principles (safety, security and robustness; transparency and explainability; fairness; accountability and governance; contestability and redress), within those regulators' existing remit, to guide and inform the responsible development and use of AI / ML within their relevant sectors / competences. Additionally, several United States jurisdictions have enacted measures related to the use of AI in products and services for their potentially discriminatory effects. For example, New York City passed a law to regulate the use of automated employment decision tools by employers and employment agencies. Certain of these laws may be materially unfavorable to our interests and / or inconsistent with our existing operations, policies, practices or plans (or may be interpreted as such). We currently have no agreements expect other jurisdictions will adopt similar laws. Additionally, certain privacy laws extend rights to consumers (such as the right to delete certain personal data) and regulate automated decision making, which may be incompatible with our commitments to engage use of AI (including generative AI) and ML technologies in our products and services. These obligations may make it harder for us to conduct our business using AI / ML, lead to regulatory fines or penalties, require us to change our business practices, retrain our AI / ML, or prevent or limit our use of AI / ML. For example, the FTC has required other companies to turn over (or disgorge) valuable insights or trainings generated through the use of AI / ML where they allege the company has violated privacy and consumer

protection laws. If we cannot use AI / ML or that use is restricted, our business may be less efficient, or we may be at a competitive disadvantage. Moreover, AI / ML models may create flawed, incomplete, or inaccurate outputs, some of which may appear correct. This may happen if the inputs that the model relied on were inaccurate, incomplete or flawed (including if a bad actor “ poisons ” the AI / ML with bad inputs or logic), or if the logic of the AI / ML is flawed (a so-called “ hallucination ”). We may use AI / ML outputs to make certain decisions. Due to these potential inaccuracies or flaws, the model could be biased and could lead us to make decisions that could bias certain individuals (or classes of individuals), and adversely impact their rights, employment, and ability to obtain certain pricing, products, services, or benefits. Furthermore, any specific strategic transactions sensitive information (including confidential, competitive, proprietary, or personal data) that we input into a third- party generative AI / machine learning platform could be leaked or disclosed to others, including if sensitive information is used to train the third party’ s AI / machine learning model. Additionally, where such a model ingests personal data and makes connections using such data, those technologies may reveal other personal or sensitive information generated by the model. Given that AI, automated decision making and ML technologies are core to our business, any increased regulation over these technologies, including the EU AI Act, could make it harder for us to conduct our business, significantly complicate our compliance efforts, increase legal risk and compliance costs for us, the third parties upon whom we rely, and our customers, increase our cost of doing business, impede or prevent our growth plans (including into Europe), require us to change our business operations at significant cost (such as retaining or rebuilding our AI / ML models), and reduce demand for our products. While we endeavor to implement policies, procedures, and systems designed to achieve compliance with these regulatory requirements, we cannot assure you that any these policies, procedures, or systems will be adequate or that we or our personnel will not violate these policies and procedures or applicable laws and regulations. Violations of these laws or regulations may harm our reputation and deter government agencies and other existing or potential customers or partners from purchasing our solutions. Furthermore, non- compliance with applicable laws or regulations could result in fines, damages, criminal sanctions against us, our officers, or our employees, restrictions on the conduct of our business, and damage to our reputation. We rely on information technology networks and systems, some of which are owned and operated by third parties, to collect, process, transmit, and store electronic information on behalf of our customers. We also depend on our information technology infrastructure for a variety of functions, including worldwide financial reporting, procurement, invoicing, and email communications. These systems are susceptible to outages due hacking and cyberattacks. We have implemented security measures and controls intended to protect our information technology infrastructure, data centers and other systems and data against cyber- attacks. Despite our implementation of security measures and controls, our systems and those of third parties upon whom we rely are vulnerable to attack from numerous threat actors, including sophisticated nation- state and nation- state- supported actors. Threat actors have and may in the future explorations of various strategic alternatives will result be able to compromise our security measures or otherwise exploit vulnerabilities in any specific our systems, including vulnerabilities that may have been introduced through the action actions of or our transaction. If employees or contractors or defects in the design or manufacture of our products and systems or the products and systems that we determine procure from third parties. Our systems, and those of our third- party providers, have and could in the future become subject to engage cyber- attacks, including using computer viruses, credential harvesting, dedicated denial of services attacks, malware, social engineering, and other means for obtaining unauthorized access to, or disrupting the operation of, our systems and those of our third- party providers. In addition, threat actors are also increasingly using tools and techniques that circumvent controls, evade detection, and remove forensic evidence, which means that we and others may be unable to anticipate, detect, deflect, contain or recover from cyberattacks in a strategic transaction timely or effective manner. As AI capabilities improve and are increasingly adopted, we may see cyberattacks created through AI cannot predict the impact that such strategic transaction might have on our operations or stock price. We do not intend to provide updates or make further comments regarding the evaluation of strategic alternatives, unless otherwise required by law. A significant portion of our outstanding shares are held by our current and former directors and executive officers. Resales of a substantial number of shares of our stock by these ~~These attacks~~ stockholders, announcements of the proposed resale of substantial amounts of our stock, or the perception that substantial resales may be made by such stockholders could adversely impact the market price of our stock. Some of our directors and executive officers have in the past and may in the future enter into Rule 10b5-1 trading plans pursuant to which they may sell shares of our stock from time to time in the future. Actual or potential sales by these individuals, including those under a pre- arranged Rule 10b5-1 trading plan, regardless of the actual circumstances, could be interpreted crafted with an AI tool to directly attack IT systems with increased speed and / or efficiency than a human threat actor or create more effective phishing emails. Our network and storage applications, as well as those of our customers, business partners, and third- party providers, may be subject to unauthorized access by hackers or breached due to operator error, malfeasance or the other market as system disruptions. The number and scale of cyberattacks have continued to increase and the methods and techniques used by threat actors, including sophisticated “ supply- chain ” attacks, continue to evolve at a rapid pace. As a result, we may be unable to identify current attacks, anticipate future attacks or implement adequate security measures. We may also experience security breaches that may remain undetected for an indication that extended period and, therefore, have a greater impact on our systems, our products, the insider has proprietary data contained therein, our customers and ultimately, our business. Cyberattacks on our systems and “ supply- chain ” attacks on systems of third parties upon whom we rely, and any related operational disruptions, unauthorized access, or misappropriation of information (including personally identifiable information or personal data), could create costly litigation, significant financial liability, and a lost loss of confidence in our stock ability to serve customers and cause current adversely impact the market price of our or stock. We potential customers to choose another

**provider, all of which could** have registered and expect to continue to register shares reserved under our equity plans under a registration statement **material adverse effect** on Form S-8. All shares issued pursuant to a registration statement on Form S-8 can be freely sold in the public market upon issuance, subject to restrictions on our **business affiliates** under Rule 144 of the Securities Act. If a large number of these shares are sold in the public market, **financial condition, reputation, and results** the sales could adversely impact the trading price of **operations** our stock. Our investors may launch a proxy contest to nominate director candidates for election to the Board at our annual meeting of stockholders. A proxy contest would require us to incur significant legal fees and proxy solicitation expenses and could result in potential operational disruption, including that the investor-nominated directors (if elected) may have a business agenda for our company that is different than the strategic and operational plans of the existing Board, which agenda may adversely affect our stockholders. Further, any perceived uncertainties as to our future direction and control could result in the loss of potential business opportunities and may make it more difficult to attract and retain qualified personnel and business partners, any of which could adversely affect our business and operating results and create increased volatility in our stock price. Further, a change in a majority of the Board may, under certain circumstances, result in a change of control under certain employment agreements we have with our executive management and our **equity plans** 2002 Stock Option Plan, 2010 Stock Option Plan, Amended and **award agreements** Restated 2012 Incentive Plan, Amended and Restated 2020 Incentive Plan, Director Restricted Stock Unit Plan, and any equity based awards issued thereunder. Pursuant to the agreements and awards, certain payments and vesting provisions may be triggered following a change of control, conditioned upon a qualifying termination that occurs within 12 months of any such change of control. Provisions in our restated certificate of incorporation and third amended and restated bylaws may discourage, delay, or prevent a merger or acquisition involving us that our stockholders may consider favorable. For example, our restated certificate of incorporation authorizes our Board to issue up to one million shares of “blank check” preferred stock. As a result, without further stockholder approval, the Board has the authority to attach special rights, including voting and dividend rights, to this preferred stock. With these rights, preferred stockholders could make it more difficult for a third party to acquire us. We are also subject to the anti-takeover provisions of the DGCL. Under these provisions, if anyone becomes an “interested stockholder,” we may not enter into a “business combination” with that person for three years without special approval, which could discourage a third party from making a takeover offer and could delay or prevent a change in control of us. An “interested stockholder” is, generally, a stockholder who owns 15% or more of our outstanding voting stock or an affiliate of ours who has owned 15% or more of our outstanding voting stock during the past three years, subject to certain exceptions as described in the DGCL. Pursuant to our restated certificate of incorporation and third amended and restated bylaws and as authorized under applicable Delaware law, our directors and officers are not liable for monetary damages for breaches of fiduciary duties, except for liability (i) for any breach of the director’s duty of loyalty to the Company or its stockholders; (ii) for acts or omissions not in good faith or that involve intentional misconduct or a knowing violation of law; (iii) under Section 174 of the DGCL; or (iv) for any transaction from which the director derived an improper personal benefit. We have entered into a separate indemnification agreement (the “Indemnification Agreement”) with each of our directors. Under the Indemnification Agreement, each director is entitled to be indemnified against all expenses, judgments, penalties, fines and amounts paid in settlement actually and reasonably incurred by or on behalf of such director in connection with any claims, proceedings or other actions brought against such director as a result of the director’s service to us, provided that the director: (i) acted in good faith; (ii) reasonably believed the action was in our best interest; and (iii) in criminal proceedings, reasonably believed the conduct was not unlawful. Additionally, the Indemnification Agreement entitles each director to contribution of expenses from us in any proceeding in which we are jointly liable with such director, but for which indemnification is not otherwise available. The Indemnification Agreement also entitles each director to advancement of expenses incurred by such director in connection with any claim, proceeding or other action in advance of the final adjudication of any such claim, proceeding or other action, provided the director agrees to reimburse us for all such advances if it shall ultimately be determined that the director is not entitled to indemnification. The foregoing limitations of liability and provisions for expenses may result in a major cost to us and hurt the interests of our stockholders because corporate resources may be expended for the benefit of officers and / or directors. The market price of our common stock has experienced significant price and volume fluctuations. For example, during the three year period ended September 30, 2023, the closing price of our common stock ranged from \$ 8.45 to \$ 23.03. In addition, the stock market has from time to time experienced significant price and volume fluctuations that have particularly affected the market prices for the common stock of technology companies and that have often been unrelated to the operating performance of particular companies. These broad market fluctuations may adversely affect the market price of our common stock. You may not be able to resell your shares at or above the price you paid for them due to fluctuations in the market price of our stock caused by changes in our operating performance or prospects and other factors. Some specific factors, in addition to the other risk factors identified above, that may have a significant effect on the price of our stock, many of which we cannot control, include but are not limited to: • our announcements or our competitors’ announcements of technological innovations; • quarterly variations in operating results; • changes in our product pricing policies or those of our competitors; • claims of infringement of intellectual property rights or other litigation; • the public’s reaction to our press releases, our other public announcements and our filings with the SEC; • changes in accounting standards, policies, guidance, interpretations or principles; • changes in our growth rate or our competitors’ growth rates; • developments regarding our patents or proprietary rights or those of our competitors; • our inability to raise additional capital as needed; • changes in financial markets or general economic conditions; • sales of stock by us or members of our management team or Board; and • changes in stock market analyst recommendations or earnings estimates regarding our stock, other comparable companies or our industry generally. We have never declared or paid a cash dividend on our common stock. We currently intend to retain our future earnings, if any, for use in the operation and expansion of our business and do not expect to pay any cash dividends in the foreseeable future. As a result, the success of an investment in our common stock will depend entirely upon any future appreciation in its value. There is

no guarantee that our common stock will appreciate in value or even maintain the price at which it was purchased. Form S-3 permits eligible issuers to conduct registered offerings using a short form registration statement that allows the issuer to incorporate by reference its past and future filings and reports made under the Exchange Act. In addition, Form S-3 enables eligible issuers to conduct primary offerings “off the shelf” under Rule 415 of the Securities Act. The shelf registration process, combined with the ability to forward incorporate information, allows issuers to avoid delays and interruptions in the offering process and to access the capital markets in a more expeditious and efficient manner than raising capital in a standard registered offering pursuant to a Registration Statement on Form S-1. The ability to register securities for resale may also be limited as a result of the loss of Form S-3 eligibility. As a result of our failure to timely file this Annual Report on Form 10-K for year ended September 30, 2023, and our Quarterly Report on Form 10-Q for the quarter ended December 31, 2023, we are currently ineligible to file new short form registration statements on Form S-3. In addition, if we seek to access the capital markets through a registered offering during the period of time that we are unable to use Form S-3, we may be required to publicly disclose the proposed offering and the material terms thereof before the offering commences, we may experience delays in the offering process due to SEC review of a Form S-1 registration statement and we may incur increased offering and transaction costs and other considerations. Our third amended and restated bylaws provide that, unless we consent to an alternative forum, a state or federal court located within the state of Delaware will be the sole and exclusive forum for: (a) any derivative action or proceeding brought on our behalf; (b) any action asserting a claim of breach of a fiduciary duty owed by any director, officer or other employee to us or our stockholders, (c) any action asserting a claim arising pursuant to any provision of the Delaware General Corporation Law, or (d) any action asserting a claim governed by the internal affairs doctrine. Our Bylaws also provide that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of and consented to this choice of forum provision. The foregoing choice of forum provision is not intended to apply to any actions brought under the Securities Act or the Exchange Act. Section 27 of the Exchange Act creates exclusive federal jurisdiction over all suits brought to enforce any duty or liability created by the Exchange Act or the rules and regulations thereunder. As a result, the exclusive forum provision will not apply to suits brought to enforce any duty or liability created by the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. However, our Bylaws do not relieve us of our duties to comply with federal securities laws and the rules and regulations thereunder, and our stockholders will not be deemed to have waived our compliance with these laws, rules and regulations. This choice of forum provision in our Bylaws may limit a stockholder’s ability to bring a claim in a judicial forum that it finds favorable for disputes with us or our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and other employees. In addition, stockholders who do bring a claim in the state or federal courts in the State of Delaware could face additional litigation costs in pursuing any such claim, particularly if they do not reside in or near Delaware. Furthermore, the enforceability of similar choice of forum provisions in other companies’ governing documents has been challenged in legal proceedings, and it is possible that a court could find these types of provisions to be inapplicable or unenforceable. If a court were to find the choice of forum provision in our Bylaws to be inapplicable or unenforceable in an action, we may incur additional costs associated with resolving such action in other jurisdictions, which could adversely affect our business and financial condition. We may not be able to maintain our listing on The Nasdaq Stock Market LLC (“Nasdaq”), or trading on the Nasdaq Capital Market may otherwise be halted or suspended, which may negatively impact the price of our common stock. If our common stock is delisted from Nasdaq, our business, financial condition, results of operations and share price could be adversely affected, and the liquidity of our common stock could be impaired. We have in the past and may in the future fail to comply with the Nasdaq listing requirements, including the continued listing requirement to timely file all required periodic financial reports with the SEC. As of the date of the filing of this Form- **For example** 10-K, we have not yet filed our Form 10-Q for the quarterly period ended December 31, 2023. If our common stock ceases to be listed for trading on **Nasdaq for any reason, it may..... additional capital we may need.** On August 11, 2022, we were notified by Nasdaq that we were not in compliance with Nasdaq Listing Rule 5250 (c) (1) (the “Listing Rule”), which requires that a listed company timely file all required periodic financial reports with the SEC as a result of our failure to file our Quarterly Report on Form 10-Q for the period ended June 30, 2022. We **have** submitted a plan to regain compliance on October 12, 2022 and on October 18, 2022, we received **similar deficiency letters** an exception of 180 days from the date the filing was due to regain compliance. On October 28, 2022, we filed our Quarterly Report on Form 10-Q for the period ended June 30, 2022 and regained compliance. On December 16, 2022, we were notified by Nasdaq that we were not in compliance with the Listing Rule as a result of our failure to file our Annual Report on Form 10-K for the fiscal year ended September 30, 2022 (the “FY’ 22 Form 10-K”). We submitted an initial plan of compliance to Nasdaq on February 9, 2023. On February 16, 2023, we were notified by Nasdaq that we were not in compliance with the Listing Rule as a result of our failure to file our Quarterly Report on Form 10-Q for the quarterly period ended December 31, 2022 (the “Q1 Form 10-Q”) and our then- continuing delinquency to file our FY’ 22 Form 10-K. On March 1, 2023, we submitted to Nasdaq an update to our previously submitted plan of compliance. On March 15, 2023, we received an exception from Nasdaq **over** allowing us until June 12, 2023 (the **past couple years** “Compliance Deadline”), or 180 days from the initial due date of the FY’ 22 Form 10-K, to regain compliance by filing the FY’ 22 Form 10-K and Q1 Form 10-Q. On May 12, 2023, we were notified by Nasdaq that we were not in compliance with the Nasdaq requirement that a company shall timely file all required period financial reports with the SEC as a result of our failure to file our Quarterly Report on Form 10-Q for the quarterly period ended March 31, 2023 (the “Q2 Form 10-Q”) and our then- **the**- continuing delinquency **Company was responding** to **various accounting matters** file our FY’ 22 Form 10-K and Q1 Form 10-Q. On May 26, **as** 2023, we submitted to Nasdaq another update to our previously **disclosed** submitted plan of compliance. As our FY’ 22 Form 10-K and our Q1 Form 10-Q and Q2 Form 10-Q were not filed by the Compliance Deadline, on June 13, 2023, we received a Staff Delisting Determination from the Listing Qualifications Department of The Nasdaq Stock Market, LLC notifying us that the Nasdaq Listing Qualifications Department (the “Staff”) has initiated a process to delist our securities

from Nasdaq as a result of us not being in compliance with the Listing Rule. On August 10, 2023, we presented our plan to regain compliance with the Listing Rule to the Nasdaq Hearings Panel (the “Panel”). Subsequently, on August 14, 2023, we were notified by Nasdaq that we were not in compliance with the Listing Rule as a result of our failure to file our Quarterly Report on Form 10-Q for the quarterly period ended June 30, 2023 (the “Q3 Form 10-Q”). On August 16, 2023, we received a decision from the Panel granting our request for continued listing on the Nasdaq Capital Market, subject to us demonstrating compliance with the Listing Rule on or before October 13, 2023, and certain other conditions. We filed the FY’ 22 Form 10-K on July 31, 2023, the Q1 Form 10-Q on September 6, 2023, and the Q2 Form 10-Q on September 29, 2023. On October 9, 2023, we notified the Panel that we determined it was necessary to seek an extension to file the Q3 Form 10-Q. On October 12, 2023, we were notified that the Panel had granted our request for the extension, providing us until November 3, 2023 to file the Q3 Form 10-Q. We filed the Q3 Form 10-Q on October 26, 2023. By letter dated November 6, 2023, the Panel notified us that we had regained compliance with the Listing Rule and that the Panel determined to monitor our compliance with the Listing Rule through November 6, 2024, in accordance with Nasdaq Listing Rule 5815-(d)-(4)(B) (the “Panel Monitor”). On December 18, 2023, we were notified by Nasdaq that we were not in compliance with the Listing Rule as a result of our failure to file our Annual Report on Form 10-K for the fiscal year ended September 30, 2023 and as we are subject to the Panel Monitor, the Staff promptly issued a delisting determination. We requested a hearing with the Panel and on January 17, 2024, we received a notice from the Panel notifying us that the Panel has granted our request to extend the automatic stay of suspension of our common stock from Nasdaq pending our hearing before the Panel scheduled for March 19, 2024 and a final determination regarding our listing status. Our common stock will continue to trade on the Nasdaq Capital Market under the symbol “MITK” until the Panel issues its decision following the hearing and through the expiration of any additional extension period granted by the Panel. The Panel has discretion to grant an exception for up to 180 days after the Nasdaq Staff’s initial delisting decision. There can be no assurance that the Panel will grant our request for a stay pending the hearing process or any further extension following the hearing or continued listing. We have developed a detailed plan to present to the Panel in an effort to regain compliance with the Listing Rule and obtain an extended stay. If our common stock ceases to be listed for trading on Nasdaq **Nasdaq** for any reason, it may harm our stock price, increase the volatility of our stock price, decrease the level of trading activity and make it more difficult for investors to buy or sell shares of our common stock. Our failure to maintain listing on Nasdaq may constitute an event of default under our outstanding indebtedness, including our convertible notes due 2026, and any future indebtedness, which would accelerate the maturity date of such debt or trigger other obligations. In addition, certain institutional investors that are not permitted to own securities of non-listed companies may be required to sell their shares adversely affecting the market price of our common stock. If we are not listed on Nasdaq, we will be limited in our ability to raise additional capital we may need. **On While we**, we expect that our common stock would be traded on the over-the-counter market. **Risks Related to Regulation and Compliance that the value and liquidity of our stockholders’ investments would be materially impacted.** In the course of preparing our financial statements for fiscal 2023 and 2022, we identified material weaknesses in our internal control over financial reporting. A material weakness is a deficiency, or combination of deficiencies, in internal control over financial reporting, such that there is a reasonable possibility that a material misstatement of the annual or interim financial statements will not be prevented or detected on a timely basis. See Part II, Item 9A “Controls and Procedures” for additional information about these material weaknesses and our remediation efforts. If we are unable to further implement and maintain effective internal control over financial reporting or disclosure controls and procedures, our ability to record, process and report financial information accurately, and to prepare financial statements within required time periods could be adversely affected, which could subject us to litigation or investigations requiring management resources and payment of legal and other expenses, negatively affect investor confidence in our financial statements and adversely impact our stock price. If we are unable to assert that our internal control over financial reporting is effective, or if our independent registered public accounting firm is unable to express an unqualified opinion as to the effectiveness of our internal control over financial reporting, investors may lose confidence in the accuracy and completeness of our financial reports, the market price of our common stock could be adversely affected and we could become subject to litigation or investigations by the stock exchange on which our securities are listed, the SEC or other regulatory authorities, which could require additional financial and management resources. Furthermore, we cannot assure you that the measures we have taken to date, and actions we may take in the future, will be sufficient to remediate the control deficiencies that led to our material weaknesses in our internal control over financial reporting or that they will prevent or avoid potential future material weaknesses. Our current controls and any new controls that we develop may become inadequate because of changes in conditions in our business. Further, weaknesses in our disclosure controls and internal control over financial reporting may be discovered in the future. Any failure to develop or maintain effective controls or any difficulties encountered in their implementation or improvement could harm our operating results or cause us to fail to meet our reporting obligations and may result in a restatement of our financial statements for prior periods. Any failure to implement and maintain effective internal control over financial reporting could adversely affect the results of periodic management evaluations and annual independent registered public accounting firm attestation reports regarding the effectiveness of our internal control over financial reporting that we are required to include in our periodic reports that are filed with the SEC. Ineffective disclosure controls and procedures and internal control over financial reporting could also cause investors to lose confidence in our reported financial and other information, which would likely have a negative effect on the trading price of our common stock. In addition, if we are unable to continue to meet these requirements, we may not be able to remain listed on Nasdaq. **General Risk Factors** We are highly dependent on the key members of our management team and other key technical personnel. If we were to lose the services of one or more of our key personnel, or if we fail to attract and retain additional qualified personnel, it could materially and adversely affect our business. Furthermore, recruiting and retaining qualified highly skilled engineers involved in the ongoing development required to refine our technologies and introduce future products is critical to our success. We may be unable to attract, assimilate, and retain qualified

personnel on acceptable terms given the competition within the high technology industry. We do not have any employment agreements providing for a specific term of employment with any member of our senior management. We do not maintain “key man” insurance policies on any of our officers or employees. We have granted and plan to grant restricted stock units or other forms of equity awards as a method of attracting and retaining employees, motivating performance and aligning the interests of employees with those of our stockholders. As of September 30, 2023-2024, we had 4,425,671, 042-484 shares of common stock available for issuance pursuant to future grants of equity awards under our existing equity compensation plans, which may limit our ability to provide equity incentive awards to existing and future employees. If we are unable to adopt, implement and maintain equity compensation arrangements that provide sufficient incentives, we may be unable to retain our existing employees and attract additional qualified candidates. If we are unable to retain our existing employees, including qualified technical personnel, and attract additional qualified candidates, our business and results of operations could be adversely affected. Legislation and governmental regulations including changes in legislation and governmental regulations impacting financial institutions, insurance companies, and mobile device companies, affect how our business is conducted. Globally, legislation and governmental regulations also influence our current and prospective customers’ activities, as well as their expectations and needs in relation to our products and services. Compliance with these laws and regulations may be onerous and expensive, and may be inconsistent from jurisdiction to jurisdiction, further increasing the cost of compliance. Any such increase in costs as a result of changes in these laws and regulations or in their interpretation could individually or in the aggregate make our products and services less attractive to our customers, delay the introduction of new products in one or more regions, cause us to change or limit our business practices or affect our financial condition and operating results. ~~We cannot predict the effect, if any, that market sales of shares of our common stock or the availability of shares of our common stock for sale will have on the market price of our common stock prevailing from time to time. We currently have an effective universal shelf registration statement on file with the SEC, providing for the potential issuance of shares of our common stock and other securities. Sales of substantial amounts of shares of our common stock or other securities in the public market, or the perception that those sales could occur, may cause the market price of our common stock to decline. In addition, any such decline may make it more difficult for you to sell shares of our common stock at prices you may deem acceptable. The trading market for our common stock will be influenced by the research and reports that industry or financial analysts publish about us or our business. We do not control these analysts or the content and opinions included in their reports. If one or more of the analysts who cover us were to adversely change their recommendation regarding our stock, or provide more favorable relative recommendations about our competitors, our stock price could decline. If one or more of the analysts who cover us cease coverage of our company 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.~~ Our business operations are subject to interruption by natural disasters and other catastrophic events, such as fire, floods, earthquakes, climate change, power loss, telecommunications failure, cyberattack, war or terrorist attack, or epidemic or pandemic. To the extent such events impact our facilities or off-premises infrastructure, we may be unable to continue our operations and may endure system interruptions, reputational harm, delays in our software development, lengthy interruptions in our services, breaches of data security and loss of critical data, all of which could have an adverse effect on our future operating results.