

## Risk Factors Comparison 2024-02-27 to 2023-03-01 Form: 10-K

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

The following risk factors could have a material adverse effect on our business, **results of operations**, financial condition ; ~~results of operations~~, cash flows and stock price, and could cause our future results to be materially different than we currently anticipate. These risk factors should be read in conjunction with **“ Part I, Item 1, Business, ”** " Part II, Item 7. Management' s Discussion and Analysis of Financial Condition and Results of Operations ” and the Consolidated Financial Statements and related notes in " Part II, Item 8. Financial Statements and Supplementary Data ” of this Annual Report. **Macroeconomic and Geopolitical Risks Related** ~~Macroeconomic conditions and geopolitical events could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Macroeconomic conditions, such as a U. S. or global recession or slowed economic growth, the rise in interest rates, inflation in costs of goods, services, and labor, and a decrease in consumer confidence and discretionary spending, could materially and adversely impact demand for our products and services, our ability to perform our contractual obligations, and successfully execute our operational and growth strategies. • Cost of products and components. Certain areas of our business have and are expected to continue to experience supply chain challenges, including shortages, shipping delays, and increased costs due to price increases for products and components and in shipping and transportation costs; certain actions taken by us to mitigate the impact of these supply challenges, including increased pricing, could make us less competitive, result in reduced sales, loss of potential new customers, and cause damage to our reputation and relationships with our customers. • Cost of labor and labor shortages. Our business could be adversely affected by increases.....~~ **Risks Associated with the Operation of our Business** We may not be able to achieve profitability, which could have a material adverse effect on our financial condition and the trading price of our common stock. We have incurred operating losses in each of the last several years, including for the year ended December 31, 2022. For us to achieve profitability, we must operate our business consistent with our capital allocation strategy, which focuses on the allocation of our capital to revenue generating activities, including the development of new products and new features for our existing products, while controlling expenses. We cannot assure that we will be successful in achieving or sustaining profitability in the future, among other things: • our investments in the development of new products and new features for our existing products, may require more investment than planned or our new products or new features may not achieve the expected commercial success and generate additional revenue or advance the growth of our business; and • we may not be able to control expenses at the levels planned due to internal and external factors, such as a recession or slowed economic growth, inflationary pressures, and geopolitical events, many of which are beyond our control. If we fail to achieve and sustain profitability, our financial condition could be materially and adversely impacted and the market price of our common stock could decline. Our products might experience coding, configuration, or manufacturing errors, which could damage our reputation, deter current and potential customers from purchasing our products and materially and adversely affect our business, financial conditions, results of operations, and cash flows. Despite testing by us, our products or product updates may contain coding, configuration or manufacturing errors that can negatively impact their functionality, performance, operation, and integration capabilities, and expose us to product liability, performance issues, warranty claims, and harm to our reputation, which could adversely affect our business, financial condition, results of operations, and cash flows. If our technical and maintenance support services are not satisfactory to our customers, they may not renew their service agreements or buy or license products from us in the future, which could materially and adversely affect our business, results of operations, and cash flows. If we fail to provide technical and maintenance support services that are responsive, satisfy our customers' expectations, and timely resolve issues that our customers encounter with our products and services or if there is a perception that we do not maintain high quality technical and maintenance support, then our customers may not purchase or license additional products or services from us in the future, negatively affecting our revenues, which would have a material and adverse effect on our business, results of operations, and cash flows. For the year ended December 31, 2022, two customers primarily of our hardware and professional services, account for a significant portion of our revenues in the Restaurant / Retail segment. The loss of one of these customer' s purchases of hardware and professional services, or a significant reduction, delay, or cancellation of purchases of hardware and professional services by one of these customers, could materially and adversely affect our business, results of operations, and cash flows. Revenues from our Restaurant / Retail segment constituted 73.7 % of our total consolidated revenues for the year ended December 31, 2022. Aggregate sales of primarily hardware and professional services to the two customers and their respective franchisees constituted 22.0 % of our consolidated revenues for the year ended December 31, 2022. Significant reductions, delays or cancellations of hardware sales and professional services to one of these customers and its franchisees would reduce our revenue and operating income and could materially and adversely affect our business, results of operations, and cash flows. There are risks related to our information technology systems, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows. In 2022, we began the implementation of new enterprise performance management and equity administration systems and the process of combining our customer relationship management (CRM) and enterprise resource planning (ERP) systems onto single pre-existing CRM and ERP systems, all of which are intended to improve the efficiency and effectiveness of the Company' s operations by streamlining information flow. The implementation processes are complex and time-consuming and are subject to project delays, integration risks, data conversion risks, and risks associated with the efficient and effective adoption of these systems by employees and customers. These risks could result in operational inefficiencies that materially and adversely affect our business, financial condition, results of operations, and cash flows due to: • unforeseen and unbudgeted costs; • reduced, delayed, or cancelled orders (bookings) for our subscription

services, a decrease in sites actively using our subscription services or a decrease in subscription service revenue or annualized recurring revenue (ARR) from our subscription services, or an **and** increase in customer churn; • reduced..... Analysis of Financial Condition and Results of Operations – Critical Accounting Policies and Estimates..... could be materially and adversely affected. We face extensive competition in our markets, and our failure to compete effectively could result in **price reductions and / or decreased demand for our products and services and / or price reductions**, which could materially and adversely affect our ability to achieve and sustain profitability and harm our business, financial condition, and results of operations. The markets for our subscription services and hardware products are characterized by rapid technological advances, intense competition among existing and emerging competitors, fluid and evolving industry practices, disruptive technology developments **(including artificial intelligence)**, and frequent new product introductions ; **and any one of these factors , including that one or more of our competitors may successfully use and deploy products incorporating artificial intelligence**, could create downward pressure on pricing and gross margins and could adversely affect sales to our existing customers, as well as our ability to attract and sell to new customers. Our future success depends on our ability to anticipate and identify changes in customer needs and / or relevant technologies, quickly respond to customer requirements, and rapidly and effectively introduce new and innovative products, features, and functions, while maintaining the integrity, quality, and competitiveness of our existing products. If we fail in these efforts, our business, financial condition, and results of operations could suffer, and our ability to achieve and sustain profitability **could be** adversely impacted. Our Government segment has been focused on niche offerings reflecting its expertise, primarily in the areas of ISR, systems engineering and evaluation, satellite and telecommunications services, and management technology / systems services. Many of our competitors in the Government segment are larger and have substantially greater financial resources and broader capabilities in management technology. Our Government segment also competes with smaller companies, many of which are designated by the government for preferential “ set aside ” treatment, that target particular segments of the government market and may have superior capabilities in a particular segment. These companies may be better positioned to obtain contracts through competitive proposals. Consequently, there are no assurances we will continue to win government contracts as a prime contractor or subcontractor, and our failure to do so would reduce our revenue and operating income and could adversely affect our business, results of operations, and financial condition. **Risks Associated with Our failure to meet service level commitments our- or milestones under customer contracts** Convertible Senior Notes and Future Indebtedness We may **result in not have sufficient cash flow from our customer contracts being less profitable** operating subsidiaries to pay our debt , which may seriously **and expose us to liability and reputational harm** . **Our subscription services agreements typically include service level commitments our- or business milestones** . **If** As of December 31, 2022, we **fail to meet** had \$ 398. 8 million of aggregate principal amount outstanding under **the these contractual commitments** 4. 500 % Convertible Senior Notes..... **service our debt under the Senior Notes** , we may be required **contractually obligated** to adopt **one pay penalties or provide service credits or for more alternatives a portion of the service fees paid by our customers**. As such these contractual commitments have, and may in the future, **adversely impact our revenues, ARR, and margins earned on our subscription services**. Moreover, **our failure to meet our commitments could result in customer dissatisfaction, reputational harm, or the loss of customers, and adversely affect our business and results of operations**. We rely on **third- party cloud and network infrastructure providers to deliver our subscription services, and any interruptions or delays in their services could harm our reputation and business**. Our ability to deliver our subscription services in a timely, **secure cash flow, such and reliable manner to our customers** depends on the protection of the information we store with our **third- party cloud providers, as selling assets well as the maintenance of third- party network infrastructures**. **Interruptions or obtaining additional equity capital on terms that delays in these services, including those which may be enorous caused by natural disasters or malicious actors, have, and may in the future, result in service disruptions, resulting in or our highly dilutive failure to meet service level commitments or milestones, exposing us liability, reputational damage, and potential loss of customers**. We may also incur significant costs to use alternative providers or equipment to deliver our subscription services or taking other actions to mitigate any prolonged service disruptions. Any such alternatives could be more difficult or costly to replace than what we currently license, and integration of alternatives into our information technology system could require significant work and resources and delays . Our products might experience coding, configuration, or manufacturing errors, which could damage our reputation, deter current and potential customers from purchasing our products and materially and adversely affect our business, financial conditions, results of operations, and cash flows. Our products or product updates may contain coding, configuration or manufacturing errors that can negatively impact their functionality, performance, operation, and integration capabilities, and expose us to product liability, performance issues, warranty claims, and harm to our reputation, which could adversely affect our business, financial condition, results of operations, and cash flows. Macroeconomic conditions and geopolitical events could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Economic instability or regulatory or political conditions, including inflation, recession or slowed economic growth, elevated or fluctuating interest rates, or actual or anticipated military or political conflicts (including the Russian- Ukraine war, tensions with China and between China and Taiwan, the Israel- Hamas conflict and other hostilities in the Middle East) in the United States and in other countries and regions in which we, our customers, suppliers, and our other third- party providers conduct business, and the impact of such conditions or insecurities, including inflated costs of goods, services, and labor, and muted or decreased consumer confidence and discretionary spending, could materially and adversely impact the cost and demand for our products and services, **our ability to perform raise funds through debt or our equity issuances contractual obligations, and otherwise access execute our operational and growth strategies**. • **Cost of products and components**. Certain areas of our business could experience supply chain challenges, including shortages, shipping delays, and increased costs due to price increases for products and components and in shipping and transportation costs;

while the areas of our business most vulnerable to these factors did not experience significant adverse effects credit and capital markets at the times and in 2023 the amounts needed and, notwithstanding that we have expanded the countries and regions in which we sell our hardware products and have added suppliers to mitigate risks associated with single-source suppliers, macroeconomic and geopolitical trends and events will continue to pose a risk to our business, including our costs of goods and operating results.

- **Cost of labor and labor shortages.** Labor costs, including wages and costs of benefits, remain higher than pre- COVID. High labor costs have a direct negative impact on acceptable terms will our results of operations and could negatively influence our customers' investment choices, including whether and when to invest in our products and services. Additionally, fewer participants in the labor market may dampen businesses' and consumers' ability and desire to invest and spend, which could also negatively influence our customers' investment choices. Any of the forgoing events could adversely impact our business, including our costs of goods and operating results.
- **Changes in consumer confidence.** The restaurant / retail industries depend on consumer discretionary spending. Our customers are impacted by consumer confidence, which is influenced, in part, by general economic conditions, which may negatively affect consumer discretionary spending. A material decline in consumer confidence could result in consumers choosing to dine out less frequently or reduce the amount they spend on meals while dining out, which could negatively impact our customers' sales and, in turn, result in reduced, delayed, or cancelled orders (bookings) or a decrease in active sites, revenue, or annual recurring revenue (ARR) from our subscription services, or an increase in customer churn; or reduced, delayed or cancelled hardware sales and installations. The extent Russia-Ukraine war, duration, increased tensions between China and Taiwan, actual consequences of U.S. and global economic conditions and geopolitical tensions generally and events are uncertain and could lead to additional inflationary pressures exacerbate other risk factors that we identify in this Annual Report.

**Issues with product and component availability or supplier performance may supply chain shortages and disruptions. In addition, unfavorable macroeconomic conditions and geopolitical events could adversely affect our integration partners ability to assemble, repair, and other third parties with whom we have relationships deliver our hardware products and perform related services, which could have a material adverse effect on impact the growth of our business, unified experience service and financial condition, and the foreseeable future results of operations.** We depend on third-party suppliers to deliver products and components in sufficient quantities, at reasonable prices, and timely so that we can timely deliver and install our hardware products and perform our Advanced Exchange, depot repair and field services. We have long-term or volume-based purchase agreements with some suppliers and we do have alternative sources identified in the event one or more of our suppliers are not able to perform or fully perform; however, we cannot assure that products and components will be available or in needed quantities and quality or at favorable or competitive prices. If we experience a problem (quantity, quality, or pricing) with one or more of our suppliers, and we are not able to cover or adequately cover from the other sources, it could lead to a shortage of products and components and extended lead times for the delivery and installation of our hardware products or adversely affect our performance of Advanced Exchange, depot repair and field services, which could negatively impact our ability to satisfactorily and timely meet our contractual and customer obligations. This could result in reduced sales, breach or termination of contracts, and damage to our reputation and relationships with our customers, which could have a negative impact on our business, financial condition, and results of operations. Further, in some instances, we are dependent on single-source suppliers for certain of our products and components, which may subject us to the other capital markets at such time significant risks, including higher prices, reduced control over product or component delivery schedules, or inadequate inventory.

We Most of our suppliers of products and components are located internationally, including in South Korea, China, and Taiwan, and are susceptible to hostilities in those regions and trade barriers and tariffs, which could increase the cost or availability of certain products and components to us that we may not be able to engage in any offset. Furthermore, certain of these activities or our engage in suppliers could decide to discontinue business with us or limit these the activities on desirable terms allocation of products and components to us, which could result in a default under the indentures governing the Senior Notes. Our indebtedness under the Senior Notes, could, among other consequences:

- increase the impact of adverse changes in the U. S. and global markets generally, and in our industries, on our business, financial condition and results of operations;
- restrict or our limit our ability inability to fill plan and react to changes in our supply needs, jeopardizing business and our industries;
- place us at a disadvantage compared to our competitors who have less debt; and
- limit our ability to fulfill borrow additional amounts to fund acquisitions, for working capital, and for other general corporate purposes.

A conversion of the Senior Notes, or our contractual obligations a fundamental change under the Senior Notes, if triggered which could in turn, may materially and adversely affect our financial condition and results result of operations. If a fundamental change occurs, holders of the Senior Notes may require us to repurchase all or a portion of their Senior Notes in a decrease in sales and cash flows. Furthermore, contract penalties upon conversion of any Senior Notes, unless we elect to deliver solely shares of our or terminations common stock to settle the conversion (excluding cash in lieu of delivering fractional shares of our common stock), we must make cash payments in respect..... the Senior Notes. In such an and damage event of default, holders of the Senior Notes with the defaulted indebtedness could elect to customer relationships declare all principal, together with accrued and unpaid interest, due and payable, which would materially and adversely affect our financial condition and results of operations.

**Risks Associated with the Regulation of our Business** Our failure to maintain adequate internal controls could have a material adverse effect on our business, financial conditions, and results of operations. We commit significant financial and managerial resources to comply with our internal control over financial reporting requirements, but we have in the past identified and may in the future identify material weaknesses or our reputation deficiencies in our internal control over financial reporting that cause us to incur incremental remediation costs to correct and maintain effective internal controls. For example, as most recently disclosed in our Quarterly Report for the fiscal quarter ended September 30, 2022, our management identified material weaknesses in our internal control over financial reporting. While we

have remediated been able to obtain cost reductions and avoid unfavorable changes to terms with some of our suppliers, this is not the case with all of our suppliers, and we may not be successful in maintaining favorable terms or securing favorable terms from other suppliers in the future, which could negatively impact gross margins in our hardware sales and Advanced Exchange, depot repair, and field services. To offset increased costs, we have and may in the future increase the prices of our hardware products and installation, repair, and field services. These price increases could make us less competitive, result in reduced sales, and loss of potential new customers, and cause damage to our reputation and relationships with our customers, which could have a negative impact on our business, financial condition, and results of operations. Inventory management is also an area of focus as we balance the need to maintain strategic inventory levels to ensure competitive lead times against the risk of product and component inventory shortages and customer requirements. In the past, when faced with product and component supply-related challenges, we have, in some instances, increased our inventory levels to satisfy anticipated customer requirements, which, in some instances, resulted in increased product and component costs, increased inventory expenses and lower margins, requiring that we write-down excess inventory. Inventory management is on-going and we may experience similar scenarios in the future, which could negatively impacting our financial condition, results of operations and ability to achieve and sustain profitability. If we are unable to recruit, develop, and retain qualified employees, our business, financial condition, and results of operations may be materially and adversely harmed. Our ability to successfully execute our operational plans and strategies, achieve our business and / or development objectives, or increase the scope or range of our service or product offerings under customer contracts, is dependent on our ability to attract, develop, and retain engineers, security and product architects, sales representatives, technical staff, and other skilled employees. Competition for top talent in the restaurant / retail and technology industries is intense. If we cannot effectively recruit, develop, and retain qualified employees to drive our Restaurant / Retail segment's operational and strategic goals and develop and convert opportunities our business could suffer. Moreover, many positions in our Government segment require security clearances, which can be difficult and time-consuming to obtain, resulting in increased competition for these uniquely qualified individuals, and could significantly delay or prevent our Government segment from achieving its business and / or development objectives, and could material-materially weaknesses harm our Government business. Our ability to recruit, these events could have develop, and retain necessary qualified employees depends on a number material-adverse effect on our business, financial condition, results of operations factors, including compensation and cash flows benefits, flexibility regarding virtual and hybrid work arrangements, work location, work environment, and corporate culture.

**Risks Associated with the Growth of our Business** Acquisitions are an element of our growth strategy, which subjects us to risks commonly associated with acquisition transactions, which could materially and adversely affect our business, financial condition, results of operations, and cash flows. Acquisitions are part of our growth strategy. We expect to continue to expand our business through acquisitions of complementary companies, products, and technologies. Acquisition transactions are subject to risks including: • the diversion of our management's time and focus from operating PAR's business; • difficulties in obtaining required regulatory or stakeholder approvals; • equity or debt financing transactions to finance an acquisition, including potential dilution from the issuance of our capital stock or the incurrence of additional debt or the failure to obtain satisfactory financing terms; • the failure of our due diligence to identify significant issues associated with or arising out of an acquisition transaction, including issues related to the acquisition target (such as quality of product or technology and financial reporting, accounting practices, and internal controls) or country specific laws and regulations; • our inability to fully realize the expected financial or strategic benefits of an acquisition transaction including within the timeframe we expected; • unforeseen costs, cost overruns, or unanticipated investments; • failure to successfully integrate and further develop the acquired business, product, or technology; • employee retention costs and expenses, including compensation and benefit costs and retention payments to executive officers and key employees; • difficulties coordinating and managing geographically separate organizations, and with foreign acquisitions, the need to integrate operations across different cultures and languages and to comply with country specific laws and regulations; • difficulties entering geographic markets or new market segments in which we have no or limited experience; • cybersecurity and data security and protection related considerations, controls and exposures; • inability to retain existing customers and suppliers of the acquired business, and on terms similar to, or better than, those in place with the acquired business; • assumed and unknown liabilities; and • failure to maintain our internal controls and systems. If we fail to realize expected benefits or synergies from our acquisitions, such as cost-savings and earnings accretion, or if we decrease if we fail decrease our liquidity by using a significant portion of our available cash to finance acquisitions maintain effective internal controls, incur additional indebtedness our or ability issue additional equity securities to record finance acquisitions or incur or assume unanticipated liabilities, process losses or costs associated with our acquisitions, summarize and report our business, financial condition, results information accurately and within the time periods specified in the rules and forms of the SEC operations, and cash flows could be materially and adversely affected. This could cause our financial reporting to be unreliable and potentially result in a restatement of our financial statements, which in turn could lead to a loss of investor confidence and a decline in the trading price of our common stock, and could subject us to investigation or sanctions by the SEC. Any such consequence or other negative effect could have a material adverse effect on our business, financial condition, and results of operations. Our international operations subject us to additional risks local laws and regulatory regimes, geopolitical or economic changes or events, uncertainties and other factors that could harm can adversely affect our business, financial condition, and results of operations. For the years ended December 31, 2023, 2022, and 2021, and 2020 5.7%, 5.5%, and 7.3%, and 8.5%, respectively, of our total consolidated revenues were derived from sales outside of the United States. Our international operations subject us to a variety of risks and challenges, including: complying • compliance with a wide variety of local laws and regulations legal standards governing our foreign operations, including the General Data Protection Regulation ("GDPR") in the European Union, the U.S. Foreign

Corrupt Practices Act of 1977, as amended, the U.K. Bribery Act and other anti-corruption regulations, and other regulatory or contractual limitations on our ability to sell our products and services in certain foreign markets, and the risks and costs of non-compliance with such laws and regulations, including fines, penalties, criminal sanctions against us, our officers or employees, prohibitions on the conduct of our business, and damage to our reputation; • compliance by international employees with accounting practices generally accepted in the United States, including adherence to our accounting policies and internal controls; • increased financial accounting and reporting burdens and complexities; • government sanctions that may interfere with our ability to sell into certain countries; • **the burdens and costs of complying with..... and damage to our reputation;** • import and export license requirements, tariffs, trade agreements, taxes and other trade barriers and trade protection measures; • increased risks of unfair or corrupt business practices in certain geographies and of improper or fraudulent sales arrangements that may impact financial results and result in restatements of financial statements and irregularities in financial statements; • reduced protection of our intellectual property rights in certain countries and practical difficulties and costs of enforcing those rights abroad; • difficulties in managing international employees and exposure to different employment practices and **local labor conditions and regulations, including labor issues faced by suppliers or immigration and labor laws which may adversely impact our access to technical and professional talent**; • compliance with the laws of numerous foreign taxing jurisdictions and overlapping of different tax regimes; • sales and customer service challenges associated with operating in different countries; • difficulties in receiving payments from different geographies, including difficulties associated with currency fluctuations, payment cycles, transfer of funds, or collecting accounts receivable; and • increased management, travel, infrastructure, and legal compliance costs associated with having international operations. These risks and challenges could result in an increase in our cost of doing business internationally, including shortages and increased costs of products and components, shipping delays, longer payment cycles, increased taxes, and restrictions on the repatriation of funds to the United States. In addition, our business is exposed to ~~health epidemics and~~ pandemics (like the COVID- 19 pandemic), war, terrorism, civil insurrection or social unrest, and other significant business interruptions that could lead to disruption, instability and volatility in the global economy and negatively impact us, and our suppliers, partners, and customers. We have employees in India and Serbia, and third-party consultants in Germany, Philippines, Ukraine, and other locations outside of the U. S. that provide software development and support services. A sustained loss of the software development services provided by international employees and third-party consultants could negatively impact our software development efforts, adversely affect our competitive position, harm our reputation, impede our ability to achieve and maintain profitability, and negatively impact our business, financial condition, and results of operations. **Natural disasters, pandemics, or other natural or manmade disasters or outbreaks could negatively impact our business and operations. Our business is susceptible to losses and interruptions caused by flooding, hurricanes, earthquakes, power shortages, telecommunications failures, pandemics and other natural or manmade disasters. The global COVID- 19 pandemic, the hurricanes and related floods in south eastern United States, and the wild fires in western United States, and any future natural or manmade disaster or pandemic could have an adverse impact in countries or regions in which we conduct our business or offer and sell our services and products or our customers conduct their businesses and, in turn, decrease the demand for our services or products. Such events could also cause delays or disruptions in access to our subscription services or third-party providers' software and systems; cause supply chain disruptions, resulting in shortages or delays in shipments of products and components; create health and safety risks to our employees and distract employee productivity; and result in changes in consumer spending choices and customer investment decisions, any one of which could harm our business and results of operations. Moreover, we may be subject to climate-related regulations and reporting requirements and changing market dynamics and stakeholder expectations regarding climate change and any impact our operations have or may have on the environment, all of which may impact our business, financial condition and results of operations. Risks Related to Cyber Security, Data Privacy, and Intellectual Property Our cloud applications and information technology systems or those of our service providers could be subject to cyberattacks or other security incidents, which could result in operational disruptions, costly governmental investigations or litigation and other adverse consequences that could have a material adverse effect on our business, financial condition, results of operations and cash flows. We experience cyber- attacks and other attempts to gain unauthorized access to our cloud applications and information technology systems on a regular basis, and we anticipate that we will continue to be subject to such attempts as we continue to expand the products and services we offer to customers. Despite our cybersecurity program and the technical and organizational security measures we use to detect and prevent unauthorized access and usage, our cloud applications and information technology systems, and the third-party cloud computing platforms on which our cloud applications and data are stored or processed, are vulnerable to cyber- attacks, including computer viruses, distributed denial of services attacks, malware, social engineering, credential-based attacks, supply chain attacks and other attacks which may result in unauthorized access by malicious actors, including nation-states and their agents. Such events have caused, and in the future could result in, the disruption of access to or the interruption of the operation of our cloud applications and information technology systems, or the cloud computing platforms and cloud applications of our third-party providers. Even though prior events did not have a material adverse effect on our cloud applications and information technology systems or the cloud computing platforms and cloud applications of our third-party providers / integrators and our operations, there can be no guarantee that the same will be the case in the future. Cyberattacks have become increasingly more sophisticated, frequent, and difficult to predict and protect against. In particular, the shift to a widespread remote working environment, including additional remote development teams, and the addition of new infrastructures, increases the opportunities available to malicious actors, and, as such, increases the risk of a cyber- attack potentially occurring which may result in the disruption of access to or the interruption of the operation of our cloud applications and information technology systems, or the cloud computing platforms and cloud**

applications of our third-party providers / integrators. A material failure or disruption in our operations due to such an attack could result in unauthorized access, data loss, misappropriation of information, interruption of systems availability or denial of access to applications or information required by our customers to conduct their businesses, which in turn could result in costly governmental investigations and litigation, breach of contract claims, indemnity obligations, and reputational damage, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows. Security defects and vulnerabilities in our cloud applications and information technology systems or those of our service providers, integrators, and customers could result in claims of liability against us, damage our reputation, or otherwise materially harm our business, financial condition, results of operations, and cash flows. Our cloud applications and information technology systems and those of our third-party service providers / integrators and customers are inherently subject to security defects and vulnerabilities due to the release of new technologies and new techniques developed by malicious actors. If the manner and timing of how we fix identified security defects and vulnerabilities to our cloud applications and information technology systems is wrong or the manner and timing of how our third-party service providers / integrators, or third-party network providers fix defects and vulnerabilities in their cloud applications and information technology systems is wrong, or our customers do not implement or timely implement security updates or version upgrades provided by us or our third-party service providers \ integrators, then our and our third-party service providers \ integrators cloud applications and information technology systems, and the information technology systems of our customers may be left vulnerable to delays and disruptions to access, which may result in our customer's being unable to conduct their businesses. Unchecked security defects or vulnerabilities, may result in a material failure of our or our third-party providers \ integrators cloud applications and information technology systems, substantial service disruptions, unauthorized access or denial of access, data loss or misappropriation of information, which in turn could result in breach of contract claims, indemnity obligations, governmental investigations and penalties, and reputational damage, which could have a material and adverse effect on our business, financial condition, results of operations and cash flows. Our failure to comply with data privacy or data protection laws and regulations could subject us to significant penalties and legal liability, harm our reputation or otherwise materially harm our business, financial condition, results of operations, and cash flows. Global privacy legislation, enforcement, and policy activity are rapidly expanding and creating a complex data privacy and data protection compliance environment and the potential for significant liability in the event of a data breach incident. We are subject to data privacy and data protection laws and regulations in the United States and abroad, some of which place restrictions on our ability to process personal data across our business. For example, the European Union **GDPR and the United Kingdom's** General Data Protection Regulation Act 2018 ( "**UK-GDPR** " ), imposes - impose requirements relating to the purpose for the processing of personal data, the information provided to individuals regarding the processing of their personal data, the security, confidentiality, minimization, and retention of personal data, notifications in the event of personal data breaches and the use of third-party processors. The **GDPR and the UK GDPR** imposes - impose substantial fines for breaches of data protection requirements, which can be up to four percent of annual worldwide revenues or 20 million Euros, whichever is greater. • various state data privacy and data protection laws, including the California Consumer Privacy Act ( "**CCPA** " ), as amended by the California Privacy Rights Act ( "**CPRA** " ), the Illinois Biometric Information Privacy Act ( "**BIPA** " ), the Virginia Consumer Data Protection Act, the Colorado Privacy Act, the Utah Consumer Privacy Act, Connecticut's Act Concerning Personal Information Privacy and Online Monitoring, the New York SHIELD Act, and the regulations implementing these laws, establish data privacy rights to their respective residents (including in California, where residents have a private right of action for violations of the CCPA and CPRA) and regulate how we may collect, use, process and store personal data. These laws and regulations are evolving and the application, interpretation, and enforcement of these laws and regulations are often uncertain; nevertheless, our failure or perceived failure to adequately address data privacy and data protection concerns, or to comply with applicable laws and regulations could damage our reputation, discourage current or potential customers from using our products and services, and result in costly governmental investigations, enforcement actions or litigations, breach of contract claims, indemnity obligations, additional insurance costs, complaints by private individuals, and / or the payment of penalties to consumers or governmental entities, any one or all of which could have a material and adverse effect our business, financial condition, results of operations and cash flows. **Assertions by third parties of infringement or other violations by us of their intellectual property rights could result in significant costs and materially and adversely harm our business, financial conditions, results of operations and cash flows. We believe that our products and services do not infringe the intellectual property rights of third parties; however, we cannot guarantee that third parties will not assert infringement or misappropriation claims against us with respect to our current or future products and services, or that any such assertions will not require us to enter into royalty arrangements or settlement agreements, or result in costly litigation or in our being unable to use certain intellectual property. Infringement assertions from third parties may involve patent holding companies or non-practicing entities or other patent owners who have no relevant product revenue, and therefore our viable and supportable defenses may provide little or no deterrence to these entities or patent owners in bringing intellectual property rights claims against us. Any of these events could have a material adverse effect on our business, financial condition, results of operations, and cash flows. There are risks related to our information technology systems, which could have a material adverse effect on our business, financial condition, results of operations, and cash flows. We are in the process of implementing new enterprise performance management and equity administration systems and combining our customer relationship management (CRM) and enterprise resource planning (ERP) systems into a single pre-existing CRM and ERP system, all of which are intended to improve the efficiency and effectiveness of our operations by streamlining information flow. The implementation processes are complex and time-consuming and are subject to project delays, integration risks, data conversion risks, and risks associated with the efficient and effective**

**adoption of these systems by employees and customers. These risks could result in operational inefficiencies that materially and adversely affect our business, financial condition, results of operations, and cash flows due to:** • **unforeseen and unbudgeted costs;** • **reduced, delayed, or cancelled orders (bookings) for our subscription services, a decrease in sites actively using our subscription services or a decrease in subscription service revenue or annualized recurring revenue (ARR) from our subscription services, or an increase in customer churn;** • **reduced, delayed, or cancelled hardware sales and installations;** and • **customer payment delays. Furthermore, the implementation processes of these new systems may create change management risks that require effective internal controls to mitigate. Our failure to maintain an effective internal control environment could have a material adverse effect on our ability to accurately and timely report our financial results.**

Risks Associated with our Government Segment A portion of our Government segment revenue is derived from U. S. Government contracts, which contain provisions unique to public sector customers, including the U. S. Government's right to modify or terminate these contracts at any time. For the year ended December 31, **2022-2023**, total consolidated revenues of **26-33** % were derived from contracts to provide technical expertise to government organizations and prime contractors. In any given year, the majority of our government contracting activity is associated with the DoD. Contracts with the U. S. Government typically provide that such contracts are terminable, in whole or in part, at the convenience of the U. S. Government. If the U. S. Government terminates a contract on this basis, we would be entitled to receive payment for our allowable costs and, in general, a proportionate share of our fee or profit for work actually performed. Most U. S. Government contracts are also subject to modification or termination in the event of changes in funding. As such, we may perform work prior to formal authorization, or the contract prices may be adjusted for changes in scope of work. Termination or modification of a substantial number of our U. S. Government contracts could have a material adverse effect on our business, financial condition, and results of operations. We perform work for various U. S. Government agencies and departments primarily pursuant to fixed- price, cost- plus fixed fee and time- and- material prime contracts and subcontracts. ~~The majority of revenues~~ **Revenues** derived from government contracts for the year ended December 31, **2022-2023** were based on **approximately 57 % fixed- price or cost- plus fixed fee contracts and approximately 34 % fixed price** contracts, with most of the remaining balance derived from time and material contracts and a small portion derived from commercialized product licensing. While fixed- price contracts allow us to benefit from cost savings, they also expose us to the risk of cost overruns. ~~Where~~ **If the** initial estimates we use for calculating the contract price are incorrect, we ~~can~~ **may continue to** incur losses on those contracts. In addition, some of our governmental contracts have provisions relating to cost controls, and audit rights and if we fail to meet the terms specified in those contracts, then we may not realize the full benefit of the contracts. Lower earnings caused by cost overruns would have an adverse effect on our financial results. Under time and materials contracts, we are paid for labor at negotiated hourly billing rates and for certain expenses. **PAR Government has experienced staff compensation pressures as the individuals offered under these contracts are highly sought after and in short supply. Time and material contracts are bid with rate schedules and escalation that may last up to 5 years and generally do not adjust to current economic conditions until being recompeted. Given the required technical backgrounds of the staff, coupled with significant recent inflationary pressures, we may continue to experience margin risk as we will be required to increase compensation to remain competitive in the markets we serve.** Under cost- plus fixed fee contracts, we are reimbursed for allowable costs and paid a fixed fee. ~~If our~~ **In some cases,** costs under either of these types of contracts **have** ~~were to exceed~~ **exceeded** the contract ceiling, or are not allowable under the provisions of the contract or applicable regulations. **In these cases,** we ~~may have~~ **not been** reimbursed for 100 % of our associated costs. Our inability to control our costs under either a time and materials contract or a cost- plus fixed fee contract could have a material adverse effect on our financial condition and results of operations. Cost overruns also may adversely affect our ability to sustain existing programs and obtain future contract awards. Our Government segment could be adversely affected by changes in budgetary priorities of the U. S. Government, failure to approve U. S. Government budgets on a timely basis, or delays in contract awards and other procurement activities. Our Government segment depends upon continued U. S. Government expenditures on defense, intelligence, homeland security, and other programs that we support. Changes in U. S. Government budgetary priorities, a significant decline in government expenditures, or a shift of expenditures away from programs that we support could have a material adverse effect on our financial condition and results of operations. Additionally, in years when Congress does not complete its budget process before the end of its fiscal year (September 30) with respect to programs we support, government operations are funded through a continuing resolution (" CR ") that temporarily funds federal agencies. Recent CRs have generally provided funding at the levels provided in the previous fiscal year. When the U. S. Government operates under a CR, it may delay funding we expect to receive from customers on work we are already performing and will likely result in new initiatives being delayed or in some cases canceled, which could have a material adverse effect on our financial condition, results of operations, and liquidity. Failure to comply with a variety of complex procurement regulations could result in liability for various penalties or sanctions including termination of U. S. Government contracts, disqualification from bidding on future U. S. Government contracts, and suspension or debarment from U. S. Government contracting. Our Government segment is subject to various laws and regulations relating to the formation, administration, and performance of U. S. Government contracts, which affect how we do business with our customers and increase our performance costs. Among the most significant laws and regulations are: • the Federal Acquisition Regulation (" FAR ") and agency regulations supplemental to the FAR, which comprehensively regulate the formation, administration, and performance of U. S. Government contracts; • the Federal Risk and Authorization Management Program (" FedRAMP") is a government- wide program that provides a standardized approach to security assessment, authorization, and continuous monitoring for cloud products and services. • the Truth in Negotiations Act, which requires certification and disclosure of all cost and pricing data in connection with contract negotiations; • the Cost Accounting Standards and Cost Principles, which impose accounting requirements that govern our right to reimbursement under certain cost- based U. S. Government contracts; • compliance with the FCPA or U. S. export control regulations, which apply when we engage in

international work; and • laws, regulations, and executive orders restricting the use and dissemination of information classified for national security purposes and the export of certain products and technical data. Failure to comply with these or other laws and regulations could result in contract termination, loss of security clearances, suspension, or debarment from contracting with the U. S. Government, civil and / or criminal fines, and penalties. Any such consequences could have a material adverse effect on our reputation, financial condition, results of operations, and liquidity. **PAR Government's Sit- X commercial product offering is undergoing the FedRAMP certification process. This complex process, if not successfully completed in a timely fashion, may continue to reduce marketability and overall profitability of this product line.** We cannot guarantee that our Government segment's estimated contract backlog will result in actual revenue. Our backlog consists of funded backlog, which is based on amounts actually committed by a customer for payment for goods and services, and unfunded backlog, which is based upon contract revenue we have the potential to earn over the remaining life of the contracts. Our backlog may not result in actual revenue in any particular period, or at all, which could cause our actual results to differ materially and adversely from those anticipated. There is a higher degree of risk with respect to unfunded backlog. The actual receipt and timing of any revenue is subject to various contingencies, many of which are beyond our control. The actual receipt of revenue on contracts included in backlog may never occur or may change because a program schedule could change; the program could be canceled; a contract could be reduced, modified, or terminated early; or an option that we had assumed could not be exercised. Further, while many of our U. S. Government contracts require performance over a period of years, Congress often appropriates funds for these contracts for only one year at a time. Consequently, our contracts typically are only partially funded at any point during their term, and all or some of the work intended to be performed under the contracts will remain unfunded pending subsequent Congressional appropriations and the obligation of additional funds to the contract by the procuring agency. Our estimates are based on our experience under such contracts and similar contracts. However, there can be no assurances that all, or any, of such estimated contract backlog will be recognized as revenue. The U. S. Government may revise its procurement practices or adopt new contracting rules and regulations, such as cost accounting standards. It could also adopt new contracting methods relating to General Services Administration contracts, Government- wide Acquisition Contracts, or other multi- award contracts, or adopt new standards for contract awards intended to achieve certain social or other policy objectives. In addition, the U. S. Government may face restrictions from new legislation or regulations, as well as pressure from U. S. Government employees and their unions, on the nature and amount of services the U. S. Government may obtain from private contractors. These changes could **continue to** impair our ability to obtain new contracts or **retain existing** contracts under which we currently perform when those contracts are up for recompetes. Any new contracting methods could be costly or administratively difficult for us to implement, and as a result, could harm our financial condition and results of operations. A realignment of funds with changed U. S. Government priorities, including "insourcing" of previously contracted support services, and the realignment of funds to other non- defense- related programs may reduce the amount of funds available to defense- related and other programs in our core service areas. Our Government segment is subject to reviews, audits, and cost adjustments by the U. S. Government, which, if unfavorably resolved to us, could adversely affect our profitability, cash flows, or growth prospects. U. S. Government agencies, including the Defense Contract Audit Agency ("DCAA") and the Defense Contract Management Agency ("DCMA"), routinely audit and investigate government contracts and government contractors' administrative processes and systems. These agencies review our performance on contracts, pricing practices, cost structure, and compliance with applicable laws, regulations, and standards. They also evaluate the adequacy of internal controls over our business systems, including our purchasing, accounting, estimating, earned value management, and government property systems. Any costs found to be improperly allocated or assigned to contracts will not be reimbursed, and any such costs already reimbursed must be refunded and certain penalties may be imposed. Moreover, if any of the administrative processes and systems are found not to comply with requirements, we may be subjected to increased government scrutiny and approval that could delay or otherwise adversely affect our ability to compete for or perform contracts or collect our revenue in a timely manner. Therefore, an unfavorable outcome of an audit by the DCAA or another U. S. Government agency could cause actual results to differ materially and adversely from those anticipated. If a government investigation uncovers improper or illegal activities, we may be subject to civil and criminal penalties and administrative sanctions, including termination of contracts, forfeitures of profits, suspension of payments, fines, and suspension or debarment from doing business with the federal government. In addition, we could suffer serious reputational harm if allegations of impropriety were made against us. Each of these results could have a material adverse effect on our business, financial condition, results of operations, and liquidity.

**Financial Related Risks Associated** ~~We may not be able to achieve profitability, which could have a material adverse effect on our financial condition and the trading price of our common stock. We have incurred operating losses in each of the last several years, including for the year ended December 31, 2023. For us to achieve profitability, we must operate our business consistent~~ with we must make cash payments in respect of the Senior Notes. Even if holders do not elect to convert their Senior Notes, we could be required under applicable accounting rules to reclassify all or a portion of the outstanding principal of the Senior Notes as a current rather than long- term liability, which would result in a material reduction of our net working capital. Any of the cash payments described above could be significant, and if we fail to repurchase the Senior Notes when required or deliver the consideration due upon conversion, we will be in default under the indentures governing the Senior Notes. In such an Ownership of our Common Stock We have not paid dividends in the past and we do not anticipate paying dividends in the foreseeable future. We have never paid dividends on our common stock and have no plans to pay dividends on our common stock in the foreseeable future. Any declaration and payment of future dividends to holders of our common stock will be at the sole discretion of our board of directors and will depend on many factors, including our financial condition, results of operations, capital requirements, level of indebtedness, statutory and contractual restrictions applying to the payment of dividends and other considerations that our board of directors deems relevant. Until such a time that we pay a dividend, our



investors must rely on sales of their PAR common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment. Future sales of our common stock or other securities could depress the price of our common stock and could result in dilution to our ~~existing~~ shareholders. We have and likely will in the future issue and sell shares of common stock or other securities to raise capital or issue securities for ~~other~~ **a variety of** purposes, including in connection with acquisitions of other businesses or other strategic transactions. Transactions involving newly issued common stock or other securities convertible into our common stock, if converted, could result in dilution, possibly substantial, to our ~~existing~~ shareholders. **Dilution may have a negative impact on the price of our common stock if investors react unfavorably to a transaction or if the dilution causes a significant decrease in our earnings per share. Our evaluation or completion of strategic alternatives may negatively impact our business and stock price. We have disclosed that our board of directors and management periodically evaluate strategic alternatives to maximize value for our shareholders, including strategic acquisitions, sales of non- strategic assets or businesses (including, for example, a sale of PAR Government Systems Corporation and / or one or more of its subsidiaries), and other transactions. We cannot provide assurance that any transaction will be completed; whether we decide to pursue a transaction will depend on numerous factors, some of which are beyond our control. Such factors include the interest of potential acquisition targets or acquirers, sources of financing and terms, market conditions, and industry trends. Even if a transaction is completed, there can be no assurance that the transaction will be successful or have a positive effect on shareholder value. In addition, our financial results and operations could be adversely affected, including the diversion of management' s attention from our operations and the execution of other strategies. We have and will continue to incur substantial expenses associated with identifying and evaluating potential strategic alternatives, including legal, accounting, and financial advisor fees. Furthermore, the public announcement of a strategic transaction may negatively impact our operating results if we are not able to realize the anticipated benefits of the transaction. We do not intend to disclose developments or provide updates with respect to potential strategic transactions unless and until disclosure is appropriate or required. Accordingly, speculation regarding potential strategic transactions could cause our stock price to significantly fluctuate.** The trading price of our common stock ~~has may experienced~~ **experience** significant price and volume volatility, **which could** ~~and is expected to continue to experience significant volatility in the foreseeable future. This volatility may~~ impair our ability to finance strategic transactions using our common stock, and could result in losses for our shareholders. A number of factors can impact the trading price of our common stock, ~~many of which are outside our control. Factors that could affect the price of PAR common stock include~~ **including** but are not necessarily limited to the following: • **the impact of** uncertainties, volatility, and economic disruption created by macroeconomic **conditions** and geopolitical events, **including, inflation, recession, interest rate fluctuations, actual or anticipated military or political conflicts (including the Russian- Ukraine war, tensions with China and by- between China and Taiwan, the Israel- Hamas conflict and the other hostilities in the Middle East) and global pandemics (such as COVID- 19 pandemic ) or other public health crises,** on our business, our customers, **and** the industries in which we operate, ~~and the global economy;~~ • actual or anticipated fluctuations in our financial condition and results of operations **(including, shortfalls or changes in expectations about, our revenue, margins, earnings, Annualized Recurring Revenue ( " ARR " ), sales of our product and service offerings or other key performance metrics**; • the performance and prospects of major customers; • our quarterly or annual financial results or those of other companies operating in our industries; • the lack of earnings guidance; • investor perception of us and the industries in which we operate; • the contents of published research reports about us or the industries in which we operate or the failure of securities analysts to cover our common stock; • any increased indebtedness we may incur in the future; • actions by institutional shareholders; • operating and stock performance of other companies that investors deem comparable to us (and changes in their market valuations) and overall performance of the equity markets; • announcements by us or our competitors of significant contracts, acquisitions, dispositions, strategic relationships, or capital commitments; and • litigation and governmental investigations. **In addition, the market for technology stocks or the stock market in general may experience uneven investor confidence, which may cause the trading price for our common stock to decline for reasons unrelated to our operating performance.** Our bylaws designate the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by our shareholders, and the federal district courts as the exclusive forum for Securities Act claims, which could limit our shareholders' ability to obtain what some shareholders believe to be a favorable judicial forum for disputes with us or our directors, officers, other employees, or agents. Our bylaws provide that unless we select or consent in writing to the selection of an alternative forum, all complaints asserting any internal corporate claims, which are claims (including claims brought on PAR' s behalf): (i) that are based upon a violation of a duty (including any fiduciary duty) owed by a current or former director, officer, employee, or shareholder in such capacity; or (ii) as to which the Delaware General Corporation Law (DGCL) confers jurisdiction upon the Court of Chancery, shall, to the fullest extent permitted by law and subject to applicable jurisdictional requirements, be made in the Court of Chancery of the State of Delaware (or, if the Court of Chancery does not have, or declines to accept, subject matter jurisdiction, another state court or a federal court located within the State of Delaware). Further, unless we select or consent in writing to the selection of an alternative forum, the federal district courts of the United States shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. The choice- of- forum provision in our bylaws does not apply to suits brought to enforce any liability or duty created by the Exchange Act, and shareholders cannot waive compliance with the federal securities laws and the rules and regulations thereunder. Any person or entity purchasing or otherwise acquiring or holding any interest in our common stock shall be deemed to have notice of and to have consented to the forum selection provisions described in our bylaws. These choice- of- forum provisions may limit a shareholder' 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 such persons. It is possible that a court may find these provisions of our bylaws inapplicable to, or

unenforceable in respect of, one or more of the specified types of actions or proceedings, in which case we may incur additional costs associated with resolving such matters in other jurisdictions, which could materially adversely affect our business, financial condition, or results of operations and result in a diversion of the time and resources of our management and board of directors. Certain provisions of our certificate of incorporation and bylaws and Delaware law may discourage a takeover of our company. Our certificate of incorporation and bylaws contain certain provisions that may discourage, delay, or prevent a change in our management or control over us. For example, our certificate of incorporation and bylaws, collectively: • authorize the issuance of undesignated preferred stock that could be issued by our board of directors to thwart a takeover attempt; • provide that vacancies on our board of directors, including vacancies resulting from an enlargement of our board of directors, may be filled only by a majority vote of directors then in office; • permits only the board of directors, or the chairman of the board of directors or the president pursuant to a resolution approved by a majority of the then authorized number of our directors to call special meetings of shareholders; • prohibit shareholder action by written consent except by unanimous written consent of all shareholders; and • establish advance notice requirements for nominations of candidates for elections as directors or to bring other business before an annual meeting of our shareholders. These provisions could discourage potential acquisition proposals and could delay or prevent a change in control, even though a majority of shareholders may consider such proposal, if effected, desirable. Such provisions could also make it more difficult for third parties to remove and replace the members of our board of directors. Moreover, these provisions may inhibit increases in the market price of our common stock that may result from takeover attempts or speculation.