Risk Factors Comparison 2024-02-29 to 2023-02-28 Form: 10-K

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You should carefully read the following discussion of material factors, events and uncertainties when evaluating our business and the forward- looking information contained in this Form 10- K. The events and consequences discussed in these risk factors could materially and adversely affect our business, operating results, liquidity and financial condition. While we believe we have identified and discussed below the material risk factors affecting our business, these risk factors do not identify all the risks we face, and there may be additional risks and uncertainties that we do not presently know or that we do not currently believe to be material that may have an adverse effect on our business, performance or financial condition in the future. Operational and Industry Risks A deterioration in the economic or inflationary environment in the countries in which we operate could have an adverse effect on our business and results of operations. Our performance may be adversely affected by economic ~~, political~~ or inflationary conditions in any market in which we operate. These conditions could include ~~regulatory developments,~~ changes in global or domestic economic policy ~~, legislative changes,~~ and sovereign debt crises. Deterioration in economic conditions, or a significant rise in inflation **or high level of sustained inflation** ~~could cause personal bankruptcy and insolvency filings to increase~~ , ~~and~~ **could negatively affect** the ability of consumers to pay their debts ~~could be adversely affected~~. This may in turn adversely impact our business and financial results. If global credit market conditions and the stability of global banks deteriorate, the amount of consumer or commercial lending and financing could be reduced, thus reducing the volume of nonperforming loans available for purchase, which could adversely affect our business, financial results and ability to succeed in the markets in which we operate. Other economic factors that could influence our performance include the financial stability of the lenders on our credit facilities and our access to capital and credit. For example, deterioration in the financial markets ~~, including as a result of a disease outbreak, such as the COVID- 19 pandemic,~~ could contribute to the insolvency of lending institutions, notably those providing our credit facilities, or the tightening of credit markets, which could make it difficult or impossible for us to obtain credit on favorable terms or at all. These and other economic factors could have an adverse effect on our financial condition and results of operations. We may not be able to continually replace our nonperforming loans with additional portfolios sufficient to operate efficiently and profitably, ~~and /~~ or we may not be able to purchase nonperforming loans at appropriate prices. To operate profitably, we must purchase and service a sufficient amount of nonperforming loans to generate revenue that exceeds our expenses. ~~Costs such as salaries~~ **Salaries** and other compensation expense constitute a significant portion of our ~~overhead~~ **operating expenses** and, if we do not replace the nonperforming loan portfolios we service with additional portfolios, we may have to reduce the number of our collection and other administrative personnel. We may then ~~,~~ have to rehire staff if we subsequently obtain additional portfolios. These practices could lead to negative consequences, including the following: • low employee morale; • fewer experienced employees; • higher training costs; • disruptions in our operations; • loss of efficiency; and • excess costs associated with unused space in our facilities. The availability of nonperforming loan portfolios at prices that generate an appropriate return on our investment depends on a number of factors, including the following: • ~~the continuation of high levels of~~ consumer debt ~~obligations~~ **levels** ; • sales of nonperforming loan portfolios by credit originators; and • competitive factors affecting potential purchasers and credit originators of nonperforming loans. Furthermore, heightened regulation of the credit card and consumer lending industry **,** or changing credit origination strategies **,** may result in decreased availability of credit to consumers, potentially leading to a future reduction in nonperforming loans available for purchase from credit originators. We cannot predict how our ability to identify and purchase nonperforming loans and the quality of those nonperforming loans would be affected if there were a shift in lending practices, whether caused by changes in the regulations or accounting practices applicable to credit originators or purchasers, a sustained economic downturn or otherwise. Moreover, there can be no assurance that credit originators will continue to sell their nonperforming loans consistent with historical levels or at all, or that we will be able to bid competitively for those portfolios. Because of the length of time involved in collecting on acquired portfolios and the variability in the timing of our collections, we may not be able to identify trends and make changes in our purchasing strategies in a timely manner. If we are unable to maintain our business or adapt to changing market needs as well as our current or future competitors, we may experience reduced access to nonperforming loan portfolios at appropriate prices and, therefore, reduced profitability. We may not be able to collect sufficient amounts ~~on~~ **to fund** our **operations due to the purchase of** nonperforming loans **that ultimately prove** to **be unprofitable** ~~fund our operations~~. Our principal business consists of purchasing and collecting nonperforming loans that consumers or others have failed to pay. The credit originators have typically made numerous attempts to recover on their accounts, often using a combination of in- house recovery efforts and third- party collection agencies. These nonperforming loans are difficult to collect, and we may not collect a sufficient **enough** amount to cover our investment and the costs of running our business. ~~Our~~ **Furthermore, if the statistical models we use to make cash flow projections as part of our underwriting process are inaccurate, we may acquire nonperforming loan portfolios that ultimately prove to be unprofitable. Moreover, if we experience operational issues in making** collections **on our nonperforming loan portfolios, we** may ~~decrease if~~ **incur losses on portfolios that would have otherwise been profitable. We outsource and offshore** certain ~~types~~ **activities related to our business to third parties. Any disruption or failure** of **these third parties to provide these services could adversely affect our business operations, financial condition and reputation. We use third parties to conduct collection and other activities through outsourcing and offshoring. These third parties include law firms, collection agencies, data providers, tracing service providers, business process outsourcing and information technology firms. One or more of these third parties could fail to meet its obligations and service level expectations, become** ~~insolvency~~ **insolvent or** ~~proceedings and~~

~~bankruptcy filings involving liquidations increase~~ --- **cease** ~~. Various economic trends~~ **operations, which could adversely impact our business operations** and ~~potential changes to existing legislation~~ **financial condition. Furthermore, we** may ~~contribute to an increase in the amount of personal bankruptcy and insolvency filings. Under certain of these filings, a debtor' s assets may be sold to repay creditors, but because most of the accounts we collect through our collections operations are unsecured, we typically would~~ not be able to ~~collect~~ **find alternative third parties in a timely manner** on **terms** ~~those accounts. Although our insolvency collections business could benefit from an increase in personal bankruptcies and insolvencies, we cannot ensure~~ that **are acceptable to us** ~~our~~ - **or** ~~collections~~ **because of contractual restrictions that limit our flexibility in responding to disruptions at these vendors, resulting in operational inefficiencies. If any of these third- party service providers violate laws, regulatory requirements, contractual obligations, or act inappropriately in the conduct of their business, our** operations ~~business would not decline with an~~ **and** ~~increase~~ **reputation could be negatively impacted and result** in ~~personal insolvencies~~ **regulatory fines and penalties. Any of these factors could cause** ~~or~~ **our business** ~~bankruptcy filings or changes in related regulations or practices. If our actual collection experience with respect to a nonperforming or insolvent bankrupt accounts are significantly lower than the total amount we projected when we acquired the portfolio~~ , ~~our~~ financial condition **,** ~~and results of~~ operations ~~could~~ **and reputation to** be adversely **affected. Additionally, offshoring could expose performance of these activities to the risks described under International Operations Risks within this section. We may not be successful in implementing, or in anticipating, the** ~~impacted~~ -- **impact of our cash collections generating and cost- related operational initiatives in our U. S. business, and our plans for implementing such initiatives may be altered or delayed due to various factors, which could have an adverse impact on our business and results of operations. Our future growth depends, in part, on our ability to generate higher cash collections at a lower marginal cost through effective execution. In our U. S. business, we continue to identify and implement initiatives that we believe will position our business for long- term sustainable growth and profitability by allowing us to achieve a lower marginal cost structure and to execute effectively, particularly around customer contact strategies and post- judgment legal collection processes. It is possible that the implementation of some of these initiatives could be altered or delayed or result in unintended consequences, such as business disruptions, distraction of management and employees, reduced productivity, unexpected employee attrition or an inability to attract or retain key personnel. If we are unable to successfully implement our initiatives as planned, or do not achieve the expected impacts as a result of these initiatives, we may not realize all or any of the anticipated benefits, resulting in a failure to meet our future business objectives** . Goodwill impairment charges could negatively impact our net income and stockholder' s equity. We have recorded a significant amount of goodwill as a result of our business acquisitions. Goodwill is not amortized, but **rather,** is tested for impairment at the reporting unit level. Goodwill is required to be tested for impairment annually and between annual tests if events or circumstances indicate that it is more likely than not that the fair value of a reporting unit is less than its carrying amount. There are numerous risks that may cause the fair value of a reporting unit to fall below its carrying amount, which could lead to the recognition of a goodwill impairment charge. These risks include: • adverse changes in macroeconomic conditions, the business climate, or the market for the entity' s ~~products or~~ services; • significant variances between actual and expected financial results; • negative or declining cash flows; • lowered expectations of future results; • ~~failure to realize anticipated synergies from acquisitions; •~~ significant expense increases; • a more likely- than- not expectation of selling or disposing all, or a portion of, a reporting unit; • ~~the loss of key personnel; •~~ an adverse action or assessment by a regulator; • significant increase in discount rates; or • a sustained decrease in the price per share of our common stock. Our goodwill impairment testing involves the use of estimates and the exercise of judgment, including judgments regarding expected future business performance and market conditions. **Based on** ~~Significant changes in~~ our **October 1** ~~assessment of such factors~~ , **2023** ~~including the deterioration of market conditions~~ , ~~could affect our assessment of~~ **impairment test, we concluded that** the **goodwill of our reporting units was not impaired. However, we estimated that our Debt Buying and Collection (" DBC") reporting unit' s** fair value ~~of one or more of our~~ **exceeded its carrying value by 6 %, and therefore, the** reporting ~~units~~ - **unit** ~~and could result in a goodwill~~ **may be at- risk for future** impairment **if our cash flow projections are not met or if market factors utilized in the impairment test deteriorate, including adverse** ~~charge~~ **changes** in **the debt sales market and** ~~a future period. A disease outbreak could have~~ an ~~adverse effect on our business, results of operations and financial results. We cannot predict the extent to which a disease outbreak, including epidemics, pandemics or similar widespread public health concerns, will impact our business, results of operations and financial results. A disease outbreak, such as the COVID- 19 pandemic, could adversely affect our business, results of operations and financial results if: • political, legal and regulatory actions and policies in response to disease outbreak may prevent us from performing our collection activities or result in material increases~~ - **increase** in ~~our costs to comply with such laws and regulations; • consumers respond to a disease outbreak by failing to pay amounts owed to us as a result of factors that impact their~~ -- **the discount rate** ~~ability to make payments; • we are unable to maintain staffing levels necessary to operate our business due to the continued spread of a disease outbreak causing employees to be unable or unwilling to work; • we are unable to collect on existing nonperforming loans or experience material decreases in our cash collections; or • we are unable to purchase nonperforming loans needed to operate our business because credit originators become unable or unwilling to sell their nonperforming loans consistent with historical levels~~ . Our loss contingency accruals may not be adequate to cover actual losses. We are involved in judicial, regulatory and arbitration proceedings or investigations concerning matters arising from our business activities. We establish accruals for potential liability arising from legal proceedings when it is probable that such liability has been incurred and the amount of the loss can be reasonably estimated. However, there can be no assurance as to the ultimate outcome. We may still incur legal costs for a matter even if we have not accrued a liability. In addition, actual losses may be higher than the amount accrued for a certain matter, or in the aggregate. An unfavorable resolution of a legal proceeding or claim could adversely impact our business, financial condition, results of operations ~~,~~ or liquidity. **A disease outbreak could have** ~~For more information, refer to the" Litigation and~~ - **an adverse effect on** ~~Regulatory Matters" section of Note 14 to~~ our

business, results ~~Consolidated Financial Statements included in Item 8~~ of ~~this Form 10- K. International Operations~~ **operations** ~~Risks~~ **and financial condition. We cannot predict the extent to which a disease outbreak, including epidemics, pandemics or similar widespread public health concerns, will impact our business, results of operations and financial results. A disease outbreak could adversely affect our business, results of operations and financial condition if: • political, legal and regulatory actions and policies in response to a disease outbreak prevent us from performing our collection activities or result in material increases in our costs to comply with such laws and regulations; • consumers respond to a disease outbreak by failing to pay amounts owed to us as a result of factors that impact their ability to make payments; • we are unable to maintain staffing levels necessary to operate our business due to the continued spread of a disease outbreak causing employees to be unable or unwilling to work; • we are unable to collect on existing nonperforming loans or experience material decreases in our cash collections; or • we are unable to purchase nonperforming loans needed to operate our business because credit originators become unable or unwilling to sell their nonperforming loans consistent with historical levels.** Our international operations expose us to risks **,** which could harm our business, results of operations and financial condition. A significant portion of our operations is conducted outside the U. S. This could expose us to adverse economic, industry and political conditions that may have a negative impact on our ability to manage our existing operations ~~or pursue alternative strategic transactions~~ , which could have a negative effect on our business, results of operations and financial condition. The global nature of our operations expands the risks and uncertainties described elsewhere in this section, including the following: • changes in local political, economic, social and labor conditions in the markets in which we operate; • foreign exchange controls on currency conversion and the transfer of funds that might prevent us from repatriating cash earned in countries outside the U. S. in a tax- efficient manner; • currency exchange rate fluctuations, currency restructurings, inflation or deflation and our ability to manage these fluctuations through a foreign exchange risk management program; • different employee / employer relationships, laws and regulations, union recognition and the existence of employment tribunals and works councils; • laws and regulations imposed by international governments, including those governing data security, sharing and transfer; • potentially adverse tax consequences resulting from changes in tax laws in the jurisdictions in which we operate or challenges to our interpretations and application of complex international tax laws; • logistical, communications and other challenges caused by distance and cultural and language differences, each making it harder to do business in certain jurisdictions; • volatility of global credit markets and the availability of consumer credit and financing in our international markets; • uncertainty as to the enforceability of contract rights under local laws; • the potential of forced nationalization of certain industries, or the impact on creditors' rights, consumer disposable income levels, flexibility and availability of consumer credit and the ability to enforce and collect aged or charged- off debts stemming from international governmental actions, whether through austerity or stimulus measures or initiatives, intended to control or influence macroeconomic factors such as wages, unemployment, national output or consumption, inflation, investment, credit, finance, taxation or other economic drivers; • the presence of varying levels of business corruption in international markets and the effect of various anti- corruption and other laws on our international operations; • the impact on our day- to- day operations and our ability to staff our international operations given ~~our changing labor conditions and~~ long- term trends towards higher wages in developed and emerging international markets as well as the potential impact of union organizing efforts; • **the potential for a widening military conflict in Europe; •** potential damage to our reputation due to non- compliance with international and local laws; and • the complexity and necessity of using non- U. S. representatives, consultants and other third- party vendors. Any one of these factors could adversely affect our business, results of operations and financial condition. Compliance with complex and evolving international and U. S. laws and regulations that apply to our international operations could increase our cost of doing business in international jurisdictions. We operate on a global basis with offices and activities in a number of jurisdictions throughout the Americas, Europe and Australia. We face increased exposure to risks inherent in conducting business internationally, including compliance with complex international and U. S. laws and regulations that apply to our international operations, which could increase our cost of doing business in international jurisdictions. These laws and regulations include those related to taxation and anti- corruption laws such as the FCPA and the UK Bribery Act. Given the complexity of these laws, there is a risk that we may inadvertently breach certain provisions of these laws, such as through the negligent behavior of an employee or our failure to comply with certain formal documentation requirements. Violations of these laws and regulations by us, any of our employees or our third- party vendors, either inadvertently or intentionally, could result in fines and penalties, criminal sanctions, restrictions on our operations and ability to offer our ~~products and~~ services in one or more countries. Violations of these laws could also adversely affect our business, brand, international expansion efforts, ability to attract and retain employees and results of operations. Additionally, ~~new or~~ pending international regulations, such as the EU Directive (2021 / 2167) on Credit Servicers and Credit Purchasers ~~and the Financial Conduct Authority' s Consumer Duty proposals~~ , could adversely affect our operations in Europe once they are effective and require implementation. The Organization for Economic Co- operation and Development (" OECD") recently issued Pillar Two model rules with the aim of ensuring that multinational enterprises pay a 15 % effective tax rate in each jurisdiction. The EU adopted the OECD Pillar Two Directive **effective** ~~with a beginning date of~~ January 1, 2024. We are monitoring the enactment of Pillar Two legislation in EU countries and elsewhere to determine ~~its~~ **the** potential impact on our financial results **,** as well as monitoring U. S. amendments to the U. S. global intangible low- tax income (" GILTI"), if any. ~~The~~ **While we currently do not expect the** implementation of Pillar Two and amendments to GILTI ~~could~~ **will** significantly increase our U. S. and international income taxes **, there is a risk the final enactment could cause a material increase in our income tax expense and payments** . Legal and Regulatory Risks Our ability to collect and enforce our nonperforming loans may be limited under federal, state and international laws, regulations and policies. Our operations are subject to licensing and regulation by governmental and regulatory bodies in the many jurisdictions in which we operate. U. S. federal and state laws, and the laws and regulations of the international countries in which we operate, may limit our ability to collect on and enforce our rights with respect to our nonperforming loans regardless of any act or omission on our part. Some laws and regulations applicable to credit issuers may preclude us from collecting on nonperforming loans we acquire if the credit issuer previously failed to comply with applicable laws in generating or servicing those accounts. Collection laws and regulations also directly apply to our business. Such laws and regulations are extensive and subject to change. A variety of state, federal and international laws and regulations govern the collection, use, retention, transmission, sharing and security of consumer data. Consumer protection and privacy protection laws, changes in the ways that existing rules or laws are interpreted or enforced and any procedures that may be implemented as a result of regulatory consent orders may adversely affect our ability to collect on our nonperforming loans and adversely affect our business. Our failure to comply with laws or regulations applicable to us could limit our ability to collect on our nonperforming loans, which could reduce our profitability and adversely affect our business. Failure to comply with government regulation of the collections industry could result in penalties, fines, litigation, damage to our reputation or the suspension or termination of our ability to conduct our business. The collections industry throughout the markets in which we operate is governed by various laws and regulations, many of which require us to be a licensed debt collector. Our industry is also at times investigated by regulators and offices of state attorneys general, and subpoenas and other requests or demands for information may be issued by governmental authorities who are investigating debt collection activities. These investigations may result in enforcement actions, fines and penalties, or the assertion of private claims and lawsuits. If any such investigations result in findings that we or our vendors have failed to comply with applicable laws and regulations, we could be subject to penalties, litigation losses and expenses, damage to our reputation, or the suspension or termination of, or required modification to, our ability to conduct collections, which would adversely affect our business, results of operations and financial condition. In a number of jurisdictions, we must maintain licenses to purchase or own debt, and / or to perform debt recovery services and must satisfy related bonding requirements. Our failure to comply with existing licensing requirements, changing interpretations of existing requirements, or adoption of new licensing requirements, could restrict our ability to collect in certain jurisdictions, subject us to increased regulation, increase our costs or adversely affect our ability to purchase, own and / or collect our nonperforming loans. Some laws, among other things, also may limit the interest rate and ~~the~~ fees **we** ~~that a credit originator~~ may impose on our consumers, limit the time in which we may file legal actions to enforce consumer accounts and require specific account information for certain collection activities. In addition, local requirements and court rulings in various jurisdictions may affect our ability to collect. Regulations and statutes applicable to our industry further provide that, in some cases, consumers cannot be held liable for, or their liability may be limited with respect to, charges to their debit or credit card accounts that resulted from unauthorized use of their credit. These laws, among others, may limit our ability to recover amounts owing with respect to the nonperforming loans, whether or not we committed any wrongful act or omission in connection with the account. If we fail to comply with any applicable laws and regulations discussed above, such failure could result in penalties, litigation losses and expenses, damage to our reputation, or otherwise impact our ability to conduct collections efforts, which could adversely affect our business, results of operations and financial condition. Investigations, reviews or enforcement actions by governmental authorities may result in changes to our business practices ~~;~~**,** negatively impact our nonperforming loan portfolio acquisition volume ~~;~~**,** make collection of nonperforming loans more difficult ~~;~~ or expose us to the risk of fines, penalties, restitution payments and litigation. Our debt collection activities and business practices are subject to review from time to time by various governmental authorities and regulators, including the CFPB, which may commence investigations, reviews or enforcement actions targeted at businesses in the financial services industry. These investigations or reviews may involve individual consumer complaints or our debt collection policies and practices generally. Such investigations or reviews could lead to assertions by governmental authorities that we are not complying with applicable laws or regulations. In such circumstances, authorities may request or seek to impose a range of remedies that could involve potential compensatory or punitive damage claims, fines, restitution payments, sanctions or injunctive relief, that if agreed to or granted, could require us to make payments or incur other expenditures ~~that could have an adverse effect on our results of operations or financial position~~ . The CFPB has the authority to obtain cease and desist orders (which can include orders for restitution or rescission of contracts, as well as other kinds of affirmative relief), recover costs, and impose monetary penalties (ranging from $ 5, 000 per day to over $ 1 million per day, depending on the nature and gravity of the violation). In addition, where a company has violated Title X of the Dodd- Frank Act or CFPB regulations implemented thereunder, the Dodd- Frank Act empowers state attorneys general and other state regulators to bring civil actions to remedy violations under state law. Governmental authorities could also request or seek to require us to cease certain practices or institute new practices. Negative publicity relating to investigations or proceedings brought by governmental authorities could have an adverse impact on our reputation, harm our ability to conduct business with industry participants ~~,~~ and result in financial institutions reducing or eliminating sales of nonperforming loan portfolios to us ~~which would harm our business and negatively impact our results of operations~~ . Moreover, changing or modifying our internal policies or procedures, responding to governmental inquiries and investigations and defending lawsuits or other proceedings could require significant efforts on the part of management and result in increased costs to our business. In addition, such efforts could divert management' s full attention from our business operations. All of these factors could have an adverse effect on our business, results of operations and financial condition. The CFPB has issued civil investigative demands (" CIDs") to many companies that it regulates, including PRA Group, and periodically examines practices regarding the collection of consumer debt. In ~~September 2015~~ **April 2023** , Portfolio **Recovery** Associates, LLC (" PRA"), our wholly owned subsidiary, entered into **an** ~~a consent~~ order with the CFPB settling a previously disclosed investigation of certain debt collection practices of PRA (the" ~~Consent~~ **2023** Order"). **We** ~~As further discussed in the" Litigation and Regulatory Matters" section of Note 14 to our Consolidated Financial Statements included in Item 8 of this Form 10- K, we~~ are ~~in discussions~~ **currently implementing our redress plan and have submitted our compliance plan to the CFPB for review. Although we believe that we will comply** with the ~~CFPB regarding CIDs and requests for information issued by the CFPB to us related to our compliance with the Consent Order and applicable law. Although we believe we have implemented the~~ requirements of the ~~Consent~~ **2023** Order, there can be no assurance **we will**

implement each requirement to the satisfaction of the CFPB or that additional litigation or new industry regulations currently under consideration by the CFPB would not have an adverse effect on our business, results of operations and financial condition. The regulation of data privacy in the U. S and globally **, or an inability to effectively manage our data governance structures,** could have an adverse effect on our business, results of operations and financial condition by increasing our compliance costs ~~or~~ **,** exposing us to the risk of liability **or decreasing our competitiveness** . A variety of jurisdictions in which we operate have laws and regulations concerning ~~,~~ privacy, cybersecurity ~~,~~ and the protection of personal data, including the EU GDPR, the UK GDPR, the U. S. GLBA, and the California Consumer Privacy Act of 2018. These laws and regulations create certain privacy rights for individuals and impose prescriptive operational requirements for covered businesses relating to the processing and protection of personal data and may also impose substantial penalties for non- compliance. ~~In addition, laws~~ **Laws** and regulations relating to privacy, cybersecurity and data protection are quickly evolving, and any such proposed or new legal frameworks could significantly impact our operations, financial performance and business. The application and enforcement of these evolving legal requirements is uncertain and may require us to further change or update our information practices, and could impose additional compliance costs and regulatory scrutiny **. If we fail to effectively implement and maintain data governance structures across our business, or to effectively interpret and utilize such data, our operations could be exposed to additional adverse impacts, and we could be at a competitive disadvantage. In addition, we rely on data provided to us by credit reference agencies and servicing providers. If these agencies and service providers were to stop providing us with data for any reason, for example, due to a change in governmental regulation, there could be a material adverse effect on our business, results of operations and financial condition** . We may incur significant costs complying with legal obligations and inquiries, investigations or any other government actions related to privacy, cybersecurity, and data protection. Such legal requirements and government actions also may impede our development of new ~~products,~~ services ~~,~~ or businesses, make existing ~~products,~~ services ~~,~~ or businesses unprofitable, increase our operating costs, require substantial management resources, result in adverse publicity and subject us to remedies that harm our business or profitability, including penalties or orders that ~~we~~ **may** change or terminate current business practices. Our insurance policies may be insufficient to insure us against such risks, and future escalations in premiums and deductibles under these policies may render them uneconomical. Changes in tax provisions or exposures to additional tax liabilities could have an adverse ~~tax~~ effect on our financial condition. We record reserves for uncertain tax positions based on our assessment of the probability of successfully sustaining tax filing positions. Management exercises significant judgment when assessing the probability of successfully sustaining tax filing positions, in determining whether a tax liability should be recorded and, if so, estimating that amount. Our tax filings are subject to audit by domestic and international tax authorities. If our tax filing positions are successfully challenged, payments could be required that are in excess of reserved amounts or we may be required to reduce the carrying amount of our net deferred tax asset, either of which could be significant to our financial condition or results of operations. Although we believe our estimates are reasonable, the ultimate tax outcome may differ from the amounts recorded in our financial statements and may adversely or beneficially affect our financial results in the period (s) for which such determination is made. Financial and Liquidity Risks We expect to use leverage in executing our business strategy, which may **have** ~~adversely~~ -- **adverse consequences** ~~affect the return on our assets~~ . We may incur a substantial amount of debt in the future. ~~Our existing indebtedness is recourse to us, and we anticipate that future indebtedness will likewise be recourse.~~ As of December 31, ~~2022~~ **2023** , we had total consolidated indebtedness of ~~approximately~~ $ 2. ~~5~~ **9** billion, all of which, except for $ **298** ~~345. 0 million outstanding principal amount of our 3. 50 % Convertible Notes due 2023 (the" 2023 Convertible Notes"), $ 300~~ . 0 million outstanding principal amount of our 7. 375 % Senior Notes due 2025 (the" 2025 Notes"), **$ 398. 0 million outstanding principal amount of our 8. 375 % Senior Notes due 2028 (the" 2028 Notes")** and $ 350. 0 million outstanding principal amount of our 5. 00 % Senior Notes due 2029 (the" 2029 Notes" **,** and together with the **2028 Notes and** 2025 Notes, the" Senior Notes"), was secured indebtedness. In addition, as of December 31, ~~2022~~ **2023** , we had total committed revolving borrowing capacity of $ ~~1~~ **2** . ~~6~~ **7** billion available under our credit facilities, all of which if borrowed would be secured indebtedness. **Total** ~~Considering borrowing base restrictions and other covenants, the amount available~~ **availability** ~~to be borrowed~~ under ~~our~~ **these** credit facilities ~~would have been $ 465. 1 million~~ as of December 31, ~~2022~~ **2023 , was $ 1** . ~~Our management team~~ **3 billion, comprised of $ 344. 4 million based on current estimated remaining collections (" ERC"), and $ 938. 5 million of additional availability subject to debt covenants, including advance rates. We** will consider a number of factors when evaluating our level of indebtedness and when making decisions **about incurring** ~~regarding the incurrence of~~ any new indebtedness, including the purchase price of assets to be acquired with debt financing, the estimated market value of our assets and the ability of particular assets **,** and the Company as a whole, to generate cash flow to cover the expected debt service. Incurring a substantial amount of debt could have important consequences for our business, including: • making it more difficult for us to satisfy our obligations with respect to our debt or to our trade or other creditors; • increasing our vulnerability to adverse economic or industry conditions; • limiting our ability to obtain additional financing to fund capital expenditures and acquisitions, particularly when the availability of financing in the capital markets is constrained; • requiring a substantial portion of our cash flows from operations and reducing our ability to use our cash flows to fund working capital, capital expenditures, acquisitions and general corporate requirements; • increasing the amount of interest expense because ~~most of~~ the indebtedness under our credit facilities ~~bear~~ **bears** interest at floating rates, which, if interest rates increase, will result in higher interest expense; • limiting our flexibility in planning for, or reacting to, changes in our business and the industry in which we operate; and • placing us at a competitive disadvantage **compared** to less leveraged competitors. We cannot assure you that our business will generate sufficient cash flow from operations or that future borrowings will be available to us through capital markets financings, under credit facilities or otherwise, in an amount sufficient to enable us to repay our indebtedness ~~, repurchase our 2023 Convertible Notes upon a fundamental change or settle conversions in cash~~ , repurchase our Senior Notes upon a change of control or fund our other liquidity needs. We may need to refinance all or a portion of our indebtedness, at or before its scheduled maturity. We cannot assure you that we will be able to refinance any of our indebtedness on commercially reasonable terms or at all. In addition, we may incur additional indebtedness in order to finance our operations or to repay existing indebtedness. If we cannot service our indebtedness, we may have to take actions such as selling assets, seeking additional debt or equity or reducing or delaying capital expenditures, strategic acquisitions, investments and alliances. We cannot assure you that any such actions, if necessary, could be effected on commercially reasonable terms or at all, or on terms that would be advantageous to our stockholders or on terms that would not require us to breach the terms and conditions of our existing or future debt agreements. We may not be able to generate sufficient cash flow **or complete alternative financing plans, including raising additional capital,** to meet our debt service obligations. Our ability to generate sufficient cash flow from operations to make scheduled payments on our debt obligations will depend on our current and future financial performance, which ~~is subject to~~ **in part depends on** general economic, financial, competitive, legislative, regulatory and other factors that are beyond our control. In the future, we may fail to generate sufficient cash flow from the collection of nonperforming loans to meet our cash requirements. Further, our capital requirements may vary materially from those currently planned if, for example, our revenues do not reach expected levels, we have to incur unforeseen expenses, we invest in acquisitions or make other investments that we believe will benefit our competitive position. If we do not generate sufficient cash flow from operations to satisfy our debt obligations, including interest payments and the payment of principal at maturity, we may have to undertake alternative financing plans, such as refinancing or restructuring our debt, selling assets or seeking to raise additional capital. We cannot provide assurance that any refinancing would be possible, that any assets could be sold, or, if sold, of the timeliness and amount of proceeds realized from those sales, that additional financing could be obtained on acceptable terms, if at all, or that additional financing would be permitted under the terms of our various debt instruments then in effect. Furthermore, our ability to refinance would depend upon the condition of the finance and credit markets. Our inability to generate sufficient cash flow to satisfy our debt obligations, or to refinance our obligations on commercially reasonable terms or on a timely basis, would materially affect our business, financial condition or results of operations and may delay or prevent the expansion of our business. The agreements governing our indebtedness include provisions that may restrict our financial and business operations. Our credit facilities and the indentures that govern our ~~2023 Convertible Notes and our~~ Senior Notes contain financial and other restrictive covenants, including restrictions on **certain types of transactions** ~~how we operate our business~~ and our ability to pay dividends to our stockholders. These restrictions may interfere with our ability to engage in other necessary or desirable business activities, which could materially affect our business, financial condition or results of operations. Failure to satisfy any one of these covenants could result in negative consequences, including the following: • acceleration of outstanding indebtedness; • exercise by our lenders of rights with respect to the collateral pledged under certain of our outstanding indebtedness; • our inability to continue to purchase nonperforming loans needed to operate our business; or • our inability to secure alternative financing on favorable terms, if at all. **Adverse changes in our credit ratings could have a negative impact on our business, results of operations and financial condition. Our ability to access capital markets is important to our ability to operate our business. Increased scrutiny of our industry and the impact of regulation, as well as changes in our financial performance and unfavorable conditions in the capital markets, could result in credit agencies reexamining and downgrading our credit ratings. A downgrade in our credit ratings may restrict or discontinue our ability to access capital markets at attractive rates and increase our borrowing costs, which could adversely affect our business, results of operations and financial condition.** Cybersecurity and Technology Risks A cybersecurity incident could damage our reputation and adversely impact our business and financial results. Our business is highly dependent on our ability to process and monitor a large number of transactions across markets and in multiple currencies. We rely on information technology systems to conduct our business, including systems developed and administered by third parties. Many of these systems contain sensitive and confidential information, including personal data, our trade secrets and proprietary business information, and information and materials owned by or pertaining to our ~~business~~ customers, vendors and business partners. The secure maintenance of this information, and the information technology systems on which they reside, is critical to our business strategy as well as our operations and financial performance. As we expand geographically, and our reliance on information technology systems increases, maintaining the security of such systems and our data becomes more significant and challenging. Although we take a number of steps to protect our information technology systems, the attacks that companies have experienced have increased in number, sophistication and complexity over the past few years **, including threats from the malicious use of new artificial intelligence tools** . Accordingly, we may suffer data security incidents or other cybersecurity incidents, which could compromise our systems and networks, creating system disruptions and exploiting vulnerabilities in our ~~products and~~ services. Any such breach or other incident also could result in the personal data or other confidential or proprietary information stored on our systems and networks, or our vendors' systems and networks, being improperly accessed, acquired or modified, publicly disclosed, lost, or stolen, which could subject us to liability to our customers, vendors, business partners and others. We seek to detect and investigate such incidents and to prevent their recurrence where practicable through preventive and remedial measures, but such measures may not be successful. Should a cybersecurity incident occur, we may be required to expend significant resources to notify affected parties, modify our protective measures or investigate and remediate vulnerabilities or other exposures. Additionally, such cybersecurity events could cause reputational damage and subject us to fines, penalties, litigation costs and settlements and financial losses that may not be fully covered by our cybersecurity insurance. To date, disruptions to our information technology systems, due to outages, security breaches or other causes, including cybersecurity incidents **,** have not had a material impact on our business ~~. However~~ , **results of operations** ~~any such disruption could have significant consequences for~~ - **or** ~~our business, including~~ financial ~~loss~~ **condition. For further discussion about our risk management** and ~~reputational damage~~ **strategy with respect to cybersecurity, and the roles of the Board and management in our cybersecurity governance, refer to Item 1C." Cybersecurity" of this Form 10- K** . The underperformance or failure of our information technology infrastructure, networks or communication systems could result in **a** loss in productivity, loss of competitive advantage and business disruption. We depend on effective information and communication systems to operate our business. ~~We have also acquired and expect to acquire additional systems as a result of business acquisitions.~~ Significant resources are required to maintain or enhance our existing information and telephone systems and to replace obsolete systems. Although we periodically upgrade, streamline ~~,~~ and integrate our systems and have invested in strategies to prevent a failure, our systems are susceptible to outages due to natural disasters, power loss, computer viruses, security breaches, hardware or software vulnerabilities, disruptions, and similar events. Failure to adequately implement or maintain effective and efficient information systems with sufficiently advanced technological capabilities, or our failure to efficiently and effectively consolidate our information systems to eliminate redundant or obsolete applications, could cause us to lose our competitive advantage, divert management' s time, result in a loss of productivity or disrupt business operations, which could have a material adverse effect on our business, financial condition and results of operations.