Risk Factors Comparison 2024-10-30 to 2023-10-27 Form: 10-K

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You should carefully consider the risks described below, as well as the other information in this Report, including our financial statements and the related notes and the section entitled " Management' s Discussion and Analysis of Financial Condition and Results of Operations, " before investing in our ~~publicly traded~~ securities. The occurrence of any of the events or developments described below could harm our business, financial condition, operating results, and / or growth prospects. The risks described below are not the only ones ~~facing us~~ **we face** . Our business is also subject to the risks that affect many other companies, such as competition, technological obsolescence, labor relations, general economic conditions, geopolitical changes, and international operations. We operate in a rapidly changing environment that involves a number of risks, some of which are beyond our control. Additional risks not currently known to us or that we currently believe are immaterial also may impair our business operations and our liquidity. The risks described below could cause our actual results to differ materially from those contained in the forward- looking statements we have made in this Report, the information incorporated herein by reference, and those forward- looking statements we may make from time to time. You should understand that it is not possible to predict or identify all such factors. Consequently, you should not consider the following to be a complete discussion of all potential risks or uncertainties. **Certain** ~~Risk~~ **Risks Related to** ~~Factor Summary Below is a summary of the principal factors that make an investment in our common stock speculative or risky. This summary does not address all of the risks that we face. Additional discussion of the risks summarized in this risk factor summary, and other risks that we face, can be found below and should be carefully considered, together with other information included in this Report. •~~ Our **Marketplace and Environment** ~~business is subject to risks arising from epidemic diseases, such as the COVID- 19 illness. •~~ Our ability to sustain or increase revenues will depend upon our success in entering new markets, continuing to increase our customer base, and in deriving additional revenues from our existing customers. ~~• A decrease in, or resistance to, the acceptance of model- informed biopharmaceutical discovery and development could damage our reputation or reduce the demand for our products and services. • Consolidation within the pharmaceutical and biotechnology industries may continue to lead to fewer potential customers for our products and services. • We face strong competition, and increasing competition and costs within the industries and markets we operate in may negatively affect the demand for our products and services. • Health care reform and restrictions on reimbursement may affect the customers that purchase or license our products or services, which may negatively affect our results of operations and financial condition. • We are subject to price pressures in some of the markets we serve. • Our operations may be interrupted by the occurrence of a natural disaster or other catastrophic event. • Our insurance coverage may not be sufficient to avoid material impact on our financial position or results of operations resulting from claims or liabilities against us. • Changes in government regulation or in practices relating to the industries in which we operate, including potential health care reform, could decrease the need for the services we provide. • Any failure by us to comply with applicable regulations and related guidance could harm our reputation and operating results, and compliance with new regulations and guidance may result in additional costs. • Our sales cycle is lengthy, and customers may delay entering into contracts or decide not to adopt our products or solutions after we have expended significant time and resources and supported evaluation by them of our technology. • Many of our contracts are fixed price and may be delayed or terminated or reduced in scope for reasons beyond our control, or we may underprice or overrun cost estimates with these contracts, potentially resulting in financial losses. • We could experience a breach of the confidentiality of the information we hold or of the security of our computer systems. • Impairment of goodwill or intangible assets may adversely impact future results of operations. • Software defects or malfunctions in our products could negatively impact our reputation and results of operations. • Delays in the release of new or enhanced products or services or undetected errors in our products or services may result in increased cost to us, delayed market acceptance of our products, and delayed or lost revenue. • We are subject to various risks associated with the operation of a global business, including foreign currency exchange rate risk and complex regulatory frameworks, amongst other things. • Changes in applicable tax laws or regulations and the resolution of tax disputes could negatively affect us. • Contract research services create a risk of liability. • Upgrading our software could result in implementation issues and business disruptions. • The industries in which we operate have a history of intellectual property litigation, involvement in intellectual property lawsuits is often very costly. • We may not be able to successfully develop and market new services and products. • Failure on our part to retain key personnel and to recruit adequate replacements could harm our business. • Failure to successfully select and integrate the businesses and technologies we acquire could harm our business. • Our periodic operating results fluctuate and may continue to fluctuate in the future, and if we fail to meet the expectations of analysts or investors, our stock price and the value of your investment could decline substantially. • Loss of our major customers could materially and adversely affect our business. • A significant portion of our operating expenses is relatively fixed and planned expenditures are based in part on expectations regarding future revenues. • If our security is breached or we fail to properly protect customer data, our business could be disrupted, our operating results could be harmed, and customers could be deterred from using our products and services. • Changes in and / or failure to comply with other applicable laws, regulations, and interpretations of such laws and regulations could materially adversely affect our reputation, business and financial performance. • We rely upon a single internal hosting facility and Amazon Web Services to deliver certain solutions to our customers and any disruption of or interference with our hosting systems, operations, or use of the Amazon Web Services could harm our business and results of operations. • If we are not able to reliably meet our data storage and management requirements, or if we experience any failure or interruption in the delivery of our services over the Internet, our business could be harmed. • Some of our software solutions and services utilize open- source software, and any~~

failure to comply with the terms of one or more of these open- source licenses could adversely affect our business. • We may be unable to adequately enforce or defend our ownership and use of our intellectual property rights. • Litigation or claims made against us, which may arise in the ordinary course of our business, could be costly and time- consuming to defend. • Our business depends on the clinical trial market, and a downturn in this market could harm our business. • Any failure to do maintain proper and effective internal control over financial reporting in the future could impair our ability to produce timely and accurate financial statements or comply with applicable laws and regulations. • As a public company, we may incur significant administrative workload and expenses in connection with new and changing compliance requirements. • Cash expenditures associated with our acquisition of Immunetrics may create certain liquidity and cash flow risks. • The business acquired through the Immunetrics acquisition may not perform as we or the market expects, which could have an adverse effect on the price of our common stock. • The obligations and liabilities of Immunetrics, some of which may be unanticipated or unknown, may be greater than we have anticipated, which may diminish the value of the Immunetrics business to us. • Our Board of Directors may (in its discretion) suspend the quarterly dividend that we typically pay, and, consequently, which could negatively impact your ability to achieve a return on your investment. • If our operating and financial performance in any given period does not meet any guidance that we provide to the public, the market price of our common stock may decline. • The price of our common stock may fluctuate significantly, and investors could lose all or part of their investment. • If securities or industry analysts issue an adverse or misleading opinion regarding our stock, or our inclusion in the S & P 600 discontinues, our stock price and trading volume could decline. • We may raise capital through the issuance of our common stock, convertible debt, or equity- linked securities, which could result in dilution to our stockholders or a negative impact on the price of our common stock. • We cannot guarantee that our share repurchase program will be fully consummated or that it will enhance long- term shareholder value, and share repurchases could increase the volatility of the price of our common stock. • Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults, or non-performance by financial institutions or transactional counterparties, could adversely affect our current and projected business operations and our financial condition and results of operations. Certain Risks Related to Our Business Our business is subject to risks arising from epidemic diseases, such as the outbreak of the COVID- 19 illness. The occurrence of regional epidemics or a global pandemic, such as COVID- 19, may adversely affect our operations, financial condition, and results of operations. In the last few years, the COVID- 19 pandemic has had widespread, rapidly evolving, and unpredictable impacts on global society, economies, financial markets, and business practices. The extent to which global pandemics impact our business going forward will depend on factors such as the duration and scope of the pandemic; governmental, business, and individuals' actions in response to the pandemic; and the impact on economic activity including the possibility of recession or financial market instability. Certain Risks Related to Our Marketplace and Environment Our products are currently used primarily by modeling and simulation specialists in companies involved in pharmaceuticals, biotechnology, agrotechnology, and cosmetics, as well as universities, hospitals, and government research organizations. One component of our overall business strategy is to derive more revenues from our existing customers by expanding their use of our products and services. Such strategy would have our customers utilize our scientific informatics platforms and our tools and components to leverage vast amounts of information stored in both corporate databases and public data sources in order to make informed scientific and business decisions during the research and development process. In addition, we seek to expand into new markets, and new areas within our existing markets, by acquiring businesses in these markets, attracting and retaining personnel knowledgeable in these markets, identifying the needs of these markets, and developing marketing programs to address these needs. If successfully implemented, these strategies would increase the usage of our software and services by pharmacologists or pharmacometricians operating within our existing pharmaceutical, biotechnology, and chemical customers, as well as by new customers in other industries. However, if our strategies are not successfully implemented, our products and services may not achieve market acceptance or penetration in targeted new departments within our existing customers or in new industries. As a result, we may incur additional costs and expend additional resources without being able to sustain or increase revenue. A decrease in, or resistance to, the acceptance of model- informed biopharmaceutical discovery and development by regulatory authorities or academic institutions could damage our reputation or reduce the demand for our products and services. In recent years, there has been a steady increase in the recognition by regulatory and academic institutions of the role that modeling and simulation can play in the biopharmaceutical development and approval process, as demonstrated by new regulations and guidance encouraging the use of modeling and simulation in the biopharmaceutical discovery, development, testing, clinical trial and approval process, which has positively impacted our business. Changes in government or regulatory policy, or a stagnation or reversal in the trend toward increasing the acceptance of and reliance upon use of computer modeling and simulation in the drug approval process, could decrease the demand for our products and services or lead our customers to cease use of, or to recommend against the use of, our products and services. This, in turn, could negatively impact our reputation and / or have a material adverse impact on our business prospects and results of operations . A significant portion of our customer base consists of pharmaceutical and biotechnology companies. Consolidation within the pharmaceutical and biotechnology industries may result in fewer customers for our products and services. Although the industry consolidation that has taken place over the past 20 years has not prevented our business from growing to date, if one of the parties to a consolidation uses the products or services of our competitors, we may lose existing customers as a result of such consolidation . Increasing competition and increasing costs within the pharmaceutical and biotechnology industries, drug development and services industry, and the life science market for modeling and simulation software and cheminformatics products may affect the demand for our products and services, which may affect our results of operations and financial condition. Our pharmaceutical and biotechnology customers' demand for our products is impacted by continued demand for their products and by our customers' research and development costs. Demand for our customers' products could decline, and prices charged by our customers for their products may decline, as a result of governmental regulations and increasing competition, including competition from companies manufacturing generic drugs. In addition, our

customers' expenses could continue to increase as a result of increasing costs of complying with government regulations and other factors. A decrease in demand for our customers' products, pricing pressures associated with the sales of these products, and additional costs associated with product development, could cause our customers to reduce research and development expenditures. Although our products increase productivity and reduce costs in many areas, because our products and services depend on such research and development expenditures, our revenues may be significantly reduced. Health care reform and restrictions on reimbursement may affect the pharmaceutical, biotechnology, and industrial chemical companies that purchase or license our products or services, which may affect our results of operations and financial condition. The continuing efforts of government and third- party payers in the markets we serve to contain or reduce the cost of health care may reduce the profitability of pharmaceutical, biotechnology, and industrial chemical companies, causing them to reduce research and development expenditures. Because some of our products and services depend on such research and development expenditures, our revenues may be significantly reduced. We cannot predict what actions federal, state, or private payers for health care goods and services may take in response to any health care reform proposals or legislation. We face strong competition in the life science market for modeling and simulation software and for cheminformatics products. The market for our modeling and simulation software products for the life science market is intensely competitive. We currently face competition from other scientific software providers, larger technology and solutions companies, in- house development by our customers and academic and government institutions, and the open- source community. **Additionally, our clinical pharmacology business unit often competes for business not only with other clinical research organization, but also with internal discovery and development departments within our larger clients.** Some of our competitors and potential competitors have longer operating histories in certain segments of our industry than we do and could have greater financial, technical, marketing, research and development, and other resources ~~. Many of our competitors offer products and services directed at more specific markets than those we target, enabling these competitors to focus a greater proportion of their efforts and resources on these markets. Some offerings that compete with our products are developed and made available at lower cost by government organizations and academic institutions, and these entities may be able to devote substantial resources to product development and also offer their products to users for little or no charge~~ . We also face competition from open- source software initiatives, in which developers provide software and intellectual property free over the Internet. In addition, some of our customers spend significant internal resources in order to develop their own software. Moreover, we intend to leverage our scientific informatics platform in order to enable our customers to more effectively utilize the vast amounts of information stored in both their databases and public data sources in order to make informed scientific and business decisions during the research and development process. This strategy could lead to competition from much larger companies that provide general data storage and management software. There can be no assurance that our current or potential competitors will not develop products, services, or technologies that are comparable to, superior to, or render obsolete, the products, services, and technologies we offer. There can be no assurance that our competitors will not adapt more quickly than we to technological advances and customer demands, thereby increasing such competitors' market share relative to ours. **Increased competition could lead to price and other concessions that might adversely affect our operating results.** Any material decrease in demand for our technologies or services may have a material adverse effect on our business, financial condition, and results of operations. We are subject to price pressures in the markets we serve. The market for modeling and simulation products for the life science industry is intensely competitive. Although the average price of our software licenses has increased or remained relatively constant for fiscal years **2024,** 2023, **and** 2022 ~~, and 2021~~ , we may experience a decline in the future. In response to increased competition and general adverse economic conditions in this market, we may be required to modify our pricing practices. Changes in our pricing model could adversely affect our revenues and earnings ~~. Our operations may be interrupted by the occurrence of a natural disaster or other catastrophic event at our primary facilities. Our research and development operations and administrative functions are primarily conducted at our facilities in Lancaster, California; Buffalo, New York; Paris, France; Research Triangle Park, North Carolina; and Pittsburgh, Pennsylvania. Although we have contingency plans in effect for natural disasters or other catastrophic events, the occurrence of such events could still disrupt our operations. For example, our Lancaster, California facility is located in a state that is particularly susceptible to earthquakes and wildfires. Any natural disaster or catastrophic event in our facilities or the areas in which they are located could have a significant negative impact on our operations~~ . Our insurance coverage may not be sufficient to avoid material impact on our financial position or results of operations resulting from claims or liabilities against us, and we may not be able to obtain insurance coverage in the future. We maintain insurance coverage for protection against many risks of liability. The extent of our insurance coverage is under continuous review and is modified as we deem it necessary. Despite this insurance, it is possible that claims or liabilities against us may have a material adverse impact on our financial position or results of operations. In addition, we may not be able to obtain any insurance coverage, or adequate insurance coverage, when our existing insurance coverage expires. ~~For example, we do not carry earthquake insurance for our facilities in Lancaster, California, because we do not believe the costs of such insurance are reasonable in relation to the potential risk for our part of California.~~ Changes in government regulation or in practices relating to the pharmaceutical or biotechnology industries, including potential health care reform, could decrease the need for the services we provide. Governmental agencies throughout the world, but particularly in the U. S., strictly regulate the drug development process. Our business involves helping pharmaceutical and biotechnology companies, among others, navigate the regulatory drug approval process. Accordingly, many regulations, and often new regulations, are expected to result in higher regulatory standards and often additional revenues for companies that service these industries. However, some changes in regulations, such as a relaxation in regulatory requirements or the introduction of streamlined or expedited drug approval procedures, or an increase in regulatory requirements that we have difficulty satisfying or that make our services less competitive, could eliminate or substantially reduce the demand for our services. Any negative commentaries made by any regulatory agencies or any failure by us to comply with applicable regulations and related guidance could harm our reputation and operating results, and compliance with new regulations and

guidance may result in additional costs. Any negative commentaries made by any regulatory agencies or any failure on our part to comply with applicable regulations could result in the termination of ongoing research or the disqualification of data for submission to regulatory authorities. This could harm our reputation, our prospects for future work, and our operating results. If our operations are found to violate any applicable law or other governmental regulations, we might be subject to civil and criminal penalties, damages, and fines. Any action against us for violation of these laws, even if we successfully defend against it, could cause us to incur significant legal expenses, divert our management' s attention from the operation of our business, and damage our reputation. Our sales cycle is lengthy, and customers may delay entering into contracts or decide not to adopt our products or solutions after we have expended significant time and resources and supported evaluation by them of our technology, which could result in delays in recognizing revenue and negatively impact our results of operations. Ongoing negotiations and evaluation projects for new products, with new customers or in new markets may not result in significant revenues for us if we are unable to close new engagements on terms favorable to us in a timely manner, or at all. Unexpected delays in our sales cycle could cause our revenues to fall short of expectations. Further, the timing and length of negotiations required to enter into agreements with our customers and the ultimate enforcement of complex negotiated contractual provisions as we intended is difficult to predict. If we do not successfully negotiate certain key complex contractual provisions, there are disputes regarding such provisions, or if they are not enforceable as we intended, our revenues and results of operations would suffer. Further, if we were to incur significant effort and then fail to enter into final contracts with prospective customers, or if a contract is terminated earlier than expected, our revenues and results of operations could suffer. Many of our contracts **are fixed price and may be delayed or terminated or reduced in scope for reasons beyond our control, or we may underprice or overrun cost estimates with these contracts, potentially resulting in financial losses. Many of our contracts** provide for services on a fixed- price or fee- for- service with a cap basis and, accordingly, we bear the financial risk if we initially underprice our contracts or otherwise overrun our cost estimates. In addition, these contracts may be terminated or reduced in scope either immediately or upon notice. Cancellations may occur for a variety of reasons, and often at the discretion of the client. The loss, reduction in scope, or delay of a large contract or the loss or delay of multiple contracts could materially adversely affect our business, although our contracts frequently entitle us to receive the costs of winding down the terminated projects, as well as all fees earned by us up to the time of termination. Some contracts also entitle us to a predetermined termination fee and irrevocably committed costs / expenses. **Impairment** ~~We operate large and complex computer systems that contain significant amounts~~ of **goodwill** ~~client data. As a routine element of our~~ **or intangible assets may adversely impact future results** ~~business, we collect, analyze, and retain substantial amounts~~ of **operations** ~~data pertaining to the clinical study data analysis we conduct for our clients. Unauthorized third parties could attempt to gain entry to such computer systems for the purpose of stealing data or disrupting the systems. We believe that we have taken appropriate measures to protect them from intrusion, and we continue to improve and enhance our systems in this regard, but in the event that our efforts are unsuccessful, we could suffer significant harm. Our contracts with our clients typically contain provisions that require us to keep confidential the information generated from these studies. In the event the confidentiality of such information was compromised, we could suffer significant harm~~ . We have intangible assets, including goodwill, capitalized computer software development costs, intellectual property, and other intangible assets, on our balance sheet due to our acquisitions of businesses. The initial identification and valuation of these intangible assets and the determination of the estimated useful lives at the time of acquisition involve use of management judgments and estimates. These estimates are based on, among other factors, input from accredited valuation consultants, reviews of projected future income cash flows, and statutory regulations. The use of alternative estimates and assumptions might have increased or decreased the estimated fair value of our goodwill and intangible assets that could potentially result in a different impact to our results of operations. If the future growth and operating results of our business are not as strong as anticipated and / or our market capitalization declines, this could impact the assumptions used in calculating the fair value of goodwill or intangibles. To the extent goodwill or intangibles are impaired, their carrying value will be written down to their implied fair value and a charge will be made to our income from continuing operations. Such an impairment charge could materially and adversely affect our operating results. Certain Risks Related to Our Operations **Delays** ~~Software defects or malfunctions~~ in **the release of new** ~~our~~ **or enhanced** products ~~could hurt our~~ **or services** ~~reputation among our~~ **or** ~~customers,~~ **undetected errors in our products or services may** result in **increased cost to us, delayed market acceptance of our products, and** delayed or lost revenue ~~, and expose us to liability. Our business and the level of customer acceptance of our products depend upon the continuous, effective, and reliable operation of our software and related tools and functions. To the extent that defects cause our software to malfunction, and our customers' use of our products is interrupted, our reputation could suffer, and our revenue could decline or be delayed while such defects are remedied. We may also be subject to liability for the defects and malfunctions of third- party technology partners and others with whom our products and services are integrated~~ . To achieve market acceptance, new or enhanced products or services can require long development and testing periods, which may result in delays in scheduled introduction. Any delays in the release schedule for new or enhanced products or services may delay market acceptance of these products or services and may result in delays in new customer orders for these new or enhanced products or services, or the loss of customer orders. In addition, new or enhanced products or services may contain a number of undetected errors or " bugs " when they are first released. Although we extensively test each new or enhanced software product or service before it is released to the market, there can be no assurance that significant errors will not be found in existing or future releases. As a result, in the months following the introduction of certain releases, we may need to devote significant resources to correct these errors. There can be no assurance, however, that all of these errors can be corrected. We are subject to various risks associated with the operation of a global business. We derive a significant portion of our total revenue from our operations in international markets. ~~During the years ended August 31, 2023, 2022, and 2021, 31 %, 30 %, and 31 %, respectively, of our total revenue was derived from our international operations.~~ Our global business may be affected by local economic conditions, including inflation, recession, and currency- exchange- rate fluctuations. In addition, political and

economic changes, including the imposition of import restrictions or tariffs, geopolitical instability, international conflicts and terrorist acts, throughout the world may interfere with our or our customers' activities in particular locations and result in a material adverse effect on our business, financial condition, and operating results. Potential trade restrictions, exchange controls, adverse tax consequences, and legal restrictions may affect the repatriation of funds into the U. S. Also, we could be subject to unexpected changes in regulatory requirements, the difficulties of compliance with a wide variety of foreign laws and regulations, potentially negative consequences from changes in or interpretations of U. S. and foreign tax laws, import and export licensing requirements, and longer accounts receivable cycles in certain foreign countries. These risks, individually or in the aggregate, could have an adverse effect on our results of operations and financial condition ~~. For example, we are subject to compliance with the U. S. Foreign Corrupt Practices Act and similar anti- bribery laws, which generally prohibit companies and their intermediaries from making improper payments to foreign government officials for the purpose of obtaining or retaining business~~ . While our employees, distributors, and agents are required to comply with these laws, we cannot be sure that our internal policies and procedures will always protect us from violations of these laws despite our commitment to legal compliance and corporate ethics. The occurrence or allegation of these types of risks may adversely affect our business, performance, prospects, value, financial condition, and results of operations ~~. The drug discovery and development services industry is highly competitive. Our clinical pharmacology division often competes for business not only with other clinical research organization (" CROs "), but also with internal discovery and development departments within our larger clients, who may have greater resources than ours. We also compete with universities and teaching hospitals for outsourced services. We compete based on a variety of factors, including without limitation: • reputation for on- time quality performance • reputation for regulatory compliance • expertise and experience in multiple specialized areas • scope and breadth of service and product offerings across the drug discovery and development spectrum • ability to provide flexible and customized solutions to support our clients' drug discovery and development needs • price / value • technological expertise and efficient drug development processes • financial stability • accessibility of client data through secure portals • ability to acquire, process, analyze, and report data in an accurate manner If we do not compete successfully, our business could suffer. Increased competition could lead to price and other concessions that might adversely affect our operating results. The drug discovery and development services industry has continued to see a trend towards consolidation, particularly among biotechnology companies, who are acquisition targets for each other and for larger pharmaceutical companies. If this trend continues, it is likely to produce more competition among the larger companies and CROs generally, with respect to both clients and acquisition candidates. In addition, while there are substantial barriers to entry for large, global competitors with broad- based services, small, specialized entities considering entering the CRO industry will continue to find lower barriers to entry, and private equity firms may determine that there are opportunities to acquire and consolidate these companies, thus further increasing possible competition. More generally, our competitors or others might develop technologies, services, or products that are more effective or more commercially attractive than our current or future technologies, services, or products, or that render our technologies, services, or products less competitive or obsolete. If competitors introduce superior technologies, services, or products and we cannot make enhancements to ours to remain competitive, our competitive position, and in turn our business, revenue, and financial condition, would be materially and adversely affected. In the aggregate, these competitive pressures may affect the attractiveness of our technologies, services, or products and could adversely affect our financial results~~ . Changes in applicable U. S. and international tax laws or regulations and the resolution of tax disputes could negatively affect our financial results. We are subject to income taxes, as well as non- income- based taxes, in both the U. S. and various foreign jurisdictions in which we do business. Significant judgment is required in determining our worldwide provision for income taxes and other tax liabilities. Changes in tax laws or tax rulings may have a significant adverse impact on our effective tax rate ~~. For example, the U. S. and many countries where we do business are actively considering or have recently enacted changes in relevant tax, accounting, and other laws, regulations, and interpretations. Recently, the Biden Administration committed to increasing the corporate income tax rate, and to increasing the tax rate applied to profits earned outside the U. S. If enacted, the impact of these potential new rules could be material to our tax provision and the value of our deferred tax assets and liabilities~~ . Further, in the ordinary course of a global business, there are many intercompany transactions and calculations where the ultimate tax determination could change if tax laws or tax rulings were to be modified. We are also subject to non- income- based taxes, such as payroll, sales, use, value- added, net- worth, property, and goods- and- services taxes, in both the U. S. and various foreign jurisdictions. Although we believe that our income and non- income- based tax estimates are appropriate, there is no assurance that the final determination of tax audits or tax disputes will not be different from what is reflected in our historical income tax provisions and accruals. Given the unpredictability of possible ~~further~~ changes to the U. S. or foreign tax laws and regulations and their potential interdependency, it is very difficult to predict the cumulative effect of such tax laws and regulations on our results of operations and cash flow, but such laws and regulations (and changes thereto) could adversely impact our financial results. **Contract research services create a risk of liability.** As a **clinical research organization (" CRO ")** , we face a range of potential liabilities ~~which may include~~ **including** : ~~•~~ **, without limitation, that** ~~Errors~~ **errors** or omissions in reporting of study detail in preclinical studies that may lead to inaccurate reports, which may undermine the usefulness of a study or data from the study, or which may potentially advance studies absent the necessary support or inhibit studies from proceeding to the next level of testing ~~•~~ **; and** ~~Risks~~ **risks** associated with our possible failure to properly care for our clients' property, such as data, research models, records, work in progress, or other archived materials **.** Contractual risk transfer indemnifications generally do not protect us against liability arising from certain of our own actions, such as negligence or misconduct. We could be materially and adversely affected if we are required to pay damages or bear the costs of defending any claim that is outside any contractual indemnification provision, or if a party does not fulfill its indemnification obligations, or the damage is beyond the scope or level of insurance coverage. We also often contractually indemnify our clients (subject to a limitation of liability), similar to the way they indemnify us, and we may be materially adversely affected if we have to fulfill our indemnity obligations.

~~Furthermore, there can be no assurance that we nor a party required to indemnify us will be able to maintain such insurance coverage (either at all or on terms acceptable to us). We update our software on a regular basis and are continually in the process of refactoring our software programs. In doing so, we face the possibility that existing users will find the software unacceptable, or new users may not be as interested as they have been in the past versions. Translation errors might introduce new software bugs that will not be caught.~~ The drug discovery and development industry has a history of patent and other intellectual property litigation, involvement in intellectual property lawsuits is often very costly. The drug discovery and development industry has a history of patent and other intellectual property litigation and these lawsuits will likely continue. Accordingly, we face potential patent infringement suits by companies that have patents for similar products and methods used in business or other suits alleging infringement of their intellectual property rights. Legal proceedings relating to intellectual property could be expensive, take significant time, and divert management' s attention from other business concerns, whether we win or lose. If we do not prevail in an infringement lawsuit brought against us, we might have to pay substantial damages, including treble damages, and we could be required to stop the infringing activity or obtain a license to use technology on unfavorable terms. We may **not be able to successfully develop and market new services and products. We may** seek to develop and market new services and products that complement or expand our existing business or service offerings. We cannot guarantee that we will be able to identify new technologies of interest to our customers. Even if we are able to identify new technologies of interest, we may not be able to negotiate license agreements on acceptable terms, or at all. If we are unable to develop new services and products and / or create demand for those newly developed services and products, our future business, results of operations, financial condition, and cash flows could be adversely affected. We depend on key personnel and may not be able to retain these employees or recruit additional qualified personnel, which could harm our business. Our success depends to a significant extent on the continued services of our senior management and other members of management. We have employment agreements with our CEO, CFO, and certain of our other members of our leadership team that range from one to three years. If our CEO, CFO, ~~division~~ **business unit** presidents, or other members of senior management do not continue in their present positions, our business may suffer. Because of the specialized scientific nature of our business, we are highly dependent upon attracting and retaining qualified scientific and technical and managerial personnel. While we have a strong record of employee retention, there is still significant competition for qualified personnel in the software, pharmaceutical, and biotechnology fields. Therefore, we may not be able to attract and retain the qualified personnel necessary for the development of our business. The loss of the services of existing personnel, as well as the failure to recruit additional key scientific, technical, and managerial personnel in a timely manner, could harm our business. If we are not successful in selecting and integrating the businesses and technologies we acquire, or in managing our current and future divestitures, our business may suffer. Over the years, we have expanded our business through acquisitions ~~, including our most recent acquisition of Immunetrics~~ . We continue to search to acquire businesses and technologies and form strategic alliances. However, businesses and technologies may not be available on terms and conditions we find acceptable. We risk spending time and money investigating and negotiating with potential acquisition or alliance partners, but not completing transactions. Even if completed, acquisitions and alliances ~~, including our most recent acquisition of Immunetrics~~ , involve numerous risks which may include: difficulties in achieving business and continuing financial success; difficulties and expenses incurred in assimilating and integrating operations, services, products, technologies, or pre- existing relationships with our customers, distributors, and suppliers; challenges with developing and operating new businesses, including those which are materially different from our existing businesses and which may require the development or acquisition of new internal capabilities and expertise; challenges of maintaining staffing at the acquired entities, including loss of key employees; potential losses resulting from undiscovered liabilities of acquired companies that are not covered by the indemnification we may obtain from the seller (s); the presence or absence of adequate internal controls and / or significant fraud in the financial systems of acquired companies; diversion of management' s attention from other business concerns; acquisitions that become dilutive to earnings, or in the event of acquisitions made through the issuance of our common stock to the shareholders of the acquired company, dilutive to the percentage of ownership of our existing shareholders; new technologies and products developed by others which cause businesses or assets we acquire to become less valuable; and risks that disagreements or disputes with prior owners of an acquired business, technology, service, or product may result in litigation expenses and dilution of our management' s attention. In the event that an acquired business or technology or an alliance does not meet our expectations, our results of operations may be adversely affected ~~. Some of the same risks exist when we decide to sell a business, site, or product line. In addition, divestitures could involve additional risks, including, without limitation, the following: difficulties in the separation of operations, services, products, and personnel, and the need to agree to retain or assume certain current or future liabilities in order to complete the divestiture. We evaluate the performance and strategic fit of our businesses. These and any divestitures may result in significant write- offs, including those related to goodwill and other intangible assets, which could have an adverse effect on our results of operations and financial condition. In addition, we may encounter difficulty in finding buyers or alternative exit strategies at acceptable prices and terms and in a timely manner. We may not be successful in managing these or any other significant risks that we encounter in divesting a business, site, or product line, and as a result, we may not achieve some or all of the expected benefits of the divestitures~~ . Our quarterly and annual operating results fluctuate and may continue to fluctuate in the future, and if we fail to meet the expectations of analysts or investors, our stock price and the value of your investment could decline substantially. We believe that operating results for any particular quarter are not necessarily a meaningful indication of future results. Nonetheless, fluctuations in our quarterly operating results could negatively affect the market price of our common stock. Our results of operations in any quarter or annual period have varied in the past and may vary from quarter to quarter or year to year. Our results of operations are influenced by various factors, many of which are out of our control, including without limitation: ~~•~~ changes in the general global economy ~~•~~ **;** the number and scope of ongoing client engagements; the commencement, postponement, delay, progress, completion, or cancellation of client contracts in the quarter ~~•~~ **;** changes in customer budget cycles ~~•~~ **;** the commencement,

postponement, delay, progress, completion, or cancellation of client contracts in the quarter ~~•~~ **;** changes in the mix of our products and services ~~•~~ **;** competitive pricing pressures **;** ~~• the extent of cost overruns •~~ buying patterns of our clients **;** ~~• budget cycles of our clients •~~ the **costs and** ~~effect~~ **effects** of potential acquisitions and ~~consequent~~ integration ~~•~~ **thereof into or business;** the timing of new product releases by us or our competitors ~~•~~ **;** general economic factors, including factors relating to disruptions in the world credit and equity markets and the related impact on our customers' access to capital ~~•~~ **;** changes in tax laws, rules, regulations, and tax rates in the locations in which we operate **;** ~~• the timing and charges associated with completed acquisitions and other events, including our most recent acquisition of Immunetries •~~ the financial performance of our investments ~~•~~ **; and** exchange rate fluctuations ~~We derive a significant percentage of our revenues from a concentrated group of customers and the loss of more than one of our major customers could materially and adversely affect our business, results of operations or financial condition. Three customers accounted for 6 %, 4 %, and 3 %, respectively, of revenue for fiscal year 2023. Three customers accounted for 5 %, 3 %, and 3 %, respectively, of revenues for fiscal year 2022. Three customers accounted for 11 %, 4 % and 3 %, respectively, of revenues for fiscal year 2021. The loss of any of our major customers could have a material adverse effect on our results of operations and financial condition. We may not be able to maintain our customer relationships, and our customers may delay payment under, or fail to renew, their agreements with us, which could adversely affect our business, results of operations, or financial condition. Any reduction in the amount of revenues that we derive from these customers, without an offsetting increase in new revenues to other customers, could have a material adverse effect on our operating results. A significant change in the liquidity or financial position of our customers could also have a material adverse effect on the collectability of our accounts receivable, our liquidity, and our future operating results~~. We conduct business outside the U. S., which exposes us to foreign currency exchange rate risk, amongst other risk, and could have a negative impact on our financial results. We operate on a global basis ~~. In the three years ended August 31, 2023, 2022, and 2021, we had revenues of $ 7. 3 million, $ 6. 7 million, and $ 4. 8 million, respectively, denominated in foreign currency in certain Asian and European markets~~. As we continue to increase our international operations, our revenues and expenditures in foreign currencies are expected to become more material and subject to greater foreign currency exchange- rate fluctuations. Also, our foreign distributors typically sell our products in local currency, which impacts the price to foreign consumers. Additionally, ~~Lixoft~~ **SLP France** ' s functional currency is the Euro. Future foreign currency exchange rate fluctuations and global credit markets may cause changes in the U. S. dollar value of our purchases or sales and materially affect our revenues, profit margins, and results of operations, when converted to U. S. dollars. Changes in the value of the U. S. dollar relative to other currencies could result in material foreign currency exchange- rate fluctuations and, as a result, our net earnings could be materially adversely affected. As we continue to expand international operations and increase purchases and sales in foreign currencies, we may utilize derivative instruments, as needed, to hedge our foreign currency exchange- rate risk. Our hedging strategies will depend on our forecasts of revenues, expenses, and cash flows, which are inherently subject to inaccuracies. Foreign currency exchange- rate hedges, transactions, re- measurements, or translations could materially impact our consolidated financial statements **. A significant portion of our operating expenses is relatively fixed and planned expenditures are based in part on expectations regarding future revenues** . Accordingly, unexpected revenue shortfalls may decrease our gross margins and could cause significant changes in our operating results from year to year. As a result, in future quarters, our operating results could fall below the expectations of securities analysts or investors, in which event our stock price would likely decrease. If our customers cancel their contracts or terminate or delay their clinical trials, we may lose or delay revenues and our business may be adversely impacted. Certain of our customer contracts are subject to cancellation by our customers at any time with limited notice. Customers engaged in clinical trials may terminate or delay a clinical trial for various reasons, including the failure of the tested product to satisfy safety or efficacy requirements, unexpected or undesired clinical results, decisions to de- emphasize a particular product or forgo a particular clinical trial, decisions to downsize clinical development programs, insufficient patient enrollment or investigator recruitment, and production problems resulting in shortages of required clinical supplies. Any termination or delay in the clinical trials would likely result in a consequential delay or termination in those customers' service contracts. We have experienced terminations and delays of our customer service contracts in the past (although no such past terminations have had a significant impact on our results of operations), and we expect to experience additional terminations and delays in the future. The termination of single- study arrangements could result in decreased revenues and the delay of our customers' clinical trials could result in delayed professional services revenues, which could adversely impact our business. If our security is breached, our business could be disrupted, our operating results could be harmed, and customers could be deterred from using our products and services. Our business relies on the secure electronic transmission, storage, and hosting of sensitive information, including clinical data, financial information, and other sensitive information relating to our customers, company, and workforce. As a result, we face some risk of a deliberate or unintentional incident involving unauthorized access to our computer systems (including, among other methods, cyberattacks or social engineering) that could result in misappropriation or loss of assets or sensitive information, data corruption, or other disruption of business operations. **Our contracts with our clients typically contain provisions that require us to keep confidential the information generated from these studies. In the event the confidentiality of such information was compromised, we could suffer significant harm.** In light of this risk, we have devoted significant resources to protecting and maintaining the confidentiality of our information, including implementing security and privacy programs and controls, training our workforce, and implementing new technology. We have no guarantee that these programs and controls will be adequate to prevent all possible security threats. We believe that any compromise of our electronic systems, including the unauthorized access, use, or disclosure of sensitive information, or a significant disruption of our computing assets and networks, would adversely affect our reputation and our ability to fulfill contractual obligations, and would require us to devote significant financial and other resources to mitigate such problems, and could increase our future cybersecurity costs. Moreover, unauthorized access, use, or disclosure of such sensitive information could result in contractual or other liability. In addition, any real or perceived compromise of our security or

disclosure of sensitive information may result in lost revenues by deterring customers from using or purchasing our products and services in the future or prompting them to use competing service providers. Changes in and / or failure to comply with ~~other~~ **applicable data privacy** laws, regulations, and interpretations of such laws and regulations ~~specific to the businesses and jurisdictions in which we operate~~ could materially adversely affect our reputation, market position, or our business and financial performance. The collection, use, disclosure, storage, disposal, protection and other processing of information about individuals, in particular healthcare data and sensitive personal information, is highly regulated in the United States, EU, and other jurisdictions, including but not limited to, under the U. S. Health Insurance Portability and Accountability Act of 1996 (" HIPAA "), as amended by the Health Information Technology for Economic and Clinical Health Act (" HITECH ") and other U. S. privacy, security and breach notification and healthcare information laws; the **EU** ~~European Union' s General Data Protection Directive (" GDPR "~~ and its national implementing laws ~~)~~; ~~United Kingdom' s~~ **the UK GDPR,** data privacy laws ~~(The Data Protection Act 2018 (" UK GDPR ")), data privacy laws~~ in other countries around the world (e. g., China' s ~~Personal Information Protection Law (" PIPL ")~~), as well as data privacy laws in individual states in the U. S. (e. g., the California Consumer Privacy and Protection Act (" CCPA ") ~~and ,~~ the California Privacy Rights Act (" CPRA ") **, the New York State Personal Privacy Protection Law (" PPPL ") and the New York Privacy Act (" NYPA ")**). Although we require our customers who send their clinical data to us for analyses to provide it in de- identified form within the meaning of HIPAA, in certain parts of our business, such as in conjunction with certain services we offer customers, we may process personal information relating to persons who have been, are, and may in the future be involved in clinical trials. The collection, retention, use, disclosure, and other processing of such personal information is governed, by the applicable data privacy and cybersecurity laws. While we do not consider our service offerings to generally cause us to be considered a covered entity under HIPAA ~~.~~, HIPAA does require the use of standard contract language in contracts with our customers who are covered entities under HIPAA which define our obligations to safeguard the protected health information of patients if provided by our covered- entity customers. We have adopted policies, practices, procedures, and training to safeguard the receipt, maintenance, processing, retention and transmission of such personal information. In addition to the laws specifically passed to regulate the processing of personal information, the Federal Trade Commission (the " FTC ") and many state attorneys may generally interpret federal, state and local consumer protection laws to impose evolving standards for the handling and security of personal information. ~~Thus, such consumer protection laws may require us to publicly disclose how we process personal information about individual consumers and choices such individuals may have about the way we handle their personal information. The interpretation and application of the consumer protection laws to personal information are still evolving and remain uncertain.~~ As noted above, certain states have also adopted personal data privacy laws. For example, the CCPA ~~and ,~~ CPRA **, PPPL and NYPA** impose obligations and restrictions on businesses regarding their collection, use, and sharing of personal information of, as well as defining certain data privacy rights to, California **and New York** residents **, respectively** . Such data privacy rights include the right to access or have deleted their personal information that is processed by businesses and the right to opt out of certain sharing or processing of their personal information. Most state data privacy laws also impose monetary penalties for violations of the respective law. The interpretation and application of the new state data privacy laws are still evolving, which provides some uncertainty. The **EU** GDPR and the UK GDPR also impose numerous requirements on companies that process personal data of residents from those respective jurisdictions, including requirements relating to processing health and other sensitive personal data, cross- border transfers, notice and consent, and contractual obligations with vendors and service providers who process personal data on behalf of a business. Both the **EU** GDPR and UK GDPR also provide individuals who are residents with certain data privacy rights with respect to an individual' s personal data processed by a business such as, for example, the right of access, the right to rectification, the right to erasure, the right to restrict processing, and the right to data portability. The **EU** GDPR permits data protection authorities to impose significant penalties for violations of the **EU** GDPR including potential fines of up to € 20 million or 4 % of annual global revenues, whichever is greater. The UK GDPR provides for similar penalties for violations of the UK GDPR. The interpretation and application of these laws by the judicial systems are still evolving. Legal developments in Europe have created complexity and uncertainty regarding transfers of personal data from the EU to the United States. Recently, the EU **or UK** and the U. S. agreed to a new Data Privacy Framework which will allow businesses to transfer data from the EU to the US in a secure and compliant way. We also currently rely on the standard contractual clauses with our customers to transfer personal data outside the EU to the U. S., among other data transfer mechanisms pursuant to the **EU** GDPR or the UK GDPR. While the standard contractual clauses and the new Data Privacy Framework have been determined to be adequate personal data transfer mechanism for transfer of personal information from the EU to the U. S. by some regulatory authorities, there remains the possibility that challenges will be raised to the sufficiency of such transfer mechanisms which has created uncertainty. In view of the trend for enactment of data privacy laws globally, we have implemented a comprehensive data privacy management program that includes physical, technological, and operational safeguards (such as policies, notices, processes, contractual provisions, and employee trainings) to help ensure that we process personal information about our employees and personal information received from our customers in a compliant manner. We have also appointed VeraSafe, a global leader in privacy law and data protection, as our Data Protection Officer. As data protection laws expand in number and scope with relevance to the kinds of personal information we process, we may need to modify our data privacy program and practices, and incur additional expenses, to accommodate such expansion and adjustments. ~~Any failure by us~~ **We rely upon a single internal hosting facility and Amazon Web Services** to ~~properly protect~~ **deliver certain solutions to our** ~~customer~~ **customers** ~~data we possess~~ **and any disruption of** or **interference** ~~are deemed to possess, in connection~~ with **our hosting systems** ~~the conduct of clinical trials~~ , **operations, or use of the Amazon Web Services** could ~~subject us to significant liability. Our customers use our solutions to collect, manage, and report information in connection with the conduct of clinical trials. This information may be considered our customers' proprietary information. Since we receive and process our customers' data from customers utilizing our hosted solutions, there is a risk that we could be liable if there were a breach of any obligation to a~~

~~protected person under contract, standard of practice, or regulatory requirement. If we fail to properly protect our customers' data that is in our possession or deemed to be in our possession, we could be subjected to significant liability and our reputation would be harmed~~ -- **harm our business and results of operations** . Substantially all of the computer hardware necessary to provide Cognigen solutions to our customers is located at our internal hosting facility in Buffalo, New York. In addition to our dedicated hosting facility, we utilize third- party cloud computing services from Amazon Web Services (" AWS") to help us efficiently scale our cloud- based solutions and provide training. Because we cannot easily switch our AWS- serviced operations to another cloud provider, any disruption of or interference with our use of AWS would impact our operations, and our business would be adversely impacted. Our systems and operations or those of AWS could suffer damage or interruption from human error, fire, flood, power loss, telecommunications failure, break- ins, terrorist attacks, acts of war, and similar events. The occurrence of a natural disaster, an act of terrorism or other unanticipated problems at our or AWS' hosting facilities could result in lengthy interruptions in our service. Although we and AWS maintain backup facilities and disaster recovery services in the event of a system failure, these may be insufficient or fail. Any system failure, including network, software, or hardware failure, which causes an interruption in our Buffalo data center or our use of AWS, or that causes a decrease in responsiveness of our cloud- based solutions, could damage our reputation and cause us to lose customers, which could harm our business and results of operations. Our business may be harmed if our customers and potential customers believe our service is unreliable. Defects or errors in our software applications could harm our reputation, result in significant cost to us and impair our ability to market our solutions. Our software applications are inherently complex and may contain defects or errors, some of which may be material. Errors may result from our own technology or from the interface of our cloud- based solutions with legacy systems and data which we did not develop. The risk of errors is particularly significant when a new product is first introduced or when new versions or enhancements of existing products are released. The likelihood of errors is increased when we do more frequent releases of new products and enhancements of existing products. We have, from time to time, found defects in our solutions. Although these past defects have not resulted in any litigation against us to date, we have invested significant capital, technical, managerial, and other resources to investigate and correct these past defects and we have needed to divert these resources from other development efforts. In addition, material performance problems or defects in our solutions may arise in the future. Material defects in our cloud- based solutions could result in a reduction in revenues, delay in market acceptance of our solutions, or credits or refunds to our customers. In addition, such defects may lead to the loss of existing customers and difficulty in attracting new customers, diversion of development resources, or harm to our reputation. Correction of defects or errors could prove to be impossible or impractical. The costs incurred in correcting any defects or errors or in responding to resulting claims or liability may be substantial and could adversely affect our operating results. If we are not able to reliably meet our data storage and management requirements, or if we experience any failure or interruption in the delivery of our services over the Internet, customer satisfaction and our reputation could be harmed, and customer contracts may be terminated. As part of our current business model, we deliver our software over the Internet and store and manage hundreds of terabytes of data for our customers, resulting in substantial information technology infrastructure and ongoing technological challenges, which we expect to continue to increase over time. If we do not reliably meet these data storage and management requirements, or if we experience any failure or interruption in the delivery of our services over the Internet, customer satisfaction and our reputation could be harmed, leading to reduced revenues and increased expenses. Our hosting services are subject to service-level agreements and, in the event that we fail to meet guaranteed service or performance levels, we could be subject to customer credits or termination of these customer contracts. If the cost of meeting these data storage and management requirements increases, our results of operations could be harmed. Some of our software solutions **and services utilize open-source software, and any failure to comply with the terms of one or more of these open- source licenses could adversely affect our business. Some of our software solutions** utilize software covered by open- source licenses. Open- source software is typically freely accessible, usable and modifiable, and is used by our development team in an effort to reduce development costs to speed up the development process. Certain open- source software licenses require a user who intends to distribute the open- source software as a component of the user' s software to disclose publicly part or all of the source code to the user' s software. In addition, certain open- source software licenses require the user of such software to make any derivative works of the open- source code available to others on unfavorable terms or at no cost. This can subject previously proprietary software to open- source license terms. While we monitor the use of all open- source software in our products, processes, and technology and try to ensure that no open- source software is used in such a way as to require us to disclose or make available the source code to the related product or solution, such use could inadvertently occur. This could harm our intellectual property position and have a material adverse effect on our business. We may be unable to adequately enforce or defend our ownership and use of our intellectual property and other proprietary rights. Our success is heavily dependent upon our intellectual property and other proprietary rights. We rely upon a combination of trademark, trade secret, copyright ~~, patent~~ , and unfair competition laws, as well as license and access agreements and other contractual provisions, to protect our intellectual property and other proprietary rights. In addition, we attempt to protect our intellectual property and proprietary information by requiring certain of our employees and consultants to enter into confidentiality, noncompetition, and assignment- of- inventions agreements. The steps we take to protect our intellectual property rights may not be adequate to prevent misappropriation of our technology by third parties or may not be adequate under the laws of some foreign countries, which may not protect our intellectual property rights to the same extent as do the laws of the United States. The laws of some foreign countries do not protect intellectual property rights to the same extent as the laws of the United States. Many companies have encountered significant problems in protecting and defending intellectual property rights in certain foreign jurisdictions. This could make it difficult for us to stop infringement or the misappropriation of our intellectual property rights. Our attempts to protect our intellectual property may be challenged by others or invalidated through administrative process or litigation, and agreement terms that address noncompetition are difficult to enforce in many jurisdictions and may not be enforceable in any particular case. In addition, there remains the possibility that

others will " reverse engineer " our products in order to introduce competing products, or that others will develop competing technology independently. If we resort to legal proceedings to enforce our intellectual property rights or to determine the validity and scope of the intellectual property or other proprietary rights of others, the proceedings could be burdensome and expensive, even if we were to prevail. The failure to adequately protect our intellectual property and other proprietary rights may have a material adverse effect on our business, results of operations, or financial condition. Current and future litigation against us, which may arise in the ordinary course of our business, could be costly and time- consuming to defend. We are subject to claims that arise in the ordinary course of business, such as claims brought by our customers in connection with commercial disputes and employment claims made by our current or former employees. Third parties may in the future assert intellectual property rights to technologies that are important to our business and demand back royalties or demand that we license their technology. Litigation may result in substantial costs and may divert management' s attention and resources, which may seriously harm our business, overall financial condition, and operating results. Insurance may not cover such claims, may not be sufficient for one or more such claims, and may not continue to be available on terms acceptable to us. A claim brought against us that is uninsured or underinsured could result in unanticipated costs, negatively affecting our business, results of operations, and financial condition. We could incur substantial costs resulting from product liability claims relating to our products or services or our customers' use of our products or services. Any failure or errors in a customer' s clinical trial caused or allegedly caused by our products or services could result in a claim for substantial damages against us by our customers or the clinical trial participants, regardless of our responsibility for the failure. Although we are generally entitled to indemnification under our customer contracts against claims brought against us by third parties arising out of our customers' use of our products, we might find ourselves entangled in lawsuits against us that, even if unsuccessful, may divert our resources and energy and adversely affect our business. Further, in the event we seek indemnification from a customer, a court may not enforce our indemnification right if the customer challenges it or the customer may not be able to fund any amounts for indemnification owed to us. In addition, our existing insurance coverage may not continue to be available on reasonable terms or may not be available in amounts sufficient to cover one or more large claims, or the insurer may disclaim coverage as to any future claim. Our business depends on the clinical trial market, and a downturn in this market could cause our revenues to decrease. Some of our business depends on clinical trials conducted or sponsored by pharmaceutical, biotechnology, and medical device companies, CROs, and other entities. Our revenues may decline as a result of conditions affecting these industries, including general economic downturns, increased consolidation, decreased competition, or fewer products under development. Other developments that may affect these industries and harm our operating results include product liability claims, changes in government regulation, changes in governmental price controls or third- party reimbursement practices, and changes in medical practices. Disruptions in the world credit and equity markets may also result in a global downturn in spending on research and development and clinical trials and may impact our customers' access to capital and their ability to pay for our solutions. Any decrease in research and development expenditures or in the size, scope, or frequency of clinical trials could materially adversely affect our business, results of operations, or financial condition. As a public company, we are obligated to maintain proper and effective internal control over financial reporting. As our business expands both organically and through acquisitions, we may be unable to effectively adapt our current systems to our changing business needs and may fail to develop and maintain an effective system of disclosure controls and internal control over financial reporting which could impair our ability to produce timely and accurate financial statements or comply with applicable laws and regulations. As a public company, we are subject to the reporting requirements of the ~~Securities~~ Exchange Act ~~of 1934, as amended (the " Exchange Act ")~~, the Sarbanes- Oxley Act of 2002 ~~(the " Sarbanes- Oxley Act ")~~, the Dodd- Frank Wall Street Reform and Consumer Protection Act of 2010 (the " Dodd- Frank Act "), and other applicable securities rules and regulations. Compliance with these rules and regulations will increase our legal and financial compliance costs, make some activities more difficult, time- consuming, and / or costly, and increase demand on our systems and resources. The Exchange Act requires, among other things, that we file annual, quarterly, and current reports with respect to our business and operating results. The Sarbanes- Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting. As a company, we continually review and evaluate the adequacy of our disclosure controls and procedures and internal controls over financial reporting for deficiencies and improvements. As we expand our operations through acquisitions and organic growth, our current systems for disclosure controls and procedures and internal control over financial reporting may be inadequate to meet our growing and changing business. Accordingly, we may require significant resources and management oversight to maintain and, if necessary, improve our disclosure controls and procedures and internal control over financial reporting. As a result, management' s attention may be diverted from other business concerns, which could adversely affect our business and operating results. In addition, we may need to hire more employees in the future or engage outside consultants with respect to developing and maintaining our disclosure controls and internal control over financial reporting, which would increase our costs and expenses. In addition, as a public company, we are required, pursuant to Section 404 of the Sarbanes- Oxley Act, to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting. Effective internal control over financial reporting is necessary for us to provide reliable financial reports and, together with adequate disclosure controls and procedures, is designed to prevent fraud. As a result of the growth of our business both organically and through acquisitions, we may fail to implement required new or improved controls, or experience difficulties in their implementation, which may cause us to not meet our reporting obligations. If we or our independent registered public accounting firm were to identify a material weakness, and / or if we are unable to assert that our internal control over financial reporting is effective, we could lose investor confidence in the accuracy and completeness of our financial reports, which could cause the price of our common stock to decline, and we may be subject to investigation by the SEC. ~~As a public company with common stock listed on The Nasdaq Global Select Market, we must comply with various laws, regulations, and requirements. New laws and regulations, as well as changes to existing laws and regulations affecting public companies, including the provisions of the Sarbanes- Oxley Act, the Dodd- Frank~~

~~Act, and rules adopted by the SEC and by the Nasdaq Global Select Market, may result in increased general and administrative expenses and a diversion of management' s time and attention as we respond to new requirements.~~ Cash expenditures associated with ~~the~~ **our recent** ~~acquisition~~ **acquisitions** ~~of Immunetrics~~ may create certain liquidity and cash flow risks for us. We incurred significant transaction costs and integration costs in connection with our acquisition of Immunetrics on June 16, 2023 **and Pro- ficiency on June 11, 2024** . While we expected that the transactions costs would be incurred, there are many factors beyond our control that could affect the total amount of the integration expenses associated with the **acquisitions. Moreover, many of the expenses related to the Pro- ficiency** acquisition ~~. Moreover~~ , ~~many of the~~ **including integration- related** expenses **,** that will be incurred are, by their nature, difficult to estimate accurately. **To the extent the integration expenses are higher than anticipated, we may experience liquidity or cash flow issues.** In addition ~~to integration- related expenses that we will incur~~ , pursuant to the Merger Agreement **entered into in connection with the Immunetrics acquisition,** we agreed to pay the equity holders of Immunetrics up to $ 1. 8 million that was held back at closing and an aggregate of $ 8. 0 million in earnout payments **, consisting of two payouts of up to $ 4. 0 million each,** if Immunetrics achieves specified financial ~~goals through December 31,~~ **during the calendar years 2023 and** 2024. ~~To~~ **The Company made** the **first** ~~extent the integration expenses are higher than anticipated, we may experience liquidity or~~ cash ~~flow issues~~ **earnout payment, in the aggregate amount of $ 2. 5 million, to the former equity holders and employees of Immunetrics in March 2024** . The ~~Immunetrics~~ **second earnout payments, if earned, will be payable and the holdback, less any applicable deductions, will be released in early calendar year 2025. The Pro- ficiency** business we acquired may not perform as we or the market expects, which could have an adverse effect on the price of our common stock. The ~~Immunetrics~~ **Pro- ficiency** business, which **we acquired** ~~was merged into the~~ Company ~~through a short form merger~~ in ~~September~~ **June** ~~2023~~ **2024** , may not perform as we or the market expects. Risks associated with the ~~Immunetrics~~ **Pro- ficiency** acquisition include, without limitation: ~~•~~ **(i)** integrating businesses is a difficult, expensive, and time- consuming process, and the failure to successfully integrate our businesses with the business of ~~Immunetrics~~ **Pro- ficiency** in the expected time frame could adversely affect our financial condition and results of operation ~~•~~ **; (ii)** the addition of ~~Immunetrics~~ **Pro- ficiency and its subsidiaries** has increased the size of our operations, and, if we are not able to manage our expanded operations effectively, our common stock price may be adversely affected ~~•~~ **; (ii)** the extent to which we may realize the expected synergies and cost savings is uncertain at this time ~~•~~ **; and (iii)** the **ultimate** success of the ~~Immunetrics~~ **Pro- ficiency** acquisition will also depend upon relationships with third parties and ~~Immunetrics~~ **Pro- ficiency** ' **s** and our pre- existing customers, which relationships may be affected by customer preferences or public attitudes about the ~~Immunetrics~~ **Pro- ficiency** acquisition. Any adverse changes in these relationships could adversely affect our business, financial condition, and results of operations. The obligations and liabilities of ~~Immunetrics~~ **Pro- ficiency** , some of which may be unanticipated or unknown, may be greater than we have anticipated, which may diminish the value of ~~Immunetrics~~ **Pro- ficiency** to us. ~~Immunetrics~~ **Pro- ficiency** ' **s** obligations and liabilities, some of which may not have been fully disclosed to us, may be greater than we have anticipated. The obligations and liabilities of ~~Immunetrics~~ **Pro- ficiency** could have a material adverse effect on our business or ~~Immunetrics~~ **Pro- ficiency** ' **s** value to us or on our business, financial condition, or results of operations. Although ~~we have held back~~ $ 1. ~~8~~ **0** million of the ~~merger~~ **acquisition** consideration **was placed in escrow** to cover any negative net working capital adjustments (if any) and ~~Immunetrics~~ **Pro- ficiency** ' **s** indemnification obligations under the ~~Merger~~ **Stock Purchase** Agreement **entered into in connection with the acquisition** , such ~~holdback~~ **escrowed** amount may not be sufficient to cover all claims brought against us or ~~Immunetrics~~ **Pro- ficiency** in the future in relation to ~~Immunetrics~~ **Pro- ficiency** ' **s** business or operations. In the event that we are responsible for liabilities substantially in excess of the $ 1. ~~8~~ **0** million ~~holdback~~ **escrow** amount and / or any other amounts recovered through rights to indemnification or alternative remedies that might be available to us, **or the $ 10 million representation and warranty insurance policy we purchased in connection with the acquisition** or any applicable insurance, we could suffer consequences that would substantially reduce our earnings and cash flows or otherwise materially and adversely affect our business, financial condition, or results of operations. Certain Risks Related to Ownership of Our Common Stock We have ~~been paying~~ **discontinued the** quarterly dividends on shares of our common stock ~~,~~ and ~~although~~ **do not expect to pay any cash dividends for** ~~there~~ -- **the foreseeable future. Our Board of Directors** has **determined to suspend** ~~been a consistent track record of paying these~~ -- **the quarterly** dividends **that we have historically paid** ~~, our Board of Directors may suspend the dividend, and, consequently, your ability~~ to **holders** ~~achieve a return on your investment will depend on appreciation in the price~~ of our common stock ~~. Should our Board of Directors suspend the dividend~~ and ~~decide~~ to use those funds to invest more into our business ~~, you may~~ **instead. We do** not ~~receive~~ **expect to pay dividends to our stockholders at** any ~~dividends~~ **time in the foreseeable future. Accordingly, investors must rely** on ~~your~~ **sales of their shares after price appreciation, which may not occur, as the only way to realize any return on their** investment **. If our operating and financial performance** in **any given period does not meet any guidance that we provide to the public, the market price of** our common stock ~~for the foreseeable future and the success of an investment in shares of our common stock will depend upon any future appreciation in its value. Shares of our common stock~~ may **decline** ~~depreciate in value or may not appreciate in value~~ . We may, but are not obligated to, provide public guidance on our expected operating and financial results for future periods. Any such guidance will be comprised of forward- looking statements subject to the risks and uncertainties described in this prospectus and in our other public filings and public statements. Our actual results may not always be in line with or exceed any guidance we have provided, especially in times of economic uncertainty. If, in the future, our operating or financial results for a particular period do not meet any guidance we provide or the expectations of investment analysts, or if we reduce our guidance for future periods, the market price of our common stock may decline. Even if we do issue public guidance, there can be no assurance that we will continue to do so in the future. The price of our common stock may ~~fluctuate significantly~~ **be volatile** , and ~~investors could lose all or~~ **our** ~~part of their investments.~~ **stockholders may not be able to resell** ~~Shares~~ **shares** of our common stock ~~were sold in our initial public offering (" IPO ") in 1996~~ at ~~a~~ **or above the** price ~~of $ 1. 25 per share (on a post- split basis), and our common stock has subsequently traded as high as $ 90. 92 and as low~~

~~as $ 0. 38 from our IPO through August 31, 2023. However, an active, liquid, and orderly market for our common stock on the~~ **they paid** ~~Nasdaq Global Select Market or otherwise may not be sustained, which could depress the trading price of our common stock~~ . The trading price of our common stock may be ~~subject to wide fluctuations in response to various factors, some of which are beyond our control, including without limitation: • our quarterly or annual earnings or those of other companies in our industry • announcements by us or our competitors of significant contracts or acquisitions • changes in accounting standards, policies, guidance, interpretations, or principles • general economic and stock market conditions, including disruptions in the world credit and equity markets • the failure of securities analysts to cover our common stock or changes in financial estimates by analysts • future sales of our common stock • the other factors described in these " Risk Factors " In recent years, the stock market in general, and the market for technology- related companies in particular, has experienced wide price and volume fluctuations. This volatility has had a significant impact on the market price of securities issued by many companies, including companies in our industry. The price of our common stock could fluctuate based upon factors that have little to do with our performance, and these fluctuations could materially reduce our stock price. In the past, some companies, including companies in our industry, have had volatile market prices for their securities and have had securities class action suits filed against them. The filing of a lawsuit against us, regardless of the outcome, could have a material adverse effect on our business, financial condition, and results of operations, as it could result in substantial legal costs and a diversion of our management' s attention and resources. The price of our common stock may be volatile, and our stockholders may not be able to resell shares of our common stock at or above the price they paid. The trading price of our common stock is~~ volatile and could be subject to wide fluctuations in response to various factors, some of which are beyond our control. Factors that could cause volatility in the market price of our common stock include, but are not limited to: ~~• achievement of expected software product and consulting service revenues and profitability, including the effects of seasonality on our results of operations, as well as adjustments to our revenues forecasts • announcements of new products by us or our competitors • announcements or developments in any intellectual property infringement actions in which we may become involved •~~ our operating results **;** ~~• results from, or any delays in, clinical trial programs of our clients and their need for our services • changes or developments in laws or regulations applicable to our products • consolidation within the pharmaceutical and biotechnology industries leading to fewer potential customers for our products and services •~~ delays in the release of new or enhanced products or services or undetected errors in our products or services may result in increased cost to us, delayed market acceptance of our products, and delayed or lost revenue ~~• adverse actions taken~~ **; announcements of new products or services** by **us** ~~regulatory agencies with respect to our~~ **or** ~~clinical trials, manufacturing supply chain, or~~ **our competitors;** ~~sales and marketing activities •~~ the success of our efforts to acquire or develop additional products ~~• announcements concerning our competitors~~ **and services; the loss of any of** ~~or~~ **our key scientific** ~~the pharmaceutical industry in general • actual or anticipated fluctuations in our~~ **or** ~~operating results •~~ **management personnel; changes or developments in laws or regulations applicable to our products or services;** FDA or other U. S. or foreign regulatory actions affecting us or our industry **; consolidation within the pharmaceutical and biotechnology industries leading to fewer potential customers** ~~or for other healthcare reform measures in the United States • changes in financial estimates or~~ **our products and services;** ~~recommendations by securities analysts •~~ trading volume of our common stock ~~•~~ **;** sales of our common stock by us, our executive officers and directors, or our stockholders in the future ~~•~~ **; and** general economic and market conditions and overall fluctuations in the United States equity markets, including volatility related to the coronavirus outbreak and related health concerns and / or global political instability **.** ~~• the loss of any of our key scientific or management personnel~~ Broad market fluctuations may adversely affect the trading price or liquidity of our common stock. In the past, when the market price of a stock has been volatile, holders of that stock have sometimes instituted securities class action litigation against the issuer. If any of our stockholders were to bring such a lawsuit against us, we could incur substantial costs defending the lawsuit and the attention of our management would be diverted from the operation of our business, which could seriously harm our financial position. Any adverse determination in litigation could also subject us to significant liabilities. **If securities or industry analysts issue an adverse or misleading opinion regarding our stock, or our inclusion in the S & P 600 discontinues, our stock price and trading volume could decline.** The trading market for our common stock is influenced by the research and reports that industry or securities analysts publish about us or our business as well as the stock indices that our common stock is included in. If any of the analysts who cover us issue an adverse or misleading opinion regarding us, our business model, our intellectual property or our stock performance, or if our operating results fail to meet the expectations of analysts, our stock price would likely decline. If one or more of these analysts cease coverage of us or fail to publish reports on us regularly, or if the S & P 600 removes us from its index, we could lose visibility in the financial markets, which in turn could cause our stock price or trading volume to decline. We may **raise capital through the issuance of our common stock, convertible debt, or equity- linked securities, which could result in dilution to our stockholders or a negative impact on the price of our common stock. We may** choose to raise additional capital due to market conditions or strategic considerations. To the extent that additional capital is raised through the sale of equity, convertible debt or other equity- linked securities, the issuance of these securities could result in dilution to our stockholders or result in downward pressure on **the price of our common stock. We cannot guarantee that our share repurchase program will be fully consummated or that it will enhance long- term shareholder value, and share repurchases could increase the volatility of** the price of our common stock. Pursuant to the share repurchase program authorized by our Board of Directors on December 29, 2022, we are authorized to repurchase up to an aggregate of $ 50 million of outstanding shares of our common stock from time to time through a combination of open market repurchases, privately negotiated transactions, 10b5- 1 trading plans, accelerated stock repurchase transactions, and / or other transactions, in accordance with federal securities laws. Such program may be suspended or discontinued at any time. On January 11, 1023, we entered into the ASR Agreement with Morgan Stanley, pursuant to which we repurchased $ 20 million of shares of our common stock, amounting to an aggregate of 492, 041 shares. Repurchases under the ASR Agreement were completed in the quarter ended May 31, 2023, and we may not repurchase any additional shares

thereunder. As of August 31, 2023, we have not made any repurchases outside of the ASR Agreement. As a result, we may repurchase up to $ 30 million more of our shares of common stock pursuant to our repurchase program. However, we are not obligated to repurchase any additional shares, and the timing, manner, price, and actual amount of further share repurchases will depend on a variety of factors, including stock price, market conditions, other capital management needs and opportunities, and corporate and regulatory considerations. The timing of additional repurchases pursuant to our share repurchase program, if any, could affect our stock price and increase its volatility. We cannot guarantee that we will repurchase any additional shares, and there can be no assurance that any share repurchases will enhance shareholder value because the stock price of our common stock may decline below the levels at which we effected repurchases. ~~Adverse developments affecting the financial services industry, such as actual events or concerns involving liquidity, defaults, or non-performance by financial institutions or transactional counterparties, could adversely affect our current and projected business operations and our financial condition and results of operations. Actual events involving reduced or limited liquidity, defaults, nonperformance or other adverse developments that affect financial institutions or other companies in the financial services industry or the financial services industry generally, or concerns or rumors about any events of these kinds, have in the past and may in the future lead to market-wide liquidity problems. For example, in March 2023, Silicon Valley Bank and Signature Bank, and subsequently in May 2023 First Republic Bank, were closed and taken over by the Federal Deposit Insurance Corporation (" FDIC ") as receiver. Although we did not have any cash or cash equivalent balances on deposit with Silicon Valley Bank, Signature Bank, First Republic Bank, or any other regional banks, investor concerns regarding the U. S. or international financial systems could result in less favorable commercial financing terms, including higher interest rates or costs and tighter financial and operating covenants, or systemic limitations on access to credit and liquidity sources, thereby making it more difficult for us to acquire financing on acceptable terms or at all. Any decline in available funding or access to our cash and liquidity resources could, among other risks, adversely impact our ability to meet our operating expenses, financial obligations or fulfill our other obligations. Any of these impacts, or any other impacts resulting from the factors described above or other related or similar factors not described above, could have material adverse impacts on our liquidity and our current and / or projected business operations and financial condition and results of operations.~~