

## Risk Factors Comparison 2024-03-11 to 2023-03-06 Form: 10-K

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You should carefully consider the risk factors set forth below, as well as the other information contained in this Form 10-K, including our **Audited consolidated Consolidated financial Financial statements Statements** and related notes. This Form 10-K contains forward-looking statements that involve risks and uncertainties. Any of the following risks could materially and adversely affect our business, results of operations, financial condition, cash flows, projected results and future prospects. Additional risks and uncertainties not currently known to us or those we currently view to be immaterial may also materially and adversely affect our business, results of operations, financial condition, cash flows, projected results and future prospects. These risks are not exclusive and additional risks to which we are subject include the factors listed under “ Note About Forward-Looking Statements ” and the risks ~~described~~ **discussed** in “ Management’ s Discussion and Analysis of Financial Condition and Results of Operations ” in this Form 10-K. Risk Factor Summary Some of the factors that could materially and adversely affect our business, financial condition, results of operations and cash flows include, but are not limited to, the following: • as a marketing services company, our revenues are highly susceptible to declines as a result of unfavorable economic conditions and future economic conditions could adversely impact our financial condition and results; • our business depends on generating and maintaining ongoing, profitable client demand for our services and solutions, and a significant reduction in such demand could materially affect our results of operations; • our business could be adversely affected if we fail to retain our existing clients; • we face significant competition, and a failure to compete successfully in the markets we serve could harm our business; • maintaining and enhancing our and our Brands’ brands and ~~reputation~~ **reputations** is critical to our business prospects, and harm to our or our Brands’ brands and reputations may limit our ability to acquire new clients, retain existing clients and attract and retain qualified personnel; • ~~our existing client relationships could impair our ability to generate new business or attract and retain qualified personnel;~~ • ~~if we are unable to adapt and expand our services and solutions in response to ongoing changes in technology and offerings by new entrants, our results of operations and ability to grow could be impaired;~~ • if we do not successfully manage and develop our relationships with our Global Affiliate partners or if we fail to anticipate and establish new alliances in new technologies, our results of operations could be adversely affected; • we are making investments in new product offerings and technologies and may increase such investments in the future. These new ventures are inherently risky, and we may never realize any expected benefits from them; • **we are subject to risks related to our use of AI, including generative AI;** • as a global business, we are substantially dependent on operations outside the United States, and any failure to manage the risks presented by our international operations could have a material adverse effect on our business, results of operations, financial condition and prospects; • we are exposed to the risk of client defaults, and in an economic downturn, the risk of a material loss related to such client defaults could significantly increase; • if we fail to manage our growth effectively, we may be unable to execute our business plan, maintain high levels of customer service, or adequately address competitive challenges; • natural disasters, terrorist attacks, war, civil disturbances and infrastructure breakdowns could disrupt our business and harm our results of operations; • ~~we are consolidating our real estate footprint and may incur significant costs in doing so;~~ • seasonal fluctuations in marketing, research, communications and advertising activity could have a negative impact on our revenue, cash flow and operating results; • we may not realize the benefits we expect from past **and future acquisitions and other strategic transactions**, including the Transactions; • ~~we have allocated significant management time and resources to, and expect to incur non-recurring costs for, our ongoing integration efforts in connection with~~ the Transactions; • in the future, we may acquire other companies in pursuit of growth, which may divert our management’ s attention, result in dilution to our ~~shareholders~~ **stockholders** and consume resources that are necessary to sustain our business; • our business is highly dependent on the services of Mark Penn, our CEO and Chairman; • if we are unable to keep our supply of skills and resources in balance with client demand around the world and attract and retain professionals with strong leadership skills, our business, the utilization rate of our professionals and our results of operations may be materially adversely affected; • some of our Brands rely upon signatory service companies to employ union performers in commercials, and any inability to produce advertisements with union performers could impair our ability to serve our advertising clients and compete; • we face legal, reputational and financial risks from any failure to protect client data from security incidents or cyberattacks; • we are subject to extensive data privacy laws and regulations; • litigation, **investigations,** or **other** legal proceedings could expose us to significant liabilities and have a negative impact on our reputation or business; • we are subject to industry regulations and other legal or reputational risks that could restrict our activities or negatively impact our performance or financial condition; • we are subject to laws and regulations in the United States and other countries in which we operate, including export restrictions, economic sanctions, the FCPA, and similar anti-corruption laws. Compliance with these laws requires significant resources, and non-compliance may result in civil or criminal penalties and other remedial measures; • our business operations could suffer if we fail to adequately protect and enforce our intellectual property and other proprietary rights; • if we infringe, misappropriate or otherwise violate the intellectual property rights of third parties or are subject to an intellectual property infringement or misappropriation claim, our ability to grow our business may be severely limited and our business could be adversely affected; • our products and services use open source software, and any failure to comply with the terms of one or more applicable open source licenses could adversely affect our business, subject us to litigation, and create potential liability; • our substantial indebtedness could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or in our industry, expose us to interest rate risk to the extent of our variable rate debt, and prevent us from meeting our obligations under our indebtedness; • we may be unable to service all our indebtedness; • we may need additional capital in the

future, which may not be available to us. The raising of any additional capital may dilute holders' ownership percentage in our stock; • if our available liquidity is insufficient, our financial condition could be adversely affected and we may be unable to fund contingent deferred acquisition liabilities, and any put options if exercised; • our Up- C structure places significant limitations on our cash flow because our principal asset is our interest in OpCo, and, accordingly, we depend on distributions from OpCo to pay our taxes and expenses, including payments under the Tax Receivables Agreement; • our Tax Receivables Agreement with Stagwell Media requires us to make cash payments to Stagwell Media in respect of certain tax benefits to which we may become entitled, and we expect the payments we are required to make to be substantial, may be required to be made prior to the time that we recognize any associated tax benefits and may make our company a less attractive target to potential acquirers; • our results of operations are subject to **foreign** currency **exchange** fluctuation risks; • our goodwill, intangible assets and right- of- use **lease** assets may become impaired; • material weaknesses in our internal control over financial reporting were identified as of December 31, ~~2021-2023~~, ~~and remain unremediated at December 31, 2022~~. If our remediation of these material weaknesses is not effective, or if we fail to maintain effective internal control over financial reporting in the future, we may not be able to accurately or timely report our financial results, which could adversely affect investor confidence in our company, our results of operation and our stock price; • our disclosure controls and procedures and internal controls may not prevent or detect all errors or acts of fraud; • if our judgments or estimates relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below expectations of securities analysts and investors, resulting in a decline in our stock price; • we may be subject to adverse tax consequences, such as those related to changes in tax laws or tax rates or their interpretations, and the related application of judgment in determining our global provision for income taxes, deferred tax assets or liabilities or other tax; • we may face material adverse tax consequences resulting from the Transactions in Canada, the United States or other jurisdictions; • our stock price may be volatile; • if our operating and financial performance in any given period does not meet any guidance that we provide to the public, the market price for our Class A common stock, par value \$ 0. 001 per share (the " Class A Common Stock "), may decline; **and** • a significant portion of our Class A Common Stock is restricted from immediate resale but may be sold into the market in the future, which could negatively affect the market price of our Class A Common Stock ; ~~• we are a " controlled company " within the meaning of the applicable rules of Nasdaq and, as a result, qualify for exemptions from certain corporate governance requirements. Our stockholders will not have the same protections afforded to stockholders of companies that are not controlled companies, and the interests of our controlling stockholder may differ from the interests of other stockholders; • there is no guarantee that an active and liquid public market for our securities will be sustained; • we do not intend to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of the Class A Common Stock; • we may issue additional shares of our Class A Common Stock or other equity securities without your approval, which would dilute your ownership interests and may depress the market price of your shares; • some provisions of Delaware law and our certificate of incorporation and bylaws may deter third parties from acquiring us and diminish the value of our Class A Common Stock; • our certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by stockholders and designates the United States federal district courts as the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, which could limit the ability of our stockholders to obtain a favorable judicial forum for disputes with us or with our directors, officers or employees and may discourage stockholders from bringing such claims; and • the requirements of being a public company may strain our resources, divert management' s attention and affect our ability to attract and retain qualified board members and officers.~~ Risks Related to Our Business and Industry As a marketing services company, our revenues are highly susceptible to declines as a result of unfavorable economic conditions and future economic conditions could adversely impact our financial condition and results. Advertising, marketing and communications expenditures are sensitive to global, national and regional macroeconomic conditions, including inflationary pressures, currency fluctuations, geopolitical uncertainty, ~~increased and elevated~~ interest rates, as well as specific budgeting levels and buying patterns. Adverse developments such as inflation or heightened economic uncertainty ~~could can~~ reduce the demand for our services and pose a risk that clients may reduce, postpone or cancel spending on advertising, marketing and corporate communications projects. ~~.~~ For example, inflation rates, particularly in the United States, have increased ~~in recently~~ ~~recent~~ ~~to levels not seen in~~ years, and **the effects of** increased inflation **and other adverse conditions on our customers have resulted and** may **continue to** result in decreased demand for our products and services, **decreased revenue**, increases in our operating costs (including our labor costs), **and decreased profitability, and may result in** reduced liquidity and limits on our ability to access credit or otherwise raise capital. In **cases of sustained inflation across several of our major markets, it becomes increasingly difficult to effectively control increases to our costs. If we are unable to increase our fees or take other actions to mitigate the effect of the resulting higher costs, our business, results of operations and financial position could be negatively impacted. In** addition, ~~the Federal Reserve has raised, and may again raise, interest rates in response to concerns about inflation, which coupled with reduced government spending and volatility in financial markets may have the effect of further increasing economic uncertainty and heightening these risks. In the past, some clients have responded to weakening economic conditions with reductions to their marketing budgets, which include discretionary components that are easier to reduce in the short term than other operating expenses.~~ **For example, our revenue and profitability declined in 2023, in part as a result of certain clients pausing projects and reducing spending in the uncertain macroeconomic environment.** This pattern may recur in the future and could have a material adverse effect on our revenue, results of operations, cash flows and financial condition. **In addition, elevated interest rates have had and may continue to have the effect of further increasing economic uncertainty and heightening these risks, as well as increasing the cost of capital.** Turmoil in the credit markets or a contraction in the availability of credit would make it more difficult for businesses to meet their capital requirements and could lead clients to change their financial relationship with their vendors, including us, which could negatively affect our working capital. In such

circumstances, we may need to obtain additional financing to fund our day-to-day working capital requirements, which may not be available on favorable terms or at all, including as a result of **elevated Federal Reserve interest rate rates increases**. Even if we take action to respond to adverse economic conditions, reductions in revenue and disruptions in the credit markets by aligning our cost structure and more efficiently managing our working capital, such actions may not be effective. Our business depends on generating and maintaining ongoing, profitable client demand for our services and solutions, and a significant reduction in such demand could materially affect our results of operations. Our revenue and profitability depend on the demand for our services and favorable margins, which **could have been and may continue to** be negatively affected by numerous factors, many of which are beyond our control and unrelated to our work product. To increase our revenues and achieve favorable margins, we will need to attract additional clients or generate demand for additional services and products from existing clients, and such demand will depend on factors including clients' and potential clients' requirements, pre-existing vendor relationships, financial condition, strategic plans, internal resources and satisfaction with our work product and services, as well as broader economic conditions, competition and the quality of our Brands' employees, services and reputation and the breadth of our services. As described above, volatile, negative or uncertain global economic and political conditions **can have** adversely **affect affected** client demand for our services and solutions. In addition, developments in the markets we serve, which may be rapid, could shift demand to services and solutions where we are less competitive, or might require significant investment by us to upgrade, enhance or expand our services and solutions to meet that demand. Companies in the markets we serve sometimes seek to achieve economies of scale and other synergies by combining with or acquiring other companies. If one of our current clients merges or consolidates with a company that relies on another provider for its marketing and related services, we may lose work from that client or lose the opportunity to gain additional work if we are not successful in generating new opportunities from the merger or consolidation. To the extent that we are unable **to** generate sufficient and profitable new business from new and existing clients, our ability to grow our business, increase our revenues and achieve favorable margins will be limited, which could have a material adverse effect on our business, results of operations, financial condition and prospects. Our business could be adversely affected if we fail to retain our existing clients. Our clients may terminate or reduce the scope of their relationships with us on short notice. As a services business, our ability to attract and retain clients is an important aspect of our competitiveness, and client loss, including due to competitors, as a consequence of client consolidation, insolvency or a reduction in marketing budgets due to recessionary economic conditions, or a shift in client spending could have a material adverse effect on our business, results of operations, financial condition and prospects. Many companies, including companies with which we have long-standing relationships, put their advertising and marketing communications business up for competitive review from time to time, and we have lost client accounts in the past as a result of such reviews. Our clients may choose to terminate their contracts, or reduce their relationships with us, on a relatively short time frame and for any reason, including as a result of such competitive reviews, external factors such as economic conditions or their own financial distress, competition from other marketing services providers or clients' dissatisfaction with our services, reputation or personnel. **For example, the loss of clients and reduced spending among existing clients contributed to the decline in our revenue in 2023.** A relatively small number of clients contributes a significant portion of our revenue, which magnifies this risk. In the aggregate, our top ten clients based on revenue accounted for approximately **20-22 %** of our revenue for the year ended December 31, **2022-2023**, and historically, client concentration has increased during election years due to the cyclical nature of our advocacy Brands. A substantial decline in a large client's advertising and marketing spending, or the loss of a significant part of their business, could have a material adverse effect on our business, prospects, and results of operations. In addition, many of our contracts are less than twelve months in duration, and often contain termination provisions requiring only limited notice. If a client is dissatisfied with our services and we are unable to effectively respond to its needs, the client might terminate existing contracts, or reduce or eliminate spending on the services and solutions we provide. Additionally, a client could choose not to retain our Brands for additional stages of a project, try to renegotiate the terms of its contract or cancel or delay additional planned work. When contracts are terminated or not renewed, we lose the anticipated revenues, and it may take significant time to replace the lost revenues or we may be unsuccessful in our attempt to recover such revenues - ~~Consequently, our results of operations in subsequent periods could be materially lower than expected.~~ The specific business or financial condition of a client, changes in management and changes in a client's strategy are also factors that can result in terminations, cancellations or delays, and in pressure to reduce costs. A significant reduction in spending on our services by our largest clients, or the loss of several of our largest clients, could have a material and adverse effect on our business, results of operations and financial condition. We face significant competition, and a failure to compete successfully in the markets we serve could harm our business. The advertising and marketing services business is highly competitive and constantly changing. We compete on the basis of many factors, including the quality (and clients' perceptions of the quality) of our work, our ability to protect the confidentiality of clients' and their customers' data, our relationships with key client personnel, our expertise in particular niche areas or disciplines, **the differentiation of our offerings** and our ability to provide integrated services at the scale clients require. Our Brands compete with a diverse and growing set of marketing services firms and consultancies to maintain existing client relationships and to win new business. Our competitors include not only other large multinational advertising and marketing communications companies, but also smaller entities that operate in local or regional markets as well as new forms of market participants. We are smaller than many of our larger industry competitors, and an agency's ability to serve clients, particularly large international clients, on a broad geographic basis and across a range of services and technologies is an important competitive consideration. Our smaller size could impair our ability to compete for business, particularly with respect to significant business from large, global enterprises that require integrated global marketing solutions across geographies. We also compete with smaller advertising and marketing communications businesses, and because an agency's principal asset is often its people, barriers to entry are minimal, and relatively small brands are, on occasion, able to take all or some portion of a client's business from a larger competitor. We may also face greater competition due to consolidation of

companies in our industry, including through strategic mergers or acquisitions. Consolidation activity may result in new competitors with greater scale, a broader footprint, or offerings that are more attractive than ours. This competition could have a negative effect on our ability to compete for new work and skilled professionals. Competitive challenges also arise from rapidly evolving and new technologies in the marketing and advertising space, which create opportunities for new and existing competitors and a need for continued significant investment in tools, technologies and process improvements. As data-driven marketing solutions become increasingly core to the success of our Brands, any failure to keep up with rapidly changing technologies and standards in this space could harm our competitive position. In addition, our competitors may compete for client engagements by significantly discounting their services, whether as a short-term effort to win business, in exchange for a client's promise to purchase other goods and services from the competitor, either concurrently or in the future, or as a result of developing and implementing methodologies that result in superior productivity and price reductions without adversely affecting their profit margins. Price competition could force us to choose between lowering our prices (and suffering reduced operating margins) or losing a client's business. Any of these negative effects could significantly impair our results of operations and financial condition. Our future financial performance is largely dependent upon our ability to compete successfully in the markets we serve. If we are unable to compete successfully, we could lose market share and clients to competitors or be forced to accept engagements with unfavorable economic terms, which could have a material adverse effect on our business, results of operations, financial condition and prospects. Maintaining and enhancing our and our Brands' brands and reputations is critical to our business prospects, and harm to our **or our** Brands' brands and reputations may limit our ability to acquire new clients, retain existing clients and attract and retain qualified personnel. We believe our and our Brands' brand names and reputations are important corporate assets that help distinguish our services from those of our competitors and also contribute to our efforts to recruit and retain talented employees. However, our Brands' corporate reputations are potentially susceptible to material damage by events such as disputes with clients, information technology security breaches or service outages, or other delivery failures. Similarly, our or our Brands' reputation could be damaged by actions or statements of current or former clients, employees, competitors **or** vendors, as well as members of the investment community and the media. Such negative attention could adversely affect our business, and damage to our reputations could be difficult and time-consuming to repair, could make potential or existing clients reluctant to select us for new engagements or cause existing clients to terminate their relationships with us, resulting in a loss of business, and could adversely affect our recruitment and employee retention efforts. Damage to our or our Brands' reputations could also reduce the value and effectiveness of the Stagwell brand name (or our Brands' brand names) and could reduce investor confidence in us, which could have a material adverse effect on the trading price of our Class A Common Stock. Our existing client relationships could impair our ability to generate new business or attract and retain qualified personnel. As a marketing services company, we are susceptible to risks related to the clients we serve. Our ability to acquire new clients and retain existing clients is limited by clients' perceptions of, or policies concerning, conflicts of interest arising from our other client relationships. For example, some companies maintain conflicts of interest policies that prohibit engaging marketing services firms that work with their competitors, and in some circumstances such policies have caused, and may in the future cause, our Brands to lose opportunities with potential clients or to lose existing clients. In addition, such policies may apply not just to a particular Brand but to an entire marketing services group. If we are unable to maintain multiple Brands to manage multiple client relationships and avoid potential conflicts of interests, our business, results of operations, financial condition and prospects may be adversely affected. In addition, we are subject to reputational risks relating to the clients we serve. In some cases, our Brands may provide services to clients that are subject to significant controversy and negative press coverage and commentary, including controversy over which we have no control and which may arise at any time. As a service provider to such clients, we may receive negative attention focused on such client relationships, which could damage our or our Brands' reputation. Our association with controversial clients and related reputational harm could also impair our ability to attract new clients or retain existing clients and could also harm our ability to attract and retain qualified personnel. Any of these consequences could have a material adverse effect on our business, results of operations, financial condition and prospects. If we are unable to adapt and expand our services and solutions in response to ongoing changes in technology and offerings by new entrants, our results of operations and ability to grow could be impaired. Our success depends in part upon our ability to continue to develop and implement services and solutions that anticipate and respond to rapid and continuing changes in marketing technology, consumer habits and industry developments, as well as offerings by new entrants, to serve the evolving needs of our clients. Current areas of significant change include search engine optimization, bots, search engine marketing, social media and influencer and affiliate marketing, email marketing, AR and VR applications, customer relationship and programmatic advertising, which involve the use of mobility-based software platforms, cloud computing, SaaS, and DaaS solutions, AI and generative AI content creation tools, machine learning and the processing and analyzing of large amounts of data. Technological developments such as these may materially affect the cost and use of technology by our clients and demand for our services, and if we do not sufficiently invest in new technology and industry developments, or if we do not make the right strategic investments to respond to these developments and successfully drive innovation, our services and solutions, our ability to generate demand for our services, **and to** attract and retain clients, and our ability to develop and achieve a competitive advantage and **continue to grow growth** could be negatively affected. In addition, we operate in a quickly evolving environment in which there currently are, and we expect will continue to be, numerous new technology entrants. New services or technologies offered by competitors or new entrants may make our offerings, such as the Stagwell Marketing Cloud and other DaaS and SaaS martech products, less differentiated or less competitive, when compared to other alternatives, which may adversely affect our ability to attract and retain clients. Any of these consequences could have a material adverse effect on our business, results of operations, financial condition and prospects. If we do not successfully manage and develop our relationships with our Global Affiliate partners or if we fail to anticipate and establish new alliances in new technologies, our results of operations could be adversely affected. Our growth strategy has included partnering with independent marketing

services agencies, which we refer to as Global Affiliates, in certain jurisdictions, rather than operating in those markets independently. A portion of our revenue is derived from client engagements that involve services by our Global Affiliates, and we believe our Global Affiliates program is a **critical significant** element of our strategy to compete with large incumbent marketing services companies and provide scaled global marketing services to our clients. If we are unable to maintain our relationships with current Global Affiliates partners and identify new and emerging partners to expand our Global Affiliates network of alliance partners, we may not be able to provide the kinds of scaled global services that we believe clients require or compete effectively in the market. Our strategy of leveraging our Global Affiliates partners could fail, and the business that we conduct through such partnerships could decrease or fail to grow, for a variety of reasons, including operational difficulties and cultural differences that impair our ability to leverage such partnerships effectively, lack of control over Global Affiliates' work product and services or clients' unwillingness to entrust their marketing efforts to numerous entities that are not part of the same marketing group. In addition, our Global Affiliates partnerships involve significant risks that are outside of our control. We are not represented on the management teams, boards of directors or other governing bodies of our Global Affiliates, and therefore do not participate in the day-to-day management of such entities. Because we do not control our Global Affiliates, they may take actions with which we or our clients disagree, which could expose us to reputational damage or **which could** impair our ability to attract and retain clients and generate demand for our services and solutions. Moreover, our Global Affiliates may not be subject to or follow the same requirements regarding compliance, internal controls and internal control over financial reporting **that we follow as us and may not adhere to their contractual representations to us regarding such matter**. To the extent control **or compliance** issues arise within the Global Affiliate partners' **business-businesses**, **it such issues** could lead to further reputational and operational damage to our business. Additionally, our Global Affiliates are generally not prohibited from competing with us or forming closer or preferred arrangements with our competitors and may expand their own offerings and geographic presence, which could lead them to compete with us in various markets around the world. Our business, financial condition, results of operations and prospects could be adversely affected by such competition. If we do not obtain the expected benefits from our Global Affiliates program for any reason, we may be less competitive, and our ability to offer attractive solutions to our clients may be negatively affected, which could have a material adverse effect on our business, results of operations, financial condition and prospects. We are making investments in new product offerings and technologies and may increase such investments in the future. These new ventures are inherently risky, and we may never realize any expected benefits from them. We have made investments to develop new marketing services products and technologies, including the Stagwell Marketing Cloud and other marketing data, campaign martech, AR and VR applications, **and AI and generative AI offerings**, and we intend to continue investing significant resources in developing and / or acquiring new technologies, tools, features, services, products and offerings. If we do not spend our development budget efficiently or effectively on commercially successful and innovative technologies, or if we encounter significant technical or other challenges with respect to the development of our anticipated product offerings, we may not realize the expected benefits of our strategy. Our new initiatives also have a high degree of risk, as each involves development of new software platforms or other product offerings, unproven business strategies and technologies with which we may have limited prior development or operating experience. Because such offerings and technologies are new, they may involve additional claims and liabilities (including, but not limited to, intellectual property claims), expenses, regulatory challenges, and other risks that we do not currently anticipate. There can be no assurance that client demand for new products, including the Stagwell Marketing Cloud and other marketing data, campaign martech, AR and VR martech applications, **and AI and generative AI offerings**, will exist or be sustained at the levels that we anticipate, or that any of these initiatives will gain sufficient traction or market acceptance to generate sufficient revenue to offset any new expenses or liabilities associated with these new investments. It is also possible that products and offerings developed by others will render our products and offerings noncompetitive or obsolete. Further, our development efforts with respect to new products, offerings and technologies could distract management from current operations, and will divert capital and other resources from our more established products, offerings and technologies. Even if we are successful in developing new products, offerings or technologies, **regulatory authorities such developments** may **be** subject **us** to new **or existing** rules or restrictions **in response to our innovations** that could increase our expenses or prevent us from successfully commercializing new products, offerings or technologies. If we do not realize the expected benefits of our investments, our business, financial condition, results of operations and prospects may be harmed. **We are subject to risks related to our use of AI, including generative AI. We are increasingly building generative AI features into some of our offerings, such as generative AI content creation tools, and are making investments in expanding our generative AI capabilities. As part of this process, we also utilize generative AI tools offered by third-party providers in the development and testing of our offerings. Generative AI is a new and emerging technology in its early stages of commercial use and presents certain inherent risks. Generative AI algorithms are based on machine learning and predictive analytics, which can create unintended biases and discriminatory outcomes, and outputs can be completely fabricated or false. There is a risk that our algorithms could produce such outcomes or other unexpected results or behaviors that could harm our reputation, business, or clients. In addition, the use of AI and generative AI involves significant technical complexity and requires specialized expertise. Any disruption or failure in our AI and generative AI offerings, or those of our third-party providers, could result in delays or errors in our operations, which could harm our business and financial results. The use of generative AI tools could also result in a greater likelihood of cybersecurity incidents, privacy violations and inadvertent disclosures of our intellectual property or other confidential information, any of which could directly or indirectly harm our business, operations and reputation. The AI regulatory landscape is still uncertain and evolving, and the development and use of AI technologies, including generative AI, in new or existing content creation tools and other offerings may result in new or enhanced governmental or regulatory scrutiny, litigation, ethical concerns or other complications that could be costly and time-consuming and could adversely affect our**

**business, reputation or financial results. For example, some jurisdictions are currently considering AI specific laws and regulations. Such laws and regulations, if enacted, could increase our compliance costs or require us to limit or modify our use of AI or our AI-enabled offerings in certain jurisdictions. In addition, the intellectual property ownership and license rights, including copyrights, surrounding AI technologies, including generative AI, have not been fully addressed by U. S. courts or other federal, state or international laws or regulations, and the use or adoption of third-party generative AI technologies into our offerings may result in exposure to claims of copyright infringement or other intellectual property misappropriation, which could harm our business, reputation and financial results.** As a global business, we are substantially dependent on operations outside the United States, and any failure to manage the risks presented by our international operations could have a material adverse effect on our business, results of operations, financial condition and prospects. We are a global business, with Brands operating in more than 34 countries as of December 31, ~~2022~~ **2023**. Operations outside the United States represent a significant portion of our revenues and represented approximately ~~17-19~~ % of our revenues in ~~2022~~ **2023**. The operational and financial performance of our international businesses are affected by global and regional economic conditions, competition for new business and staff, political conditions, differing regulatory environments and other issues associated with extensive international operations. Conducting our business internationally, particularly in developing markets in which we have limited experience, subjects us to risks that we do not face to the same degree in the United States. These risks include, among others: • operational and compliance challenges caused by distance, language, and cultural differences, including, in some markets, longer billing collection cycles; • the resources required to adapt our operations to local practices, laws, and regulations and any changes in such practices, laws, and regulations; • laws and regulations that may be more restrictive than those in the United States, including commercial laws that can be undeveloped, vague, inconsistently enforced, retroactively applied or frequently changed, laws governing competition, pricing, payment methods, Internet activities, real estate tenancy laws, tax and social security laws, employment and labor laws, email messaging, privacy, location services, collection, use, processing, or sharing of personal **information data**, ownership of intellectual property, and other activities important to our business; • competition with companies or other services that understand local markets better than we do or that have pre-existing relationships with potential clients in those markets; • differing levels of social acceptance of our brand, products, and offerings; • differing levels of local demand for our digital marketing services or the prevalence of e-commerce; • exposure to business cultures in which improper business practices may be prevalent; • difficulties in managing, growing, and staffing international operations, including in countries in which foreign employees may become part of labor unions, employee representative bodies, or collective bargaining agreements, and challenges relating to work stoppages or slowdowns; • fluctuations in currency exchange rates; • inflation and actions taken by central banks to counter inflation; • adverse tax consequences, including the complexities of foreign value added tax systems, and restrictions on the repatriation of earnings; • increased financial accounting and reporting burdens, and complexities associated with implementing and maintaining adequate internal controls; • difficulties in implementing and maintaining the financial systems and processes needed to enable compliance across multiple jurisdictions; • import and export restrictions, changes in trade regulation and economic sanctions compliance; • public health concerns or emergencies, such as ~~the COVID-19 pandemics~~ **pandemic** or other outbreaks of communicable disease, which have occurred in parts of the world in which we operate; • war, geopolitical tensions and other political, social, and economic instability abroad, terrorist attacks and security concerns, **such as escalating tensions in the Taiwan Strait and the ongoing conflicts between Russia and Ukraine and in Israel and Gaza**; and • reduced or varied protection for intellectual property rights in some markets. These risks could adversely affect our international operations, which could in turn adversely affect our business, financial condition, results of operations and prospects. In addition, in developing countries or regions, we may face further risks, such as slower receipt of payments, nationalization, social and economic instability, currency repatriation restrictions and undeveloped or inconsistently enforced commercial laws. **In addition** For example, we have exited our operations in Russia. However, despite our efforts taken to ensure compliance with applicable law, it is difficult to anticipate the effect sanctions and other laws and regulations may have on us, and compliance with any sanctions imposed or actions taken by the United States or other countries, as well as the effect of current or further economic sanctions (and any retaliatory responses thereto) may have an adverse effect on our operations. These risks may limit our ability to grow our business and effectively manage our operations in the countries that are affected. We are exposed to the risk of client defaults, and in an economic downturn, the risk of a material loss related to such client defaults could significantly increase. Certain of our Brands often enter into contractual commitments with media providers and production companies and incur expenses on behalf of our clients for productions and in order to secure a variety of media time and space, in exchange for which they receive a fee. The difference between the gross production costs and media purchases and the revenue earned by us can be significant, and primarily affects our levels of accounts receivable, expenditures billable to clients, accounts payable and accrued liabilities. While we take precautions against default on payment for these services (such as credit analysis, advance billing of clients, **purchasing credit insurance** and in some cases acting as an agent for a disclosed principal), such precautions may fail to mitigate our exposure to clients' credit risk, and we may experience significant uncollectible receivables from our clients. In addition, in periods of severe economic downturn, our methods of managing the risk of payment default may be less available or unavailable and the risk of a material loss could significantly increase. Such a loss could have a material adverse effect on our results of operations, cash flows and financial condition. Recovery of client financing and timely collection of client balances also depends upon our ability to complete our contractual commitments and bill and collect our contracted revenues. We are generally paid in arrears for our services, and if we are unable to meet our contractual requirements, we may experience delays in collection of and / or be unable to collect our client balances, and if this occurs, our results of operations and cash flows could be adversely affected. If we are unable to collect our receivables or unbilled services, our business, results of operations, financial condition and cash flows could be materially and adversely affected. If we fail to manage our growth effectively, we may be unable to execute our business plan, maintain high levels of customer service, or adequately address

competitive challenges. We have experienced significant growth **and revenue declines** in recent periods, ~~including as a result of the Transactions,~~ and we intend to continue to expand our business in the future. ~~This growth has~~ **These fluctuations have** placed, and any future growth may continue to place, a significant strain on our management, operational and financial infrastructure. ~~Our~~ **In order to support future growth, our** management will also be required to maintain and expand our relationships with clients, Global Affiliates partners and other third parties and attract new clients, as well as to manage multiple geographic locations. In addition, our current and planned operations, personnel, systems and procedures might be inadequate to support our future growth and may require us to make additional unanticipated ~~investment~~ **investments** in our infrastructure, including additional costs for the expansion of our employee base and our global operations and partnerships as well as marketing and branding costs. Our success and ability to ~~further~~ scale our business will depend, in part, on our ability to manage these changes in a cost- effective and efficient manner. If we cannot manage our **planned** growth, we may be unable to take advantage of market opportunities, execute our business strategies or respond to competitive pressures. This could also result in declines in quality or customer satisfaction, increased costs, difficulties in introducing new marketing services or product offerings or other operational difficulties. Any failure to effectively manage growth could adversely affect our business and reputation. Natural disasters, terrorist attacks, war, **civil disturbances** and infrastructure breakdowns could disrupt our business and harm our results of operations. Our corporate headquarters is located in New York City, which has experienced terrorist attacks, civil disturbance, natural disasters and extreme weather events including hurricanes, floods and fires, and critical resources shortages and infrastructure disruptions, such as localized extended outages of critical utilities or transportation systems. If any such natural disaster or other disturbance or interruption, such as terrorist attacks or war, were to occur, such event could prevent us from using all or a significant portion of our headquarters or other facilities, damaged critical infrastructure or otherwise disrupt our operations, which could make it difficult or, in certain cases, impossible, for us to continue our business for a substantial period of time and could require us to make capital expenditures even though we may not have sufficient available resources at such time. Additionally, the proceeds available from our insurance policies may be insufficient to cover any such capital expenditures or other related costs, and our insurance coverage and available resources may not be adequate to cover our losses in any particular case. Any of these occurrences could significantly disrupt our and our Brands' ability to deliver solutions and services and operate our and their businesses and could, in consequence, have a material adverse effect on our business, results of operations and financial condition. In addition, our key technology systems may also be damaged or disrupted as a result of technical disruptions such as electricity or infrastructure breakdowns, including damage to telecommunications cables, computer glitches, power failures and electronic viruses or human- caused events such as protests, riots, labor unrest, terrorist attacks, war and private or state- sponsored cyberattacks. Such events, or any natural or weather-related disaster, could lead to the disruption of information systems and telecommunication services for sustained periods. Any significant failure, damage or destruction of our equipment or systems, or any major disruptions to basic infrastructure such as power and telecommunications systems in the areas in which we operate, could impede our ability to provide solutions to our clients and thus adversely affect their businesses, have a negative impact on our reputation and may cause us to incur substantial additional expenses to repair or replace damaged equipment, internet server connections or information technology systems. Damage or destruction that interrupts our provision of services could adversely affect our reputation, our relationships with our clients, our ability to administer and supervise our business or it may cause us to incur substantial additional expenditure to repair or replace damaged equipment or sites. Even if our operations are unaffected or recover quickly from any such events, if our clients cannot timely resume their own operations due to a catastrophic event, they may reduce or cancel their use of our services and products, which may adversely affect our results of operations. Any of these events, their consequences or the costs related to mitigation or remediation could have a material adverse effect on our business, results of operations, financial condition and prospects. Our insurance coverage may not be sufficient to guarantee costs of repairing the damage caused by such disruptive events and such events may not be covered under our policies. Prolonged disruption of our services and solutions, even if due to events beyond our control, could also entitle our clients to terminate their contracts with us or result in other brand and reputational damages, which would have a material adverse effect on our business, results of operations, financial condition and prospects. We are consolidating our real estate footprint and may incur significant costs in doing so. ~~In~~ **2020, we** ~~We have continued to consolidated~~ **consolidate** the real estate occupancy of our advertising and marketing agencies ~~in New York City,~~ in order to lower our leasing costs and improve collaboration among our Brands. In connection with this consolidation, many of our properties have been or ~~will~~ **are expected to** be subleased or abandoned, ~~and we are exploring opportunities for real estate consolidation in other markets.~~ We may not be able to sublease the vacated office spaces on expected terms or at all. If we fail to sublet the leased offices we vacate on the terms we anticipate, we may be required to pay additional rent or may become involved in costly litigation with our commercial landlords, and we may incur additional charges related to the sublease or abandonment of our leases, any of which consequences could have a material adverse effect on our cash flows, financial condition and results of operations. Seasonal fluctuations in marketing, research, communications and advertising activity could have a negative impact on our revenue, cash flow and operating results. Our revenue, cash flow, operating results and other key operating and performance metrics vary from quarter to quarter due to the seasonal nature of our clients' spending on the services we provide. For example, clients tend to devote more of their advertising budgets to the fourth calendar quarter to coincide with consumer holiday spending, and we typically generate our highest quarterly revenue during the fourth quarter in each year. Political advertising and related activity have also historically caused our revenue to increase during election cycles, which is most pronounced in even years, in particular during the third and fourth quarters of such years, and **to decrease during other periods.** ~~If~~ **Seasonality could have a more significant impact on our revenue, cash flow and operating results from period to period as a result of declines in** our growth rate ~~declines~~ or ~~if~~ seasonal spending becomes more pronounced, ~~seasonality could have a more significant impact on our revenue, cash flow and operating results from period to period.~~ Risks Related to Strategic Transactions We may not realize the benefits we expect from past **and future** acquisitions

**and other strategic transactions**, including the Transactions. We may be unable to realize the benefits we expect from our past **and future acquisitions and other** strategic transactions, including the Transactions **and other recent acquisitions, such as Brand New Galaxy, TMA Direct, Inc., Maru Group Limited, Wolfgang, LLC., and Epicenter Experience LLC.**, for a variety of reasons, including due to our failure to effectively integrate newly acquired businesses into our operations, because of errors in our forecasting or for numerous other reasons, including factors that we do not control, such as the reactions of existing and potential clients, employees, **investors and** regulators **and investors**. Our **ongoing** integration efforts **following the Transactions** are subject to significant risks and uncertainties, including with respect to our ability to realize our anticipated synergies and cost savings, our ability to retain and attract executives, employees and clients, the diversion of management's attention from other business concerns, and undisclosed, unknown or potential legal liabilities of the acquired **company companies**. Our failure to address these risks or other problems encountered in connection with **the Transactions and** any past or future acquisitions and other strategic transactions could cause us to fail to realize their anticipated benefits, incur unanticipated liabilities and harm our business generally. Even if we are able to **complete the integrate integration the combined of acquired** businesses successfully, this integration may not result in the realization of the full benefits of the growth and other opportunities, or the synergies and cost savings, that we **currently** expect **from the Transactions** within the anticipated time frame, or at all. Furthermore, the anticipated benefits or value of our acquisitions and other strategic transactions, **including the Transactions**, may not be achievable, particularly as the achievement of the benefits are in many important respects subject to factors that we do not and cannot control, including the reaction of third parties with whom we do business and the reactions of investors. **As a result of the Transactions, we have significantly more revenue, expenses, assets and employees than prior to the Transactions, and we assumed certain liabilities and other obligations of the pre-merger entities. The Company may not successfully or cost-effectively integrate the combined businesses. We have allocated significant management time and resources to, and expect to incur non-recurring costs for, our ongoing integration efforts in connection with the Transactions. We and our management have allocated and continue to allocate time and resources to our ongoing integration efforts following the Transactions, including related and incidental activities. Integration of the legacy SMG and MDC businesses has been and is expected to continue to be complex, costly and time-consuming, requires significant management attention and resources, may disrupt our business, and may ultimately be unsuccessful. Risks and difficulties of integration include, among others, the diversion of management attention to integration matters, increased difficulty retaining existing clients and obtaining new customers, difficulties attracting and retaining employees and the added strain on our executives of managing the expanded operations of a significantly larger company, any of which could adversely impact the effectiveness of our management team, the effectiveness of our integration efforts and the future performance of our combined company, which could harm our business, prospects, results of operations and financial condition. In addition, we have incurred or expect to incur a number of non-recurring costs associated with our integration efforts, including costs associated with our pursuit of synergies and cost efficiencies following the Transactions. While we expect the benefits of such efforts to offset these costs over time, this net benefit may not be achieved in the short term or at all, and the actual costs we incur in connection with our integration efforts could exceed our estimates. These combined factors could adversely affect our business, results of operations and financial condition.** In the future, we may acquire other companies in pursuit of growth, which may divert our management's attention, result in dilution to our **shareholders stockholders** and consume resources that are necessary to sustain our business. Our business strategy includes engaging in strategic mergers, acquisitions and investments to bolster our capabilities or expand our reach in particular areas. Through the acquisitions we pursue, we may seek opportunities to add to or enhance the services and solutions we provide, to enter new industries or expand our client base, or to strengthen our global presence and scale of operations. Negotiating these transactions can be time consuming, difficult and expensive, and our ability to complete these transactions may be subject to conditions or approvals that are beyond our control, including anti-takeover and antitrust laws in various jurisdictions. Consequently, these transactions, even if undertaken and announced, may not close. An acquisition, investment or new business relationship may result in unforeseen operating difficulties and expenditures. In particular, we may encounter difficulties assimilating or integrating the businesses, technologies, services, products, personnel or operations of acquired companies, particularly if the key personnel of the acquired company choose not to work for us, the acquired company's technology is not easily compatible with ours or we have difficulty retaining the clients of any acquired business due to changes in management or otherwise. In addition, we may not accurately forecast the financial impact of an acquisition transaction, including accounting charges. Mergers or acquisitions may also disrupt our business, divert our resources and require significant management attention that would otherwise be available for the development of our business. Moreover, the anticipated benefits of any merger, acquisition, investment or similar partnership may not be realized or we may be exposed to unknown liabilities, including litigation against the companies we may acquire, for example from failure to identify all of the significant risks or liabilities associated with the target business. For one or more of those transactions, we may: • issue additional equity securities that would dilute our stockholders; • use cash that we may need in the future to operate our business; • incur debt that may place burdensome restrictions on our operations or cash flows; • incur large charges or substantial liabilities; or • become subject to adverse tax consequences, substantial depreciation or amortization expenses, impairment of goodwill and / or purchased long-lived assets, restructuring charges, deferred compensation or other acquisition-related accounting charges. Any of these risks could materially and adversely affect our business, financial condition, results of operations and prospects. Risks Related to Our Employees and Human Resources Our business is highly dependent on the services of Mark Penn, our CEO and Chairman. We depend on the continued services and performance of our key personnel, including our CEO and Chairman, Mark Penn. Although we have entered into an employment agreement with Mr. Penn, the agreement has no specific duration and constitutes at-will employment. The loss of key personnel, including Mr. Penn, could disrupt our operations and have an adverse effect on our business. If we are unable to keep our supply of skills and resources in balance with client demand around the world and attract and retain professionals with strong leadership skills, our business, the utilization rate of our professionals and our results

of operations may be materially adversely affected. Employees, including creative, research and data acquisition, analytics and data science, media, technology development, content development, account and practice group specialists, and their skills and relationships with clients, are among our most important assets. Our success is dependent, in large part, on our ability to keep our supply of marketing services skills and capabilities in balance with client demand around the world and our ability to attract and retain personnel with the knowledge and skills to lead our business globally. We must hire or reskill, retain and motivate appropriate numbers of talented people with diverse skills in order to serve clients across the globe, respond quickly to rapid and ongoing changes in demand, technology, industry and the macroeconomic environment, and continuously innovate to grow our business. For example, if we are unable to hire or retrain our employees to keep pace with the rapid and continuous changes in technology and the industries we serve, we may not be able to innovate and deliver new services and solutions to fulfill client demand. There is competition for scarce talent with market- leading skills and capabilities in new technologies, and our competitors have directly targeted our employees with these highly sought- after skills and will likely continue to do so. As a result, we may be unable to cost- effectively hire and retain employees with these market- leading skills, which may cause us to incur increased costs, or be unable to fulfill client demand for our services and solutions. We are particularly dependent on retaining management and leadership of our Brands with critical capabilities. Management succession at our Brands is very important to the ongoing results of our company because, as in any service business, the success of a particular Brand depends in part upon the leadership of key executives and management. If we are unable to manage management succession at the Brand level, our ability to innovate, generate new business opportunities and effectively lead large and complex client relationships and marketing services projects could be jeopardized. We depend on identifying, developing and retaining top talent to innovate and lead our businesses. This includes developing talent and leadership capabilities in emerging markets, where the depth of skilled employees may be limited. Our ability to expand in our key markets depends, in large part, on our ability to attract, develop, retain and integrate both leaders for the local business and people with critical capabilities. Similarly, our profitability depends on our ability to effectively source and staff people with the right mix of skills and experience to perform services for our clients, including our ability to transition employees to new assignments on a timely basis. The costs associated with recruiting and training employees are significant. If we are unable to effectively deploy our employees globally and remotely on a timely basis to fulfill the needs of our clients, our profitability could suffer. At certain times and in certain geographies, we have found and may continue to find it difficult to hire and retain a sufficient number of employees with the skills or backgrounds to meet current and / or future demand in a cost- effective manner. In these cases, we might need to redeploy existing personnel or increase our reliance on subcontractors to fill our labor needs, and if not done effectively, our profitability could be negatively impacted. Additionally, as demand for our services and solutions increases, we may be unable to hire and retain people with the skills necessary to meet demand, and we have in the past experienced and may continue to experience wage inflation and other increases to compensation expense, which puts upward pressure on our costs and may adversely affect our profitability if we are unable to recover these increased costs. If we are not successful in these initiatives, our business, results of operations, financial condition and prospects could be adversely affected. Some of our Brands rely upon signatory service companies to employ union performers in commercials, and any inability to produce advertisements with union performers could impair our ability to serve our advertising clients and compete. Some of our creative services Brands have not entered into the Screen Actors Guild- American Federation of Television and Radio Artists (“SAG- AFTRA ”) Commercials Contract, an industry contract form for commercial advertising, and instead have generally contracted with signatory service companies, which are parties to the SAG- AFTRA Commercials Contract, to employ SAG- AFTRA union performers appearing in television, new media, and other commercials produced by those Brands. SAG- AFTRA has recently persuaded the principal signatory service companies to change the way such signatory service companies do business. These changes may make it more cumbersome and expensive for advertising agencies which have not entered into the SAG- AFTRA Commercials Contract to produce advertisements using SAG- AFTRA members, and in some cases may preclude the use of SAG- AFTRA members in the production of commercials by certain of our Brands. Because SAG- AFTRA members comprise a significant proportion of performing talent available for commercials, any inability of our Brands to produce commercials using union performers could materially limit such Brands’ access to qualified performing talent, reduce the amount of business conducted by such Brands and impair their ability to compete with agencies that are able to employ union performers, which could in turn have a material adverse effect on our business, results of operations, financial condition and prospects.

**Risks Related to Data Privacy and Cybersecurity** We face legal, reputational and financial risks from any failure to protect client data from security incidents or cyberattacks. We and our third- party service providers, such as our cloud service providers that store, transmit and process data, rely on information technologies and infrastructure, which we use to manage our business, including digital storage of client marketing and advertising information and developing new business opportunities. Increased cybersecurity threats and attacks, such as security breaches, are becoming more sophisticated and pose a risk to our systems and networks. In addition, undiscovered vulnerabilities in our products or services could expose us or our clients to hackers or other unscrupulous third parties who develop and deploy viruses and other malicious software programs that could attack our products, services and business. We are dependent on information technology networks and systems to securely process, transmit and store electronic information and to communicate among our locations around the world and with our people, clients, Global Affiliates partners and vendors. As the breadth and complexity of this infrastructure continues to grow, including as a result of the increasing reliance on, and use of, mobile technologies, social media and cloud- based services, the risk of security incidents and cyberattacks (including state- sponsored cyberattacks) has increased. Such incidents could lead to shutdowns or disruptions of or damage to our systems and those of our clients, Global Affiliates partners and vendors, and unauthorized disclosure of sensitive or confidential information, including personal data and proprietary business information. Also, given the unpredictability of the timing, nature and scope of such cybersecurity threats and attacks, we may be unable to anticipate attempted security breaches and, in turn, implement adequate preventative measures. Our systems and processes to protect against, detect, prevent, respond to and mitigate

cybersecurity incidents and our organizational training for employees to develop an understanding of cybersecurity risks and threats may be unable to prevent material security breaches, theft, modification or loss of data, employee malfeasance (including improper use of social media) and additional known and unknown threats. Furthermore, mitigating the risk of future cybersecurity threats or attacks could result in additional operating and capital costs in systems technology, personnel, monitoring and other investments. We have experienced, and may again experience, data security incidents resulting from unauthorized access to our and our service providers' systems and unauthorized acquisition of our data and our clients' data, including inadvertent disclosure, misconfiguration of systems, phishing ransomware or malware attacks. In addition, certain of our clients may experience breaches of systems and cloud-based services enabled by or provided by us. In providing services and solutions to clients, we often manage, utilize and store sensitive or confidential client or other data, including personal data and proprietary information, and we expect these activities to increase, including through the use of AI, bots and cloud-based analytics. Security breaches, improper use of our systems and other types of unauthorized access to our systems, data, and information by employees and others may pose a risk that data may be exposed to unauthorized persons or to the public. We have access to sensitive data, personal data, and information that is subject to various data privacy laws and regulations, which have obligations that are triggered in the event of a breach. Unauthorized disclosure of, denial of access to, or other incidents involving sensitive or confidential client, vendor, Global Affiliates partner or our own data, whether through systems failure, employee negligence, fraud, misappropriation, or cybersecurity, ransomware or malware attacks, or other intentional or unintentional acts, could damage our reputation and our competitive positioning in the marketplace, disrupt our or our clients' business, cause us to lose clients and result in significant financial exposure and legal liability. Similarly, unauthorized access to or through, denial of access to, or other incidents involving, our software and IT supply chain or SaaS providers, our service providers' information systems or those we develop for our clients, whether by our employees or third parties, including a cyberattack by computer programmers, hackers, members of organized crime and / or state-sponsored organizations, who continuously develop and deploy viruses, ransomware, malware or other malicious software programs or social engineering attacks, could result in negative publicity, significant remediation costs, legal liability, damage to our reputation and government sanctions and could have a material adverse effect on our results of operations. Cybersecurity threats are constantly expanding and evolving, becoming increasingly sophisticated and complex, increasing the difficulty of detecting and defending against them and maintaining effective security measures and protocols. We are subject to extensive data privacy laws and regulations. In addition, laws and regulations related to consumer privacy, **use-processing** of personal data and **use of** digital tracking technologies have been proposed or enacted in the United States and certain international markets (including the European Union's General Data Protection Regulation, or "GDPR," the proposed updated European Union "ePrivacy Regulation" and the California Consumer Privacy Act, as amended by the California Privacy Rights Act, or "CCPA"). Further in the United States, both Congress and state legislatures, along with federal regulatory authorities, have continued to increase their attention on advertising and the collection and use of data, including personal data. At the federal level, while to date there has not been any successful efforts in enacting comprehensive data privacy legislation, if successfully introduced, such legislation would create additional regulatory and compliance obligations, legal risk exposure, and could significantly impact our business activities. **The SEC also recently issued rules governing disclosures regarding cybersecurity incident response, governance and risk management.** At the state level, in California, updates to the CCPA took effect on January 1, 2023. The updates to the CCPA, include additional data privacy and protection obligations on covered companies and expanding rights for California residents, including with respect to certain sensitive personal data. The CCPA will now be enforced by a California data protection agency specifically tasked to enforce the law, which will likely result in increased regulatory scrutiny of covered businesses in the areas of data protection and security. Similar consumer data privacy laws have been passed in four other states, and more are continuing **continue** to be proposed **and passed** in **other a number of** states **across the country**. As more privacy legislation continues to be introduced, the Company could be subject to such laws regardless of whether the Company has operations or a physical presence in the applicable state. We face increasing costs of compliance in an uncertain regulatory environment and any failure or perceived failure to comply with these legal requirements could result in regulatory penalties or other legal liabilities. Also, any such laws may also have potentially conflicting requirements that would make compliance challenging, as well as potentially resulting in further uncertainty and requiring the Company to incur additional costs and expenses in an effort to comply. Furthermore, these laws and regulations may impact the efficacy and profitability of certain digital marketing and analytics services we provide to clients, making it difficult to achieve our clients' goals. **In the United States, the Federal Trade Commission (the "FTC") and other regulators at both the federal and state levels continue to seek greater regulation of the collection and processing of personal data, as well as restrictions and requirements for certain targeted advertising practices. Continuing developments in regulatory enforcement and future changes in laws and regulations throughout the United States could impact our ability to collect data, commercialize the data we do collect, limit the extent to which we can monetize or utilize that data, give rise to additional compliance costs, require us to make substantial investments to satisfy new regulatory rules, and expose us to potential non-compliance liability. We are also subject to evolving privacy laws on data processing activities related to cookies and online marketing. In the European Union, regulators actively enforce privacy requirements related to online behavioral advertising, and the forthcoming ePrivacy Regulation is anticipated to significantly increase fines for non-compliance. The text of the ePrivacy Regulation is still under development, and recent European Union regulatory guidance and court decisions have created uncertainty about the manner in which such laws and regulations will be enforced, which may require us to review our compliance approach and data processing activities, including related to data processing for marketing purposes.** These and other related factors could affect our business and reduce demand for certain of our services, which could have a material adverse effect on our results of operations and financial condition. Compliance with data privacy laws requires ongoing investment in systems, policies and personnel and will continue to impact our business in the future by increasing legal,

operational and compliance costs. While we have taken steps to comply with data privacy laws, we cannot guarantee that our efforts will meet the evolving standards imposed by governmental and regulatory agencies, including data protection authorities. In the event that we are found or suspected to have violated data privacy laws, we may be subject to additional potential private consumer, business partner or securities litigation, regulatory inquiries, governmental investigations and proceedings and we may incur damage to our reputation. Any such developments may subject us to material fines and other monetary penalties and damages, divert management's time and attention, and lead to enhanced regulatory oversight, all of which could have a material adverse effect on our business and results of operations. Risks Related to Litigation and Regulation Litigation, **investigations** or **other** legal proceedings could expose us to significant liabilities and have a negative impact on our reputation or business. From time to time, we have been and may in the future be party to various claims ~~and~~, litigation proceedings **and regulatory inquiries**. We evaluate these claims and litigation proceedings to assess the likelihood of unfavorable outcomes and to estimate, if possible, the amount of potential losses. Based on these assessments and estimates, we establish reserves, as appropriate. These assessments and estimates are based on the information available to management at the time and involve a significant amount of management judgment. Although we are not currently party to any litigation that we consider material, actual outcomes or losses may differ materially from our assessments and estimates. **In addition, from time to time we receive and respond to regulatory inquiries and may be subject to regulatory or other government investigations, the outcomes of which are inherently uncertain**. We and certain of our Brands produce software and e-commerce tools for clients, including the Stagwell Marketing Cloud and other martech products, and such types of software and e-commerce product offerings have become increasingly subject to litigation based on allegations of patent infringement or other violations of intellectual property rights. **In addition, the intellectual property ownership and license rights, including copyrights, surrounding AI technologies, including generative AI, have not been fully addressed by U. S. courts or other federal, state, or international laws or regulations, and the use or adoption of third-party generative AI technologies into our offerings may result in exposure to claims of copyright infringement or other intellectual property misappropriations, which could harm our business and financial results.** As we expand these product offerings, the possibility of an intellectual property claim against us grows. In addition, **putative** securities class action lawsuits and derivative lawsuits **and other stockholder claims** are often brought against public companies ~~that have entered into~~ **for a variety of reasons, including but not limited to claims arising out of stock price declines and** acquisition, merger or other business combination agreements. We have been and may in the future be the target of securities and ~~shareholder~~ **stockholder** litigation **or regulatory investigations**. Any such claims **or investigations** or other claims against us, with or without merit, could result in costly litigation **or other proceedings** and divert management from day-to-day operations and resources from our business. We cannot be certain that we would be successful in defending against **or resolving** any such claims **or other proceedings**. Any **such matters** litigation to which we ~~are a party~~ may result in an onerous or unfavorable judgment that may not be reversed on appeal, or we may decide to settle lawsuits **such matters** on similarly unfavorable terms. If we are not successful in defending **or resolving** such **claims matters**, we could be required to rebrand, redesign or stop offering these products or services, pay monetary damages or fines, enter into royalty or licensing arrangements, satisfy indemnification obligations that we have with some of our clients or make changes to our business practices, any of which could have an adverse effect on our business, reputation, results of operations, financial condition and prospects. Even when these ~~claims matters~~ **are not meritorious without basis**, the defense of these ~~claims matters~~ **matters** may divert our management's attention and may result in significant expenses. The results **and timing** of litigation, **investigations** and other legal proceedings are inherently uncertain, and adverse judgments or settlements in some of these ~~matters~~ **legal disputes** may result in adverse monetary damages, penalties or injunctive relief against us, **as well as adverse publicity and reputational harm**, which could have a material adverse effect on our financial condition, cash flows or results of operations. Any **such matters** ~~claims or litigation~~, even if fully indemnified or insured, could damage our reputation and make it more difficult to compete effectively or to obtain adequate insurance in the future. Furthermore, while we maintain insurance for certain potential liabilities, such insurance does not cover all types and amounts of potential liabilities and is subject to various exclusions as well as caps on amounts recoverable. Even if we believe a claim is covered by insurance, insurers may dispute our entitlement to recovery for a variety of potential reasons, which may affect the timing and, if the insurers prevail, the amount of our recovery. We are subject to industry regulations and other legal or reputational risks that could restrict our activities or negatively impact our performance or financial condition. Our industry is subject to government regulation and other governmental action, both in the United States and internationally. We and our clients are subject to specific rules, prohibitions, media restrictions, labeling disclosures and warning requirements applicable to advertising for certain products. Governmental entities, self-regulatory bodies and consumer groups may also challenge advertising through legislation, regulation, judicial actions or otherwise, for example on the grounds that the advertising is false and deceptive or injurious to public welfare. Moreover, there has recently been an expansion of specific rules, prohibitions, media restrictions, labeling disclosures, and warning requirements with respect to advertising for certain products. Any regulatory or judicial action that affects our ability to meet our clients' needs or reduces client spending on our services could have a material adverse effect on our business, results of operations, financial condition and prospects. Existing and proposed laws and regulations, in particular in the European Union and the United States, concerning user privacy, use of personal ~~information~~ **data** and online tracking technologies could also affect the efficacy and profitability of internet-based, digital and targeted marketing. We are subject to laws and regulations that govern whether and how we can transfer, process or receive certain data that we use in our operations. For example, federal laws and regulations governing privacy and security of consumer information generally apply to our clients and / or to us as a service provider. These laws and regulations include, but are not limited to, the federal Fair Credit Reporting Act, the Gramm-Leach-Bliley Act and regulations implementing its information safeguarding requirements, the Junk Fax Prevention Act of 2005, the Controlling the Assault of Non-Solicited Pornography and Marketing Act of 2003, the Telephone Consumer Protection Act, the Do-Not-Call-Implementation Act, applicable Federal Communications

Commission telemarketing rules (including the declaratory ruling affirming the blocking of unwanted robocalls), the Federal Trade Commission Privacy Rule, Safeguards Rule, Consumer Report Information Disposal Rule, Telemarketing Sales Rule, Risk- Based Pricing Rule, Red Flags Rule, and the CCPA. Laws of foreign jurisdictions, such as Canada’s Anti- Spam Law and Personal Information Protection and Electronic Documents Act, and the GDPR similarly apply to our collection, processing, storage, use, and transmission of protected data. The European Union, for example, has ~~recently~~ tightened its rules on the transferability of data to the United States. Collection, processing, and storage of biometric identifiers has come under increasing regulation and is the subject of class action litigation. The costs of compliance with these laws and regulations may increase in the future as a result of the implementation **or changes in interpretation** of new laws or regulations, such as the GDPR and the CCPA, ~~or changes in interpretations of current ones, such as the interpretation of existing consumer protection laws as imposing restrictions on the online collection, storage and use of personal data~~. See “ — Risks Related to Data Privacy and Cybersecurity — We are subject to extensive data privacy laws and regulations. ” Any failure on our part to comply with these legal requirements, or their application in an unanticipated manner, could harm our business and result in penalties or significant legal liability. The imposition of restrictions on certain technologies by private market participants in response to privacy concerns could also have a negative impact on our digital business. If we are unable to transfer data between countries and regions in which we operate, or if we are prohibited from sharing data among our products and services, it could affect the manner in which we provide our services or adversely affect our financial results. Legislators, agencies and other governmental entities, as well as consumer groups, may also continue to initiate proposals to ban the advertising of specific products, such as alcohol, tobacco or marijuana products, and to impose taxes on or deny deductions for advertising, which, if successful, may hinder our ability to accomplish our clients’ goals and have an adverse effect on advertising expenditures and, consequently, on our revenues. Governmental action, including judicial rulings, on the relative responsibilities of clients and their marketing agencies for the content of their marketing can also impact our operations. We could also suffer reputational risk as a result of governmental or legal action or from undertaking work that may be challenged by consumer groups or considered controversial. We are subject to laws and regulations in the United States and other countries in which we operate, including export restrictions, economic sanctions, the FCPA, and similar anti- corruption laws. Compliance with these laws requires significant resources, and non- compliance may result in civil or criminal penalties and other remedial measures. We are subject to many laws and regulations that restrict our international operations, including laws that prohibit activities involving restricted countries, organizations, entities and persons that have been identified as unlawful actors or that are subject to U. S. sanctions. The U. S. Office of Foreign Assets Control (“ OFAC ”), and other international bodies have imposed sanctions that prohibit us from engaging in trade or financial transactions with certain countries, businesses, organizations and individuals. For example, in February 2022, following Russia’s invasion of Ukraine and the imposition of economic sanctions targeting Russia by the United States and other countries, we exited our operations in Russia. Despite our efforts to ensure compliance with applicable law, it is difficult to anticipate the effect such sanctions may have on us, and compliance with any further sanctions imposed or actions taken by the United States or other countries, as well as the effect of current or further economic sanctions (and any retaliatory responses thereto) may otherwise have an adverse effect on our operations. We are also subject to the Foreign Corrupt Practices Act (“ FCPA ”) and anti- bribery and anti- corruption laws in other countries. The FCPA prohibits U. S. businesses and their representatives from offering to pay, paying, promising to pay or authorizing the payment of money or anything of value to a foreign official in order to influence any act or decision of the foreign official in his or her official capacity or to secure any other improper advantage in order to obtain or retain business. The FCPA also obligates companies whose securities are listed in the United States to comply with accounting provisions requiring us to maintain books and records, which in reasonable detail, accurately and fairly reflect the transactions and dispositions of the assets of the corporation, including international subsidiaries, if any, and to devise and maintain a system of internal accounting controls sufficient to provide reasonable assurances regarding the reliability of financial reporting and the preparation of financial statements. Globally, other countries have enacted anti- bribery and anti- corruption laws similar to the FCPA, such as ~~the Anti- Graft and Corrupt Practices Act in the Philippines and~~ the U. K. Bribery Act 2010, all of which prohibit companies and their intermediaries from bribing government officials for the purpose of obtaining or keeping business or otherwise obtaining favorable treatment. We operate in many parts of the world that have experienced government corruption to some degree, and, in certain circumstances, strict compliance with anti- bribery laws may conflict with local customs and practices, although adherence to local customs and practices is generally not a defense under U. S. and other anti- bribery laws. Our compliance program contains controls and procedures designed to procure our compliance with applicable anti- bribery, anti- corruption, economic sanctions, and other laws and regulations. The continuing implementation and ongoing development and monitoring of our compliance program is time consuming and expensive and could result in the discovery of compliance issues or violations by us or our employees, independent contractors, subcontractors or agents of which we were previously unaware. In addition, due to uncertainties and complexities in the regulatory environment and dynamic developments in the scope of such regulations (including with respect to economic sanctions imposed by the United States and other jurisdictions targeting Russia), we cannot be sure that regulators will interpret laws and regulations the same way we do, or that we will be in full compliance with applicable laws and regulations. Any violations of these or other laws, regulations and procedures by our employees, independent contractors, subcontractors and agents, including third parties we associate with or companies we acquire, could expose us to administrative, civil or criminal penalties, fines or business restrictions, which could have a material and adverse effect on our results of operations and financial condition and would adversely affect our reputation and the market for shares of our Class A Common Stock. Risks Related to Intellectual Property Our business operations could suffer if we fail to adequately protect and enforce our intellectual property and other proprietary rights. We rely on trademark, patent, copyright, trade secret and other intellectual property laws, as well as contractual provisions such as confidentiality clauses, to establish and protect our intellectual property and other proprietary rights, including in our Brands (and the trademark rights thereto) and our proprietary technologies. These

laws are subject to change at any time and certain agreements may not be fully enforceable, which could restrict our ability to protect our intellectual property rights. Such means may also afford only limited protection of our intellectual property and may not: (i) prevent others from independently developing products or services similar to, or duplicative of, ours; (ii) prevent our competitors from gaining access to our proprietary information and technologies; or (iii) permit us to gain or maintain a competitive advantage. We cannot be sure that the actions we have taken to establish and protect our trademarks and other intellectual property rights will adequately protect us, and if our existing intellectual property rights are rendered invalid or unenforceable, or narrowed in scope, the intellectual property protections afforded our Brands, products and services would be impaired. Such impairment could impede our ability to market our products and services, negatively affect our competitive position, and harm our business and operating results. Even if we successfully maintain our intellectual property rights, we may be unable to enforce those rights against third parties. We also rely on patents to protect our products, services and designs. We have applied for, and expect to continue to apply for, additional patent protection for proprietary aspects of existing and proposed processes, services and products. Our patent applications may not result in issued patents, and any patents issued as a result of our patent applications may not be of sufficient scope or strength to provide us with any meaningful protection or commercial advantage. Additionally, we seek to maintain the confidentiality of certain trade secrets and other proprietary information to preserve our position in the market. We employ various methods to protect such intellectual property, such as entering into confidentiality agreements with certain third parties and our employees, and controlling access to, and distribution of, our proprietary information. However, our efforts may not be effective in controlling access to our proprietary information, and we may not have adequate remedies for the misappropriation of such information. Furthermore, even if we successfully maintain the confidentiality of our trade secrets and other proprietary information, competitors may independently develop products or technologies that are substantially equivalent or superior to our own. As we expand our service offerings and the geographic scope of our sales and marketing, we may face additional intellectual property challenges. Certain foreign countries do not protect intellectual property rights as fully as they are protected in the United States and, accordingly, intellectual property protection may be limited or unavailable in some foreign countries where we choose to do business. It may therefore be more difficult for us to successfully challenge the use of our intellectual property rights by other parties in these countries, which could diminish the value of our Brands, products or services and cause our competitive position and growth to suffer. Filing, prosecuting and defending our intellectual property in all countries throughout the world may be prohibitively expensive. The lack of adequate legal protections of intellectual property or failure of legal remedies for related actions in jurisdictions outside of the United States could have an adverse effect on our business, results of operations, and financial condition. If we infringe, misappropriate or otherwise violate the intellectual property rights of third parties or are subject to an intellectual property infringement or misappropriation claim, our ability to grow our business may be severely limited and our business could be adversely affected. We may in the future be the subject of patent or other litigation. Our products and services, including products and services that we may develop in the future, may infringe, or third parties may claim that they infringe, intellectual property rights covered by patents or patent applications under which we do not hold licenses or other rights. Third parties may own or control these patents and patent applications in the United States and abroad. These third parties could bring claims against us that would cause us to incur substantial expenses and, if successfully asserted against us, could cause us to pay substantial damages. Further, if a patent infringement or other intellectual property- related lawsuit were brought against us, we could be forced to stop or delay production or sales of the product that is the subject of the suit. From time to time, we may receive letters from third parties drawing our attention to their patent rights. While we take steps to ensure that we do not infringe upon, misappropriate or otherwise violate the rights of others, there may be other more pertinent rights of which we are currently unaware. The defense and prosecution of intellectual property lawsuits could result in substantial expense to us and significant diversion of effort by our technical and management personnel. An adverse determination of any litigation or interference proceeding to which we may become a party could subject us to significant liabilities. As a result of patent infringement claims, or in order to avoid potential claims, we may choose or be required to seek a license from the third party and be required to pay significant license fees, royalties or both. Licenses may not be available on commercially reasonable terms, or at all, in which event our business would be materially and adversely affected. Even if we were able to obtain a license, the rights may be nonexclusive, which could result in our competitors gaining access to the same intellectual property. Ultimately, if we are unable to obtain such licenses, we could be forced to cease some aspect of our business operations, which could harm our business significantly. Our products and services use open source software, and any failure to comply with the terms of one or more applicable open source licenses could adversely affect our business, subject us to litigation, and create potential liability. Some of our solutions use software made available under open source licenses, and we expect to continue to incorporate open source software in our solutions in the future. Open source software is typically freely available, development costs and speed up the development process, it may also present certain risks, that may be greater than those associated with the use of third- party commercial software. For example, open source software is generally provided without any warranties or other contractual protections regarding infringement or the quality of the code, including the existence of security vulnerabilities. We cannot guarantee we comply with all obligations under these licenses. If the owner of the copyright in the relevant open source software were to allege that we had not complied with the conditions of one or more open source licenses, we could be required to incur significant expenses defending against such allegations, ~~may~~ **and could** be subject to the payment of damages, enjoined from further use of the software, required to comply with conditions of the license (which may include releasing the source code of our proprietary software to third parties without charge), or forced to devote additional resources to re- engineer all or a portion of our solutions to avoid using the open source software. Any of these events could create liability for us, damage our reputation, and have an adverse effect on our ~~revenue- business~~, **and- result of** operations, **, financial condition and prospects**. Risks Related to Our Capital Structure and Financing Our substantial indebtedness could adversely affect our ability to raise additional capital to fund our operations, limit our ability to react to changes in the economy or in our

industry, expose us to interest rate risk to the extent of our variable rate debt, and prevent us from meeting our obligations under our indebtedness. We are highly leveraged. As of December 31, 2022-2023, we had \$ 1. 2-1 billion of total consolidated indebtedness outstanding. Our outstanding credit agreement and notes are guaranteed by substantially all of our material domestic subsidiaries, and our outstanding credit agreement is secured by substantially all of the assets and stock of such subsidiaries. If we cannot make scheduled payments on our debt, we will be in default and, as a result, our debt holders could declare all outstanding principal and interest to be due and payable; the lenders under our outstanding credit agreement could terminate their commitments to loan us money and foreclose against the assets securing our borrowings; and we could be forced into bankruptcy or liquidation, which could adversely affect our business, results of operations, financial condition and prospects. Our high degree of leverage could have important consequences for us, including: • requiring us to utilize a substantial portion of our cash flows from operations to make payments on our indebtedness, reducing the availability of our cash flows to fund working capital, capital expenditures, development activity, and other general corporate purposes; • increasing our vulnerability to adverse economic, industry, or competitive developments; • exposing us to the risk of increased interest rates because substantially all of our borrowings, other than the \$ 1, 100, 000 aggregate principal amount of 5. 625 % senior notes due 2029 (the “ 5. 625 % Notes ”), are at variable rates of interest; • making it more difficult for us to satisfy our obligations with respect to our indebtedness, and any failure to comply with the obligations of any of our debt instruments, including restrictive covenants and borrowing conditions, could result in an event of default under the agreements governing our indebtedness; • restricting us from making strategic acquisitions or causing us to make non- strategic divestitures; • limiting our ability to obtain additional financing for working capital, capital expenditures, product development, debt service requirements, acquisitions, and general corporate or other purposes; and • limiting our flexibility in planning for, or reacting to, changes in our business or market conditions and placing us at a competitive disadvantage compared to our competitors who are less highly leveraged and who, therefore, may be able to take advantage of opportunities that our leverage prevents us from exploiting. Our outstanding credit agreement is floating rate debt. If interest rates increase, our debt service obligations on such indebtedness will increase even though the amount borrowed remained the same, and our net income and cash flows, including cash available for servicing our indebtedness, will correspondingly decrease. ~~We may also elect to enter into swaps to reduce our exposure to floating interest rates, but we may not maintain interest rate swaps with respect to all of our variable rate indebtedness, and any swaps we enter into may not fully mitigate our interest rate risk.~~ In addition, we may be able to incur substantial additional indebtedness in the future. As of December 31, 2022-2023, we had \$ 375-565 million of availability under our revolving credit agreement. In addition, we will be permitted to add, under such credit agreement, incremental facilities, subject to certain conditions being satisfied. Although the agreements governing our indebtedness contain restrictions on the incurrence of additional indebtedness, these restrictions are subject to a number of significant qualifications and exceptions and, under certain circumstances, the amount of indebtedness that could be incurred in compliance with these restrictions could be substantial. These restrictions also will not prevent us from incurring obligations that do not constitute indebtedness as defined under our debt instruments. To the extent new debt is added to our current debt levels, the substantial leverage risks described above would increase. We may be unable to service all our indebtedness. Our ability to make scheduled payments on and to refinance all our indebtedness depends on and is subject to our financial and operating performance, which in turn is affected by general and regional economic, financial, competitive, business and other factors beyond our control, including the availability of financing in the banking and capital markets. Our business may not generate sufficient cash flow from operations, and future borrowings may not be available to us in an amount sufficient to enable us to service all our debt, to refinance all our debt or to fund our other liquidity needs. If we are unable to meet all our debt service obligations or to fund our other liquidity needs, we will need to restructure or refinance all or a portion of our debt, which could cause us to default on our debt obligations and impair our liquidity. Any refinancing of our indebtedness could be at higher interest rates and may require us to comply with more onerous covenants that could further restrict our business operations. Moreover, in the event of a default, the holders or lenders of our indebtedness could elect to declare all the funds borrowed to be due and payable, together with accrued and unpaid interest. The lenders under our outstanding credit agreement could also elect to terminate their commitments thereunder, cease making further loans, and institute foreclosure proceedings against their collateral, and we could be forced into bankruptcy or liquidation. We may need additional capital in the future, which may not be available to us. The raising of any additional capital may dilute holders’ ownership percentage in our stock. As of December 31, 2022-2023, we had unrestricted cash and cash equivalents totaling \$ 221-120 million and a borrowing capacity under our credit facility of \$ 500-640. 0 million, with \$ 375-565 million of unused capacity available. We intend to continue to make investments to support our business growth and may require additional funds if our capital is insufficient to pursue business opportunities and respond to business challenges. Accordingly, we may need to engage in equity, equity- linked or debt financings to secure additional funds. If we raise additional funds through further issuances of equity or convertible debt securities, our existing stockholders could suffer dilution, and any new equity securities we issue could have rights, preferences, and privileges superior to those of holders of our Class A Common Stock. Any debt financing secured by us in the future could involve restrictive covenants relating to our capital raising activities and other financial and operational matters, which may make it more difficult for us to obtain additional capital and to pursue business opportunities, including potential acquisitions. In addition, we may not be able to obtain additional financing on terms favorable to us, if at all. If we are unable to obtain adequate financing or financing on terms satisfactory to us, our ability to continue to support our business growth and to respond to business challenges could be significantly limited. In addition, because credit ratings are an important factor influencing our ability to access capital and the terms of any new indebtedness, including covenants and interest rates, we could be adversely affected if our credit ratings were downgraded or if they were significantly weaker than those of our competitors. Additionally, credit ratings may not reflect the potential effect of risks relating to the structure or marketing of our debt. Any credit rating initially assigned to our debt that is subsequently lowered or withdrawn for any reason could harm our ability to raise additional capital at acceptable cost and as a

result adversely affect our business, results of operations, financial condition and prospects. Our clients and vendors may also consider our credit profile when considering whether to contract with us or negotiating contract terms, and if they were to change the terms on which they deal with us, it could have a further adverse effect on our business, prospects, results of operations and financial condition. If our available liquidity is insufficient, our financial condition could be adversely affected and we may be unable to fund contingent deferred acquisition liabilities, and any put options if exercised. We maintain our credit agreement, together with cash flow from operations and proceeds from our recent notes financing, to fund our working capital needs and to fund the exercise of put option obligations and contingent deferred acquisition payments. If credit were unavailable or insufficient under our credit agreement, our liquidity could be adversely affected, and our ability to fund our working capital needs and any contingent obligations with respect to put options or contingent deferred acquisition payments could be adversely affected. We have made acquisitions for which we have deferred payment of a portion of the purchase price, with the deferred acquisition consideration generally payable based on achievement of certain thresholds of future earnings of the acquired company. In addition, a noncontrolling equityholder in an acquired business **often sometimes** has the right to require the us to purchase all or part of such holder's interest, either at specified dates or upon the termination of such holder's employment with the subsidiary or death (put rights). Payments we are required to make in respect of deferred acquisition consideration and noncontrolling equityholder put rights may be significantly higher than the amounts we estimate because the actual obligation adjusts based on the performance of the acquired businesses over time. If available liquidity is insufficient, we may be unable to fund contingent deferred acquisition payments. Our Up- C structure places significant limitations on our cash flow because our principal asset is our interest in OpCo, and, accordingly, we depend on distributions from OpCo to pay our taxes and expenses, including payments under the Tax Receivables Agreement. As part of our umbrella partnership- C corporation ("Up- C") structure, we are a holding company and our principal asset is our ownership of common units of our operating subsidiary, ~~Stagwell Global LLC~~ ("OpCo"). This structure is designed to enable us to obtain certain tax benefits, and 85 % of such tax benefits are payable to Stagwell Media under our Tax Receivables Agreement with Stagwell Media and OpCo. However, we have no independent means of generating revenue or cash flow, and our ability to pay taxes and operating expenses, and to service our liabilities, is dependent upon the financial results and cash flows of OpCo and its subsidiaries, along with the distributions we receive from OpCo. OpCo intends to make payments to us out of available funds, and subject to limitations imposed under the agreements governing our indebtedness, and there can be no assurance that OpCo and its subsidiaries will generate sufficient cash flow to distribute funds to us or that applicable state law and contractual restrictions will permit such distributions. Moreover, because of our Up- C structure, this financing arrangement can give rise to U. S. corporate income tax liabilities for us in respect of the formation of OpCo, and subsequently as OpCo makes cash distributions to us to the extent they are subject to certain technical regulations regarding disguised sales, subject to certain exceptions including for distributions of operating cash flows and leveraged distributions. In such an event, we would depend on further cash distributions from OpCo in order to enable us to pay such tax liabilities. We also incur expenses related to our operations, which may be significant. We intend, as OpCo's sole manager, to cause OpCo to make cash distributions to the owners of OpCo membership interests so that we receive (i) an amount sufficient to allow us to fund all of our tax obligations in respect of taxable income allocated to us and (ii) distributions to cover our operating expenses, including any obligations to make payments under the Tax Receivables Agreement. When OpCo makes distributions, Stagwell Media and the other members of OpCo besides us are and will be entitled to receive proportionate distributions based on their economic interests in OpCo's common units at the time of such distributions. OpCo's ability to make such distributions may be subject to various limitations and restrictions, such as restrictions on distributions that would either violate any contract or agreement to which OpCo is then a party, or any applicable law, or that would have the effect of rendering OpCo insolvent or exceed the amounts that OpCo is permitted to distribute under the agreements governing our indebtedness. If we do not have sufficient funds to pay tax or other liabilities or to fund our operations, we may have to borrow funds, which could materially and adversely affect our liquidity and financial condition and subject us to various restrictions imposed by any such indebtedness. To the extent that we are unable to make payments under the Tax Receivables Agreement for any reason, such payments generally will be deferred and will accrue interest until paid, but nonpayment for a specified period may constitute a material breach of a material obligation under the Tax Receivables Agreement and therefore accelerate payments due under the Tax Receivables Agreement. Any inability to pay tax or other liabilities or to fund our operations could have a material and adverse effect on our business, results of operations, financial condition and prospects. Our Tax Receivables Agreement with Stagwell Media requires us to make cash payments to Stagwell Media in respect of certain tax benefits to which we may become entitled, and we expect the payments we are required to make to be substantial, may be required to be made prior to the time that we recognize any associated tax benefits and may make our company a less attractive target to potential acquirers. In connection with the closing of the Transactions, we entered into the Tax Receivables Agreement with OpCo and Stagwell Media, pursuant to which we are required to make cash payments to Stagwell Media equal to 85 % of certain U. S. federal, state and local income tax or franchise tax savings, if any, that we actually realize, or in certain circumstances are deemed to realize, as a result of (i) increases in the tax basis of OpCo's assets resulting from redemptions or exchanges by the other holders of OpCo's common units, together with a corresponding number of shares of our Class C ~~Common common~~ **Stock stock**, par value \$ 0. 00001 per share (the "Class C Common Stock"), for shares of our Class A Common Stock or cash, as applicable, and (ii) certain other tax benefits related to us making payments under the Tax Receivables Agreement. We expect the amount of the cash payments that we are required to make under the Tax Receivables Agreement to be significant. Any payments made to Stagwell Media under the Tax Receivables Agreement will generally reduce the amount of overall cash flow that may have otherwise been available to us. The actual increase in tax basis, as well as the amount and timing of any payments under the Tax Receivables Agreement, varies depending on a number of factors, including, but not limited to, the timing of any future redemptions or exchanges, the price of our Class A Common Stock at the time of such redemptions or exchanges, the extent to which redemptions or exchanges are taxable, the amount and

timing of the taxable income that we generate in the future, the timing and amount of any earlier payments we make under the Tax Receivables Agreement itself, the tax rates then applicable and the portion of our payments under the Tax Receivables Agreement constituting imputed interest. We expect that, as a result of the increases in the tax basis of OpCo's tangible and intangible assets attributable to the redeemed or exchanged OpCo common units, the payments that we may make to Stagwell Media could be substantial. The amounts we may be required to pay under the Tax Receivables Agreement will be calculated based in part on the market value of our Class A Common Stock at the time of redemption or exchange and the prevailing federal tax rates applicable to us over the life of the Tax Receivables Agreement (as well as the assumed combined state and local tax rate), and will generally be dependent on our ability to generate sufficient future taxable income to realize all of these tax savings. Under its amended and restated operating agreement, subject to availability of funds and limitations imposed under the agreements governing our indebtedness, OpCo is generally required from time to time to make distributions in cash to us in amounts that are intended to be sufficient to cover the taxes on our allocable share of the taxable income of OpCo, and OpCo is also required to make pro rata distributions at such time to the other holders of its common units, including Stagwell Media, without taking into account the tax savings realized by us that result in our obligations under the Tax Receivables Agreement. There is no guarantee that the amounts or timing of such distributions will be sufficient to cover payments required under the Tax Receivables Agreement, including in the event payments under the Tax Receivables Agreement are due prior to the time that we realize the associated tax benefits. In particular, the Tax Receivables Agreement provides that in the case of a change in control, a material breach of our obligations under the Tax Receivables Agreement, or if, at any time, we elect an early termination of the Tax Receivables Agreement, then the Tax Receivables Agreement will terminate and our obligations under the Tax Receivables Agreement would accelerate and become due and payable. In such a case, we would be required to make an immediate cash payment to Stagwell Media in an amount equal to the present value of all future payments (calculated using a discount rate equal to the Secured Overnight Financing Rate ("SOFR") plus 100 basis points) under the Tax Receivables Agreement, which payment would be based on certain assumptions, including that we would have sufficient taxable income to fully utilize all potential future tax benefits that are subject to the Tax Receivables Agreement and that Stagwell Media had exchanged any remaining outstanding common units of OpCo, together with shares of our Class C Common Stock, for shares of our Class A Common Stock. In addition, the distributions we receive from OpCo may at some times exceed our tax liabilities and our obligations to make payments under the Tax Receivables Agreement. In the event excess cash is distributed to us, our board of directors (our "Board") will determine the appropriate uses for any excess cash so accumulated, which may include, among other uses, the payment obligations under the Tax Receivables Agreement and the payment of other expenses. We have no obligation to distribute such cash (or other available cash other than any declared dividend) to our stockholders. No adjustments to the redemption or exchange ratio of common units of OpCo, together with shares of our Class C Common Stock, for shares of our Class A Common Stock or cash, as applicable, will be made as a result of either any cash distribution we receive from OpCo or any cash that we retain and do not distribute to our stockholders. To the extent that we do not utilize any excess cash to fund our other expenditures, the other members of OpCo would benefit from any value attributable to such cash balances as a result of their ownership of shares of our Class A Common Stock following a redemption or exchange of their common units of OpCo and shares of our Class C Common Stock. Additionally, no adjustments to the redemption or exchange ratio of common units of OpCo and shares of our Class C Common Stock for shares of our Class A Common Stock or cash will be made in the event that we incur liabilities or expenses but do not receive cash distributions from OpCo in sufficient amount to fund such liabilities or expenses. Risks Related to Accounting and Tax Issues Our results of operations are subject to **foreign currency exchange** fluctuation risks. Although our financial results are reported in U. S. dollars, a portion of our revenues and operating costs is denominated in currencies other than the U. S. dollar, and the functional currency of our foreign operations is generally their respective local currency. As a result, fluctuations in the exchange rate between the U. S. dollar and other currencies, particularly the Canadian dollar, the ~~Euro and the British Pound~~ **and the Euro**, may affect our financial results and competitive position. Because our ~~Audited consolidated Consolidated financial Financial statements Statements~~ are presented in U. S. dollars, we must translate revenues and expenses, as well as assets and liabilities, into U. S. dollars at exchange rates in effect during or at the end of each reporting period. Therefore, changes in the value of the U. S. dollar against other currencies will affect our revenues, operating income and the value of balance- sheet items, including intercompany payables and receivables, that are denominated in other currencies. These changes could cause our revenue and net income in U. S. dollars to be higher or lower than our results in local currency when compared against other periods. In addition, certain of our expenses are incurred in currencies other than those in which we bill for the related services. An increase in the value of certain currencies, such as those listed above, could increase costs for delivery of services overseas by increasing labor and other costs that are denominated in local currency. Our contractual provisions or cost management efforts may not be able to offset their impact, and our currency hedging activities, which are designed to partially offset this impact, may not be successful. This could result in a decrease in the profitability of our contracts that are denominated in such currencies. Our goodwill, intangible assets and right- of- use **lease** assets may become impaired. We have recorded a significant amount of goodwill and, intangible assets in our ~~Audited consolidated Consolidated financial Financial statements Statements~~ resulting from our acquisition activities, and we have in the past recorded, and may in the future record, significant charges for impairment of goodwill and intangible assets. We also have recorded a significant amount of right- of- use lease assets in our ~~Audited consolidated Consolidated financial Financial statements Statements~~ and we have in the past recorded, and may in the future record charges for impairment of these assets. We test, at least annually, the carrying value of goodwill for impairment. The estimates and assumptions about future results of operations and cash flows made in connection with the impairment testing could differ from future actual results of operations and cash flows. For example, in the year ended December 31, 2022, we recorded an impairment charge of \$ 116. 7 million after concluding that the carrying value of eight reporting units exceeded their fair value. **In addition, in the year ended December 31, 2023, we recognized an impairment charge of \$ 10. 0 million to reduce the**

carrying value of four of our right- of- use lease assets and related leasehold improvements and recognized an impairment charge of \$ 1. 4 million to reduce the carrying value of an intangible asset in connection with the abandonment of a trade name. See Note 8 of the Notes to the Audited Consolidated Financial Statements for details on goodwill and intangible-asset impairment impairments recorded in the year-years ended December 31, 2023 and December 31, 2022. If we conclude that any further intangible asset and goodwill values are impaired, whether as a result of underperformance in one or more reporting units, a potential recession or other disruption, interest rate increases or other factors, any resulting non- cash impairment charge could have a material adverse effect on our business, results of operations and financial condition. Material weaknesses in our internal control over financial reporting were identified as of December 31, 2021-2023, and remain unremediated as of December 31, 2022. If our remediation of these material weaknesses is not effective, or if we fail to maintain effective internal control over financial reporting in the future, we may not be able to accurately or timely report our financial results, which could adversely affect investor confidence in our company, our results of operation and our stock price. As discussed in Item 9A. " Controls and Procedures " of this Form 10- K, management identified material weaknesses in our internal control over financial reporting for the fiscal year ended December 31, 2021-2023 that remained unremediated as of December 31, 2022. Any failure to remediate the material weaknesses or to implement required new or improved controls, or difficulties encountered in their implementation, could cause us to fail to meet our reporting obligations. In addition, any testing by us, as and when required, conducted in accordance with Section 404 of the Sarbanes-Oxley Act (" Section 404 "), or For example any subsequent testing by our independent registered public accounting firm, as and when required, may reveal further deficiencies in our internal control over financial reporting that are deemed to be significant deficiencies or our material weaknesses contributed to or our failure that may require prospective or retroactive changes to prevent our or detect misstatements requiring adjustments to our income tax expense and related accounts, accumulated other comprehensive loss, noncontrolling interest and related disclosures for each of the interim periods of 2023 and resulted in the revision of our consolidated financial statements or identify other areas for further attention the annual period of 2022. These material weaknesses also resulted in immaterial adjustments to multiple accounts and related disclosures or for improvement the annual and each of the interim periods of 2023. If we are unable to remediate our existing material weaknesses and implement and maintain effective internal control over financial reporting, or if future testing by us or our independent registered public accounting firm reveals further material weaknesses or other deficiencies in our internal control over financial reporting, our ability to record, process and report financial information timely and accurately could be adversely affected, and we may fail to detect or prevent material misstatements in our annual or interim consolidated financial statements that may require prospective or retrospective changes to our financial statements. In addition, our past and any future such failure, or any misstatement misstatements or restatement restatements of financial information, could also expose us to increased risk of litigation or regulatory inquiries and could cause investors to lose confidence in the accuracy and completeness of our reported financial information, which could negatively affect the market price of our Class A Common Stock. Our disclosure controls and procedures and internal controls may not prevent or detect all errors or acts of fraud. We designed our disclosure controls and procedures to reasonably assure that information we must disclose in reports we file or submit under the Exchange Act is accumulated and communicated to management and recorded, processed, summarized and reported within the time periods specified in the rules and forms of the SEC. We believe that any disclosure controls and procedures or internal controls and procedures, no matter how well- conceived and operated, can provide only reasonable, not absolute, assurance that the objectives of the control system are met. These inherent limitations include the realities that judgments in decision- making can be faulty and that breakdowns can occur because of simple error or mistake. Additionally, controls can be circumvented by the individual acts of some persons, by collusion of two or more people or by an unauthorized override of the controls. Accordingly, because of the inherent limitations in our control system, misstatements due to error or fraud may occur and not be detected. If our judgments or estimates relating to our critical accounting policies are based on assumptions that change or prove to be incorrect, our results of operations could fall below expectations of securities analysts and investors, resulting in a decline in our stock price. The preparation of our financial statements in conformity with GAAP requires management to make judgments, estimates, and assumptions that affect the amounts reported in the Audited consolidated Consolidated financial Financial statements Statements and accompanying notes. We base our estimates on historical experience and on various other assumptions that we believe to be reasonable under the circumstances, as provided in the section titled " Management's Discussion and Analysis of Financial Condition and Results of Operations, " the results of which form the basis for making judgments about the carrying values of assets, liabilities, and equity, and the amount of revenue and expenses that are not readily apparent from other sources. Our results of operations may be adversely affected if our assumptions change or if actual circumstances differ from those in our assumptions, which could cause our results of operations to fall below the expectations of securities analysts and investors, resulting in a decline in the trading price of our Class A Common Stock. Significant judgments, estimates, and assumptions used in preparing our Audited consolidated Consolidated financial Financial statements Statements include, or may in the future include, those related to revenue recognition, business combinations, deferred acquisition consideration, noncontrolling and redeemable noncontrolling interests, goodwill and intangible assets, right- of- use lease assets, and income taxes. We may be subject to adverse tax consequences, such as those related to changes in tax laws or tax rates or their interpretations, and the related application of judgment in determining our global provision for income taxes, deferred tax assets or liabilities or other tax. We and OpCo are subject to tax in multiple tax jurisdictions. Significant judgment is required in determining our global provision for income taxes, deferred tax assets or liabilities and in evaluating our tax positions on a worldwide basis. While we believe our tax positions are consistent with the tax laws in the jurisdictions in which we conduct our business, it is possible that jurisdictional tax authorities may take a contrary view, which may have a significant impact on our global provision for income taxes. Additionally, as a pass- through entity for U. S. tax purposes, OpCo is required to make periodic distributions to (i) us, to enable us to pay taxes

allocable to our investment in OpCo, and (ii) the holders of OpCo's common units and corresponding shares of our Class C Common Stock. If our or OpCo's effective tax rate were to increase, such obligations to make tax distributions will correspondingly increase. See "— Risks Related to Our Capital Structure and Financing — Our Up-C structure places significant limitations on our cash flow because our principal asset is our interest in OpCo, and, accordingly, we depend on distributions from OpCo to pay our taxes and expenses, including payments under the Tax Receivables Agreement." Tax laws are dynamic and subject to change as new laws are passed and new interpretations of the law are issued or applied. For example, the United States enacted significant tax reform, and certain provisions of the new law may adversely affect us. In addition, the Biden administration has proposed several corporate tax increases, including raising the U. S. corporate income tax rate and greater taxation of international income, which, if enacted, could adversely affect our tax liability, and governmental tax authorities are increasingly scrutinizing the tax positions of companies. The United States ~~has~~ also enacted the Inflation Reduction Act of 2022 ("IRA") in August 2022, which, among other changes, introduced a ~~new~~ 1 % exercise tax on certain net share repurchases and equivalent redemptions. Many countries in the European Union, as well as a number of other countries and organizations such as the Organization for Economic Cooperation and Development (the "OECD"), are actively considering changes to existing tax laws that, if enacted, could increase our tax obligations in countries where we do business. In particular, the OECD has agreed to implement a global minimum tax rate of 15 % which would operate by imposing a top-up tax on profits arising in a jurisdiction whenever the effective tax rate of a large multinational enterprise, determined on a jurisdictional basis, is below the 15 % minimum rate (such minimum tax proposal, "Pillar Two"). In December 2022, the European Union member states formally adopted the European Commission's proposal for a directive ensuring a 15 % minimum effective tax rate for large multinational groups (the "Pillar Two Directive"). **A number of European Union member states have either published proposed legislation or enacted final legislation implementing Pillar Two effective as of 2023-2024. If a number of other countries, including the United Kingdom, Switzerland, South Korea and Japan, have enacted Pillar Two legislation or are currently in the process of enacting proposed legislation to implement core elements of Pillar Two effective as of 2024. To the extent Pillar Two is implemented by a jurisdiction in which we operate, we expect these rules that Pillar Two would apply to our subsidiaries in those jurisdictions and could impact our consolidated effective corporate income tax rate as well as increase our tax compliance costs. If the U. S. or other foreign tax authorities change applicable tax laws, our overall taxes could increase, as well as OpCo's obligations to make tax distributions, and our business, financial condition or results of operations may be adversely impacted. We may face material adverse tax consequences resulting from the Transactions in Canada, the United States or other jurisdictions. In connection with the completion of the Transactions, MDC completed a redomiciliation from the federal jurisdiction of Canada to the State of Delaware (the "Redomiciliation"). We believe that the Redomiciliation qualifies as a "reorganization" under section 368 (a) of the Internal Revenue Code (the "Code") and treated, for U. S. federal income tax purposes, as if MDC (i) transferred all of its assets and liabilities to a new U. S. corporation ("New MDC") in exchange for all of such new corporation's outstanding stock and (ii) then distributed the stock of New MDC that it received in the transaction to its ~~shareholders~~ **stockholders** in liquidation of MDC. Additionally, we believe the Transactions should be treated for tax purposes as a deemed transfer by New MDC of its assets to OpCo and an assumption of New MDC's liabilities by OpCo in a transaction intended to qualify as a contribution to OpCo in exchange for OpCo's common units or preferred units under section 721 of the Code, and that Stagwell Media's contribution of its businesses to OpCo is similarly subject to section 721 of the Code. We may face material adverse U. S. tax consequences as a result of the Transactions, and the Internal Revenue Service may not agree with or may otherwise challenge our position on the tax treatment of the Transactions or of internal restructuring transactions undertaken prior to, after, or in connection with the Transactions, which could result in higher U. S. federal tax costs than we anticipate, including a reduction in the net operating loss carryforwards of certain of our subsidiaries. We have not applied for a ruling related to the Transactions and do not intend to do so. Any adverse tax consequences resulting from the Transactions or our operations as a combined company could have an adverse effect on our business, results of operations, financial condition and cash flows. Moreover, U. S. tax laws significantly limit our ability to redomicile outside of the United States. In addition, as a result of the Redomiciliation, we incurred a significant Canadian corporate tax liability and recorded a tax receivable of \$ 12 million included in Other Assets in our ~~Audited consolidated Consolidated financial Financial statements Statements~~. For purposes of the Canadian Tax Act, MDC's taxation year was deemed to have ended immediately prior to it ceasing to be a resident of Canada as a result of the Redomiciliation. Immediately prior to the time of this deemed year end, MDC was deemed to have disposed of each of its properties for proceeds of disposition equal to the fair market value of such properties at that time and was deemed to have reacquired such properties for a cost amount equal to that fair market value. MDC was subject to income tax under Part I of the Canadian Tax Act on any income and net taxable capital gains which arise as a result of this deemed disposition (after the utilization of any available capital losses or non-capital losses) and was also subject to "emigration tax" under Part XIV of the Canadian Tax Act on the amount by which the fair market value, immediately before MDC's deemed year end, of all of its properties exceeded the total of certain of its liabilities and the paid-up capital, determined for purposes of that emigration tax, of all the issued and outstanding shares of MDC immediately before such deemed year end. The quantum of Canadian federal income tax payable by MDC as a result of the Redomiciliation depends upon a number of considerations including the fair market value of its properties, the amount of its liabilities, the Canada- U. S. dollar exchange rate, MDC's ~~shareholder~~ **stockholder** composition, as well as certain Canadian tax attributes, accounts and balances of the Company, each as of the effective time of the Redomiciliation. We have not applied to the Canadian federal tax authorities for a tax ruling relating to the Redomiciliation and do not intend to do so, and the Canadian federal tax authorities may not agree with or may otherwise challenge our position on the tax treatment of the Redomiciliation, which could result in higher Canadian corporate tax liabilities than we anticipate. Any such adverse tax consequences could adversely affect our**

business, results of operation, financial condition and cash flows. Risks Related to Ownership of Our Class A Common Stock and Our Status as a Public Company Our stock price may be volatile. The trading price of our Class A Common Stock **has fluctuated and may in the future** fluctuate substantially and may be lower than its current price. **For example, since August 2, 2021 (the closing date of the Transactions)** ~~This may be especially true for companies like ours with a small public float. If an active market for our securities develops and continues,~~ the trading price of our securities could be volatile and subject **Class A Common Stock on the Nasdaq Global Select Market has ranged from a low of \$ 3.83 per share to wide fluctuations a high of \$ 11.04 per share**. The trading price of our securities depends on many factors, including those described elsewhere in this “ Risk Factors ” section, many of which are beyond our control and may not be related to our operating performance. These fluctuations could cause you to lose all or part of your investment in our securities since you might be unable to sell them at or above the price you paid for them. Any of the factors listed below could have a material adverse effect on your investment in our securities and our securities may trade at prices significantly below the price you paid for them. In such circumstances, the trading price of our securities may not recover and may experience a further decline. Factors affecting the trading price of our securities may include (but are not limited to): • market conditions in the broader stock market in general or in our industry in particular; • actual or anticipated fluctuations in our quarterly financial results or the quarterly financial results of companies perceived to be similar to us; • changes in the market’s expectations about our operating results; • the public’s reaction to our press releases, other public announcements and filings with the **SEC Securities and Exchange Commission**; • rumors and speculation in the press or investment community or on social media about us, our clients or companies perceived to be similar to us; • actual or anticipated developments in our business, competitors’ businesses or the competitive landscape generally; • the operating results failing to meet the expectation of securities analysts or investors in a particular period; • our operating results failing to meet the guidance we may issue from time to time; • changes in financial estimates and recommendations by securities analysts concerning us or the market in general; • the timing of the achievement of objectives under our business plan and the timing and amount of costs we incur in connection therewith; • short selling of our Class A Common Stock or related derivative securities; • actions by hedge funds, short term investors, activist stockholders or stockholder representative organizations; • operating and stock price performance of other companies that investors deem comparable to ours; • changes in laws and regulations affecting our business; • commencement of, or involvement in, litigation or investigations involving us; • changes in our capital structure, such as future issuances of securities or the incurrence of additional debt; • the volume of our Class A Common Stock available for public sale; • any major change in our Board or management; • sales of substantial amounts of our Class A Common Stock by our directors, officers or significant stockholders or the perception that such sales could occur; • the extent to which retail and other individual investors (as distinguished from institutional investors), invest in our Class A Common Stock; • sudden increases in the demand for our Class A Common Stock, including as a result of any “ short squeezes ”; • speculative trading that is not primarily motivated by our announcements or the condition of our business; • general economic and political conditions such as recessions or other economic downturns, inflation, interest rate increase, “ trade wars, ” pandemics and acts of war or terrorism and geopolitical tensions; and • other risk factors described in this “ Risk Factors ” section. Broad market and industry factors may materially harm the market price of our securities irrespective of our operating performance. The stock market in general and Nasdaq in particular have experienced significant price and volume fluctuations that have often been unrelated or disproportionate to the operating performance of the particular companies affected. The trading prices and valuations of these stocks, and of our Class A Common Stock, may not be predictable. A loss of investor confidence in the market for the stocks of other companies ~~which that~~ investors perceive to be similar to ours could depress our stock price regardless of our business, prospects, financial condition or results of operations. Broad market and industry factors and any other global pandemics, as well as general economic, political and market conditions such as recessions or interest rate changes, may ~~seriously affect~~ **significantly depress** the market price of our Class A Common Stock, regardless of our actual operating performance. In addition, the trading price of our Class A Common Stock may be adversely affected by third parties trying to drive down or drive up the market price. Short sellers and others, some of whom post anonymously on social media, may be positioned to profit if our stock declines or otherwise exhibits volatility, and their activities can negatively affect our stock price and increase the volatility of our stock price. These broad market and industry factors could seriously harm the market price of our Common Stock, regardless of our operating performance. A decline in the market price of our securities also could adversely affect our ability to issue additional securities and our ability to obtain additional financing in the future. In addition, in the past, following periods of volatility in the overall market and the market prices of particular companies’ securities, securities class action litigations have often been instituted against these companies. Litigation of this type, if instituted against us, could result in substantial costs and a diversion of our management’s attention and resources. Any adverse determination in any such litigation or any amounts paid to settle any such actual or threatened litigation could require that we make significant payments. If our operating and financial performance in any given period does not meet any guidance that we provide to the public, the market price for our Class A Common Stock may decline. We have in the past provided, and may from time to time provide, guidance regarding our future performance that represents our management’s estimates as of the date such guidance is provided. Any such guidance is based upon a number of assumptions with respect to future business decisions (some of which may change) and estimates that, while presented with numerical specificity, are inherently subject to significant business, economic and competitive uncertainties and contingencies (many of which are beyond our control). Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions that inform such guidance will not materialize or will vary significantly from actual results. Accordingly, our guidance is only an estimate of what management believes is realizable as of the date such guidance is provided. Actual results **have in the past varied, and may in the future** vary from such guidance, and the variations may be material. Investors should also recognize that the reliability of any forecasted financial data diminishes the farther in the future that the data is forecast. In light of the foregoing, investors should not place undue reliance on our financial guidance and should carefully consider any guidance we may publish in context. In addition, in ~~prior~~

**recent** periods our operating or financial results have not met our guidance, or we have reduced our guidance. 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 Class A Common Stock may decline **significantly**. In addition, even though we have issued public guidance in the past, we are not obligated to and may determine not to continue to do so in the future. A significant portion of our Class A Common Stock ~~is restricted from immediate resale but~~ may be sold into the market in the future, which could negatively affect the market price of our Class A Common Stock. As of December 31, ~~2022~~ **2023**, Stagwell Media beneficially owned approximately ~~64~~ **56**% of our outstanding shares of Class A Common Stock on an as-converted basis. Although the shares held by Stagwell Media are subject to securities law restrictions on sales by affiliates, we, Stagwell Media and certain other parties are party to a registration rights agreement pursuant to which, among other things and subject to certain restrictions, we are required to file ~~(and have filed)~~ with the ~~SEC Securities and Exchange Commission~~ a registration statement registering for resale the shares of our Class A Common Stock that are held by, or are issuable upon exchange of units of OpCo (in combination with corresponding shares of our Class C Common Stock) held by, such parties, and to conduct certain underwritten offerings upon the request of holders of registrable securities, including direct and indirect transferees of such holders. In addition, we are party to a securities purchase agreement pursuant to which we are required to register for resale the shares of Class A Common Stock issued **to certain of our stockholders** upon the conversion of our previously outstanding Series 8 convertible preferred stock. As such, sales of a substantial number of shares of Class A Common Stock in the public market could occur at any time. These sales, or the perception in the market that the holders of a large number of shares intend to sell shares, could reduce the market price of Class A Common Stock. We are a “controlled company” within the meaning of the applicable rules of Nasdaq and, as a result, qualify for exemptions from certain corporate governance requirements. Our stockholders will not have the same protections afforded to stockholders of companies that are not controlled companies, and the interests of our controlling stockholder may differ from the interests of other stockholders. Our CEO and Chairman, Mark Penn, beneficially owns or controls approximately ~~64~~ **57**% of the voting power of our Common Stock. As a result, we are a “controlled company” within the meaning of the Nasdaq rules, and as a result, we qualify for exemptions from certain corporate governance requirements. Under these rules, a company of which more than 50% of the voting power for the election of directors is held by an individual, group or another company is a “controlled company” and may elect not to comply with certain corporate governance requirements, including the requirements to have: (a) a majority of independent directors on the ~~board~~ **Board**; (b) a nominating committee comprised solely of independent directors; (c) compensation of executive officers determined by a majority of the independent directors or a compensation committee comprised solely of independent directors; and (d) director nominees selected, or recommended for the selection by the ~~board~~ **Board**, either by a majority of the independent directors or a nominating committee comprised solely of independent directors. Although ~~as of the date of this prospectus,~~ we do not utilize any of these exemptions, we may elect to utilize one or more of these exemptions for so long as we remain a “controlled company.” As a result, our stockholders may not have the same protections afforded to stockholders of companies that are subject to all of the Nasdaq corporate governance requirements. In addition, this concentration of ownership and voting power allows Mr. Penn to control our decisions, including matters requiring approval by our stockholders (such as, subject to certain limitations, the election of directors and the approval of mergers or other extraordinary transactions), regardless of whether or not other stockholders believe that the transaction is in their own best interests. Such concentration of voting power could also have the effect of delaying, deterring or precluding a change of control or other business combination that might otherwise be beneficial to our stockholders, could deprive our stockholders of an opportunity to receive a premium for their Class A Common Stock as part of a sale of our company and might ultimately affect the market price of our Class A Common Stock. Securities or industry analysts may cease publishing research or reports about us, our business, or our market, or publish negative opinions about ~~us our company~~ or the price of our Class A Common Stock, which could cause the price and trading volume of our Class A Common Stock to decline. The trading market for our Class A Common Stock is influenced by the research and reports that industry or securities analysts publish (or may publish) about us, our business and operations, our market or our competitors. If securities or industry analysts cease such coverage, or other analysts fail to commence coverage of us, our stock price and trading volume could be negatively impacted. In addition, we have no control over equity research analysts or the content of their reports, and if any of the analysts who cover, or may cover us in the future, make negative recommendations regarding our stock or issue other unfavorable commentary or research, or provide more favorable relative recommendations about our competitors, **including as a result of any failure to meet our guidance or errors in our financial statements or other disclosure**, the price and trading volume of our Class A Common Stock could decline. There is no guarantee that an active and liquid public market for our securities will be sustained. A liquid trading market for our Class A Common Stock may not be sustained. In the absence of a liquid public trading market: • you may not be able to liquidate your investment in shares of our Class A Common Stock; • you may not be able to resell your shares of our Class A Common Stock at or above the price you paid for them; • the market price of shares of our Class A Common Stock may experience significant price volatility; and • there may be less efficiency in carrying out your purchase and sale orders. Additionally, if our Class A Common Stock becomes delisted from Nasdaq for any reason, the liquidity and price of our Class A Common Stock may be more limited than if we were quoted or listed on Nasdaq or another national securities exchange. You may be unable to sell your shares of Class A Common Stock unless a market can be sustained. We do not intend to pay dividends on our common stock and, consequently, your ability to achieve a return on your investment will depend on appreciation in the price of the Class A Common Stock. We do not intend to declare and pay dividends on our common stock for the foreseeable future. We currently intend to invest future earnings, if any, to fund growth, to develop business, for working capital needs and for general corporate purposes. In addition, certain provisions of Delaware law and our outstanding indebtedness impose requirements that may restrict our ability to pay cash dividends on our common stock. Therefore, you are not likely to receive any cash dividends on shares of our Class A Common Stock for the foreseeable future, and the success of

an investment in the shares of our Class A Common Stock will depend upon any future appreciation in their market price. The market price of shares of our Class A Common Stock may never appreciate and may decrease. We may issue additional shares of our Class A Common Stock or other equity securities without your **stockholder** approval, which would dilute your ownership interests and may depress the market price of your shares. We may issue additional shares of our Class A Common Stock or other equity securities ~~of equal or senior rank~~ in the future in connection with, among other things, future acquisitions, repayment of outstanding indebtedness or under our equity incentive plans, without stockholder approval, in a number of circumstances. Our issuance of additional shares of our Class A Common Stock or other equity securities ~~of equal or senior rank~~ could have the following effects: • your proportionate ownership interest in us will decrease; • the relative voting strength of each previously outstanding share of Class A Common Stock may be diminished; or • the market price of our **Class A Common stock** may decline. Some provisions of Delaware law and our certificate of incorporation and bylaws may deter third parties from acquiring us and diminish the value of our Class A Common Stock. In addition to protections afforded under the Delaware General Corporation Law (“ DGCL ”), or certificate of incorporation and bylaws contain provisions that could have the effect of delaying or preventing changes in control or changes in management or to our Board. These provisions include, among other things: • no cumulative voting in the election of directors, which limits the ability of minority stockholders to elect director candidates; and • the ability of our Board to issue shares of preferred stock in one or more series and, with respect to each such series, to fix the number of shares constituting such series and the designations, powers, preferences, rights, qualifications, limitations and restrictions in respect of the shares of such series, without stockholder approval, which could be used to significantly dilute the ownership of a hostile acquirer. These provisions in our certificate of incorporation and our bylaws, as well as provisions of Delaware law, may discourage, delay or prevent a transaction involving a change in our control that is in the best interest of our minority stockholders. Even in the absence of a takeover attempt, the existence of these provisions may adversely affect the prevailing market price of our Class A Common Stock if they are viewed as discouraging future takeover attempts. These provisions could also make it more difficult for stockholders to nominate directors for election to our Board and take other corporate actions and may also discourage acquisition proposals, or delay or prevent a change in control, which could depress the trading price of our Class A Common Stock. Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the sole and exclusive forum for certain types of actions and proceedings that may be initiated by stockholders and designates the United States federal district courts as the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act, which could limit the ability of our stockholders to obtain a favorable judicial forum for disputes with us or with our directors, officers or employees and may discourage stockholders from bringing such claims. Our certificate of incorporation provides that, subject to limited exceptions, the Court of Chancery of the State of Delaware will be the exclusive forum for: • any derivative action or proceeding brought on behalf of our company; • any action or proceeding asserting a claim of breach of a fiduciary duty owed by any current or former director, officer or other employee or stockholder of our company to us or our stockholders; • any action or proceeding asserting a claim arising pursuant to any provision of the DGCL (or any successor provision thereto) or as to which the DGCL (or any successor provision thereto) confers jurisdiction on the Court of Chancery of the State of Delaware; • any action or proceeding asserting a claim against us or any current or former director, officer or other employee of our company arising pursuant to any provision of the DGCL, our certificate of incorporation, or our bylaws (as each may be amended from time to time); • any action asserting a claim governed by the internal affairs doctrine; or • any other action asserting an “ internal corporate claim ” as that term is defined in Section 115 of the DGCL. For the avoidance of doubt, the foregoing provisions of our certificate of incorporation will not apply to any action or proceeding asserting a claim under the Securities Act of 1933, as amended (the “ Securities Act ”) or the Exchange Act. Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce any duty or liability created by the Securities Act or the rules and regulations thereunder. Accordingly, both state and federal courts have jurisdiction to entertain such claims. To prevent having to litigate claims in multiple jurisdictions and the threat of inconsistent or contrary rulings by different courts, among other considerations, our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the United States will be the exclusive forum for resolving any complaint asserting a cause of action arising under the Securities Act of 1933. Although investors cannot waive compliance with the federal securities laws and the rules and regulations thereunder, any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock will be deemed to have notice of, and consented to, the provisions of our certificate of incorporation described in the preceding sentences. These provisions of our certificate of incorporation could limit the ability of our stockholders to obtain a favorable judicial forum for certain disputes with us or with our directors, officers or other employees, which may discourage such lawsuits against us and our directors, officers and employees. Alternatively, if a court were to find these provisions of our current bylaws inapplicable to, or unenforceable in respect of, one or more of the types of actions or proceedings listed above, we may incur additional costs associated with resolving such matters in other jurisdictions, which could adversely affect our business, financial condition and results of operations. While the Delaware courts have determined that such choice of forum provisions are facially valid, a stockholder may nevertheless seek to bring a claim in a venue other than those designated in the exclusive forum provisions, and there can be no assurance that such provisions will be enforced by a court in those other jurisdictions. The requirements of being a public company may strain our resources, divert management’s attention and affect our ability to attract and retain qualified **board** **Board** members and officers. We are subject to the reporting requirements of the Securities Exchange Act of 1934, as amended (the “ Exchange Act ”), the listing requirements of ~~the Nasdaq Stock Market~~ and other applicable securities rules and regulations. Compliance with these rules and regulations has increased our legal and financial compliance costs, made some activities more difficult, time- consuming or costly and increased 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 results of operations and maintain effective disclosure controls and procedures and internal controls over financial reporting. **Maintaining**

**Strengthening** our disclosure controls and procedures and internal controls over financial reporting in accordance with this standard requires significant resources and management oversight. As a result, management's attention may be diverted from other business concerns, which could harm our business and results of operations. Although we have already hired additional employees to comply with these requirements, we may need to hire more employees in the future, which will increase our costs and expenses. 39