

Risk Factors Comparison 2025-03-10 to 2024-03-15 Form: 10-K

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In your evaluation of the Company and business, you should carefully consider the risks and uncertainties as described below, together with the information included elsewhere in this Annual Report on Form 10- K and other documents we file with the SEC. These factors, as well as additional risks and uncertainties not currently known to us or that we currently believe are immaterial, may currently have, or may have, a significant impact on our business, operating results or financial condition. Actual results could differ materially from those projected in the forward- looking statements contained in this Form 10- K as a result of the risk factors discussed below and elsewhere in this Form 10- K.

Business and Operational Risks Our business could be negatively affected by cyber or other information security breaches, threats or other disruptions. We routinely experience cybersecurity threats, threats to our information technology infrastructure and attempts to gain access to our sensitive information, as do our customers, suppliers, **prime and** subcontractors, and joint venture partners. We ~~may~~ experience similar security threats at customer sites that we operate and manage as a contractual requirement. The threats we face vary from attacks common to most industries to more advanced and persistent, highly organized adversaries who target us because we protect national security information. While we have security measures in place to protect our data, **and** the data of our customers or end- users of our services, our services and underlying infrastructure may in the future be materially breached or compromised as a result of the following:

- Third- party attempts to fraudulently induce employees or customers into disclosing sensitive information such as user names, passwords or other information to gain access to our customers' data, our data or our IT systems;
- Efforts by individuals or groups of hackers and sophisticated organizations, including state- sponsored organizations or nation- states;
- Cyberattacks on our internally built infrastructure;
- Vulnerabilities resulting from enhancements and updates to our existing solutions;
- Vulnerabilities in the products or components across the broad ecosystem that our services operate in or are dependent on;
- Vulnerabilities existing within newly acquired or integrated technologies and infrastructures;
- Vulnerabilities existing within third- party software or services that we employ;
- Attacks on, or vulnerabilities in, the many different underlying networks and services that power the Internet that our products depend on, most of which are not under our control or the control of our vendors, partners, or customers; and
- Employee or contractor errors or intentional acts that compromise our security systems.

To the extent possible, these risks are mitigated by our ability to maintain and improve information security governance policies, enhanced processes and internal security controls, including our ability to escalate and respond to known and potential risks. Although we have developed systems and processes designed to assess, identify, and manage material cybersecurity risks, we can provide no assurances that such systems and processes will provide absolute security. In the normal course of business, we are the target of malicious cyberattack attempts. To date, any such attempts have not been material ~~or significant~~ to us, including to our reputation or business operations, or had a material financial impact, but there can be no assurance that future cyberattacks will not be material ~~or significant~~. A security breach or incident could result in unauthorized parties obtaining access to, or the denial of authorized access to, our IT systems or data, or our customers' systems or data, including intellectual property, proprietary, sensitive, or other confidential information. A security breach or incident could result in the unauthorized disclosure of large quantities of our ~~customers'~~ customers' personally identifiable information. A security breach could also result in a loss of confidence in the security of our services, damage our reputation, negatively impact our future sales, disrupt our business and lead to increases in insurance premiums and legal and financial exposure and liability. Finally, the detection, prevention and remediation of known or potential security vulnerabilities, including those arising from third- party hardware or software, may result in additional financial burdens due to additional direct and indirect costs, such as additional infrastructure capacity spending to mitigate any system degradation. If our customers do not renew their subscriptions or contracts for our solutions and services and expand our ~~relationship~~ **relationships** with them, our revenue could decline and our results of operations would be adversely impacted. To continue to maintain and grow our business, it is important that our existing customers renew their subscriptions or contracts for our solutions and services when existing contract terms expire. Our customers have no obligation to renew or extend their subscriptions or contracts for our solutions or services after the expiration of the contractual periods, which vary in length, and in the normal course of business, some customers have elected not to renew or extend. It is difficult to predict attrition rates given the varying needs of our customer base. Our attrition rates may increase or fluctuate as a result of a number of factors, including customer dissatisfaction with our services, customers' spending levels, mix of customer base, decreases in the number of users at our customers, competition, pricing increases or changes, and deteriorating general economic conditions or budgetary constraints. Our future success also depends in part on our ability to expand our relationships with our current customers by selling additional features, **solutions** and services, more subscriptions or enhanced editions of our **solutions and** services. This may also require increasingly sophisticated and costly sales efforts that are targeted at senior leaders. Similarly, the rate at which our customers purchase new or enhanced **solutions and** services depends on a number of factors, some of which are beyond our control. If our efforts to maintain and expand our relationships with our existing customers are not successful, our business could be harmed.

The U. S. government may terminate, cancel, delay, modify or curtail our contracts at any time prior to completion and, if we do not replace them, this may adversely affect our future revenues and could adversely impact our earnings. Many of the U. S. government programs in which we participate, both as a contractor or subcontractor, extend for several years and include one or more base years and one or more option years. These programs are typically funded on an annual basis. Under these contracts, the U. S. government generally has the right not to exercise options to extend or expand our contracts and may otherwise terminate, cancel, modify or curtail our contracts at its convenience. First, the process may be delayed or disrupted. Changes in

congressional schedules, **administration priorities**, negotiations for program funding levels or unforeseen world events can interrupt the funding for a program or contract. Second, funds for multi-year contracts can be changed in subsequent years in the appropriations process. In addition, the U. S. government has increasingly relied on IDIQ contracts and other procurement vehicles that are subject to a competitive bidding and funding process even after the award of the basic contract, adding an element of uncertainty to future funding levels. Delays in the funding process or changes in funding or funding priorities can impact the timing of available funds or can lead to changes in program content, **delay** or termination at the government's convenience. Any decisions by the U. S. government to not exercise contract options or to terminate, cancel, delay, modify or curtail our major programs or contracts would adversely affect our revenues, revenue growth and profitability. **Federal government spending reductions, workforce changes, and policy shifts may impact our existing operations and future opportunities for new contracts. Uncertainty exists regarding how future budget and program decisions will unfold, including the spending priorities of the new U. S. presidential administration and Congress, and what challenges budget reductions will present for us and our industry generally. The current administration's efforts to reduce the size and spending of the federal government pose several potential risks to our operations. The focus on reducing government spending may lead to fewer contracts being awarded, reduced contract values, or delays in the awarding of contracts. Changes in federal priorities may result in a shift away from governance, risk and compliance software solutions, cybersecurity, and digital identity services, potentially reducing demand for our offerings. Budgetary constraints and spending freezes may lead to delays in contract awards and renewals, as well as modifications or terminations of existing contracts. This could disrupt our revenue streams and require adjustments to our operations and workforce. As federal agencies adjust their spending priorities, there may be a reduction in new business opportunities, limiting our growth prospects and market expansion efforts. Terminations, reductions in force, and hiring freezes within federal agencies may lead to a loss of institutional knowledge and expertise, resulting in delays or disruptions in project execution. Workforce shortages may also affect contract management and oversight, impacting the quality and timeliness of our service delivery. The uncertainty surrounding federal budget allocations, workforce changes, and policy shifts may hinder our ability to execute long-term strategic initiatives and build and maintain long-term relationships with key government stakeholders. As federal agencies face staffing challenges and budget constraints, there may be increased competition among contractors for limited government resources and attention, leading to more stringent contract terms and lower profit margins. We continue to monitor these developments closely and are actively engaging with stakeholders to mitigate potential adverse impacts. However, there can be no assurance that we will be able to fully offset the effects of any reductions in federal government spending, workforce changes, or policy shifts on our business operations and customer relationships.** We are dependent on a few key customer contracts for a significant portion of our future revenue, and a significant reduction in goods and services or delay in implementation to one or more of these contracts would reduce or delay our future revenue and could materially affect our anticipated operating results. A small number of our large customer contracts are expected to comprise a significant portion of our future revenue. Our business will likely be harmed if any of our key customer contracts generate less revenue than we forecast, and the termination or delay of a large contract or multiple contracts could have a material adverse effect on our revenue and profitability. Adverse events affecting the programs subject to these contracts, **such as a significant decline in the traveling public or any significant supply chain delay**, could also negatively affect our ability to process transactions under those contracts, which could adversely affect our revenue and the results of operations. A failure to attract, train, retain and motivate key and skilled employees, including key members of our management team, would adversely affect our ability to execute our strategy and may disrupt our operations. Our business relies heavily upon the expertise and services of our employees. Our success depends upon the continued services of our highly qualified and experienced executive officers and other key members of management. From time to time, there may be changes in our executive management team resulting from the hiring or departure of executives. Such changes in our executive management team may be disruptive to our business. We are also substantially dependent on the continued service of our existing highly trained and skilled personnel, particularly our business development and operations group, because of the complexity of our services and technologies. The technology industry is subject to substantial and continuous competition for engineers and other subject matter experts with high levels of experience in designing, developing and managing software, cybersecurity, and Internet-related services, as well as competition for sales executives, data scientists and operations personnel. Competition for skilled personnel is intense and many U. S. government programs also require contractors to have security clearances, ~~certain of~~ which can be difficult and time-consuming to obtain. We may not be successful in attracting and retaining qualified personnel. From time to time, we have experienced, and we expect to continue to experience, difficulty in hiring, developing, integrating and retaining highly skilled employees with appropriate qualifications. These difficulties may be amplified by evolving restrictions on immigration, travel, or the availability of visas for skilled technology workers. These difficulties could be further amplified by the high cost of living in the Washington D. C. metropolitan area, where our headquarters is located. If we fail to attract new personnel or fail to retain and motivate our current key employees or group, our business and future growth prospects could be severely harmed. Due to the competitive bidding process to obtain U. S. government contracts, both upon initial issuance and re-competition, and the likelihood of bid protest, we may be unable to achieve or sustain revenue growth and profitability. Many of our U. S. government contracts are awarded through a competitive bidding process upon initial award and renewal, and we expect this will continue. There is often significant competition and pricing pressure as a result of this process. The competitive bidding process presents a number of risks, including the following: • ~~We may~~ **From time to time we** expend substantial funds and time to prepare bids and proposals for contracts that ~~may be~~ **are** ultimately awarded to one of our competitors; • ~~We may be~~ **From time to time we are** unable to accurately estimate the resources and costs that will be required to perform any contract we are awarded, which ~~could result~~ **results** in substantial cost overruns and decreased margins; • ~~We may~~ **From time to time we** encounter expense and delay ~~if~~ **when** our competitors protest

or challenge awards of contracts, and any such protest or challenge could result in a requirement to resubmit bids on modified specifications or in the termination, reduction or modification of the awarded contract; • ~~The~~ **From time to time the** protest of contracts awarded to us ~~may result results~~ in the delay of program performance and the generation of revenue while the protest is pending; and • ~~If~~ **From time to time** we are not given the opportunity to re- compete for U. S. government contracts previously awarded to us, **and** we may incur expenses to protest such a decision and ultimately may not succeed in competing for or winning such contract renewal. The U. S. government contracts for which we compete typically have multiple option periods, and if **, as happens from time to time,** we fail to win a contract or a task order, we generally will be unable to compete again for that contract for several years. If we fail to win new contracts or to receive renewal contracts upon re- competition, it may result in additional costs and expenses and possible loss of revenue, and we will not have an opportunity to compete for these contract opportunities again until such contracts expire. Our competitive position and future profitability depend, in part, on our ability to develop new technologies. Our ability to increase revenue from existing customers and attract new customers will depend, in part, on our ability to anticipate and respond effectively to rapid technological changes and market developments. Virtually all of the products we produce and sell are highly engineered and require sophisticated manufacturing and system integration techniques and capabilities. The government market in which we primarily operate is characterized by rapidly changing technologies. The product or program needs of our government and commercial customers change and evolve regularly. Accordingly, our future performance in part depends on our ability to identify emerging technological trends, **devote adequate research and development resources,** develop and manufacture competitive products, and bring those products to market quickly at cost- effective prices. If we fail to effectively anticipate, identify and respond to ~~those~~ **these** changes **in product or program needs** in a timely manner, our business could be negatively impacted. Likewise, if we are unable to develop new products that meet customers' changing needs, future sales and earnings may be adversely affected. Our financial results may fluctuate due to increasing variability in our security solutions' sales and implementation cycles. We market the majority of our security solutions directly to U. S. government customers. The sale and implementation of our services to these entities typically involves a lengthy education process and a significant technical evaluation and commitment of capital and other resources, which adds uncertainty to our sales cycle. This process is also subject to the risk of delays associated with customers' internal budgeting and other procedures for approving large capital expenditures, deploying new technologies within their networks and testing and accepting new technologies that affect key operations. As a result, the sales and implementation cycles associated with certain of our services can be difficult to predict and lengthy. Our quarterly and annual operating results could be materially harmed if orders forecasted for a specific customer for a particular period of time are not realized. Failure to effectively develop and execute our sales and business development capabilities will harm our ability to grow our business. Our ability to increase our customer base and achieve broader market acceptance of our solutions and services ~~will depend~~ **depends**, to a significant extent, on our ability to perform at a high level in our business development, growth, sales and marketing operations and activities. We believe that selling and marketing our security solutions requires advanced sales skills, customer relationships and technical knowledge to generate interest and **to** effectively communicate our solutions or services to new markets. We may not achieve anticipated revenue growth from our growth team if we are unable to hire and develop talented business development and sales personnel, if our new business development and sales personnel are unable to achieve desired productivity levels in a reasonable period of time, or if we are unable to retain our existing sales force. We depend on computing infrastructure operated by third parties to support some of our solutions and customers, and to help complete critical business functions. Any errors, disruption, performance problems, or failure in their or our operational infrastructure could adversely affect our business, financial condition, and results of operations. We rely on the technology, infrastructure, and software applications of certain third parties in order to host or operate ~~some of~~ certain key platform features or functions of our business. Additionally, we rely on third- party computer hardware and cloud capabilities in order to deliver our solutions and services. Our business is dependent on the integrity, security and efficient operation of this technology and infrastructure, and we do not necessarily control the operation or data security of the third -parties we utilize. If any of these third- party services experience errors, disruptions, security issues, or other performance deficiencies; if they are updated such that our solutions become incompatible; if these services, software, or hardware fails or becomes unavailable due to extended outages, interruptions, defects, or otherwise; or if they are no longer available on commercially reasonable terms or prices (or at all), these issues could result in errors or defects in our solutions, failure of our solutions to perform, decline in our revenue and margins, damage to our reputation and brand, exposure to legal or contractual liability, increase in our expenses, and interruption in our ability to manage our operations. In addition, our processes for managing our sales and servicing our customers could be impaired until equivalent services or technology, if available, are identified, procured, and implemented, all of which may take significant time and resources, increase our costs, and could adversely affect our business. Many of these third- party providers attempt to impose limitations on their liability for such errors, disruptions, defects, performance deficiencies, or failures, and if enforceable, we may have additional liability to our customers or third- party providers. Furthermore, our solutions are, in many cases, important or essential to our customers' operations, including **,** in some cases, their cybersecurity or oversight and compliance programs, and subject to service level agreements. Any interruption in our service, whether as a result of an internal or third-party issue, could damage our brand and reputation, cause our customers to terminate or not renew their contracts with us or decrease the use of our solutions and services, require us to indemnify our customers against certain losses, result in our issuing credit or paying penalties or fines, subject us to other losses or liabilities, cause our solutions to be perceived as unreliable or ~~unsecure~~ **unsecured**, and prevent us from gaining new or additional business from current or future customers, any of which could harm our business, financial condition, and results of operations. Moreover, to the extent that we do not effectively address capacity constraints, upgrade our systems as needed, and continually develop our technology and network architecture to accommodate actual and anticipated changes in technology, our business, financial condition, and results of operations could be adversely affected. The provisioning of additional cloud hosting capacity requires lead time. These third parties have no

obligation to renew their agreements with us on commercially reasonable terms, or at all. If these third parties increase pricing terms, terminate or seek to terminate our contractual relationship, establish more favorable relationships with our competitors, or change or interpret their terms of service or policies in a manner that is unfavorable with respect to us, we may be required to transfer to other cloud providers or invest in a private cloud. In that case, we could incur significant costs and experience possible service interruption in connection with doing so, or risk loss of customer contracts if they are unwilling to accept such a change. A failure to maintain our relationships with our third-party providers (or obtain adequate replacements), and to receive services from such providers that do not contain any material errors or defects, could adversely affect our ability to deliver effective products and solutions to our customers and adversely affect our business and results of operations. We depend on third parties for certain operational services and components of our products in order to fully perform under our contracts, and the failure or disruption of a third party to perform these services could have an adverse impact on our business. We rely on subcontractors and other suppliers to provide materials, major components and subsystems for our products or to perform a portion of the services that we provide to our customers. Occasionally, we rely on only one or two sources of supply, which, if disrupted, could have an adverse effect on our ability to meet our commitments to customers. We depend on these subcontractors and suppliers to fulfill their contractual obligations in a timely and satisfactory manner in full compliance with customer requirements. If one or more of our suppliers or subcontractors is unable to satisfactorily provide on a timely basis the agreed-upon supplies or perform the agreed-upon services per its contractual obligations, our ability to perform our obligations as a prime contractor may be adversely affected, and we may be exposed to liability. Our systems and the third-..... such an event outside of our control. Failure to adequately protect our intellectual property, technologies and proprietary rights could harm our business, competitive position, financial condition, and results of operations. Our success depends, in part, on our internally developed technologies, patents and other intellectual property. Despite our precautions, it may be possible for a third party to copy or otherwise obtain and use our trade secrets or other forms of intellectual property without authorization. Furthermore, the laws of foreign countries may not protect our proprietary rights in those countries to the same extent U. S. law protects these rights in the United States. In addition, it is possible that others may independently develop substantially equivalent intellectual property. If we do not effectively protect our intellectual property, our business could suffer. To protect our intellectual property rights, we may be required to spend significant resources to monitor and protect our rights. In the future, we may have to resort to litigation to enforce our intellectual property rights, protect our trade secrets, or determine the validity and scope of the proprietary rights of others. Regardless of outcome, this type of litigation could result in substantial costs and diversion of management and technical resources. The inability to adequately protect and enforce our intellectual property and other proprietary rights could seriously harm our business, results of operations and financial condition. **Our earnings and profitability may vary based on the mix of our contracts and may be adversely affected by our Failure failure to estimate and manage costs, time, and resources** accurately estimate the factors upon which we base our contract pricing could adversely impact our earnings and profitability. Generally, our customer contracts are either firm-fixed-price ("FFP") or cost-reimbursable. Under FFP fixed-price contracts, which represented approximately 75 78.5% of our 2023-2024 revenues, we receive a fixed price irrespective of the actual costs we incur and, and consequently, we carry the burden of any cost overruns. Due to their nature, fixed-price contracts inherently have more risk than cost-reimbursable contracts, particularly fixed-price development contracts where the costs to complete the development stage of the program can be highly variable, uncertain and difficult to estimate. Under cost-reimbursable contracts, subject to a contract-ceiling amount in certain cases, we are reimbursed for allowable costs and paid a fee, which may be fixed or performance-based. If our costs exceed the contract ceiling and are not authorized by the customer or are not allowable under the contract or applicable regulations, we may not be able to obtain reimbursement for all such costs and our fees may be reduced or eliminated. **In addition, Because because** many of our contracts involve advanced designs and innovative technologies, we may experience unforeseen technological difficulties and cost overruns. Under both types of contracts, we must accurately estimate the likely volume of work that will occur, costs and resource requirements involved, and assess the probability of completing individual transactions or milestones within the contracted time period and amount to maximize or earn profit on these contracts. In addition, some of our contracts have provisions relating to cost controls and audit rights, and if we fail to meet the terms specified in those contracts, we may not realize their full benefits. Cost overruns or poor cost controls could lower earnings, or may incur a net loss on a contract, and cause a negative impact on our results of operations. We will face risks associated with the growth of our business in new commercial markets and with new customer verticals, and we may not be able to **achieve continue our** organic growth nor have the necessary resources to dedicate to the overall growth of our business. To increase our revenue, and achieve and maintain profitability, we plan to expand our operations in new commercial markets, including those where we may have limited operating experience, and may be subject to increased business, technology and economic risks that could affect our financial results. In the future, we may increasingly focus on commercial customers, including in the banking, financial services, healthcare, manufacturing, telecommunication, airlines and aerospace, insurance, retail, transportation, shipping and logistics, and energy industries, as well as other critical infrastructure industries. Entering new verticals and expanding in the verticals in which we are already operating will continue to require significant resources and there is no guarantee that such efforts will be successful or beneficial to us. Although sales to a new customer have often led to additional sales to the same customer or similarly situated customers, it is uncertain we will achieve the same penetration and organic growth in the future, and our reputation, business, financial condition, and results of operations could be negatively impacted. As we expand into and within new and emerging markets and heavily regulated industry verticals, we will likely face additional regulatory scrutiny, risks, and burdens from the governments and agencies **which that** regulate those markets and industries. Failure to deliver high-quality technical support services may adversely affect our relationships with our customers and our financial results. Our customers depend on our support organization to resolve technical issues relating to our solutions and offerings. We may be unable to respond quickly enough to accommodate short-term increases in customer demand for support services. Increased customer

demand for these services, without corresponding revenues, could increase costs and adversely affect our operating results. In addition, our sales process is highly dependent on the reputation of our solutions and support and on positive recommendations from our existing customers. Failure to maintain high- quality technical support, or a market perception that we do not maintain high- quality support, could adversely affect our reputation, our ability to sell our offerings to existing and prospective customers, and our business, operating results and financial position. Our growth depends, in part, on the success of our strategic relationship with our partner organizations. To grow our business, we will continue to build, grow and maintain relationships with third parties, such as partner organizations, that provide complementary cybersecurity offerings. Identifying partners and negotiating relationships with them requires significant time and resources. The relationship we have with our partners, and that our partners have with our customers, provides our customers with enhanced value for our solutions and services. Our agreements with our partners are generally non- exclusive; therefore, our partners may offer customer solutions from several companies, including solutions and services that compete with ours. If our partners do not effectively market and sell our solutions or services, or use greater efforts to market and sell their solutions or those of our competitors, or fail to meet the needs of our customers, or if we are unsuccessful in establishing or maintaining our relationships with our partners, our ability to compete in the marketplace or to grow our revenue could be impaired, and our results of operations could be adversely affected. If we are unable to license third- party technology that is used in our products and services to perform key functions, the loss could have an adverse effect on our revenues. We currently incorporate technology that we license from third parties, including software, into our solutions. The third- party technology licenses we used- use by us may not continue to be available on commercially reasonable terms or at all. Our business could suffer if we lost the right to use these technologies. Additionally, if we are unable to license technology from third parties, we may be forced to acquire or develop alternative technology, which we may be unable to do in a commercially feasible manner or at all, and may require us to use alternative technology of lower quality or performance standards. As a result, our margins and results of operations could be significantly harmed. A third - party could claim that the licensed software infringes a patent or other proprietary right. Litigation between the licensor and a third party or between a third party and us could lead to royalty obligations for which we are not indemnified or for which indemnification is insufficient, or we may not be able to obtain any additional license on commercially reasonable terms or at all. The loss of, or our inability to obtain or maintain, any of these technology licenses could delay the introduction of new products or services until equivalent technology, if available, is identified, licensed and integrated. The inability to set optimal pricing structures for our solutions and services could adversely impact our business, financial condition and results of operations. From time to time, we change our pricing model in response to competition, global economic conditions, and general reductions in our customers' spending levels, pricing studies, or changes in how our solutions are broadly consumed. Similarly, as we introduce new products and services, or as a result of the evolution of our existing solutions and services, we may have difficulty determining the appropriate price structure for our products and services. Further, as new and existing competitors introduce new products or services that compete with ours, or revise their pricing structures, we may be unable to attract new customers at the same price or based on the same pricing model as we have used historically. Moreover, as we continue to target selling our solutions and services to larger organizations, these larger organizations may demand substantial price concessions. We may also need to change pricing policies to accommodate government pricing guidelines for our contracts with federal, state, local, and foreign governments and government agencies. If we are unable to modify or develop pricing models and strategies that are attractive to existing and prospective customers, while enabling us to significantly grow our sales and revenue relative to our associated costs and expenses in a reasonable period of time, our business, financial condition, and results of operations may be adversely impacted. Sales to customers outside the United States expose us to risks inherent in international operations. We sell our services outside the United States and are subject to unique risks and challenges associated with international business. These risks and challenges include, but are not limited to, (a) compliance with governmental laws and regulations, (b) foreign business practices, (c) tax environments, (d) protection of our intellectual property, and (e) regional economic and geopolitical conditions. Although our international operations have historically generated a small proportion of our revenues, any of these factors could negatively impact our business and results of operations. In addition, these factors may also negatively impact our ability to successfully expand into emerging market countries, where we have little or no operating experience, where it can be costly and challenging to establish and maintain operations, including hiring and managing required personnel, and difficult to promote our brand, and where we may not benefit from any first- to- market advantage or otherwise succeed. We may be subject to legal proceedings, regulatory disputes and governmental inquiries that could materially harm our business, operating results, and financial condition. From time to time, in the ordinary course of business, we have been involved in legal proceedings and, in the future, may be subject to lawsuits, claims, government investigations and other proceedings. These may include lawsuits and claims related to securities compliance, contracts, subcontracts, intellectual property, employment and wage claims, and other matters. Our business may be adversely affected by the outcome of legal proceedings and other contingencies that cannot be predicted with certainty. Those contingencies include, but are not limited to, the cost of litigation and unpredictable court decisions. Adverse outcomes with respect to litigation, or a government inquiry, or any of these legal proceedings may result in significant settlement costs or judgments, penalties and fines, or harm our reputation, all of which could negatively affect our business, results of operations and financial conditions. Potential future acquisitions, strategic investments, partnerships, divestitures, mergers or joint ventures may subject us to significant risks, any of which could harm our business. We have in the past acquired, and may in the future seek to acquire or invest in complementary businesses, products or technologies to enhance our technical capabilities or otherwise offer capture growth opportunities. Our long- term strategy may include identifying and acquiring, partnering with, investing in or merging with suitable candidates on acceptable terms, or divesting of certain business lines or activities. Partnerships, mergers, joint ventures, acquisitions, and divestitures include a number of risks and present financial, managerial and operational challenges, including but not limited to: • Diversion of management attention from running our existing business; • Possible material weaknesses in internal control over financial

reporting; • Increased expenses, including legal, administrative and compensation expenses related to newly hired or terminated employees; • Increased costs to integrate the technology, personnel, customer base and business practices of the acquired company with us; • Potential exposure to material liabilities not discovered in the due diligence process; • Potential adverse effects on reported operating results due to possible write-down of goodwill and other intangible assets associated with acquisitions; and • Unavailability of acquisition financing or unavailability of such financing on reasonable terms. Any acquired business, technology, service or product could significantly underperform relative to our expectations and may not achieve the benefits we expect from possible acquisitions. For all these reasons, our pursuit of an acquisition, partnership, investment, divestiture, merger, or joint venture could cause its actual results to differ materially from those anticipated **and / or negatively affect our business**. Public confidence in, and acceptance of, identity platforms and biometrics generally, and our solutions specifically, will be a key factor in our business's continued growth. Our future profitability will depend, in part, on public confidence in and acceptance of identity platforms and biometrics generally. Continued acceptance of identity platforms and biometric information as a secure and reliable method to identify individuals, mitigate risk and minimize fraud is an important factor in our continued growth. While both identity platforms and biometrics have become more widely adopted, they may not achieve universal acceptance. The attractiveness of our solutions to our customers is impacted by a number of factors, including the willingness of individuals to provide their personal information, including biometric information, to private or governmental entities, the level of confidence that such information can be stored safely and securely, and trust that such information will not be misused or breached. Certain individuals may never accept the use of biometrics as being safe. If identity platforms and biometrics do not achieve universal acceptance, or our solutions are not competitive with our industry players, our growth could be limited, which could materially adversely affect our business, results of operations and financial condition. On the other hand, any negative associations or perceptions with our solutions or biometrics could impede our business growth and could adversely affect our business, results of operations and financial condition. Likewise, any breaches ~~on~~ of our information technology systems, particularly on the use and collection of biometric information, may subject us to significant reputational, financial, legal or operational consequences. **Any decline or disruption in the travel industry could materially adversely affect our business, results of operations and financial condition. One of our growth strategies is to increase revenue from our TSA PreCheck enrollment offerings. Accordingly, our performance is dependent in part on the strength of the travel industry. Our revenue is therefore susceptible to declines in or disruptions to leisure and business travel that may be caused by factors entirely out of our control, including, but not limited to, prolonged extreme weather, natural or man-made disasters, travel-related health concerns (including pandemics and epidemics or other outbreak of contagious diseases), restrictions related to travel, stay-at-home orders, wars and military actions, terrorist attacks, sources of political uncertainty or political events, protests, foreign policy changes, regional hostilities, general economic conditions (such as a recession or inflation), changes in regulations, labor unrest or travel-related accidents. Because these events or concerns, and the full impact of their effects, are largely unpredictable, they can dramatically and suddenly affect travel behavior and other activities by consumers, and therefore demand for our TSA PreCheck services, which could materially adversely affect our business, results of operations and financial condition. Additionally, as the Real ID Act will require passengers having compliant identification to travel by air in the United States by May 7, 2025, such regulation, if not extended, may decrease the number of travelers with compliant identification and, therefore, negatively impact the demand for our PreCheck services, which could materially adversely affect our business, results of operations and financial condition.** Actions that we are taking to restructure our business to improve profitability may not be as effective as anticipated. ~~We~~ ~~During the fourth quarter of fiscal year 2022, we~~ committed to a restructuring plan to streamline our workforce and ~~spending to better align~~ ~~realign~~ our cost structure with the volume of our business. We ~~executed~~ ~~began the execution of~~ the restructuring plan ~~in~~ early 2023, incurring restructuring-related costs, including employee severance and related benefit costs and external consulting and advisory fees related to the implementation of the restructuring plan. **In addition, we undertook another restructuring action in the third quarter of 2024 in an effort to optimize our strategic priorities, and incurred severance and related benefit costs.** We may be unable to realize the expected improved profitability and efficiency from our restructuring efforts. **We are subject to payment processing risk. In certain instances, our customers pay for our products and services using their credit or debit cards as a payment method. Under this arrangement, we rely on third-party systems to process payments. Acceptance and processing of these payment methods are subject to certain rules and regulations, and require payment of interchange and other fees. The increases in payment processing fees, any disruption in our payment processing systems, material changes in the payment network, delays in receiving payments from third-party payment processors, or changes to rules or regulations concerning payment processing could adversely impact our results of operations. Goodwill and intangible assets representing significant assets on our balance sheet and any impairment on these assets could negatively impact our results of operations, and shareholders' equity. As of December 31, 2024, goodwill and intangible assets, net was 31 % of our total assets. Goodwill and intangible assets are tested for impairment whenever events or changes in circumstances indicate that the carrying value may not be recoverable, and at least annually in the case of goodwill. The impairment test is based on several factors, estimates and assumptions requiring judgment. Adverse changes in macroeconomic conditions, industry and market consideration, overall financial performance, market capitalization and relevant entity-specific events could result in an impairment of goodwill and intangible assets. For instance, in the third quarter of 2024, we decided to discontinue the development and / or sale of all or part of certain solutions for selected capitalized software projects, and certain projects which we ceased to use before the end of its useful life. As a result, we recognized an impairment loss on intangible assets of \$ 11.7 million as of December 31, 2024. Any future impairment of goodwill and intangible assets could have a negative impact on our results of operations and shareholders' equity in the period in which they are recognized. Artificial Intelligence is an emerging technology and may involve significant risks and**

uncertainties. The field of AI is characterized by rapid technological advancements and is subject to significant risks and uncertainties. Our future success is dependent on our ability to develop, integrate, and effectively utilize AI technologies especially in our Xacta solution. Given that this is a new and complex technology, we may face challenges related to the designing, developing, and implementing AI processes and procedures, including the risk of unforeseen operational failures. Further, this technology is subject to evolving industry standards and regulatory constraints. Failures to effectively address these risks and uncertainties may materially and adversely affect our business and results of operations.

Industry, Legal and Regulatory Risks The business environment in which we operate is highly competitive, and we may not be able to compete successfully against existing or future competitors. We operate in an intensely competitive market and diverse industry segment, and we expect competition to increase in the future from established businesses and new market entrants. Based on our current market analysis, ~~there is~~ no single company or small group of companies **is** in a dominant competitive position. Some large competitors offer capabilities in a number of markets that overlap many of the same areas in which we offer services, while certain companies are focused upon only one or a few of such markets. ~~Some of the~~ firms that compete with us in multiple areas include large, established defense contractors. In addition, we compete with smaller specialty companies, including risk and compliance management companies, organizational messaging companies, and security consulting organizations, and companies that provide secure network offerings. If we are unable to anticipate or react to these challenges or do not compete effectively, our competitive position could weaken and could result in a decline in revenue or reduced revenue growth, price reductions or reduced gross margins, and loss of market share, all of which could adversely affect our business. A decline in the federal budget, changes in spending or budgetary priorities of the U. S. government, a prolonged U. S. government shutdown or delays in contract awards may significantly and adversely affect our future revenues, cash flow and financial results. Our customers are substantially U. S. government agencies. The customer relationship with the U. S. government involves certain unique risks. The programs we participate in must compete with other programs and policy imperatives during the budget and appropriations process. If government funding relating to our contracts with the U. S. government becomes unavailable, or is reduced or delayed, or planned orders are reduced, our contracts or subcontracts may be terminated or adjusted by the U. S. government or the prime contractor. Our operating results could also be adversely affected by spending caps or changes in the budgetary priorities of the U. S. government, as well as delays in program starts or the award of contracts or task orders under contracts. In recent years, U. S. government appropriations have been affected by larger U. S. government budgetary issues and related legislation. As a result, DoD funding levels have fluctuated and have been difficult to predict. Future spending levels are subject to a wide range of factors, including Congressional action. In addition, over the last few years, the U. S. government has been unable to complete its budget process before the end of its fiscal year, resulting in ~~both a~~ **series of government shutdown and** continuing resolutions to extend sufficient funds only for U. S. government agencies to continue operating. ~~Not long ago, the federal government was shut down due to a lack of funding for over one month between late 2018 and early 2019, and currently a series of continuing resolutions have funded the government at fiscal year 2023 levels, with no new starts.~~ Moreover, the national debt threatened to reach the statutory debt ceiling ~~in 2023~~, and such an event in future years could result in the U. S. government defaulting on its debts. As a result, government spending levels are difficult to predict beyond the near term due to numerous factors, including the external threat environment, future government priorities and the state of government finances. Significant changes in government spending or changes in U. S. government priorities, policies and requirements could have a material adverse effect on our results of operations, financial condition or liquidity. We are subject to the seasonality of U. S. government spending. We derive a substantial portion of our revenues from U. S. government contracting, and as a result, we are subject to the annual seasonality of U. S. government purchasing. Because the U. S. government fiscal year ends on September 30, it is common for U. S. government agencies to award extra tasks in the weeks immediately prior to the end of its fiscal year in order to avoid the loss of unexpended fiscal year funds. As a result of this seasonality, we have historically experienced higher revenues in **the second half of** our ~~third and fourth~~ fiscal **year quarters, ending September 30 and December 31, respectively**, with the pace of orders typically substantially reduced during ~~our the~~ **first and second half of our** fiscal **year quarters ending March 31 and June 30, respectively**. We are required to comply with stringent, complex and evolving laws, rules, regulations and standards, as well as contractual obligations relating to privacy, data protection and security, technology protection, and other matters. Any actual or perceived failure to comply with these requirements could have a material effect on our business. We are subject to a variety of local, state, national, and international laws and directives and regulations in the United States and abroad that involve matters central to our business, including privacy and data protection, data security, data storage, retention, transfer and deletion, technology protection, and personal information. Foreign data protection, data security, privacy, and other laws and regulations can impose different obligations or be more restrictive than those in the United States. These U. S. federal ~~and~~, state and foreign laws and regulations, which, depending on the regime, may be enforced by private parties or government entities, are constantly evolving and can be subject to significant change, and they are likely to remain uncertain for the foreseeable future. In addition, the application, interpretation, and enforcement of these laws and regulations are often uncertain, and may be interpreted and applied inconsistently from country to country and inconsistently with our current policies and practices. A number of proposals are pending before U. S. federal, state, and foreign legislative and regulatory bodies that could significantly affect our business. The overarching complexity of privacy and data protection laws and regulations around the world pose a compliance challenge that could manifest in costs, damages, or liability in other forms as a result of failure to implement proper programmatic controls, failure to adhere to those controls, or the malicious or inadvertent breach of applicable privacy and data protection requirements by us, our employees, our business partners, or our customers. In addition to government regulation, self-regulatory standards and other industry standards may legally or contractually apply to us, be argued to apply to us, or we may elect to comply with such standards or to facilitate our customers' compliance with such standards. Because privacy, data protection, and information security are critical competitive factors in our industry, we may make statements on our website, in marketing materials, or in

other settings about our data security measures and our compliance with, or our ability to facilitate our customers' compliance with, these standards. We also expect that there will continue to be new proposed laws and regulations concerning privacy, data protection, and information security, and we cannot yet determine the impact such future laws, regulations and standards, or amendments to or re- interpretations of existing laws and regulations, industry standards, or other obligations may have on our business. New laws, amendments to or re- interpretations of existing laws and regulations, industry standards, and contractual and other obligations may require us to incur additional costs and restrict our business operations. As these legal regimes relating to privacy, data protection, and information security continue to evolve, they may result in ever- increasing public scrutiny and escalating levels of enforcement and sanctions. Furthermore, because the interpretation and application of laws, standards, contractual obligations and other obligations relating to privacy, data protection, and information security are uncertain, these laws, standards, and contractual and other obligations may be interpreted and applied in a manner that is, or is alleged to be, inconsistent with our data management practices, our policies or procedures, or the features of our solutions. If so, in addition to the possibility of fines, lawsuits, and other claims, we could be required to fundamentally change our business activities and practices or modify our solutions, which could have an adverse effect on our business. We may be unable to make such changes and modifications in a commercially reasonable manner or at all, and our ability to fulfill existing obligations, make enhancements, or develop new solutions and features could be limited. Furthermore, the costs of compliance with, and other burdens imposed by, the laws, regulations, and policies that are applicable to the businesses of our customers may limit the use and adoption of, and reduce the overall demand for, our solutions. These existing and proposed laws and regulations can be costly to comply with and can make our solutions and services less effective or valuable, delay or impede the development of new products, result in negative publicity, increase our operating costs, require us to modify our data handling practices, limit our operations, impose substantial fines and penalties, require significant management time and attention, or put our data or technology at risk. Any failure or perceived failure by us or our solutions to comply with U. S. or applicable foreign laws, regulations, directives, policies, industry standards, or legal obligations relating to privacy, data protection, or information security, or any security incident that results in loss of or the unauthorized access to, or acquisition, use, release, or transfer of, personal information, personal data, or other customer or sensitive data or information may result in governmental investigations, inquiries, enforcement actions and prosecutions, private claims and litigation, indemnification or other contractual obligations, other remedies, including fines or demands that we modify or cease existing business practices, or adverse publicity, and related costs and liabilities, which could significantly and adversely affect our business and results of operations. We are subject to substantial oversight from federal agencies that have the authority to suspend our ability to bid on contracts. As a U. S. government contractor, we are subject to oversight by many agencies and entities of the U. S. government that may investigate and make inquiries about our business practices and conduct audits of contract performance and cost accounting. Depending on the results of any such audits and investigations, the U. S. government may make claims against us. Under U. S. government procurement regulations and practices, an indictment of a U. S. government contractor could result in that contractor being fined and / or suspended for a period of time from eligibility for bidding on, or for the award of, new U. S. government contracts. A conviction could result in debarment for a specified period of time. ~~To the best of management's knowledge, and debarment could there are no pending government investigations, inquiries, claims or audits against the Company likely to have a material materially adverse and negatively effect affect on our business and operating or our consolidated results of operations, cash flows or financial position.~~ We are subject to governmental export and import controls that could impair our ability to compete in international markets and subject us to liability if we are not in full compliance with applicable laws. Some of our solutions are subject to export and import controls, including, without limitation, the Department of State' s Directorate of Defense Trade Controls, the Commerce Department' s Export Administration Regulations, U. S. Customs regulations and various economic and trade sanctions regulations established by the Treasury Department' s Office of Foreign Assets Control. If we fail to comply with these U. S. export control laws and import laws, we and certain of our employees could be subject to substantial civil or criminal penalties, including the possible loss of export or import privileges; fines, which may be imposed on us and responsible employees or managers; and, in extreme cases, the incarceration of responsible employees or managers. Obtaining the necessary authorizations, including any required license, may be time-consuming, is not guaranteed and may result in the delay or loss of sales opportunities. Furthermore, the U. S. export control laws and economic sanctions laws prohibit the shipment of certain products and services to U. S. embargoed or sanctioned countries, governments and persons. Even though we take precautions to prevent our solutions from being provisioned or provided to U. S. sanctions targets in violation of applicable regulations, our solutions could be provisioned to those targets despite such precautions. Any such sales could have negative consequences, including government investigations, penalties and reputational harm. Changes in our solutions or changes in export and import regulations may create delays in the introduction, sale and deployment of our solutions in international markets or prevent the export or import of our solutions to certain countries, governments or persons altogether. Any decreased use of our solutions or limitation on our ability to export or sell our solutions may adversely affect our business, financial condition and results of operations. Risks Related to Our Financial Reporting and Common Stock We may fail to meet our publicly announced guidance and other expectations about our business and operating results, which may cause our stock price to decline. From time to time, we may release guidance in our quarterly earnings conference calls, quarterly earnings releases, or otherwise, regarding our future performance that represents our management' s estimates as of the date of release. This guidance, which includes forward- looking statements, is based on projections prepared by our management. Projections are based upon a number of assumptions 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 and are based upon specific assumptions with respect to future business decisions, some of which will change. Our aim is to state possible outcomes as high and low ranges to provide a sensitivity analysis as variables are changed but are not intended to imply that actual results could not fall outside of the suggested ranges.

The principal reason that we release guidance is to provide a basis for our management to discuss our business outlook with analysts and investors. We do not accept any responsibility for any projections or reports published by any such third parties. Guidance is necessarily speculative in nature, and it can be expected that some or all of the assumptions underlying the guidance furnished by us 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 of release. Any failure to successfully implement our operating strategy or the occurrence of any of the events or circumstances beyond our control could result in the actual operating results being different from our guidance, and the differences may be adverse and material. In light of the foregoing, investors are urged not to rely upon our guidance **in when** making an investment decision regarding our common stock. Furthermore, if we make downward revisions to our previously announced guidance, or if our publicly announced guidance of future operating results fails to meet the expectations of securities analysts, investors or other interested parties, the price of our common stock may decline. Our quarterly operating results fluctuate and may fall short of prior periods, our projections or the expectations of securities analysts or investors, which could adversely affect the trading price of our stock. Our operating results have fluctuated from quarter to quarter at points in the past, and they may do so in the future. Therefore, the results of any one quarter may not be a reliable indication of results to be expected for any other quarter or for any year. If we fail to increase our results over prior periods, to achieve our projected results or to meet the expectations of securities analysts or investors, our stock price may decline, and the decrease in the stock price may be disproportionate to the shortfall in our financial performance. Results may be affected by various factors, including those described in these risk factors. We cannot guarantee that our share repurchase program will be fully implemented or that it will enhance long-term stockholder value. In May 2022, our Board of Directors approved a share repurchase program ("SRP") for the repurchase of up to \$ 50.0 million of our outstanding shares of our common stock. As of December 31, ~~2023~~ **2024**, approximately \$ 38.7 million remained available under the stock repurchase program. The repurchase program has no termination date and may be suspended for periods, amended or discontinued at any time. We are not obligated to repurchase a specified number or dollar value of shares. Share repurchases under the program will be made from time to time in private transactions or open market purchases, as permitted by securities laws and other legal requirements. There can be no guarantee about the timing of our share repurchases, or that the volume of such repurchases will increase. The stock repurchase program could affect the price of our common stock, increase volatility, diminish our cash reserves, and even if fully implemented may not enhance long-term stockholder value. If we fail to maintain an effective system of internal control, our ability to produce timely and accurate financial statements or comply with applicable regulations could be impaired. We are subject to the reporting requirements of the Exchange Act, the Sarbanes-Oxley Act of 2002 ("Sarbanes-Oxley Act"), the rules and regulations of Nasdaq, and other securities rules and regulations that impose various requirements on public companies. Our management and other personnel devote substantial time and resources to comply with these rules and regulations. Such compliance has increased, and will continue to increase, our legal, accounting and financial compliance costs, makes some activities more difficult, time-consuming and costly, and places significant strain on our personnel, systems and resources. The Sarbanes-Oxley Act requires, among other things, that we maintain effective disclosure controls and procedures and internal control over financial reporting, and to report any material weaknesses in such internal control. ~~In fiscal year ended 2022, management identified a material weakness related to ineffective design and maintenance of controls over the assessment of the accounting for forfeitures of non-standard equity awards. While the identified material weakness has been remediated in fiscal year 2023, we cannot provide assurance that we will not identify additional material weaknesses in future periods or that we will be successful in remediating any future significant deficiencies or material weaknesses in internal control over financial reporting.~~ We are continuing to develop and refine our disclosure controls, internal control over financial reporting and other procedures that are designed to ensure information required to be disclosed by us in our consolidated financial statements and in the reports that we file with the SEC is recorded, processed, summarized and reported within the time periods specified in SEC rules and forms, and information required to be disclosed in reports under the Exchange Act is accumulated and communicated to our principal executive and financial officers. Our current controls and any new controls we develop may become inadequate because of changes in conditions in our business. Additionally, to the extent we acquire other businesses, the acquired company may not have a sufficiently robust system of internal controls and we may uncover new deficiencies. Weaknesses in our internal controls may be discovered in the future. Any failure to develop or maintain effective controls, or any difficulties encountered in their implementation or improvement, could harm our results of operations, may result in a restatement of our consolidated financial statements for prior periods, could cause us to fail to meet our reporting obligations, and could result in an adverse opinion regarding our internal control over financial reporting from our independent registered public accounting firm, and lead to investigations or sanctions by regulatory authorities. Any failure to maintain effective disclosure controls and internal control over financial reporting could have a material and adverse effect on our business and results of operations and could cause a decline in the price of our stock. Section 404 of the Sarbanes-Oxley Act requires our management to certify financial and other information in our quarterly and annual reports and provide an annual management report on the effectiveness of our internal control over financial reporting. We are also required to have our independent registered public accounting firm attest to, and issue an opinion on, the effectiveness of our internal control over financial reporting. If we are unable to assert that our internal control over financial reporting is effective, or if, when required, our independent registered public accounting firm is unable to express an opinion on the effectiveness of our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, which would cause the price of our common stock to decline.

General Risk Factors 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 be adversely affected. The preparation of our consolidated financial statements in conformity with U. S. GAAP requires management to make judgments, estimates, and assumptions that affect the amounts reported in the consolidated financial 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, 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 common stock. Significant judgments, estimates, and assumptions used in preparing our consolidated financial statements include, or may in the future include, those related to revenue recognition, goodwill and other long-lived assets, and income taxes. Weakened global economic conditions may adversely affect our industry, business, operating results and financial condition. Our overall performance depends in part on worldwide economic and geopolitical conditions. The United States and other key international economies have experienced cyclical downturns from time to time in which economic activity was impacted by falling demand for a variety of goods and services, restricted credit, poor liquidity, reduced corporate profitability, volatility in credit, equity and foreign exchange markets, bankruptcies and overall uncertainty with respect to the economy. These economic conditions can arise suddenly and the full impact of such conditions can remain uncertain at any point in time. In addition, geopolitical developments, such as the invasion of Ukraine by Russia **and the conflict in Gaza**, can increase levels of political and economic unpredictability globally and increase the volatility of global financial markets. Moreover, these conditions can affect the rate of information technology spending and could adversely affect our customers' ability or willingness to purchase our solutions and services, delay prospective customers' purchasing decisions, reduce the value or duration of their subscription contracts, or affect attrition rates, all of which could adversely affect our future sales and operating results. Our systems and the third-party systems upon which we and our customers rely are also vulnerable to damage or interruption from catastrophic occurrences or events outside of our control. Our systems and the third-party systems upon which we and our customers rely are also vulnerable to damage or interruption from catastrophic occurrences, telecommunication failures, cybersecurity threats, social unrest, geopolitical and similar events, or acts of misconduct. Despite any precautions we may take, the occurrence of a catastrophic disaster or other unanticipated problems at our or our third-party vendors' hosting facilities, or within our systems or the systems of third parties upon which we rely, could result in interruptions, performance problems, or failure of our infrastructure, technology, or solutions, which may adversely impact our business. In addition, our ability to conduct normal business operations could be severely affected. In the event of significant physical damage to one of these facilities, it may take a significant period of time to achieve full resumption of our services, and our disaster recovery planning may not account for all eventualities. In addition, any negative publicity arising from these disruptions could harm our reputation and brand and adversely affect our business. We may be also be impacted by natural disasters, wars, terrorist attacks, power outages, public health ~~crisis~~ **crises** (epidemics or pandemics), or other events outside of our control. If major disasters such as earthquakes, floods, hurricanes, tornadoes, fires, or other events occur, or our information system or communications network breaks down, operates improperly, or is unusable, our headquarters and other facilities may be seriously damaged, or we may have to stop or delay production and delivery of our solutions and services. ~~In addition~~ **Although we maintain crisis management and disaster response plans**, the recent COVID-19 **such events could make it difficult or impossible for us to deliver our solutions and services to our customers, and could decrease demand for our offerings. We may incur shutdowns, delays, disruptions or expenses relating to such events outside of our control, which could have a material adverse impact on our business, operating results and financial condition. Moreover, any significant natural disaster, pandemic, or disrupted the normal operations of many businesses and other catastrophic organizations, including the temporary closure or scale-back of business operations and the imposition of either quarantine or remote work or meeting requirements for** ~~or force majeure events could affect~~ employees, either by government order or **our personnel, supply chain, or service providers' ability to provide materials and perform services** on a ~~voluntary-timely~~ basis. **Acts of terrorism and The pandemic may adversely affect our customers' ability to perform their other missions and is, geopolitical unrest could also potentially cause disruptions** in many cases disrupting their operations. It may also result in a change in spending priorities on the part of our customers, which could precipitate the cancellation, delay or ~~our~~ deferral of programs, contracts or business opportunities. It may also impact the ability of our ~~or~~ subcontractors, partners, and suppliers to operate and fulfill their ~~the business of our contractual obligations, and result in an increase in their costs and cause delays in performance. These supply chain effects, services providers, and the direct effect of the virus and the disruption on our or the economy as a whole. Because we do not carry insurance for all these possible losses, and significant recovery time could be required to resume operations, may negatively impact both our ability to meet customer demand financial condition and operating results could be materially adversely affected by such and an event outside our control revenue and profit.~~ Increased scrutiny of our environmental, social and governance responsibilities may result in additional costs and risks, and may adversely impact our reputation, employee retention, and willingness of customers and suppliers to do business with us. Investor advocacy groups, institutional investors, investment funds, proxy advisory services, stockholders, and customers are increasingly focused on companies' ESG practices. Additionally, public interest and legislative pressure related to public companies' ESG practices continue to **grow change**. If our ESG practices fail to meet regulatory requirements or investor or other industry stakeholders' evolving expectations and standards for responsible corporate citizenship in areas including environmental stewardship, support for local communities, Board of Director and employee diversity, human capital management, employee health and safety practices, product quality, supply chain management, corporate governance and transparency and employing ESG strategies in our operations, our brand, reputation and employee retention may be negatively impacted and customers and suppliers may be unwilling to do business with us. In addition, as we work to align our ESG practices with industry standards, we **may will likely continue to** expand our disclosures in these areas and doing so may result in additional costs and require additional resources to monitor, report, and comply with our various ESG practices. If we fail to adopt ESG standards or practices as quickly as stakeholders desire, report on our ESG efforts or practices accurately, or satisfy the expectations of stakeholders, our reputation, business, financial performance and growth may be adversely impacted. Changes in accounting principles or their application to

us could result in unfavorable accounting charges or effects, which could adversely affect our results of operations and growth prospects. We prepare consolidated financial statements in accordance with U. S. GAAP. In particular, we make certain estimates and assumptions related to the adoption and interpretation of these principles, including the recognition of our revenue and the accounting of our stock- based compensation expense with respect to our consolidated financial statements. If these assumptions turn out to be incorrect, our revenue or our stock- based compensation expense could materially differ from our expectations, which could have a material adverse effect on our financial results. A change in any of these principles or guidance, or in their interpretations or application to us, may have a significant **effect-impact** on our reported results, as well as our processes and related controls, and may retroactively affect previously reported results or our forecasts, which may negatively impact our financial statements. For example, any recent new standards issued by the Financial Accounting Standards Board could materially impact our consolidated financial statements. The adoption of these new standards may potentially require enhancements or changes in our processes or systems and may require significant time and cost on behalf of our financial management. This may, in turn, adversely affect our results of operations and growth prospects. Global climate-related risks could negatively affect our business. There are inherent climate- related risks wherever business is conducted. Access to clean water and reliable energy in the communities where we conduct our business, whether for our offices, vendors, customers or other stakeholders, is a priority. Any of our primary locations may be vulnerable to the adverse effects of climate change. Climate- related events, including the increasing frequency of extreme weather events and their impact on U. S. critical infrastructure, have the potential to disrupt our business, our third- party suppliers, or the operations and business of our customers, and may cause us to experience higher attrition, losses and additional costs to maintain or resume operations. Increased public awareness and concern regarding global climate change may result in state, federal or international requirements to reduce or mitigate global warming, such as the imposition of carbon pricing mechanisms or stricter limits on greenhouse gas emissions. If environmental or climate- change laws or regulations are adopted or changed that impose significant new costs, operational restrictions or compliance requirements upon our business or our products, they could increase our capital expenditures, reduce our margins and adversely affect our financial position. In addition, our reputation and client relationships may be damaged as a result of our practices related to climate change, including our involvement, or our clients' involvement, in certain industries or projects associated with causing or exacerbating climate change, as well as any decisions we make to continue to conduct or change our activities in response to considerations relating to climate change. 25