Risk Factors Comparison 2024-02-27 to 2023-02-28 Form: 10-K

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

Our business, financial condition, cash flows, and operating results can be affected by a number of factors, whether currently known or unknown, any one or more of which could, directly or indirectly, cause our actual financial condition and operating results to vary materially from past, or from anticipated future, financial condition and operating results. Any of these factors, in whole or in part, could materially and adversely affect our business, financial condition, operating results and stock price. Before making a decision to invest in our common stock, you should carefully consider all of the risks and uncertainties. Risks Related to Our Global Operations ~~Our business~~ **Economic conditions have resulted in, and may continue to result in, client delays, reductions or cancellations, which** has ~~been~~ **made it** , and may continue to ~~be~~ **make it** , **more difficult to forecast client demand** ~~adversely affected by volatile or uncertain operational, geopolitical, regulatory, legal~~ and ~~economic conditions~~ **effectively build a pipeline** . Global macroeconomic conditions have, and may continue to, impact us and our clients' businesses. Volatile economic conditions, including a potential recession, may continue to undermine business confidence in the markets in which we operate. We have seen, and may continue to see, clients reducing or deferring their spending on new initiatives and technologies. In addition, we have experienced, and may continue to experience, clients reducing, delaying or eliminating spending under existing contracts with us, which negatively affects our business. **We generally do not have long-term commitments from our clients,our clients may terminate contracts before completion or choose not to renew contracts,** and ~~thus compress our margins until~~ we are ~~able to reallocate our headcount~~ **not guaranteed payment for services performed under contract** .Clients that delay payment,request modifications to their payment arrangements,or fail to meet their payment obligations to us could increase our cash collection time,cause us to incur bad debt expense,or cause us to incur expenses in collections actions. ~~The~~ **A** loss of ~~clients~~ **business** , **non- payment or** a ~~significant~~ decrease in the ~~volume~~ **scope** of ~~work our~~ **business from significant** clients ~~outsource to us or the price they are willing or able to pay us,if not replaced by new service engagements and revenue,~~ could materially ~~adversely~~ affect our ~~revenues and~~ results of operations. ~~We~~ Ongoing economic volatility and changing demand patterns **make** ~~affect our business in a number of other ways, including making~~ it more difficult to accurately forecast client demand and effectively build our revenue pipeline. ~~Furthermore, it~~ **Such changes in demand patterns may result in geographic or skill supply imbalances. It** may take some time for the effects and changes in demand patterns to manifest themselves in our business and results of operations ~~choose not to renew contracts,and we are not guaranteed payment for services performed under contract.A loss of business,non- payment or a decrease in the scope of business from significant clients could materially affect our results of operations.We are generally not our clients' exclusive IT services provider and we generally do not have long- term commitments from clients to purchase our services.Our clients' ability to terminate engagements with or without cause and our clients' inability or unwillingness to pay for services we performed makes our future revenues and profitability uncertain~~ .Although a substantial majority of our revenues are typically generated from clients who also contributed to our revenues during the prior year,our engagements with our clients are typically for projects that are singular in nature.Therefore,we must seek to obtain new engagements when our current engagements end. ~~There are a number of factors relating to our clients that are outside of our control,which might lead them to terminate or decline to renew a contract or project with us,or be unable to pay us,including:• economic uncertainty;• financial difficulties;• corporate restructuring,or mergers and acquisitions activity;• our inability to complete our contractual commitments and bill and collect our contracted revenues;• change in strategic or operational priorities,resulting in elimination of the project or a reduced level of technology- related spending;• change in outsourcing strategy resulting in moving more work to the client' s in- house technology departments or to our competitors;• replacement of existing software with packaged software supported by licensors;and • uncertainty and disruption to the global markets due to including,but not limited to,public health pandemics,such as the ongoing COVID- 19 pandemic,war,inflation,supply chain slowdown,and increasing energy prices.~~ Termination or non-renewal of a client contract could cause us to experience a higher- than- expected number of unassigned employees and thus compress our margins until we are able to reallocate our headcount ~~.Clients that delay payment,request modifications to their payment arrangements,or fail to meet their payment obligations to us could increase our cash collection time,cause us to incur bad debt expense,or cause us to incur expenses in collections actions~~ .The loss of clients,a significant decrease in the volume of work our clients outsource to us or the price they are willing or able to pay us,if not replaced by new service engagements and revenue,could materially adversely affect our revenues and results of operations.We **have,and may continue to,offer significant discounts for our services,which has,and may continue to,put pressure on our margins.If our pricing structures are based on inaccurate expectations and assumptions regarding the cost of performing our work,or if we are not able to maintain favorable pricing for our services,then our contracts could be unprofitable.We face a number of risks when pricing our contracts and setting terms with our clients.Our pricing is highly dependent on our internal forecasts,assumptions and predictions about our projects,the marketplace,global economic conditions (including foreign exchange volatility) and the coordination of operations and our people in multiple locations with different skill sets and competencies.As a result of the current macroeconomic environment impacting our market and client budget pressure,we have discounted work or accepted lower- priced incremental projects.This has,and may continue to,compress margins and reduce revenue.Our pricing and cost estimates for the work that we perform may include anticipated long- term cost savings that we expect to achieve and sustain over the life of the contract.Because of such inherent uncertainties,we may underprice our services,fail to accurately estimate the costs of performing the work,or fail to accurately assess the risks associated with potential contracts,such as defined performance goals,service levels and**

completion schedules.The risk of underpricing our services or underestimating the costs of performing the work is heightened in fixed- price contracts and other similar commercial contracting arrangements,which may become a larger portion of our revenues if our pricing structures change.If we fail to accurately estimate the resources,time or quality levels required to complete such engagements,or if the cost to us of employees,facilities,or technology unexpectedly increases,we could be exposed to cost overruns.Any increased or unexpected costs,delays or failures to achieve anticipated cost savings,or unexpected risks we encounter in connection with the performance of the services,including those caused by factors outside our control,could make these contracts less profitable or unprofitable.In addition,our industry is sensitive to the economic environment and the industry tends to decline during general economic downturns.We face risks associated with having a long selling and implementation cycle for our services that require us to make significant resource commitments prior to realizing revenues for those services.We have experienced,and may in the future experience,a long selling cycle for our services.Our sales cycle is defined as the elapsed time between the date of opening a qualified client opportunity and the date the opportunity is closed with an agreement to provide services to the client ~~,and is on average 87 days~~ .Before potential clients commit to use our services,they require us to expend substantial time and resources educating them on the value of our services and our ability to meet their requirements.Therefore,our selling cycle is subject to many risks and delays over which we have little or no control,including our clients' decision to select another service provider or in- house resources to perform the services,the timing of our clients' budget cycles,and client procurement and approval processes.If our sales cycle unexpectedly lengthens for one or more large projects,it could negatively affect the timing of our revenues and our revenue growth.In certain cases,we may begin work and incur costs prior to executing a contract,which may cause fluctuations in recognizing revenues between periods or jeopardize our ability to collect payment from clients.Implementing our services also involves a significant commitment of resources over an extended period of time from both our clients and us.Our current and future clients may not be willing or able to invest the time and resources necessary to implement our services,and we may fail to close sales with potential clients despite devoting significant time and resources to them.Any significant failure to generate revenues or delays in recognizing revenues after incurring costs related to our sales or services processes could have a material adverse effect on our business.Our ~~cash flows~~ **business has been,** and ~~results of operations~~ may **continue to** be **,** adversely affected **by volatile** ~~if we are unable to collect on billed and unbilled receivables from clients.Our business depends on our~~ - **or uncertain operational** ~~ability to successfully obtain payment from our clients of the amounts they owe us for work performed.We maintain provisions against receivables.Actual losses on client balances could differ from those that we currently anticipate and~~ , **geopolitical** ~~as a result~~ , **regulatory,legal and** ~~we may need to adjust our provisions.We may not accurately assess the creditworthiness of our clients.Macroeconomic~~ ----- **economic** conditions ~~,such as a~~ . Changing demand patterns from economic volatility and uncertainty, including as a result of increasing geopolitical tensions, inflation, increasing energy costs, economic downturns, changes in global trade policies, global health emergencies and their impact on us, our clients and the industries we serve, could have a significant negative impact on our results of operations. Furthermore, the hyper- growth period experienced in the global technology industry during the COVID- 19 pandemic ~~may~~ **has** ~~slow~~ **slowed** and ~~return~~ **is expected** to ~~normal~~ **normalize** . Our operations and our clients are located throughout the world, and a significant part of our revenue comes from international sales. The global nature of our business creates operational and economic risks. Our results of operations may be affected by global, regional, and local economic developments, monetary policy, inflation, and recession, as well as political, trade and military disputes. War, terrorism, riot, civil insurrection or social unrest; and natural or man- made disasters, including famine, flood, fire, earthquake, pandemics and other regional or global health crises, storm or disease may cause difficulties in staffing and managing ~~foreign~~ **our** operations, cause clients to delay their decisions on spending for the services we provide, give rise to sudden significant changes in regional and global economic conditions and cycles and may create unanticipated challenges for our growth strategy. Further escalation or expansion of ~~the~~ **on- going** ~~war~~ **wars** ~~between Russia~~ and ~~Ukraine~~ **conflicts in Europe and the Middle East** could impact our ~~European~~ business operations **in those regions,** including disrupting our client service delivery and negatively impacting the demand for our services. Emerging nationalist trends in specific countries may significantly alter the trade environment. Changes to trade policy or agreements as a result of populism, protectionism, or economic nationalism may result in higher tariffs, local sourcing initiatives, or other developments that make it more difficult to sell our services and solutions internationally. Travel restrictions resulting from natural or man- made disruptions and political or social conflict increase the difficulty of obtaining and retaining highly- skilled and qualified professionals and could unexpectedly increase our labor costs and expenses, both of which could also adversely affect our ability to serve our clients. Operational, geopolitical **, environmental,** and economic events may pose significant security risks to our employees, the facilities where they work, our operations, electricity and other utilities, communications, travel and network services, and the disruption of any or all of them could materially adversely affect our financial results. Our crisis management procedures, business continuity plans and disaster recovery capabilities may not be effective at preventing or mitigating the effects of a disaster. Certain legal systems or policy decisions may make it more difficult to obtain, maintain, protect and enforce intellectual property, contractual or corporate rights. Disruptions of these kinds in developed or emerging markets could negatively impact demand for our services and solutions or increase our operating costs. We have significant operations in China. ~~While we believe that our unique position in the Chinese market presents long-term opportunities, doing~~ **Doing** business in China has increased risks given the uncertainties around domestic legislation, foreign policy, trade policy and international relations. **Some** ~~Our reliance on our employees in China to help deliver our services to~~ clients **have refused, and** ~~world- wide presents the risk that clients~~ may **in the future** refuse **,** to accept, or **were** ~~may be~~ prohibited from accepting, services originating from China. Furthermore, we face the risk that our business operations in China will be impacted by government regulations and / or foreign sanctions. Escalation of current geopolitical tensions may implicate China and could increase the risk of government regulations and / or foreign sanctions and imposition of export controls and import restrictions. In addition, our information technology systems may be at risk of being blocked from our world- wide operations. Ongoing human rights concerns in China may result in boycotts of our services or client requests not to use Chinese operations to support their projects **If we are unable** to adapt to rapidly changing technologies,methodologies and evolving industry standards,we may lose clients and our business could be materially adversely affected.Rapidly changing technologies,methodologies and evolving industry standards are inherent in the market for our services and solutions.Our ability to anticipate developments in our industry,enhance our existing services,develop and introduce new services or tools,provide enhancements and new features for our solutions and tools,and keep pace with changes and developments are critical to meeting changing client needs.Our ability to keep pace with,anticipate or respond to changes and developments is subject to a number of risks,including that:• we may not be able to develop new,or update existing,services,applications,tools and software quickly or inexpensively enough to meet our clients' needs;• we may find it difficult or costly to make existing software and tools work effectively and securely over the internet or with new or changed operating systems;• ~~as~~ we **may find that** ~~operate~~ **operating** in a rapidly evolving industry, **it is difficult to evaluate future prospective** ~~new technologies may develop that may make our services more efficient,which could result in greater pricing competition from competitors and internal client~~ **clients** ~~resources,or make our services obsolete~~ ;• we may find it challenging to develop new,or update existing,software,services and tools to keep pace with evolving industry standards,methodologies and regulatory developments in the industries where our clients operate at a pace and cost that is acceptable to our clients;• we may find that the services,tools,technologies or methodologies we develop or implement may not be successful in the marketplace;and • we may find it difficult to maintain high quality levels of performance with new technologies and methodologies.Further,services,tools,technologies or methodologies that our competitors develop may render our services or tools non- competitive or obsolete.Our failure to enhance our existing services and tools and to develop and introduce new services and tools to **promptly address the needs of our clients could have a material adverse effect on our business.** . Our business, financial condition and results of operations may be adversely affected by fluctuations in foreign currency exchange rates. Our functional currency is the U. S. dollar. However, we are exposed to foreign currency exchange transactions related to our non- U. S. operations. Our profit margins are subject to volatility as a result of changes in foreign exchange rates. Significant fluctuations in currency exchange rates have had, and may continue to have, a material impact on our business and results of operations. In some countries, we may be subject to regulatory or practical restrictions on the movement of cash and the exchange of foreign currencies, which would limit our ability to use cash across our global operations and increase our exposure to currency fluctuations. This risk could increase as we continue expanding our global operations, which may include entering emerging markets that may be more likely to impose these types of restrictions. Currency exchange volatility caused by political or economic instability or other factors could also materially impact our results. See " Item 7A. Management' s Discussion and Analysis of Financial Condition and Results of Operations — Quantitative and Qualitative Disclosures About Market Risk — Foreign Currency Risk. " **Our cash flows** ~~Increases in wages, equity compensation~~ and **results of operations may be adversely affected if we are unable to collect on billed and unbilled receivables from clients. Our business depends on our ability to successfully obtain payment from our clients of** ~~other~~ -- **the** ~~compensation expenses~~ **amounts they owe us for work performed. We maintain provisions against receivables. Actual losses on client balances** could ~~prevent~~ **differ from those that we currently anticipate and, as a result, we may need to adjust our provisions. We may not accurately assess the creditworthiness of our clients. Macroeconomic conditions, such as a global recession, could also result in financial difficulties for our clients, including limited access to the credit markets, insolvency or bankruptcy. Such conditions could cause clients to delay payment, request modifications of their payment terms, or default on their payment obligations to** us **, all of which could** ~~from sustaining our competitive advantage and~~ increase our ~~costs~~ **receivables balance** . ~~In all countries~~ **Timely collection of fees for client services also depends on our ability to complete our contractual commitments and subsequently bill for and collect our contractual service fees. If we are unable to meet our contractual obligations, we might experience delays** in **the collection of or be unable to collect our client balances,** which **would adversely affect** ~~we operate, wage inflation, whether driven by competition for talent, macroeconomic pressures, or~~ **our results** ~~ordinary course pay increases, may also increase our cost~~ of **operations** ~~providing services~~ and ~~reduce our profitability if we are not able to pass those costs on to our clients or charge premium prices when justified by market demand. If we do not keep up with wage inflation in the markets in which we operate, we~~ could ~~reduce~~ **adversely affect** our **cash flows** ~~ability to attract and retain talent. As a corollary, if we increase operations and hiring to a significant degree in developed countries above the hiring rate in emerging countries, our compensation expenses may increase at a faster rate because of the higher wages for technology professionals in those developed markets~~ . In addition, if we ~~are unable~~ **experience an increase in the time required** to **bill and collect** ~~maintain our premium pricing model, we may see reduced profitability or~~ **for our services, our cash flows could** be ~~unable to pay wages consistent with market practices, which may result in higher attrition. Our results of operations have been~~ adversely affected ~~and~~ **, which in turn** could ~~in the future be materially~~ adversely ~~affected~~ -- **affect** ~~by the COVID- 19 pandemic. The COVID- 19 pandemic has created widespread economic disruption and uncertainty, including as it relates to~~ our **ability to make necessary investments and, therefore, our results of** operations ~~, our people' s ability to work and demand for our services and solutions. The extent to which the COVID- 19 pandemic will continue to further impact our business, operations and financial results will depend on numerous factors that are frequently changing or unknown, and that we may not be able to accurately predict, including: the duration and scope of the pandemic, including the development of new and unique variants of COVID- 19; governmental, business and individuals' responses or planned responses to the pandemic, including availability, adoption, efficacy and administration rates of vaccines; the impact of the pandemic on economic activity and any ongoing or future governmental interventions; the effect on our clients and client demand for our services and solutions; our ability to sell and provide our services and solutions, including travel restrictions; our ability to acquire new clients or deepen relationships with our existing clients due to budgetary constraints or changes in business strategy at our clients as a result of the COVID- 19 pandemic; the ability of our clients to pay in a timely manner, if at all, for our services and solutions with or without discounts requested by our clients; bankruptcy or other~~

~~insolvency procedures among our clients; and closures of our and our clients' offices and facilities. We have also experienced higher than normal employee absentee rates due to illness, family medical leave and bereavement leave. For example, we have seen more of our employees unable to work during a more localized surge of COVID- 19 cases. Such a surge, if sufficiently widespread, could materially impact our operations. In addition, government policies may result in periodic lock- downs, border closures, supply chain disruptions and employee absenteeism, which could have an impact on our business directly or may affect our clients and their engagement with us. An overall or prolonged labor shortage, lack of skilled labor, increased turnover or labor inflation could have a material adverse impact on our operations, results of operations, liquidity or cash flows. To the extent the COVID- 19 pandemic adversely affects our business and financial results, it may also have the effect of heightening many of the other risks described in this section of this Annual Report~~ . Our effective tax rate could be materially adversely affected by several factors. We conduct business globally and file income tax returns in multiple jurisdictions. Our effective tax rate could be materially adversely affected by several factors, including changes in the amount of income taxed by or allocated to the various jurisdictions in which we operate that have differing statutory tax rates; changing tax laws, regulations and interpretations of such tax laws in one or more jurisdictions; and the resolution of issues arising from tax audits or examinations and any related interest or penalties. The determination of our income tax expense and other tax liabilities requires estimation, judgment and calculations where the ultimate tax determination may not be certain. Our determination of tax liability is always subject to review or examination by authorities in various jurisdictions. If a tax authority in any jurisdiction reviews any of our tax returns and proposes an adjustment, including, but not limited to, a determination that the transfer prices and terms we have applied are not appropriate, such an adjustment could have a negative impact on our results of operations, business and profitability. In addition, any significant changes to the Tax Cuts and Jobs Act (" U. S. Tax Act ") enacted in 2017, or to regulatory guidance associated with the U. S. Tax Act, could materially adversely affect our effective tax rate. **Many countries in which we operate enacted local legislation related to the Organization for Economic Co- operation and Development Pillar Two Global Anti- Base Erosion (" GloBE ") rules, which include the introduction of a 15 % global minimum tax. We continue to monitor and evaluate the GloBE rules and their potential impact on our effective tax rate.** Risks Related to Our ~~Client Relationships~~ **People and Growth** We **must successfully attract, hire, train and retain qualified professionals to service our clients' projects and we must productively deploy our professionals to remain profitable. Identifying, recruiting, hiring and retaining professionals with specialized and diverse skill sets across our broad geography of operations and consistent with our evolving client delivery model is critical to maintaining existing engagements and obtaining new business. If we** are **unable** ~~dependent on our existing client base and our ability~~ to ~~retain~~ **recruit skilled professionals** and **if** ~~expand our relationships with such clients. Historically, a significant percentage of our revenues has come from our existing client base. For example, during the fiscal year ended December 31, 2022, 87. 2 % of our revenues came from Existing Clients (as defined elsewhere in this Annual Report). However, the volume of work performed for a specific client is likely to vary from year to year, especially since~~ we ~~generally~~ do not **deploy those professionals productively,** ~~have long- term commitments from~~ our ~~clients~~ **profitability will be significantly impacted. We must manage our professionals well** and ~~are often not~~ **by planning and training for future needs effectively and staffing projects appropriately while accurately predicting the general economy and** our clients' ~~exclusive~~ **need for our services. Increasing worldwide competition for skilled** technology ~~services provider~~ **professionals may lead to a shortage in the availability of skilled professionals in the locations where we operate and hire** . ~~A~~ **If we are unable to attract, hire, train and retain highly skilled professionals and productively deploy them on** client **projects** ~~in one year may not provide the same level of revenue for us in any subsequent year. Further~~ , ~~one~~ **we will jeopardize** ~~or~~ **our ability** ~~more of our significant clients could be acquired, and there can be no assurance that the acquirer would choose~~ to **meet** use our services in respect of such...... our clients so that we can understand our clients' ~~needs~~ **expectations** and ~~deliver solutions~~ **develop ongoing** and services that are tailored to those needs...... associated revenue. This could also direct future business to our competitors. We generally do...... the ordinary course of business or otherwise , which could adversely affect our **financial condition and results of operations. Competition for highly skilled professionals is intense in the markets where we operate, and we may experience significant employee turnover rates due to such competition. If we are unable to retain professionals with specialized skills, our revenues, operating efficiency and profitability will decrease. Cost reductions, such as reducing headcount, or voluntary departures that result from our failure to retain the professionals we hire, could negatively affect our** reputation ~~even if we~~ **as an employer and** ~~or~~ **our ability to hire skilled professionals to meet** ~~they ultimately prevail. There is a risk that negative information about us, even if untrue, could adversely affect~~ our business ~~, could cause damage~~ **requirements in the future. Inability** to **attract or retain professionals with specialized skill sets may disrupt our ability to provide certain client services and impact** our reputation ~~and be challenging to repair, could make potential or existing clients reluctant to select us~~ for ~~new engagements,~~ **innovation on our industry. Increased compensation to retain skilled professionals** could lead to **lower margins or to price increases that may in turn lead to** a ~~loss of revenue~~ **decline in demand** ~~or~~ **for** ~~litigation,~~ **our services. Any significant growth in the market for our services or solutions or our entry into new markets may require** ~~and - market for our services or solutions or our entry into new markets may require~~ an expansion of our employee base for managerial,operational,financial and other purposes.During any period of growth,we may face problems related to our operational and financial systems and controls,including quality control and delivery and service capacities.We would also need to continue to expand,train and manage our employee base. ~~Continued future~~ **Periods of significant** growth ~~will~~ impose significant added responsibilities upon the members of management to identify,recruit,maintain,integrate and motivate new employees.If we experience a period of stagnation or contraction,we may be required to reassess our staffing needs and **consider workforce reductions.Increases in wages,equity compensation and other compensation expenses** could ~~adversely affect~~ **prevent us from sustaining our competitive advantage and increase our costs. In all countries in which we operate, wage inflation, whether driven by competition for talent, macroeconomic pressures,** ~~our -~~ **or ordinary course pay increases, may** ~~recruitment and retention~~

~~efforts. Damage to our reputation could~~ also **increase our cost of providing services and** reduce **our profitability if we are not able to pass** ~~the~~ **those** ~~value and effectiveness of~~ **costs on to our clients or charge premium prices when justified by market demand. If we do not keep up with wage inflation in** the ~~Thoughtworks brand name and~~ **markets in which we operate, we** could reduce ~~investor confidence~~ **our ability to attract and retain talent. As a corollary, if we increase operations and hiring to a significant degree** in ~~us~~ **developed countries above the hiring rate in emerging countries, our compensation expenses may increase at a faster rate because of the higher wages for technology professionals in those developed markets. In addition, if we are unable to maintain our premium pricing model, we may see reduced profitability or be unable to pay wages consistent with market practices, which may result in higher attrition** . If we cannot positively evolve our Thoughtworks culture as we grow, we could lose the innovation, teamwork, passion and execution that we believe contribute to our success, and our business may be harmed. We believe a critical component to our success has been our corporate culture. We have invested substantial time and resources in building our team and developing our leaders. Our culture has evolved over time, including in ways that may be unforeseeable or unfavorable to us. As we develop the infrastructure of a public company, our operations may need to change to support that infrastructure. In particular, we are committed to a business culture that promotes intentional sharing of ~~business information and~~ decision- making processes so that our team members are engaged and invested in our mission and operational success. **We** ~~Due to certain operational changes needed to become a public company, we may find it difficult to maintain important aspects of our corporate culture. Further, we~~ may have difficulties maintaining our culture in our on- going environment where employees are working remotely. If we fail to integrate or manage...... staffing needs and consider workforce reductions. Risks Related to Our Industry If we are unable to adapt to...... material adverse effect on our business. We face intense competition from a range of technology and software services providers, and an increase in competition or our inability to compete successfully could materially adversely affect our business. The market for technology services and solutions is intensely competitive, highly fragmented and subject to rapid change and evolving industry standards and we expect competition to intensify. Our success depends on creating software services and solutions that deeply connect our clients with consumers and employees. For example, if we are unable to anticipate technology developments, enhance our existing services or develop and introduce new services to keep pace with such changes and meet changing client needs, we may lose clients and our revenues and results of operations could suffer. Our results of operations would also suffer if our innovations are not responsive to the needs of our clients, are not appropriately timed with market opportunities, are not effectively brought to market or are commoditized. Existing and new competitors may be able to offer engineering, design and innovation services that are, or that are perceived to be, substantially similar or better than those we offer, or they may offer such services at a discounted rate. In addition, our competitors may have greater financial, technical and other resources and greater name recognition than we do. Certain competitors may also have, or over time will have, a stronger presence in certain geographic markets. We may also face competition from in- house development by our clients, academic and government institutions, and the open- source community who may offer similar solutions or an adequate substitute for our services and solutions. These factors may force us to compete on other fronts in addition to the quality of our services and to expend significant resources in order to remain competitive, which we may be unable to do **.Risks Related to Our** Indebtedness Our existing indebtedness could adversely affect our business and growth prospects.As of December 31, ~~2022~~ **2023** ,we had $ ~~402~~ **295** . ~~5~~ **3** million outstanding under our senior secured term loan **expiring March 24,2028,** provided for under the Term Loan and $ 300.0 million of availability under our Revolver (as defined below).Our debt service obligation includes the payment of interest expense.Failure to pay on our obligations could trigger an event of default,the consequences of which are explained herein.See " Item 7.Management' s Discussion and Analysis of Financial Condition and Results of Operations — Liquidity and Capital Resources — Our Credit Facilities." Our indebtedness,and any future indebtedness we may incur,could require us to divert funds identified for other purposes for debt service,which could adversely affect our business and growth prospects.Our level of indebtedness may place us at a competitive disadvantage to our competitors that are not as highly leveraged.Fluctuations in interest rates can increase borrowing costs.Increases in interest rates may directly impact the amount of interest we are required to pay and reduce earnings accordingly.In addition,developments in tax policy,such as the disallowance of tax deductions for interest paid on outstanding indebtedness,could have an adverse effect on our liquidity and our business,financial condition and results of operations.The Credit Agreement governing our Term Loan and Revolver contains a number of restrictive covenants that impose significant operating and financial restrictions on us and may limit our ability to engage in acts that may be in our long- term best interests,including our ability to incur additional debt,create or incur liens,engage in mergers or consolidations,sell,transfer or otherwise dispose of assets,make voluntary prepayments to subordinated debt,pay dividends or distributions,make investments,and enter into certain transactions with affiliates.In addition,the restrictive covenants in the Credit Agreement require us to satisfy a financial condition test for the benefit of our Revolver in the event our Revolver usage exceeds 35 % of our available Revolver (subject to certain exclusions for letters of credit).Our ability to satisfy those tests can be affected by events beyond our control.A breach of the covenants or restrictions under the Credit Agreement could result in an event of default,which could permit our creditors to accelerate our debt and terminate commitments to extend credit to us.In addition,if we cannot generate sufficient cash flow from operations to service our debt,we may need to refinance our debt,dispose of assets or issue equity to obtain necessary funds,which we may not be able to do on favorable terms,or at all ~~.In addition,the Credit Agreement currently uses London Interbank~~ . Risks Related to Our Services and Solutions If we cause disruptions to our clients' businesses, provide inadequate service, or breach contractual obligations, our clients may have claims for substantial damages against us and our reputation may be damaged. Our insurance coverage may be inadequate to protect us against such claims. If our professionals make errors in the course of delivering services or we fail to meet contractual obligations to a client, these errors or failures could disrupt the client' s business or expose confidential or personally identifiable information. Any of these events could result in a reduction in our revenues, damage to our reputation, and could also result in a client terminating our engagement and making claims for substantial damages against us. Some of our client agreements do not limit our potential liability for occurrences such as breaches of confidentiality and indemnification relating to intellectual property infringement, misappropriation or other violations, and we cannot generally limit liability to third parties with which we do not have a contractual relationship. In some cases, breaches of confidentiality obligations, including obligations to protect personally identifiable information, may entitle the aggrieved party to equitable remedies, including injunctive relief. Although we maintain professional liability insurance, product liability insurance, commercial general and property insurance, business interruption insurance, workers' compensation coverage, cyber insurance and umbrella insurance for certain of our operations, our insurance coverage does not insure against all risks in our operations or all claims we may receive. Damage claims from clients or third parties brought against us or claims that we initiate due to the disruption of our business, litigation or natural disasters, may not be covered by our insurance, may exceed the limits of our insurance coverage, and may result in substantial costs and diversion of resources even if insured. Some types of insurance are not available on reasonable terms or at all in some countries in which we operate, and we cannot insure against damage to our reputation. The assertion of one or more large claims against us, whether or not successful and whether or not insured, could materially adversely affect our reputation, business, financial condition and results of operations. Security breaches, cyber- attacks, employee and other internal misconduct, computer viruses, the mishandling of personal data and other disruptions to network security could compromise our information and expose us to liability, which would cause our business and reputation to suffer. In the ordinary course of business, we collect, use, store, process, transmit and view sensitive or confidential data, including intellectual property, proprietary business information or personally identifiable information belonging to us, our clients, respective employees and other end users. This information is stored on our networks or in the data centers and networks of third- party providers. Physical security and the secure processing, maintenance and transmission of this information is critical to our operations and business strategy. Some of our clients have sought, and may continue to seek, additional assurances for the protection of their sensitive information, including personally identifiable information, and attach greater liability in the event that their sensitive information is disclosed. Despite security measures, information technology and infrastructure may be vulnerable to attacks by hackers, computer malware, viruses, social engineering (including phishing and ransomware attacks), or breached due to software bugs, human error, employee theft, misuse, misconduct or malfeasance, system failure or other disruptions. Any such breach could compromise our networks, or the networks of our third- party providers, and the information stored there could be accessed, held for ransom, publicly disclosed, misappropriated, lost or stolen. Some of our systems will not be fully redundant and any problems at our third- party providers' data centers could result in lengthy interruptions in service. Such a breach, misappropriation or disruption could also disrupt our operations and the services we provide to clients, damage our reputation, and cause a loss of confidence in our tools and services, as well as require us to expend significant resources to protect against further breaches and to rectify problems caused by these events. Any such access, disclosure or other loss of information could result in legal claims or proceedings, liability under applicable laws, and regulatory penalties and could adversely affect our business, revenues and competitive position. The techniques utilized and planned by hackers, bad actors, and other unauthorized entrants are varied and constantly evolving and may not be detected until a breach has occurred. As a result, despite our efforts, it may be difficult or impossible for us to implement measures that fully prevent such attacks or react in a timely manner. Unauthorized parties may in the future attempt to gain access to our systems or facilities through various means, including, among others, hacking into our or our clients' systems or facilities, or attempting to fraudulently induce our employees, clients or others into disclosing usernames, passwords, or other sensitive information, which may, in turn, be used to access our information technology systems and gain access to our data or other confidential, proprietary, or sensitive information. Such efforts may be state- sponsored and supported by significant financial and technological resources, making them even more difficult to detect and prevent. There can be no assurance that any security or other operational measures that we or our third- party providers have implemented will be effective against any of the foregoing threats or issues. In addition, certain of our third- party providers may also be subject to such attempts, which then can be used to attempt to infiltrate our systems or to access our data or other confidential, proprietary, or sensitive information. Because we do not control our third- party service providers or the processing of data by such providers, other than through our contractual relationships, our ability to monitor our third- party providers' data security may be very limited such that we cannot ensure the integrity or security of measures they take to protect and prevent the loss of our or our clients' data. As a result, we are subject to the risk that cyber- attacks on, or other security incidents affecting, our third- party providers may adversely affect our business even if an attack or breach does not directly impact our systems. It is also possible that security breaches sustained by, or other security incidents affecting, our competitors could result in negative publicity for our entire industry that indirectly harms our reputation and diminishes demand for our services and solutions. Furthermore, federal and state regulators and many federal and state laws and regulations require notice of certain data security breaches that involve personal information, which, if applicable, could lead to widespread negative publicity, which may cause our clients to lose confidence in the effectiveness of our data security measures. In addition, we may incur significant costs and operational consequences in connection with investigating, mitigating, remediating, eliminating, and putting in place additional measures designed to prevent future actual or perceived security incidents, as well as in connection with complying with any notification or other obligations resulting from any security incidents. Our insurance policies may not be adequate to reimburse us for losses caused by security breaches, and we may not be able to collect fully, if at all, under these insurance policies. The successful assertion of one or more large claims against us that exceed available insurance coverage, or the occurrence of changes in our insurance policies, including premium increases or the imposition of large deductible or co- insurance requirements, could adversely affect our business. Furthermore, we cannot be certain that insurance coverage will continue to be available on acceptable terms or at all, or that the insurer will not deny coverage as to any future claim. If we are unable to fully protect the security and privacy of our data, or if we or our third- party service providers are unable to prevent any data security breach, incident, unauthorized access, and / or misuse of our information by our clients, employees, service providers, or hackers, it could result in significant liability (including litigation and regulatory actions and fines), cause lasting harm to our brand and reputation and cause us to lose existing clients and fail to win new clients. A significant failure in our systems, telecommunications or IT infrastructure could harm our service model, which could result in a reduction of our revenues and otherwise disrupt our business. Our service model relies on maintaining well- functioning voice and data communications, online resource management, financial and operational record management, client service and data processing systems between our client sites and our client management locations. Our business activities may be materially disrupted in the event of a partial or complete failure of any of these technologies, which could be due to software malfunction, computer virus attacks, conversion errors due to system upgrades, damage from fire, earthquake, power loss, telecommunications failure, unauthorized entry, demands placed on internet infrastructure by growing numbers of users and time spent online, increased bandwidth requirements or other events beyond our control. Such events could result in interruptions in service to our clients, damage to our reputation, harm to our client relationships, and reduced revenues and profitability. Further, because we rely on third- party service providers, we may be affected by security incidents that we can neither control nor mitigate, including their vulnerability to damage or interruption from physical theft, fire, natural disasters, acts of terrorism, power loss, war, telecommunications and other service failures, computer viruses, degradation of service attacks, ransomware, insider theft or misuse, break- ins, software bugs, human error, technical malfunctions and similar events. Our crisis management procedures, business continuity plans and disaster recovery capabilities may not be effective at preventing or mitigating the effects of such disruptions, particularly in the case of a catastrophic event. Loss of all or part of the infrastructure or systems for a period of time could hinder our performance or our ability to complete client projects on time which, in turn, could lead to a reduction of our revenues or otherwise materially adversely affect our business and business reputation. Risks Related to Regulation, Legislation and Legal Proceedings Changes in privacy and data protection regulations could expose us to risks of noncompliance and costs associated with compliance. We are subject to federal, state and international data privacy and data security regimes due to our global business. For example, among others, we are subject to the European Union' s General Data Protection Regulation (the " GDPR "), California' s Consumer Privacy Act (the " CCPA "), China' s PRC Cybersecurity Law and Brazil' s General Protection Data Law. Each regulatory regime imposes significant restrictions and requirements relating to the processing of personal data. These and other national and international data protection laws are more burdensome than historical privacy standards. Each regime has established complex legal obligations that organizations must follow with respect to the processing of personal data, including a limitation on the transfer of personal information to third parties or to other countries, and the imposition of additional notification, security and other control measures. Compliance with such regimes, including U. S. and foreign data protection laws and regulations, could require us to take on more onerous obligations in our contracts, restrict our ability to collect, use and disclose data, or in some cases, impact our ability to operate. In the United States, numerous federal and state laws and regulations, including state data breach notification laws and state consumer protection laws, which govern the collection, use, disclosure and protection of personal information could apply to our operations. Many state legislatures have adopted legislation that regulates how businesses operate online, including measures relating to privacy, data security and data breaches. Laws in all 50 states require businesses to provide notice to clients whose personally identifiable information has been disclosed as a result of a data breach. The laws are not consistent, and compliance in the event of a widespread data breach is costly. The CCPA provides for civil penalties for violations, as well as a private right of action for data breaches. Additionally, a new privacy law, the California Privacy Rights Act (the " CPRA "), was approved by California voters in the November 2020 election. The CPRA, which will take effect in most material respects in January 2023, modifies the CCPA significantly, potentially resulting in further uncertainty and requiring us to incur additional costs and expenses in an effort to comply. Foreign data protection laws, including the GDPR, may also apply to other personal information obtained outside of the United States. The GDPR introduced new data protection requirements in the European Union (the " EU "), as well as potential fines for noncompliant companies of up to the greater of € 20 million or 4 % of annual global revenue. Among other requirements, the GDPR regulates transfers of personal data subject to the GDPR to third countries that have not been found to provide adequate protection to such personal data, including the United States, and the efficacy and longevity of current transfer mechanisms between the EU and the United States remains uncertain. ~~For example, in 2016~~ **There is a new transfer mechanism** , the EU **- US** ~~and United States agreed to a transfer framework for data~~ **Data** ~~transferred from the EU to the United States, called the~~ Privacy ~~Shield~~ **Framework** , **however this is unstable and may be overturned** ~~but the Privacy Shield was invalidated in July 2020~~ by the ~~Court of Justice of the~~ European ~~Union~~ **Commission** . Enforcement actions and decision notices taken by the European Union data protection authorities, in the case of GDPR, by individuals or the California regulatory authorities, in the case of the CCPA, or by other relevant supervisory bodies as well as audits or investigations by one or more individuals, organizations, or foreign government agencies could result in civil or criminal penalties and fines for non- compliance or direct claims against us in the event of any loss or damage as a result of a breach of these regulations. The burden of compliance with additional data protection requirements may result in significant additional costs, complexity and risk in our services. Clients may seek to shift the potential risks resulting from the implementation of data privacy legislation to us. We are required to establish processes and change certain operations in relation to the processing of personal data as a result of these many regulatory regimes, which may involve substantial expense and distraction from other aspects of our business. The rate of change in the privacy and data protection landscape compounds these risks. Claims that we have violated individuals' privacy rights, failed to comply with data protection laws or breached our contractual obligations, even if we are not found liable, could be expensive and time consuming to defend, could result in adverse publicity and could have a material adverse effect on our business, financial condition, results of operations and prospects. **In addition, clients are increasingly requiring stringent transfer assessments when data is being transferred to third countries, which may restrict our ability to use certain off- shore jurisdictions.** We are subject to laws and regulations in the U. S. and other countries in which we operate, including export- import restrictions and regulations, economic and trade sanctions, and the Foreign Corrupt Practices Act (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 regulatory bodies that may have jurisdiction ~~of~~ **over** aspects of our operations from time to time have imposed sanctions that prohibit us from engaging in trade or financial transactions with certain countries, businesses, industry sectors, organizations and individuals. We are also subject to the FCPA and anti- bribery and anti- corruption laws in other countries, all of which prohibit companies and their intermediaries from bribing government officials and other business partners 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 ensure our compliance with the FCPA, OFAC and other sanctions, and laws and regulations. The continuing implementation and ongoing development and monitoring of our compliance program may be time consuming, 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. Any violations of these or other laws, regulations and procedures by our employees or agents, including third parties with whom we associate or companies we acquire, could expose us to administrative, civil or criminal penalties, fines or business restrictions, which could have a material adverse effect on our results of operations and financial condition and would adversely affect our reputation and the market for shares of our common stock and may require certain of our investors to disclose their investment in us under certain state laws. We may become subject to disputes or legal or other proceedings that could involve significant expenditures by us, which could have a material adverse effect on us, including our financial results. The nature of our business exposes us to the potential for disputes or legal or other proceedings from time to time relating to product liability, tax matters, personal injury, labor and employment matters, contract disputes, intellectual property, data privacy and data security, and other issues. These disputes, individually or collectively, could affect our business by distracting our management from the operation of our business or impacting our market reputation with our clients. If these disputes develop into proceedings or judgments, these proceedings or judgments, individually or collectively, could involve significant expenditures and any reserves relating thereto may ultimately prove to be inadequate. Our environmental, social and governance (ESG) commitments and disclosures may expose us to reputational risks and legal liability. Our brand and reputation are also associated with our public commitments to various ESG initiatives, including our goals relating to sustainability and inclusion and diversity. Our disclosures on these matters and any failure or perceived failure to achieve or accurately report on our commitments, could harm our reputation and adversely affect our client relationships or our recruitment and retention efforts, as well as expose us to potential legal liability. In addition, positions we take or do not take on social issues may be unpopular with some of our employees, our clients or potential clients, governments or advocacy groups, which may impact our ability to attract or retain employees or the demand for our services. We also may choose not to conduct business with potential clients or discontinue or not expand business with existing clients due to these positions. Increasing focus on ESG matters from regulators, investors and consumers has resulted in, and is expected to continue to result in, the adoption of legal and regulatory requirements designed to mitigate the effects of climate change on the environment, legal and regulatory requirements requiring climate, human rights and supply chain- related disclosures and changing consumer preferences and buying practices. If we fail to comply with new laws, regulations or reporting requirements or keep pace with ESG trends and developments or fail to meet the expectations of our clients and investors, our reputation and business could be adversely impacted. Further, if new laws or regulations are more stringent than current legal or regulatory requirements, we may experience increased compliance burdens and costs to meet such obligations. In addition, our selection of voluntary disclosure frameworks and standards, and the interpretation or application of those frameworks and standards, may change from time to time or may not meet the expectations of investors or other stakeholders. In addition, organizations that provide information to investors on ESG performance and related matters have developed ratings processes for evaluating companies on their approach to ESG matters. Such ratings are used by some investors to inform their investment and voting decisions, and thus unfavorable ESG ratings could have a negative impact on our stock price and our access to and costs of capital. Further, while we have certain ESG initiatives, goals and commitments, including in relation to sustainability and inclusion and diversity, there can be no assurance that investors and other stakeholders will determine that these programs are sufficiently robust. There can be no assurance that we will be able to accomplish any announced goals related to such initiatives, as statements regarding our ESG- related goals reflect our current plans and aspirations and are not guarantees that we will be able to achieve them within the timelines we announce or at all. Our ability to achieve our ESG commitments, including our goals relating to sustainability and inclusion and diversity, is also subject to numerous risks, many of which are outside of our control. Methodologies for reporting ESG data may be updated and previously reported ESG data may be adjusted to reflect improvement in availability and quality of third- party data, changing assumptions, changes in the nature and scope of our operations and other changes in circumstances. Our processes and controls for reporting ESG matters across our operations and supply chain are evolving along with multiple disparate standards for identifying, measuring, and reporting ESG metrics, including ESG- related disclosures that may be required by the SEC, European and other regulators, and such standards may change over time, which could result in significant revisions to our current goals, reported progress in achieving such goals, or ability to achieve such goals in the future as well as additional costs and administrative burden that may result from compliance efforts in connection with such evolving standards. Risks Related to Our Indebtedness Our existing indebtedness could adversely affect...... condition generally. Risks Related to Our Intellectual Property If we cannot protect our brand through our intellectual property rights, our business may be harmed. We believe that developing and maintaining our brand is critical to achieving widespread acceptance of our services and solutions and is an important element in attracting new clients and retaining existing clients. We rely on our brand names, trademarks, trade names and service marks to distinguish our services and solutions from the services of our competitors. If we are unable to adequately protect our brand, trademarks and other intellectual property rights, third parties may use brand names or trademarks similar to ours in a manner that may cause confusion or dilute our brand or trademarks, which could decrease the value of our brand. From time to time, third parties may challenge our use of our trademarks. If we do enforce our trademarks and our other intellectual property rights through litigation, we may not be successful and the litigation may result in substantial costs and diversion of resources and management attention. In the event that our trademarks are successfully challenged, we could be forced to rebrand the affected services and solutions, which could result in loss of brand recognition and could have a material adverse impact on our business. We may not be able to prevent unauthorized use of our or our clients' intellectual property, and our business and competitive position may be damaged as a result. We rely on a combination of copyright, trademark, patent and unfair competition laws, as well as intellectual property assignment and confidentiality agreements and other methods to protect our intellectual property rights. Protection of intellectual property rights and confidentiality in some countries, including China, India and Brazil, in which we operate may not be as effective as in other countries with more developed intellectual property protections. We require our employees and independent contractors to assign to us all intellectual property and work product they create in connection with their employment or engagement. These assignment agreements also obligate our people to keep proprietary information confidential. While it is our policy to require our employees and independent contractors who may be involved in the conception or development of intellectual property to execute agreements assigning such intellectual property to us, we may be unsuccessful in executing such an agreement with each party who, in fact, conceives or develops intellectual property that we regard as our own. The assignment of intellectual property rights may not be self- executing, or the assignment agreements may be breached, and we may be forced to bring claims against third parties, or defend claims that they may bring against us, to determine the ownership of what we regard as our intellectual property. If these agreements are not enforceable in any of the jurisdictions in which we operate, we cannot ensure that we will own the intellectual property they create or that our clients' proprietary information will not be disclosed. Reverse engineering, unauthorized copying or other misappropriation of our clients' proprietary technologies, tools and applications could enable unauthorized parties to benefit from our clients' technologies, tools and applications without payment and may make us liable to our clients for damages and compensation, which could harm our business and competitive position. We may face intellectual property infringement, misappropriations or other violation claims that could be time- consuming and costly to defend. If we fail to defend ourselves against such claims, we may lose significant intellectual property rights, our reputation may be damaged, we may lose clients and our business could be materially adversely affected. Our success largely depends on our ability to use and develop our technology, tools, code, methodologies, solutions and services for our clients without infringing, misappropriating or otherwise violating third parties' intellectual property rights, including patents, copyrights, trade secrets and trademarks. We may be unaware of intellectual property rights relating to our solutions or services that could give rise to potential infringement, misappropriation or violation claims against us or our clients. If those intellectual property rights are potentially relevant to our service offerings, we may need to license those rights in order to continue to use the applicable technology, but the holders of those intellectual property rights may be unwilling to license those rights to us on commercially acceptable terms, if at all. We typically indemnify clients who purchase our services and solutions against potential infringement of third- party intellectual property rights, which subjects us to the risk and cost of defending the underlying infringement claims. These claims may require us to initiate or defend protracted and costly litigation on behalf of our clients, regardless of the merits of these claims, and our indemnification obligations are often not subject to liability limits or exclusion of consequential, indirect or punitive damages. Intellectual property litigation could also divert our management' s attention from our business and existing or potential clients could defer or limit their purchase or use of our software product development services or solutions until we resolve such litigation. If any of these claims succeed, we may be forced to pay damages on behalf of our clients, redesign or cease offering our allegedly infringing tools, services or solutions to that client, or obtain a license for the intellectual property that such services or solutions allegedly infringe. If we cannot obtain all necessary licenses on commercially reasonable terms, the affected client may be forced to stop using our services or solutions. Any of these actions, regardless of the outcome of litigation or merits of the claim, could damage our reputation and materially adversely affect our business, financial condition and results of operations. Risks Related to Our Common Stock Our stock price may be volatile, and the value of our common stock may decline. The market price of our common stock may be highly volatile and may fluctuate or decline substantially as a result of a variety of factors, some of which are beyond our control, including without limitation: • actual or anticipated fluctuations in our financial condition or results of operations; • variance in our financial performance from expectations of securities analysts; • changes in our projected operating and financial results; • announcements by us or our competitors of significant business developments, acquisitions, or new offerings; • significant data breaches, disruptions to, or other incidents involving our services; • our involvement in litigation; • future sales of our common stock by us or our stockholders, including as a result of our contractual and other Company- imposed equity plan lock- up releases, ~~beginning in March 2022~~ or the perception that such sales may occur **; • illiquidity in our stock** ; • changes in senior management or key personnel; • the trading volume of our common stock; • changes in the anticipated future size and growth rate of our market; and • general macroeconomic, geopolitical and market conditions beyond our control. Broad market and industry fluctuations, as well as general economic, political, regulatory, and market conditions, such as recessions, interest rate changes, or international currency fluctuations, may also negatively impact the market price of our common stock. In addition, technology stocks have historically experienced high levels of volatility. In the past, companies that have experienced volatility in the market price of their securities have been subject to securities class action litigation. We may be the target of this type of litigation in the future, which could result in substantial expenses and divert our management' s attention. Our issuance of additional capital stock in connection with financings, acquisitions, investments, our equity incentive plans, or otherwise will dilute all other stockholders. We expect to issue additional capital stock in the future that will result in dilution to all other stockholders. We expect to grant equity awards to employees, directors, and consultants under our equity incentive plans. We may also raise capital through equity financings in the future. As part of our business strategy, we may acquire or make investments in companies, products, or technologies and issue equity securities to pay for any such acquisition or investment. Any such issuances of additional capital stock may cause stockholders to experience significant dilution of their ownership interests and the per share value of our common stock to decline. If securities or industry analysts do not publish research or publish unfavorable or inaccurate research about our business, the market price and trading volume of our common stock could decline. The market price and trading volume of our common stock is heavily influenced by the way analysts interpret our financial information and other disclosures. We do not have control over these analysts. If securities analysts or industry analysts cease coverage of us, our stock price would be negatively affected. If securities or industry analysts do not publish research or reports about our business, downgrade our common stock, or publish negative reports about our business, our stock price would likely decline. We do not intend to pay dividends for the foreseeable future and, as a result, the ability of the holders of our common stock to achieve a return on their investment will depend on appreciation in the price of our common stock. We do not intend to pay any cash dividends in the foreseeable future. Any determination to pay dividends in the future will be at the discretion of our Board. Accordingly, holders of our common stock may need to rely on sales of our common stock after price appreciation, which may never occur, as the only way to realize any future gains on their investment. The Apax Funds control us, and their interests may conflict with ours or yours in the future. The Apax Funds indirectly beneficially own approximately ~~62~~ **61** . ~~6~~ **3** % as of December 31, ~~2022~~ **2023** , of our common stock. As a result, the Apax Funds are able to control the election and removal of directors on the Board and thereby determine our corporate and management policies, including potential mergers or acquisitions, payment of dividends, asset sales, amendment of our certificate of incorporation or bylaws, and other significant corporate transactions for so long as the Apax Funds and their affiliates retain significant ownership of us. This concentration of our ownership may delay or deter possible changes in control of the Company, which may reduce the value of an investment in our common stock. Even when the Apax Funds cease to own shares of our stock representing a majority of the total voting power, for so long as the Apax Funds continue to own a significant portion of our stock, the Apax Funds will still be able to significantly influence the composition of our Board and the approval of actions requiring shareholder approval. Accordingly, for such period of time, the Apax Funds will have significant influence with respect to our management, business plans and policies, including the appointment and removal of our officers, decisions on whether to raise future capital, and amending our charter and bylaws, which govern the rights attached to our common stock. In particular, for so long as the Apax Funds continue to beneficially own a significant percentage of our stock, the Apax Funds could cause or prevent a change of control of the Company or a change in the composition of our Board and could preclude any unsolicited acquisition of us. The concentration of ownership could deprive you of an opportunity to receive a premium for your shares of common stock as part of a sale of us and ultimately might affect the market price of our common stock. On September 17, 2021, we entered into a director nomination agreement (the" Director Nomination Agreement") with the Apax Funds through their control of Turing EquityCo. II L. P. that provides the Apax Funds the right, but not the obligation, to nominate a number of individuals designated for election as our Board at any meeting of our stockholders (the " Apax Directors "), such that, upon the election of each such individual, and each other individual nominated by or at the direction of our Board or a duly- authorized committee of the board, as a director of our company, the number of Apax Directors serving as directors of our company will be equal to: (i) if the Apax Funds and their affiliates together continue to beneficially own at least 50 % of the total voting power of the outstanding shares of our common stock, the lowest whole number that is greater than 50 % of the total number of directors comprising our Board; (ii) if the Apax Funds and their affiliates together continue to beneficially own at least 40 % (but less than 50 %) of the total voting power of the outstanding shares of our common stock, the lowest whole number that is at least 40 % of the total number of directors comprising our Board; (iii) if the Apax Funds and their affiliates together continue to beneficially own at least 30 % (but less than 40 %) of the total voting power of the outstanding shares of our common stock, the lowest whole number that is at least 30 % of the total number of directors comprising our Board; (iv) if the Apax Funds and their affiliates together continue to beneficially own at least 20 % (but less than 30 %) of the total voting power of the outstanding shares of our common stock, the lowest whole number that is at least 20 % of the total number of directors comprising our Board; and (v) if the Apax Funds and their affiliates together continue to beneficially own at least 10 % (but less than 20 %) of the total voting power of the outstanding shares of our common stock, the lowest whole number that is at least 10 % of the total number of directors comprising our Board. The Apax Funds may also assign such rights to their affiliates. The Director Nomination Agreement also provides for certain consent rights for the Apax Funds so long as they own at least 50 % of the total voting power of the outstanding shares of our common stock. Additionally, the Director Nomination Agreement also prohibits us from increasing or decreasing the size of our Board without the prior written consent of the Apax Funds for so long as the Apax Funds hold at least 40 % of the total voting power of the outstanding shares of our common stock. Apax Partners, the Apax Funds and their affiliates engage in a broad spectrum of activities, including investments in the software industry and technology industry generally. In the ordinary course of their business activities, Apax Partners, the Apax Funds and their affiliates may engage in activities where their interests conflict with our interests or those of our other shareholders, such as investing in or advising businesses that directly or indirectly compete with certain portions of our business or are suppliers or clients of ours. Our certificate of incorporation provides that none of Apax Partners, the Apax Funds, any of their affiliates, or any director who is not employed by us (including any non- employee director who serves as one of our officers in both his or her director and officer capacities) will have any duty to refrain from engaging, directly or indirectly, in the same business activities or similar business activities or lines of business in which we operate. Apax Partners and the Apax Funds also may pursue acquisition opportunities that may be complementary to our business, and, as a result, those acquisition opportunities may not be available to us. In addition, Apax Partners and the Apax Funds may have an interest in pursuing acquisitions, divestitures and other transactions that, in their judgment, could enhance their investment, even though such transactions might involve risks to you.

We are a " controlled company " within the meaning of Nasdaq rules and, as a result, we will qualify for, and intend to rely on, exemptions from certain corporate governance requirements. You will not have the same protections as those afforded to stockholders of companies that are subject to such governance requirements. The Apax Funds continue to indirectly control a majority of the voting power of our outstanding common stock. As a result, we are a " controlled company " within the meaning of the corporate governance standards of Nasdaq. 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 requirement that a majority of our Board consist of independent directors; • the requirement that we have a nominating and corporate governance committee that is composed entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities; and • the requirement that we have a compensation committee that is composed entirely of independent directors with a written charter addressing the committee' s purpose and responsibilities. In the future, we may not have a majority of independent directors on our Board, our Compensation and Talent Committee and our Nominating and Governance Committee may not consist entirely of independent directors, and our Compensation and Talent and Nominating and Governance Committees may not be subject to annual performance evaluations. Accordingly, you will not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of other companies listed on Nasdaq. As a result of being a public company, we are obligated to ~~develop and~~ maintain proper and effective internal control over financial reporting, and any failure to maintain the adequacy of these internal controls may adversely affect investor confidence in our company and, as a result, the value of our common stock. We are required, pursuant to Section 404 of the Sarbanes- Oxley Act of 2002 (" SOX"), to furnish a report by management on, among other things, the effectiveness of our internal control over financial reporting ~~as of December 31, 2022~~ . This assessment includes disclosure of any material weaknesses identified by our management in our internal control over financial reporting. In addition, our independent registered public accounting firm is required to attest to the effectiveness of our internal control over financial reporting. Our compliance with Section 404 requires that we incur substantial expenses and expend significant management efforts. During the evaluation and testing process of our internal controls, if we identify one or more material weaknesses in our internal control over financial reporting, we will be unable to certify that our internal control over financial reporting is effective. We cannot assure you that there will not be material weaknesses or significant deficiencies in our internal control over financial reporting in the future. Any failure to maintain internal control over financial reporting could severely inhibit our ability to accurately report our financial condition or results of operations. If we are unable to conclude that our internal control over financial reporting is effective, or if our independent registered public accounting firm determines we have a material weakness or significant deficiency in our internal control over financial reporting, we could lose investor confidence in the accuracy and completeness of our financial reports, the market price of our common stock could decline, and we could be subject to sanctions or investigations by the SEC or other regulatory authorities. Failure to remedy any material weakness in our internal control over financial reporting, or to implement or maintain other effective control systems required of public companies, could also restrict our future access to the capital markets. ~~We no longer qualify as an emerging growth company as defined in the JOBS Act and as such we no longer are entitled to rely on exemptions from certain compliance requirements that are applicable to companies that are emerging growth companies. We are no longer able to continue to take advantage of cost savings associated with the JOBS Act. Furthermore, if the additional requirements applicable to non- emerging growth companies divert the attention of our management and personnel from other business concerns, they could have a material adverse effect on our business, financial condition and results of operations. The increased costs will decrease our net income or increase our net loss and may require us to reduce costs in other areas of our business. We cannot predict or estimate the amount or timing of additional costs we may incur to respond to these requirements. Furthermore, if we are unable to satisfy our obligations as a non- emerging growth company, we could be subject to delisting of our common stock, fines, sanctions and other regulatory action and potentially civil litigation.~~ Provisions of our corporate governance documents could make an acquisition of us more difficult and may prevent attempts by our shareholders to replace or remove our current management, even if beneficial to our shareholders. In addition to the Apax Funds' beneficial ownership of ~~62~~ **61** . ~~6~~ **3** % as of December 31, ~~2022~~ **2023** , of our common stock, our certificate of incorporation and bylaws and the Delaware General Corporation Law (the " DGCL ") contain provisions that could make it more difficult for a third party to acquire us, even if doing so might be beneficial to our shareholders. Among other things: • these provisions allow us to authorize the issuance of undesignated preferred stock, the terms of which may be established and the shares of which may be issued without shareholder approval, and which may include supermajority voting, special approval, dividend or other rights or preferences superior to the rights of shareholders; • these provisions provide for a classified Board with staggered three- year terms; • these provisions provide that, at any time when the Apax Funds beneficially own, in the aggregate, less than 50 % in voting power of our stock entitled to vote generally in the election of directors, directors may only be removed for cause, and only by the affirmative vote of holders of at least 662 ⁄ 3 % in voting power of all the then- outstanding shares of our stock entitled to vote thereon, voting together as a single class; • these provisions prohibit shareholder action by written consent from and after the date on which the Apax Funds beneficially own, in the aggregate, less than 50 % in voting power of our stock entitled to vote generally in the election of directors; • these provisions provide that, for as long as the Apax Funds beneficially own, in the aggregate, at least 50 % in voting power of our stock entitled to vote generally in the election of directors, any amendment, alteration, rescission or repeal of our bylaws by our shareholders will require the affirmative vote of a majority in voting power of the outstanding shares of our stock and at any time when the Apax Funds beneficially own, in the aggregate, less than 50 % in voting power of all outstanding shares of our stock entitled to vote generally in the election of directors, any amendment, alteration, rescission or repeal of our bylaws by our shareholders will require the affirmative vote of the holders of at least 662 ⁄ 3 % in voting power of all the then- outstanding shares of our stock entitled to vote thereon, voting together as a single class; and • these provisions establish advance notice requirements for nominations for elections to our Board or for proposing matters that can be acted upon by shareholders at shareholder meetings. Our certificate of incorporation contains a provision that provides us with protections similar to Section 203 of the DGCL and will prevent us from engaging in a business combination with a person (excluding the Apax Funds and any of their direct or indirect transferees and any group as to which such persons are a party) who acquires at least 15 % of our common stock for a period of three years from the date such person acquired such common stock, unless board or shareholder approval is obtained prior to the acquisition. These provisions could discourage, delay or prevent a transaction involving a change in control of us. These provisions could also discourage proxy contests and make it more difficult for you and other shareholders to elect directors of your choosing and cause us to take other corporate actions you desire, including actions that you may deem advantageous, or negatively affect the trading price of our common stock. In addition, because our Board is responsible for appointing the members of our management team, these provisions could in turn affect any attempt by our shareholders to replace current members of our management team. These and other provisions in our certificate of incorporation, bylaws and Delaware law could make it more difficult for shareholders or potential acquirers to obtain control of our Board or initiate actions that are opposed by our then- current Board, including delay or impede a merger, tender offer or proxy contest involving our company. The existence of these provisions could negatively affect the price of our common stock and limit opportunities for you to realize value in a corporate transaction. Our certificate of incorporation designates the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation that may be initiated by our shareholders and the federal district courts of the United States as the exclusive forum for litigation arising under the Securities Act, which could limit our shareholders' ability to obtain a favorable judicial forum for disputes with us. Pursuant to our certificate of incorporation, unless we consent in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware will be the sole and exclusive forum for (i) any derivative action or proceeding brought on our behalf, (ii) any action asserting a claim of breach of a fiduciary duty owed by any of our directors, officers or other employees to us or our shareholders, (iii) any action asserting a claim against us arising pursuant to any provision of the DGCL, our certificate of incorporation or our bylaws, or (iv) any other action asserting a claim against us that is governed by the internal affairs doctrine; provided that, for the avoidance of doubt, the forum selection provision that identifies the Court of Chancery of the State of Delaware as the exclusive forum for certain litigation, including any " derivative action, " will not apply to suits to enforce a duty or liability created by the Securities Act, the Exchange Act or any other claim for which the federal courts have exclusive jurisdiction. Our certificate of incorporation provides that, unless we consent in writing to the selection of an alternative forum, the federal district courts of the U. S. shall be the exclusive forum for the resolution of any complaint asserting a cause of action arising under the Securities Act. However, Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all suits brought to enforce a duty or liability created by the Securities Act or the rules and regulations thereunder; accordingly, we cannot be certain that a court would enforce such a provision. Our certificate of incorporation further provides that any person or entity purchasing or otherwise acquiring any interest in shares of our capital stock is deemed to have notice of and consented to the provisions of our certificate of incorporation described above; however, our shareholders will not be deemed to have waived (and cannot waive) compliance with the federal securities laws and the rules and regulations thereunder. The forum selection clause in our certificate of incorporation may have the effect of discouraging lawsuits against us or our directors and officers and may limit our shareholders' ability to obtain a favorable judicial forum for disputes with us. If the enforceability of our forum selection provision were to be challenged, we may incur additional costs associated with resolving such a challenge. While we currently have no basis to expect that any such challenge would be successful, if a court were to find our forum selection provision to be inapplicable or unenforceable, we may incur additional costs associated with having to litigate in other jurisdictions, which could have an adverse effect on our business, financial condition and results of operations and result in a diversion of the time and resources of our employees, management and Board. A significant portion of our total outstanding shares may be sold into the market. This could cause the market price of our common stock to drop significantly, even if our business is doing well. Sales of a substantial number of shares of our 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 our common stock. In addition, pursuant to a Registration Rights Agreement, certain holders of shares of our common stock, including the Apax Funds, have the right, in certain circumstances, to require us to register shares of our common stock under the Securities Act for sale into the public markets. Upon the effectiveness of such a registration statement, all shares covered by the registration statement will be freely transferable under the Securities Act.