Risk Factors Comparison 2023-07-28 to 2022-07-26 Form: 10-K

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In addition to the risks referred to elsewhere in this Form 10- K, the following risks, among others, sometimes may have affected, and in the future could affect, the Company' s businesses, financial condition or results of operations and / or the investment management business conducted by EAM and consequently, the amount of revenue we receive from EAM. The risks described below are not the only ones we face. Additional risks not discussed or not presently known to us or that we currently deem insignificant, may also impact our businesses. The Company and its subsidiaries are dependent on the efforts of its executives and professional staff. The Company' s future success relies upon its ability to retain and recruit qualified professionals and executives. The Company' s executive officers do not have employment agreements with the Company and the Company does not maintain " key man " insurance policies on any of its executive officers. The loss of the services of key personnel could have an adverse effect on the Company. A decrease in the revenue generated by EAM' s investment management business could adversely affect the Company' s cash flow and financial condition. The Company derives a significant portion of its cash flow from its non- voting revenues and non- voting profits interests in EAM. A decrease in the revenue generated by EAM' s investment management business, whether resulting from performance, competitive, regulatory or other reasons, would reduce the amount of cash flow received by the Company from EAM, which reduction could adversely affect the Company' s cash flow and financial condition. EAM' s assets under management, which impact EAM' s revenue, and consequently the amount of the cash flow that the Company receives from EAM, are subject to fluctuations based on market conditions and individual fund performance. Financial market declines and / or adverse changes in interest rates would generally negatively impact the level of EAM' s assets under management and consequently its revenue and net income. Major sources of investment management revenue for EAM (i. e., investment management and service and distribution fees) are calculated as percentages of assets under management. A decline in securities prices or in the sale of investment products or an increase in fund redemptions would reduce fee income. A prolonged recession or other economic or political events could also adversely impact EAM' s revenue if it led to decreased demand for products, a higher redemption rate, or a decline in securities prices. Good performance of managed assets relative to both competing products and benchmark indices generally assists in both retention and growth of assets, and may result in additional revenues. Conversely, poor performance of managed assets relative to competing products or benchmark indices tends to result in decreased sales and increased redemptions with corresponding decreases in revenues to EAM. Poor performance could therefore reduce the amount of cash flow that the Company receives from EAM, which reduction could adversely affect the Company' s financial condition. EAM derives **nearly** all of its investment management fees from the Value Line Funds. EAM is dependent upon management contracts and service and distribution contracts with the Value Line Funds under which these fees are paid. As required by the Investment Company Act of 1940 (the " 1940 Act "), the Trustees / Directors of the Funds, all of whom are independent of the Company and EAM (except for the CEO of EAM), have the right to terminate such contracts. If any of these contracts are terminated, not renewed, or amended to reduce fees, EAM' s financial results, and consequently, the amount of cash flow received by the Company from EAM, and the Company' s financial condition, may be adversely affected. A decrease in the revenue generated by a significant customer could adversely affect the Company' s cash flow and financial condition. The Company derives a significant portion of its cash flow and publishing revenues from a single significant customer. If the Company does not maintain its subscriber base, its operating results could suffer. A substantial portion of the Company' s revenue is generated from print and digital subscriptions, which are paid in advance by subscribers. Unearned revenues are accounted for on the Consolidated Balance Sheets of the Company within current and long- term liabilities. The backlog of orders is primarily generated through renewals and new subscription marketing efforts as the Company deems appropriate. Future results will depend on the renewal of existing subscribers and obtaining new subscriptions for the investment periodicals and related publications. The availability of competitive information on the Internet at low or no cost has had and may continue to have a negative impact on the demand for our products. The Company believes that the negative trend in retail print subscription revenue experienced in recent years is likely to continue. During the last several years, the Company has experienced a negative trend in retail print subscription revenue. While circulation of some print publications has increased, others have experienced a decline in circulation or in average yearly price realized. It is expected that print revenues will continue to decline long- term, while the Company emphasizes digital offerings. The Company has established the goal of maintaining competitive digital products and marketing them through traditional and digital channels to retail and institutional customers. However, the Company is not able to predict whether revenues from digital retail publications will grow more than print revenues decline. Loss of copyright clients or decline in their customers, or assets managed by third party sponsors could reduce the Company' s revenues. Copyright agreements are based on market interest in the respective proprietary information. The Company believes this part of the business is dependent upon the desire of third parties to use the Value Line trademarks and proprietary research for their products, competition and on fluctuations in segments of the equity markets. If the fees from proprietary information decline, the Company' s operating results could suffer. Failure to protect its intellectual property rights and proprietary information could harm the Company' s ability to compete effectively and could negatively affect operating results. The Company' s trademarks are important assets to the Company. Although its trademarks are registered in the United States and in certain foreign countries, the Company may not always be successful in asserting global trademark protection. In the event that other parties infringe on its intellectual property rights and it is not successful in defending its intellectual property rights, the result may be a dilution in the value of the Company' s brands in the marketplace. If the value of the Company' s brands becomes diluted, such developments could adversely affect the value that its customers associate with its brands, and thereby negatively impact its sales. Any infringement of our intellectual property rights would also likely result in a commitment of Company resources to protect these rights through litigation or otherwise. In addition, third parties may assert claims against our intellectual property rights and we may not be able successfully to resolve such claims. The Company is utilizing all of its trademarks and properly maintaining registrations for them. Adverse changes in market and economic conditions could lower demand for the Company' s and EAM' s products and services. The Company provides its products and services to individual investors, financial advisors, and institutional clients. Adverse conditions in the financial and securities markets may have an impact on the Company' s subscription revenues, securities income, and copyright fees which could adversely affect the Company' s results of operations and financial condition. Adverse conditions in the financial and securities markets could also have an adverse effect on EAM' s investment management revenues and reduce the amount of cash flow that the Company receives from EAM, which reduction could adversely affect the Company' s financial condition. The Company and EAM face significant competition in their respective businesses. Both the investment information and publishing business conducted by the Company and the investment management business conducted by EAM are very competitive. There are many competing firms and a wide variety of product offerings. Some of the firms in these industries are substantially larger and have greater financial resources than the Company and EAM. With regard to the investment information and publishing business, barriers to entry have been reduced by the minimal cost structure of the Internet and other technologies. With regard to the investment management business, the absence of significant barriers to entry by new investment management firms in the mutual fund industry increases competitive pressure. Competition in the investment management business is based on various factors, including business reputation, investment performance, quality of service, marketing, distribution services offered, the range of products offered and fees charged. Access to mutual fund distribution channels has also become increasingly competitive. Government regulations, any changes to government regulations, and regulatory proceedings and litigation may adversely impact the business. Changes in legal, regulatory, accounting, tax and compliance requirements could have an effect on EAM' s operations and results, including but not limited to increased expenses and restraints on marketing certain funds and other investment products. EAM is registered with the SEC under the Investment Advisers Act of 1940 (the " Advisers Act "). The Advisers Act imposes numerous obligations on registered investment advisers, including fiduciary, record keeping, operational and disclosure obligations. ES is registered as a broker- dealer under the Securities Exchange Act of 1934 and is a member of the Financial Industry Regulatory Authority, also known as " FINRA ". Each Value Line Fund is a registered investment company under the 1940 Act. The 1940 Act requires numerous compliance measures, which must be observed, and involves regulation by the SEC. Each fund and its shareholders may face adverse tax consequences if the Value Line Funds are unable to maintain qualification as registered investment companies under the Internal Revenue Code of 1986, as amended. Those laws and regulations generally grant broad administrative powers to regulatory agencies and bodies such as the SEC and FINRA. If these agencies and bodies believe that EAM, ES or the Value Line Funds have failed to comply with their laws and regulations, these agencies and bodies have the power to impose sanctions. EAM, ES and the Value Line Funds, like other companies, can also face lawsuits by private parties. Regulatory proceedings and lawsuits are subject to uncertainties, and the outcomes are difficult to predict. Changes in laws, regulations or governmental policies, and the costs associated with compliance, could adversely affect the business and operations of the EAM, ES and the Value Line Funds. An adverse resolution of any regulatory proceeding or lawsuit against the EAM or ES could result in substantial costs or reputational harm to them or to the Value Line Funds and have an adverse effect on their respective business and operations. An adverse effect on the business and operations of EAM, ES and / or the Value Line Funds could reduce the amount of cash flow that the Company receives in respect of its non- voting revenues and non-voting profits interests in EAM and, consequently, could adversely affect the Company' s cash flows, results of operations and financial condition. Terrorist attacks could adversely affect the Company and EAM. A terrorist attack, including biological or chemical weapons attacks, and the response to such terrorist attacks, could have a significant impact on the New York City area, the local economy, the United States economy, the global economy, and U. S. and / or global financial markets, and could also have a material adverse effect on the Company' s business and on the investment management business conducted by EAM. Future pandemic outbreaks could disrupt the Company' s operations. A substantial recurrence of infections of the COVID- 19 virus or its variants could disrupt Company printing and distribution operations, or supplies of materials and services needed for the print publishing business. While the Company believes that its office, editorial, and administrative operations, and those of its suppliers of data and other services, are adequately backed- up for fully remote operations if needed, likewise a future pandemic outbreak could interfere with the continuity of printing and distribution operations, as well as endangering personnel of the Company and its supply chain partners. Our controlling stockholder exercises voting control over the Company and has the ability to elect or remove from office all of our directors. As of April 30, ~~2022~~ **2023** , AB & Co., Inc. beneficially owned ~~90~~ **91** . ~~79~~ **51** % of the outstanding shares of the Company' s voting stock. AB & Co. is therefore able to exercise voting control with respect to all matters requiring stockholder approval, including the election or removal from office of all of our directors. We are not subject to most of the listing standards that normally apply to companies whose shares are quoted on NASDAQ. Our shares of common stock are quoted on the NASDAQ Capital Market (" NASDAQ "). Under the NASDAQ listing standards, we are deemed to be a " controlled company " by virtue of the fact that AB & Co. has voting power with respect to more than 50 % of our outstanding shares of voting stock. A controlled company is not required to have a majority of its board of directors comprised of independent directors. Director nominees are not required to be selected or recommended for the board' s selection by a majority of independent directors or a nomination committee comprised solely of independent directors, nor do the NASDAQ listing standards require a controlled company to certify the adoption of a formal written charter or board resolution, as applicable, addressing the nominations process. A controlled company is also exempt from NASDAQ' s requirements regarding the determination of officer compensation by a majority of the independent directors or a compensation committee comprised solely of independent directors. Although we currently comply with certain of the NASDAQ listing standards that do not apply to controlled companies, our compliance is voluntary, and there can be no assurance that we will continue to comply with these standards in the future. We are subject to cyber risks and may incur costs in connection with our efforts to enhance and ensure security from cyber attacks. Substantial aspects of our business depend on the secure operation of our computer systems and e- commerce websites. Security breaches could expose us to a risk of loss or misuse of sensitive information, including our own proprietary information and that of our customers and employees. While we devote substantial resources to maintaining adequate levels of cyber security, our resources and technical sophistication may not be adequate to prevent all of the rapidly evolving types of cyber attacks. Anticipated attacks and risks may cause us to incur increasing costs for technology, personnel, insurance and services to enhance security or to respond to occurrences. We maintain cyber risk insurance, but this insurance may not be sufficient to cover all of our losses from any possible future breaches of our systems. Changes to existing accounting pronouncements or taxation rules or practices may affect how we conduct our business and affect our reported results of operations. New accounting pronouncements or tax rules and varying interpretations of accounting pronouncements or taxation practice have occurred and may occur in the future. A change in accounting pronouncements or interpretations or taxation rules or practices can have a significant effect on our reported results and may even affect our reporting of transactions completed before the change is effective. Changes to existing rules and pronouncements, future changes, if any, or the questioning of current practices or interpretations may adversely affect our reported financial results or the way we conduct our business.