

Risk Factors Comparison 2025-03-19 to 2024-04-01 Form: 10-K

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

Risks Related to our Business The Company's ability to achieve continued and sustained profitability is uncertain. The Company's profitability depends on, among other things, its ability to generate revenue in excess of its expenses. However, the Company has significant and continuing fixed costs and expenses, which it may not be able to reduce adequately to sustain such profitability if its revenue continues to decrease, or if revenue does not increase commensurately with an increase in costs. In addition, the Company may encounter unforeseen expenses, difficulties, complications, delays and other unknown events that may cause its costs to exceed its expectations. In addition, the Company ~~will now incur~~ **incurs certain** additional legal, accounting and other expenses that it ~~would did not occur~~ **incur when it operated** as a ~~wholly-owned~~ subsidiary of ETI, as further described in the risk factor entitled "The Company will incur significant increased expenses and administrative burdens as a public company, which could have an adverse effect on its business, financial condition and results of operations" below. The Company's revenues have declined over the last few years due to, among other things, the COVID-19 pandemic, a loss of clients, the completion of certain one-off projects, currency fluctuation exposure, the transition of the Company's clients to lower revenue but higher margin systems and platforms, and changes of clients' technology that has resulted in fewer transactions that fall under the contractual arrangements with the Company. ~~In addition, one of the Company's top 10 clients ended its contract with the Company in April 2023.~~ Contracts with several other large clients are up for renewal. Although these contracts are expected to be renewed, there can be no assurances that they will be renewed on favorable terms or at all. Further, the Company's revenues may be adversely affected by many factors, including but not limited to a future pandemic; a potential recession in Europe; the inability to attract new clients to use its services; a failure by existing clients to renew their contracts or use additional services (or a decision by existing clients to cease or reduce using the Company's services); the lengthening of its sales cycles and implementation periods; changes in its client mix; failure of clients to pay invoices on a timely basis or at all; a failure in the performance of the Company's solutions or internal controls that adversely affects its reputation or results in loss of business; the loss of market share to existing or new competitors; the failure to enter or succeed in new markets; regional or global economic conditions or regulations affecting perceived need for or value of the Company's services; or the Company's inability to develop new offerings, expand its offerings or drive adoption of its new offerings on a timely basis and thus potentially not meeting evolving market needs. The Company's future profitability also may be impacted by non-cash charges and potential impairment of goodwill, which will negatively affect its reported financial results. Even if it achieves profitability on an annual basis, the Company may not be able to achieve profitability on a quarterly basis. The Company may incur significant losses ~~in the~~ **the** future for a number of reasons, including those described elsewhere herein. Any inability of the Company to achieve continued and sustained profitability may adversely impact its financial position and may require the Company to seek additional financing (which will be subject to the risks described in the risk factor below entitled "The Company may need to raise debt or equity financing, which it may be unable to do on favorable terms or at all"). The Company may need to raise debt or equity financing, which it may be unable to do on favorable terms or at all. ~~In addition, the Company must obtain the consent of Cantor and an affiliate of BTC International prior to any additional issuances of equity in excess of approximately 3,026,000 shares of Common Stock prior to the one year anniversary of the closing of the Business Combination.~~ The Company may be unable to generate continued and sustained profitability, or may incur significant losses in the future. As a result, the Company may need to raise additional capital through debt and / or equity financing at some point in the future. Any debt agreements the Company enters into at such time may include financial or operational covenants which may constrain its ability to operate its business, and any inability to satisfy covenants contained in any debt agreements may require prepayment and / or refinancing of such debt. The Company may also be unable to raise debt and / or equity financing at an attractive price or on attractive terms or at all. ~~Under the Approval Rights Agreements described under the heading "The Business Combination — Related Agreements — Approval Rights Agreements," the Company is subject to restrictions on its ability to issue new equity following Closing without the consent of Cantor and ETI-MNA LLC (an affiliate of BTC International). Accordingly, the Company may be prohibited from raising any equity financing at a time when available cash may be limited, which could impact the Company's ability to carry out its business operations as currently anticipated and adversely affect its business and financial position and / or the price of its Common Stock. Under the Approval Rights Agreements, if the consent of Cantor and ETI-MNA LLC is required and not obtained, the maximum number of shares of Common Stock the Company may issue would be approximately 3,026,000, excluding any exercise of Warrants. In addition, under an Approval Rights Agreement, the Company may be required to publicly disclose material non-public information previously shared with the party with approval rights under such agreement, which may hinder the Company's ability to confidentially market certain offerings.~~ The limited public float of the Company may also adversely affect its ability to raise debt and / or equity financing on attractive terms or at all. For more, see "The Company has a limited public float, which adversely affects trading volume and liquidity, and may adversely affect the price of the Common Stock and access to additional capital." The Company relies on ETI, which is a highly leveraged ~~public~~ company that faces substantial doubt about its ability to continue as a going concern. An adverse event affecting ETI may affect the delivery and availability of the services the Company relies on ETI to provide. The Company is majority ~~owned~~ **owned** by ETI ~~and depends~~ **and depends**. ~~The Company relies on the services that ETI has historically provided, in the past and ETI has agreed to continue to provide providing~~ certain services and ~~fulfill fulfilling~~ other obligations pursuant to the Tax Sharing Agreement, the Services Agreement, and the License Agreement. **However, ETI remains highly leveraged. On July 11, 2023, certain of ETI's financial instability raises concerns about**

subsidiaries completed an exchange offer, which resulted in a reduction of its ability long-term indebtedness to perform approximately \$ 792 million (excluding \$ 314 million of notes held by ETI's subsidiaries). There can be no assurance that ETI will not become more leveraged in the these obligations on a sustained basis future. Considering the Company's relationship with ETI, stockholders are encouraged to review ETI's public filings relating to the foregoing matters and negotiations with its noteholders. As of September 30, 2023-2024, ETI had approximately a total of \$ 1.1 billion in third-party debt outstanding (of which \$ 48-51.2 million was classified as current debt); and on a consolidated basis, ETI's financial statements for the quarter ended September 30, 2024, filed in its Form 10-Q for the quarter ended September 30, expressed 2023-described a substantial doubt about ETI's ability to continue as a going concern under the standards of the Financial Accounting Standards Board Accounting Standards Codification ("ASC") 205-40, Presentation of Financial Statements — Going Concern. On November 6, 2024, Nasdaq notified ETI that its securities would be delisted, and trading of ETI's securities was suspended on November 8, 2024. On January 27, 2025, ETI filed Form 15 with the SEC to deregister its securities, effectively suspending its public reporting obligations. On March 3, 2025, most of ETI's U.S. and three Canadian subsidiaries, excluding the Company, filed voluntary petitions for bankruptcy relief under chapter 11 of title 11 of the United States Bankruptcy Code in the United States Bankruptcy Court for the Southern District of Texas (along with actions such subsidiaries, the "ETI Debtor Subs" has taken to try to mitigate such doubt). All of the directors on our Board of Directors (the "Board"), other. These include entities than that Mr. historically provided services and support to the Company. Jonovic. As a result, the Company's reliance on these entities is at risk, and the following potential risks are arise currently directors of:

- **Service Disruption:** ETI Debtor Subs' ability. Thus, there will be no members of the Company's Board who do not owe a separate fiduciary duty to continue providing ETI, except 21 for Mr. Jonovic. Mr. Jonovic, who is the son-in-law of Mr. Chadha and an Executive Vice President of ETI, also has an interest in ETI however he has transitioned out of his roles and responsibilities at ETI. In the event of a conflict of interest between the Company and ETI, there may be no member of the Board of the Company who would not have a conflicting fiduciary duty or other conflicting interest. In the event of adverse developments with respect to ETI, including as a result of the events described above, the services that the Company will rely on ETI to provide under the Services Agreement and / or the License Agreement and ETI's ability and willingness to comply with its obligations under those agreements and under the Tax Sharing Agreement, could the Services Agreement, and the License Agreement may be compromised, potentially adversely affected. Any such event would impact impacting the Company's operations, financial reporting, and compliance.
- **Financial Exposure:** ETI Debtor Subs' bankruptcy may limit the their ability of the Company to carry out its business satisfy financial or contractual obligations to the Company, potentially resulting in unexpected costs, liabilities, or disputes.
- **Reputational Risk:** ETI's financial instability and bankruptcy may create negative market operations- perceptions that as currently anticipated, which could adversely affect its the Company's business relationships and financial position and / or the price of its Common Stock. If the Company is unable to maintain an and effective system of internal control over financial reporting, it may not be able to accurately report its financial results in a timely manner or there may be misstatements in its financial statements (which may include material misstatements), any of which may adversely affect investor confidence and materially and adversely affect .
- **Operational Uncertainty:** The bankruptcy process may involve restructuring efforts, asset sales, or legal disputes that could result in changes to the organizational structure or business and operating results. The strategy of the ETI Debtor Subs, further disrupting the Company's financial statements were prepared in reliance on information provided by, their services.
- **Potential Legal and personnel of, Financial Impact:** ETI Debtor Subs' bankruptcy proceedings may result in creditor actions or other claims that indirectly affect the Company, including those arising from the Company's announced potential acquisition of the debtor subsidiaries upon their emergence from bankruptcy. The Company has entered into a new related party agreement with HOV Services Ltd. to help mitigate the risk of service disruption from the ETI Debtor Subs; however, there can be no assurance that this mitigation effort will be successful, and the Company is continuing to monitor the situation closely. There can be no assurance that the ETI Debtor Subs will successfully emerge from bankruptcy in a manner that allows them to meet their obligations to the Company or that the Company's reliance on the ETI Debtor Subs will not have a material adverse effect on its business, financial condition, or results of operations. If the Company is unable to maintain an effective system of internal control over financial reporting, it may not be able to accurately report its financial results in a timely manner or there may be misstatements in its financial statements (which may include material misstatements), any of which may adversely affect investor confidence and materially and adversely affect business and operating results. The Company's financial statements were prepared in reliance on information provided by, and personnel of, ETI. There can be no assurance that its internal controls will be effective, which could adversely affect its ability to accurately report its financial statements in a timely manner or there may be misstatements in its financial statements (which may be material misstatements). The occurrence of any such events may adversely affect investor confidence and materially and adversely affect business and operating results. As described in ETI's audited financial statements for the years ended December 31, 2022 and December 31, 2021, ETI's independent auditor and management concluded that ETI had a material weakness in internal controls. A material weakness is a deficiency, or a combination of deficiencies, in internal control over financial reporting such that there is a reasonable possibility that a material misstatement of annual or interim financial statements will not be prevented, or detected and corrected on a timely basis. Effective internal controls are necessary to provide reliable financial reports and prevent fraud. There can be no assurances that ETI will continue to control the Company in the future. Any change in control of the Company may impact its strategy or business, including in a manner adverse to the Company's stockholders. For various strategic reasons, ETI may need to raise additional financing and may choose to engage in non- strategic divestitures and / or liquidations of assets including, potentially, dispositions of shares of Common Stock (subject to compliance with any applicable lock-up restrictions further described in the Lock-Up Agreement). In the event ETI disposes of shares of Common Stock, such dispositions may cause the market value of

the Common Stock to decline or could result in a change of control of the Company. Any change in control of the Company may result in a change in the Company's strategy or business, including in a manner adverse to the Company's stockholders. Historical or new adverse issues associated with ETI or its management, such as litigation **and its recent Nasdaq delisting and deregistration of its securities**, as well as issues associated with the Company, may adversely impact the Company's reputation, business and financial position and share price. Significant negative news, adverse legal or regulatory findings, material litigation, reputational damage and other adverse developments associated with ETI and / or members of its management team, whether historical or in the future, may adversely impact the Company's reputation, business and financial position and share price. ETI and its predecessor entities and management (including members of the Company's management) have been subject to a variety of claims, including claims that resulted in certain adverse settlements and judgments against ETI, and may in the future be subject to claims. **In addition, ETI's securities are no longer listed on Nasdaq, and ETI filed a Form 15 on January 27, 2025 to deregister ETI's Common Stock and Series B Cumulative Convertible Perpetual Preferred Stock, which filing immediately suspended ETI's reporting obligations under Section 13 (a) of the Exchange Act. 22Such 23Such** historical claims, settlements or judgments, or any new claims, whether or not successful, by ETI or the Company, **or the delisting of ETI's securities by Nasdaq and deregistration of its securities under the Exchange Act and suspension of its reporting obligations**, may adversely affect the reputation or perception of the Company and its management team, and ultimately, the Company's business, financial position, and share price. Certain of the Company's contracts are subject to rights of termination, audit and / or investigation, which, if exercised, could negatively impact the Company's reputation and reduce the Company's ability to compete for new contracts and have an adverse effect on its business, results of operation and financial condition. Many of the Company's client contracts may be terminated by its clients without cause and without any fee or penalty, with only limited notice. Any failure to meet a client's expectations, as well as factors beyond the Company's control, including a client's financial condition, strategic priorities, or mergers and acquisitions, could result in a cancellation or non- renewal of such a contract or a decrease in business provided to the Company and cause its actual results to differ from its forecasts. The Company may not be able to replace a client that elects to terminate or not renew its contract with it, which would reduce its revenues. As described in the risk factor entitled "The Company's ability to achieve continued and sustained profitability is uncertain" above, ~~one of the Company's top 10 clients ended its contract with the Company in April 2023~~. In addition, a portion of the Company's revenues is derived from contracts with foreign governments and their agencies. Government entities typically finance projects through appropriated funds. While these projects are often planned and executed as multi- year projects, government entities usually reserve the right to change the scope of, or terminate, these projects for lack of approved funding and / or at their convenience. Changes in government or political developments, including budget deficits, shortfalls or uncertainties, government spending reductions (e. g., during a government transition) or other debt or funding constraints could result in lower governmental sales and in the Company's projects being reduced in price or scope or terminated altogether, which also could limit its recovery of incurred costs, reimbursable expenses and profits on work completed prior to the termination. The public procurement environment is unpredictable and this could adversely affect the Company's ability to perform work under new and existing contracts. These risks can potentially have an adverse effect on the Company's revenue growth and profit margins. Moreover, government contracts are generally subject to a right to conduct audits and investigations by government agencies. Additionally, if the government discovers improper or illegal activities or contractual non- compliance (including improper billing), the Company may be subject to various civil and criminal penalties and administrative sanctions, which may include termination of contracts, forfeiture of profits, suspension of payments, fines and suspensions or debarment from doing business with the government. Any resulting penalties or sanctions could be substantial. Further, the negative publicity that could arise from any such penalties, sanctions or findings in such audits or investigations could have an adverse effect on the Company's reputation in the industry and reduce its ability to compete for new contracts and could materially adversely affect the Company's results of operations and financial condition. The Company may not be able to offset increased costs with increased fees under its contracts. The pricing and other terms of the Company's client contracts are based on estimates and assumptions the Company makes at the time it enters into these contracts. These estimates reflect the Company's best judgments regarding the nature of the engagement and the Company's expected costs to provide the contracted services and could differ from actual results. Not all of the Company's larger long- term contracts allow for escalation of fees as the Company's costs of operations increase and those that allow for such escalations do not always allow increases at rates comparable to increases that the Company experiences. In circumstances where the Company cannot negotiate long- term contract terms that provide for fee adjustments to reflect increases in the Company's cost of service delivery, the Company's business, financial conditions, and results of operation could be materially impacted. Any such increase in costs may require the Company to seek additional financing (which will be subject to the risks described in the risk factor above entitled "The Company may need to raise debt or equity financing, which it may be unable to do on favorable terms or at all "). ~~23~~**24**The Company's business process automation solutions often require long selling cycles and long implementation periods that may result in significant upfront expenses that may not be recovered. The Company often faces long selling cycles to secure new contracts for its business process automation solutions. If the Company is successful in obtaining an engagement, the selling cycle may be followed by a long implementation period during which it plans its services in detail and demonstrates to the client its ability to successfully integrate its solutions with the client's internal operations. The Company's clients may experience delays in obtaining internal approvals or delays associated with technology or system implementations which can further lengthen the selling cycle or implementation period, and certain engagements may also require a ramping up period after implementation before the Company can commence providing its services. Even if the Company succeeds in developing a relationship with a potential client and begins to discuss the services in detail, the potential client may choose a competitor or decide to retain the work in- house prior to the time a contract is signed. In addition, once a contract is signed, the Company sometimes does not begin to receive revenue until completion of the implementation period and

its solution is fully operational. The extended lengths of the Company's selling cycles and implementation periods can result in the incurrence of significant upfront expenses that may never result in profits or may result in profits only after a significant period of time has elapsed, which may negatively impact its financial performance. For example, the Company generally hires new employees to provide services in connection with certain large engagements once a new contract is signed. Accordingly, the Company may incur significant costs associated with these hires before it collects corresponding revenues. The Company's inability to obtain contractual commitments after a selling cycle, maintain contractual commitments after the implementation period or limit expenses prior to the receipt of corresponding revenue may have a material adverse effect on its business, results of operations and financial condition. The Company faces significant competition, including from clients who may elect to perform their business processes in-house or invest in their own technologies in-house. The Company's industry is highly competitive, fragmented and subject to rapid change. The Company competes primarily against local, national, regional and large multi-national information and payment technology companies, including focused business process outsourcing ("BPO") companies based in offshore locations, as well as other BPO and business process automation, consulting services and digital transformation solution providers that focus on the in-house capabilities of the Company's clients and potential clients. These competitors may include entrants from adjacent industries or entrants in geographic locations with lower costs than those in which the Company operates. Some of the Company's competitors have greater financial, marketing, technological or other resources, larger client bases and more established reputations or brand awareness than it does. In addition, some of the Company's competitors who do not have, or have limited, global delivery capabilities may expand their delivery centers to the countries in which it operates or increase their capacity in lower cost geographies, which could result in increased competition. Some of the Company's competitors may also enter into strategic or commercial relationships among themselves or with larger, more established companies in order to benefit from increased scale and enhanced scope capabilities or enter into similar arrangements with potential clients. Further, the Company expects competition to intensify in the future as more companies enter its markets and clients consolidate the services they require among fewer vendors. Increased competition, the Company's inability to compete successfully against competitors, pricing pressures or loss of market share could result in reduced operating margins, which could adversely affect its business, results of operations and financial condition. The Company's industry is characterized by rapid technological change, including the adoption of AI, and failure to compete successfully within the industry and address such changes could adversely affect its results of operations and financial condition. The process of developing new services and solutions is inherently complex and uncertain. It requires accurate anticipation of clients' changing needs and emerging technological trends. The Company must make long-term investments and commit significant resources before knowing whether these investments will eventually result in services that achieve client acceptance and generate the revenues required to provide desired returns. If the Company fails to accurately anticipate and meet its clients' needs through the development of new technologies and service offerings or if its new services are not widely accepted, it could lose market share and clients to its competitors and that could materially adversely affect its results of operations and financial condition. More specifically, the business process automation industry in which part of the Company's business operates is characterized by rapid technological change, evolving industry standards and changing client preferences. The success of the Company's business depends, in part, upon its ability to develop technology and solutions that keep pace with changes in its industry and the industries of its clients. Although the Company has made, and will continue to make, significant investments in the research, design and development of new technology and platforms-driven solutions, it may not be successful in addressing these changes on a timely basis or in marketing the changes it implements. In addition, products or technologies developed by others may render the Company's services uncompetitive or obsolete. Failure to address these developments could have a material adverse effect on the Company's business, results of operations and financial condition. In addition, existing and potential clients are actively shifting their businesses away from paper-based environments to electronic environments with reduced needs for physical document management and processing. This shift may result in decreased demand for the physical document management services the Company provides. Though the Company has solutions for clients seeking to make these types of transitions, a significant shift by its clients away from physical documents to non-paper based technologies, whether now existing or developed in the future, could adversely affect its business, results of operation and financial condition. Also, some of the large international companies in the industry have significant financial resources and compete with us to provide document processing services and / or business process services. The Company competes primarily on the basis of technology, performance, price, quality, reliability, brand, distribution and client service and support. The Company's success in future performance is largely dependent upon its ability to compete successfully, to promptly and effectively react to changing technologies and client expectations and to expand into additional market segments. To remain competitive, The Company must develop services and applications; periodically enhance its existing offerings; remain cost efficient; and attract and retain key personnel and management. If competitors innovate faster and better by utilizing AI, the Company may be adversely impacted. The heightened interest in AI may increase competition and disrupt the Company's business model. Further, AI may lower barriers to entry in our industry and we may be unable to compete with products or services offered by new competitors. AI related changes may also affect our clients' expectations and requirements in ways we cannot adequately anticipate or adapt to, causing our business to lose sales. If the Company is unable to compete successfully, the Company could lose market share and important clients to its competitors and that could materially adversely affect its results of operations and financial condition. The Company's business could be materially and adversely affected if it does not protect its intellectual property or if its services are found to infringe on the intellectual property of others, or if the intellectual property ETI or its subsidiaries provides under the License Agreement is not protected or is found to infringe on the intellectual property of others. The Company's success depends in part on certain methodologies and practices it utilizes in developing and implementing applications and other proprietary intellectual property rights. In order to protect such rights, the Company relies upon a combination of nondisclosure, license and other contractual arrangements, as

well as trade secret, copyright, trademark and patent laws but the Company has limited registered intellectual property and, as a result, could in the future be subject to infringement claims which could lead to substantial additional costs. The Company's operations depend on its ability to independently manage its intellectual property portfolio. The Company also generally enters into confidentiality agreements with its employees, clients and potential clients, and limits access to and distribution of its proprietary information. There can be no assurance that the laws, rules, regulations and treaties in effect in the jurisdictions in which the Company operates and the contractual and other protective measures it takes are or will be adequate to protect it from misappropriation or unauthorized use of its intellectual property, or that such laws will not change. There can be no assurance that the resources invested by the Company to protect its intellectual property will be sufficient or that its intellectual property portfolio will adequately deter misappropriation or improper use of its technology, and its intellectual property rights may not prevent competitors from independently developing or selling products and services similar to or duplicative of the Company's. The Company may not be able to detect unauthorized use and take appropriate steps to enforce its rights, and any such steps may be costly and unsuccessful. Infringement by ~~others~~ **26others** of the Company's intellectual property, and the costs to the Company of enforcing its intellectual property rights, may have a material adverse effect on its business, results of operations and financial condition. The Company could also face competition in some countries where it has not invested in an intellectual property portfolio. If the Company is not able to protect its intellectual property, the value of its brand and other intangible assets may be diminished, and its business may be adversely affected. Further, although the Company believes that it is not infringing on the intellectual property rights of others, claims may nonetheless be successfully asserted against it in the future, and the Company may be the target of enforcement of patents or other intellectual property by third parties, including aggressive and ~~25opportunistic~~ **opportunistic** enforcement claims by non-practicing entities. Regardless of the merit of such claims, responding to infringement claims can be expensive and time-consuming. If the Company is found to infringe any third-party rights, the Company could be required to pay substantial damages or it could be enjoined from offering some of its products and services. The costs of defending any such claims could be significant, and any successful claim may require the Company to modify its services. The value of, or the Company's ability to use, its intellectual property may also be negatively impacted by dependencies on third parties, such as its ability to obtain or renew on reasonable terms licenses that the Company needs in the future, or its ability to secure or retain ownership or rights to use data in certain software analytics or services offerings. Any such circumstances may have a material adverse effect on the Company's business, results of operations and financial condition. In addition, as described above, the Company relies on ETI for certain services, including intellectual property of ETI and its subsidiaries, which are provided pursuant to the License Agreement. Such intellectual property is subject to many of the same risks described above. In particular, the Company relies on ETI and its subsidiaries to protect such intellectual property, and its business operations may be materially impacted if such intellectual property is determined to have infringed on the intellectual property rights of others. For more, see the risk factor above entitled "The Company relies on ETI, which is a highly leveraged public company and faces substantial doubt about its ability to continue as a going concern. An adverse event affecting ETI may affect the delivery and availability of the services the Company relies on ETI to provide." The Company's revenues are highly dependent on the banking and finance industries, and any decrease in demand for business process solutions in these industries could reduce its revenues and adversely affect the results of operations. A substantial portion of the Company's revenues are derived from the banking and finance industries. Clients in banking and financial services accounted for 51% ~~and 53%~~ of the Company's revenues in **2024 and 2023 and 2022**, respectively. Clients who provide commercial services accounted for 5% ~~and 6%~~ of the Company's revenues in **2024 and 2023 and 2022**, respectively. Clients in the services, technology, and manufacturing industries accounted for **17% and 19% and 22%** of the Company's revenues in **2024 and 2023 and 2022**, respectively. The Company's success largely depends on continued demand for its services from clients in these segments, and a downturn or reversal of the demand for business process solutions in any of these segments, or the introduction of regulations that restrict or discourage companies from engaging its services, could materially adversely affect the Company's business, financial condition and results of operations. For example, consolidation in any of these industries or combinations or mergers, particularly involving the Company's clients, may decrease the potential number of clients for its services. The Company has been affected by the worsening of economic conditions and significant consolidation in the financial services industry and the continuation of this trend may negatively affect its revenues and profitability. Europe's persistently high inflation, caused in part by increasing energy prices, as a result of the conflict in the Ukraine, may not ease despite measures aimed at reducing inflation. ~~This ultimately resulted in a recession in the UK.~~ **and the UK**) may lead to further consolidation in the financial services industry, a reduction in demand for the Company's services or otherwise adversely affect the Company's operations or financial performance. The Company derives significant revenue and profit from contracts awarded through competitive bidding processes, including renewals, which can impose substantial costs on the Company, and the Company will not achieve revenue and profit objectives if it fails to accurately and effectively bid on (and win or renew) such projects. In addition, even if bids are won and a contract is awarded to the Company, revenue and profit objectives may not be achieved due to a number of factors outside its control, including cases where an applicable contract or framework arrangement does not guarantee transaction volume. ~~Many~~ **27Many** of the contracts awarded to the Company through competitive bidding procedures are extremely complex and require the investment of significant resources in order to prepare accurate bids and proposals. Competitive bidding imposes substantial costs and presents a number of risks, including: (i) the substantial cost and managerial time and effort that the Company spends to prepare bids and proposals for contracts that may or may not be awarded to it; (ii) the need to estimate accurately the resources and costs that will be required to implement and service any contracts the Company is awarded, sometimes in advance of the final determination of their full scope and design; (iii) the expense and delay that may arise if the Company's competitors protest or challenge awards made to it pursuant to competitive ~~26bidding~~ **bidding** and the risk that such protests or challenges could result in the requirement to resubmit bids and in the termination, reduction or modification of the awarded contracts; and (iv) the opportunity

cost of not bidding on and winning other contracts the Company might otherwise pursue. If the Company's competitors protest or challenge an award made to it on a government contract, it could involve litigation that could take years to resolve. The Company's profitability is dependent upon its ability to obtain adequate pricing for its services and to improve its cost structure. The Company's success depends on its ability to obtain adequate pricing for its services. Depending on competitive market factors, future prices the Company obtains for its services may decline from previous levels. If the Company is unable to obtain adequate pricing for its services that could materially adversely affect the Company's results of operations and financial condition. The Company regularly reviews its operations with a view towards reducing its cost structure, including, without limitation, reducing its employee base, exiting certain businesses, improving process and system efficiencies and outsourcing some internal functions. The Company, from time to time, engages in operational restructuring to reduce costs. If the Company is unable to continue to maintain its cost base at or below the current level and maintain process and systems changes resulting from prior restructuring actions or to realize the expected cost reductions in the ongoing strategic transformation program, it could materially adversely affect the Company's results of operations and financial condition. In addition, in order to meet the service requirements of the Company's clients, which often includes 24 / 7 service, and to optimize its employee cost base, including its back- office support, the Company often relies on delivery service and back- office support centers in lower- cost locations, including several developing countries. Relying on centers in these locations presents a number of operational risks, many of which are beyond its control, including the risks of political instability, natural disasters, safety and security risks, labor disruptions, excessive employee turnover and rising labor rates. Additionally, a change in the political environment in Europe or the adoption and enforcement of legislation and regulations curbing the use of such centers outside of Europe could materially adversely affect its results of operations and financial condition. These risks could impair the Company's ability to effectively provide services to its clients and keep its costs aligned to its associated revenues and market requirements. The Company's ability to sustain and improve profit margins is dependent on a number of factors, including its ability to continue to improve the cost efficiency of its operations through such programs as robotic process automation, to absorb the level of pricing pressures on its services through cost improvements and to successfully complete information technology initiatives. If any of these factors adversely materialize or if the Company is unable to achieve and maintain productivity improvements through restructuring actions or information technology initiatives, its ability to offset labor cost inflation and competitive price pressures would be impaired, each of which could materially adversely affect its results of operations and financial condition and could require the Company to seek additional financing (which will be subject to the risks described in the risk factor above entitled "The Company may need to raise debt or equity financing, which it may be unable to do on favorable terms or at all"). Furthermore, these restructurings may lead to negative implications or disruptions to client experience and therefore the Company could face unexpected consequences. Fluctuations in the costs of labor, paper, ink, energy, by- products and other materials and resources may adversely impact the results of the Company's operations. Cost of labor, paper, ink, energy and other raw materials represent a material portion of the Company's costs. Increases in the costs of these inputs, especially as a result of the current high- inflationary environment in the countries in which the Company operates, may not be able to be passed on to the Company's clients through higher prices. The Company²⁸ Company further expects that inflation may continue to increase or remain higher than in the recent past, resulting in growing costs. Increases in the cost of materials, postage and labor may adversely impact clients' demand for the Company's printing and printing- related services. ²⁷The -- The Company relies, in some cases, on third- party hardware, software and services, which could cause errors or failures of the Company's services and resulting in adverse effects for the Company's business and reputation. Although the Company developed many of its platform- driven solutions internally or with the help of ETI and its other affiliates, the Company relies, in some cases, on third- party hardware and software in connection with its service offerings which the Company either purchases or leases from third- party vendors. The Company is generally able to select from a number of competing hardware and software applications, but the complexity and unique specifications of the hardware or software makes design defects and software errors difficult to detect. Any errors or defects in third- party hardware or software that are incorporated into the Company's service offerings may result in a delay or loss of revenue, diversion of resources, damage to its reputation, the loss of the affected client, loss of future business, increased service costs or potential litigation claims against the Company. Further, this hardware and software may not continue to be available on commercially reasonable terms or at all. Any loss of the right to use any of this hardware or software could result in delays in the provisioning of the Company's services, which could negatively affect its business until equivalent technology is either developed by it or, if available, is identified, obtained and integrated. In addition, it is possible that the Company's hardware vendors or the licensors of third- party software could increase the prices they charge, which could have a material adverse impact on the Company's results of operations. Further, changing hardware vendors or software licensors could detract from management's ability to focus on the ongoing operations of the Company's business or could cause delays in the operations of its business. The Company is subject to regular client and third- party security reviews and failure to pass these reviews may have an adverse impact on the Company's operations. Many of the Company's client contracts require that it maintain certain physical and / or information security standards, and, in certain cases, permit a client to audit the Company's compliance with these contractual standards. Any failure to meet such standards or pass such audits can constitute a breach of contract which may result in damages or clients enforcing other remedies under the client contracts which may have a material adverse impact on the Company's business. Further, clients from time to time may require stricter physical and / or information security than they negotiated in their contracts, and may condition continued volumes and business on the satisfaction of such additional requirements. Some of these requirements may be expensive to implement or maintain, and may not be factored into the Company's contract pricing. Further, on an annual basis the Company obtains third- party audits of certain of its locations in accordance with third party attestation standards, and many of its clients expect that the Company will engage in such procedures, and report to them the results. Negative findings in such an audit and / or the failure to adequately remediate in a timely fashion such negative findings may cause clients to terminate their contracts or otherwise have a material adverse effect

on the Company's reputation, results of operation and financial condition. Currency fluctuations among the Euro, British Pound, Polish Zloty, Norwegian Krona, Danish Krona, Swedish Krona and any other local currencies of any locations where the Company operates in the future, could have a material adverse effect on the Company's results of operations. The functional currencies of the Company's businesses are the local currencies in Europe including the Euro, British Pound, Polish Zloty, Norwegian Krona, Danish Krona, Swedish Krona, Swiss Franc and Serbian Dinar, as well as the Moroccan Dirham, U. S. Dollar and Indian Rupee. Changes in exchange rates between any of these currencies (other than the U. S. Dollar) and the U. S. Dollar will affect the recorded levels of the Company's assets, liabilities, net sales, cost of goods sold and operating margins and could result in exchange gains or losses. Exchange rates between these currencies in recent years have fluctuated significantly and may do so in the future. The Company's operating results and profitability may be affected by any volatility in currency exchange rates and its ability to manage effectively currency transaction and translation risks. In addition, to the extent the U. S. Dollar strengthens against the functional ~~currencies~~ **29currencies** of the Company's business (other than the U. S. Dollar), revenues and profits will be reduced when converted into and reported in U. S. Dollars. ~~28The~~ **The** Company's results of operations could be adversely affected by economic and political conditions, creating complex risks, many of which are beyond the Company's control. The Company's business depends on the continued demand for its services, and if current global economic conditions worsen, its business could be adversely affected by its clients' financial condition and level of business activity. Along with its clients, the Company is subject to global political, economic and market conditions, including inflation, **tariffs**, interest rates, energy costs, the impact of natural disasters, disease, military action and the threat of terrorism. In particular, the Company currently derives, and is likely to continue to derive, almost all of its revenue from clients located in Europe. Any future decreases in the general level of economic activity in European markets, such as decreases in business and consumer spending and increases in unemployment rates as the Company experienced as a result of the COVID- 19 pandemic, could result in a decrease in demand for the Company's services, thus reducing its revenue. For example, certain clients may decide to reduce or postpone their spending on the services the Company provides, and the Company may be forced to lower its prices. Other developments in response to economic events, such as consolidations, restructurings or reorganizations, particularly involving the Company's clients, could also cause the demand for the Company's services to decline, negatively affecting the amount of business that it is able to obtain or retain. The Company may not be able to predict the impact such conditions will have on the industries it serves and may be unable to plan effectively for or respond to such impact. In response to economic and market conditions, from time to time the Company has undertaken or may undertake initiatives to reduce its cost structure where appropriate, such as consolidation of resources to provide functional region- wide support to its international subsidiaries in a centralized fashion. These initiatives, as well as any future workforce and facilities reductions the Company may implement, may not be sufficient to meet current and future changes in economic and market conditions and allow us to continue to achieve the growth rates expected. Any future workforce and / or facility reductions that may be implemented will be subject to local employment laws which may impose expenses and logistical challenges in connection with any such workforce reductions. Costs actually incurred in connection with certain restructuring actions may also be higher than the Company's estimates of such costs and / or may not lead to the anticipated cost savings. In addition, any future disruptions or turbulence in the global capital markets may adversely affect the Company's liquidity and financial condition, and the liquidity and financial condition of its clients. Such disruptions may limit the Company's ability to access financing, increase the cost of financing needed to meet liquidity needs and affect the ability of its clients to use credit to purchase its services or to make timely payments to the Company, in each case adversely affecting its financial condition and results of operations. If the Company is unable to attract, train and retain skilled professionals, including highly skilled technical personnel to satisfy client demand and senior management to lead its business, or its labor expenses increase or otherwise comprise a larger percentage of its revenue, its business and results of operations may be materially adversely affected. The Company's success is dependent, in large part, on its ability to keep its supply of skilled professionals, including project managers, **software developers**, IT engineers and senior technical personnel, in balance with client demand, and on its ability to attract and retain senior management with the knowledge and skills to lead its business. Each year, the Company must hire new professionals and retrain, retain, and motivate its workforce across Europe and its nearshore jurisdictions. Competition for skilled labor is intense and, in some jurisdictions in which the Company operates, there are more jobs for certain professionals than qualified persons to fill these jobs. Costs associated with recruiting and training professionals can be significant and shortages of key personnel in the regions of our operation could require us to pay more to hire and retain key personnel, thereby increasing our cost. If the Company is unable to hire or deploy employees with the needed skillsets or if it is unable to adequately train or equip its employees with the skills or tools needed, this could materially adversely affect its business. Additionally, if the Company is unable to maintain an employee environment that is competitive and contemporary, it could have an adverse effect on engagement and retention, which may materially adversely affect the Company's business. Furthermore, our restructuring **plan plans in 2023**, and any future reductions in force or other restructuring intended to improve operational efficiencies and operating costs, may adversely affect our ability to attract and retain employees. If more stringent labor laws become applicable to the ~~Company~~ **30Company** or if a significant number of its employees unionize, the profitability of the Company may be adversely affected. ~~29Increased~~ **Increased** labor costs due to competition, statutory wage increases or employee benefits costs, unionization activity or other factors would adversely impact the Company's cost of sales and operating expenses. As a result, the Company anticipates that its labor costs will continue to increase. In addition, the Company may face increased costs related to other employee benefits, such as in respect of unfunded UK pension liabilities, which amounted to approximately \$ ~~10~~ **8.04** million as of December 31, ~~2023~~ **2024**. Such UK pension liabilities are subject to a fixed payment plan and, pursuant to an agreement with the pension plan's trustee, are expected to be fully funded by the Company by February 2030 (although there can be no assurance that it will be fully funded by such date). Any such increase, or any increase in labor costs as a percentage of the Company's revenue could adversely affect the Company's financial results, as further described in the risk

factor entitled “ The Company’ s ability to achieve continued and sustained profitability is uncertain. ” The Company is also subject to applicable rules and regulations relating to its relationship with its employees, including minimum wage and break requirements, health benefits, unemployment taxes, overtime, and working conditions and immigration status. Legislated increases in the minimum wage and increases in additional labor cost components, such as employee benefit costs, workers’ compensation insurance rates, compliance costs and fines, as well as the cost of litigation in connection with these regulations, would increase the Company’ s labor costs. Further, the Company’ s employees may form labor unions or workers’ councils, and the Company may become subject to new labor- related requirements that may impose additional requirements or costs on our business. As is the case with any negotiation, the Company may not be able to negotiate or renew acceptable collective bargaining agreements in such cases, which could result in strikes or work stoppages by affected workers. Renewal of collective bargaining agreements could also result in higher wages or benefits paid to union members. In addition, negotiations with labor unions and / or workers’ councils could hinder the pace of innovation by diverting management’ s attention away from discovering and implementing the type of innovative strategies that we believe are crucial to the success of our business. A disruption in operations, higher ongoing labor costs or a hindrance to the pace of innovation could have a material adverse effect on our business, financial condition and results of operations. While the Company is already subject to oversight by workers’ councils in several European countries, if the Company becomes subject to oversight by any workers’ councils in additional jurisdictions, it may be required to consult with such workers’ councils with respect to certain decisions and to provide specific information and records upon request. Any failure to engage with or provide information to a workers’ council could result in actual or threatened legal challenges or proceedings. Additionally, consultation with and / or obtaining approvals from a workers’ councils may involve additional expense and unanticipated delays, particularly if the Company is required to make changes to accommodate feedback and recommendations from such workers’ councils. If consultations with a workers’ council does not yield a desired result, or if a workers’ council withholds or delays its approvals, the Company may be unable to execute key transactions in a timely fashion or at all, which may impede the ability of the Company to execute its growth strategy and / or have a material adverse effect on its business, financial condition and results of operations. Failure to comply with data privacy and data protection laws in processing and transferring personal data across jurisdictions may subject the Company to fines, and the enactment of more stringent data privacy and data protection laws may increase its compliance costs. Any inability by the Company to adequately address privacy and security concerns could result in expenses and liabilities, and an adverse impact on the Company. Moreover, international privacy and data security regulations may become more complex and have greater consequences. Europe’ s General Data Protection Regulation, or the GDPR, governs the collection and use of personal data of data subjects in the European Economic Area and extraterritorially as well, and imposes several stringent requirements for controllers and processors of personal data, including, for example, higher standards for obtaining consent from individuals to process their personal data, more robust disclosures to individuals and a strengthened individual data rights regime, shortened timelines for data breach notifications, limitations on retention of information, increased requirements pertaining to health data, other special categories of personal data and pseudonymized (i. e., key- coded) data and additional obligations when the Company contracts third- party processors in connection with the processing of the personal data. The GDPR provides that European Union member-31 member states may make their own further laws and regulations limiting the processing of personal data, including genetic, biometric or health data, which could limit the Company’ s ability to use and share personal data or could cause its costs to increase, and harm its business and financial condition. Failure to comply with the requirements of the GDPR 30and-- and the applicable national data protection laws of the European Union member states may result in fines of up to € 20, 000, 000 or up to 4 % of the total worldwide annual turnover of the preceding financial year, whichever is higher, and other administrative penalties. In addition to the GDPR, the Company is also subject to data privacy and security laws in other jurisdictions in which it operates. Developing new regulations regarding artificial intelligence and data use more broadly continue to add to the complexity of the legal environment and managing the privacy elements of these new rules will be critical to our ability to serve our clients as well as to achieve operational efficiencies. Any future failure by the Company to comply with the GDPR or other applicable data privacy and security laws could have a material adverse effect on its business, results of operations or financial condition. Industry groups also impose self- regulatory standards that bind the Company by their incorporation into the contracts that the Company executed and failing to comply with such standards could have a binding impact on its business. Changes in laws or regulations, or a failure to comply with any laws and regulations, may adversely affect the Company’ s business, investments and results of operations. The Company is subject to laws, regulations and rules enacted by national, regional and local governments and the listing requirements of Nasdaq. Compliance with, and monitoring of, applicable laws, regulations and rules may be difficult, time consuming and costly. Those laws, regulations and rules and their interpretation and application may also change from time to time and those changes could have a material adverse effect on the Company’ s business, investments and results of operations. In addition, a failure to comply with applicable laws, regulations and rules, as interpreted and applied, could have a material adverse effect on the Company’ s business and results of operations. Any failure or perceived failure to comply with laws and / or regulations, which may change from time to time, in one or more of the jurisdictions in which it operates, could subject the Company to legal actions and materially adversely affect its results of operations and financial condition. The Company’ s business is subject to laws, regulations and rules enacted by national, regional and local governments, which may change from time to time. The Company also provides support to clients in highly regulated sectors, including banking, healthcare, insurance and utilities, which in some cases will result in the clients placing contractual obligations on the Company to comply with certain rules and regulations applicable to those sectors in the performance of its services. Currently there are no sector specific licenses or authorizations required for the Company to provide such services. Any failure to comply with applicable laws, regulations and rules, as interpreted and applied, could have a material adverse effect on the Company’ s business and results of operations. Furthermore, if the Company’ s business becomes subject to additional laws and / or regulations in one or more of the jurisdictions in which it operates, including as a result of

changing laws or regulations, changing interpretations of previously enacted laws or regulations, or increased oversight, then a failure to comply with such laws and / or regulations could subject the Company to legal actions and / or otherwise adversely affect its ability to continue its operations as they are currently conducted or are expected to be conducted in the future. The invasion of Ukraine by Russia, and the financial and economic sanctions and import and / or export controls imposed on Russia by the United Kingdom, the European Union, and others, has caused, and may continue to cause, significant economic and social disruption, and its impact on the Company’ s business is uncertain. The ongoing military conflict between Russia and Ukraine has created volatility in the global capital markets and is expected to have further global economic consequences. The economic sanctions and controls imposed by the United Kingdom, the European Union, and others on Russia have caused, and may continue to cause, significant economic and social disruption, and its impact on the Company’ s business is uncertain. In addition to adverse effects on the Company’ s operations and on the wider global economy and market conditions, a continuation or escalation of the Russian invasion of Ukraine could result in significant increases in energy prices in Europe and other parts of the world. This has already resulted, and may continue to result, in clients and potential clients (both direct and indirect) of the Company diverting a larger proportion of their available cash towards paying their energy bills and delaying capital investments, particularly for purchases of software solutions such as the Company’ s, which may be seen as “ luxury ” purchases under such conditions. Any of these impacts or increases in these conditions could, in turn, have a material adverse effect on the business, financial condition, cash flows, and results of operations of the Company and could cause the market value of its securities to decline. COVID- 19 caused a global health crisis that caused significant economic and social disruption, and a similar public health event could impact the Company’ s business adversely. The Company’ s results of operations could in the future be materially adversely impacted by public health events similar to COVID- 19. The global spread of COVID- 19 created significant volatility and uncertainty and economic disruption. The extent to which the coronavirus pandemic will, or a similar public health event could, continue to impact the Company’ s business, operations and financial results will depend on numerous evolving factors that it may not be able to accurately predict, including: the duration and scope of the pandemic; governmental, business and individuals’ actions that have been and continue to be taken; the impact on economic activity; the effect on the Company’ s clients and client demand for its services and solutions; the Company’ s ability to sell and provide its services and solutions, including as a result of travel restrictions and people working from home; the ability of its clients to pay for its services and solutions; and any closures of its and its clients’ offices and facilities. The spread of the coronavirus caused the Company to modify its business practices (including employee travel, employee work locations, and cancellation of physical participation in meetings, events and conferences), and the Company may take further actions as may be required by government authorities or that the Company determines are in the best interests of its employees, clients and business partners. The Company may incur losses and liabilities resulting from an unfavorable outcome of pending or anticipated legal disputes. From time to time, the Company and its subsidiaries may become involved in other legal proceedings, inquiries, claims and disputes in the ordinary course of its business. For example, a group of 71 former employees has brought a claim against a subsidiary of the Company related to their dismissals resulting from the closure of two production sites in France in 2020 (see Part I, Item 3, “ Legal Proceedings ” for further information). Although we believe we have adequately reserved for potential liabilities related to pending litigation, there can be no assurances that we have done so. In addition, litigation or potential claims can be time- consuming, divert management’ s attention and resources, cause the Company to incur significant expenses or liability or require it to change its’ business practices. Because of the potential risks, expenses and uncertainties of litigation, the Company may, from time to time, settle disputes, even where it believes that it has meritorious claims or defenses. Because litigation is inherently unpredictable, the Company cannot assure you that the results of any of these actions will not have a material adverse effect on its business. The Company operates in a number of jurisdictions and, as a result, may incur additional expenses in order to comply with the laws of those jurisdictions. The Company’ s business operates throughout Europe, and therefore, is required to comply with the laws of multiple jurisdictions. These laws regulating the internet, payments, payments processing, privacy, taxation, terms of service, website accessibility, consumer protection, intellectual property ownership, services intermediaries, labor and employment, wages and hours, worker classification, background checks, and recruiting and staffing companies, among others, could be interpreted to apply to us, and could result in greater rights to competitors, users, and other third parties. Compliance with these laws and regulations may be costly, and at times, may require the Company to change its business practices or restrict its product offerings, and the imposition of any such laws or regulations on it, its clients, or third parties that the Company or its clients utilize to provide or use its services, may adversely impact its revenue and business. In addition, the Company may be subject to multiple overlapping legal or regulatory regimes that impose conflicting requirements and enhanced legal risks. Cybersecurity issues, vulnerabilities, and criminal activity resulting in a data or security breach could result in risks to the Company’ s systems, networks, products, solutions and services resulting in liability or reputational damage. The Company collects and retains large volumes of internal and client data, including personally identifiable information and other sensitive data both physically and electronically, for business purposes, and its various information technology systems enter, process, summarize and report such data. The Company also maintains personally identifiable information about its employees. Safeguarding client, employee and the Company’ s own data is a key priority for the Company, and its clients and employees have come to rely on it for the protection of their personal information. Augmented vulnerabilities, threats and more sophisticated and targeted cyber- related attacks pose a risk to the Company’ s security and the security of its clients, partners, suppliers and third- party service providers, and to the confidentiality, availability and integrity of data owned by the Company or its clients. Despite the Company’ s efforts to protect sensitive, confidential or personal data or information, it may be vulnerable to material security breaches, theft, misplaced or lost data, programming errors, employee errors and / or malfeasance that could potentially lead to the compromise of sensitive, confidential or personal data or information, improper use of its systems, software solutions or networks, unauthorized access, use, disclosure, modification or destruction of information, defective products, production downtimes and operational

disruptions. Despite protective measures, the Company may not be successful in preventing security breaches which compromise the confidentiality and integrity of this data. While the Company attempts to mitigate these risks by employing a number of measures, including employee training, monitoring and testing, and maintenance of protective systems and contingency plans, the Company remains vulnerable to such threats. The sensitive, confidential or personal data or information that the Company has access to is also subject to privacy and security laws, regulations or client imposed controls. The regulatory environment, as well as the requirements imposed on the Company by the industries it serves governing information, security and privacy laws is increasingly demanding. Maintaining compliance with applicable security and privacy regulations may increase the Company's operating costs and / or adversely impact its ability to provide services to its clients. Furthermore, a compromised data system or the intentional, inadvertent or negligent release or disclosure of data could result in theft, loss, fraudulent or unlawful use of client, employee or the Company data which could harm the Company's reputation or result in remedial and other costs, fines or lawsuits. In addition, a cyber- related attack could result in other negative consequences, including damage to the Company's reputation or competitiveness, remediation or increased protection costs, litigation or regulatory action. Fraud, employee negligence, and unauthorized access, including, malfunctions, viruses and other events beyond the control of the Company, may lead to the misappropriation or unauthorized disclosure of sensitive or confidential information the Company processes, stores and transmits, including personal information, for its clients. Such failure to prevent or mitigate data loss or other security breaches, including breaches of its vendors' technology and systems, could expose the Company or its clients to a risk of loss or misuse of such information, adversely affect its operating results, result in litigation or potential liability for it and otherwise harm its business. As a result, among other things, the Company may be subject to monetary damages, regulatory enforcement actions or fines under the GDPR in the European Union or the United Kingdom. In addition to any legal liability, data or security breaches may lead to negative publicity, reputational damage and otherwise adversely affect the results of operations of the Company. Risks Related to the Business Combination and Owning Our Common Stock

~~The focus and resources of the Company's management may be diverted from operational matters and other strategic opportunities. Completion of the Business Combination placed a significant burden on management and other internal resources of the Company. The diversion of management's attention and any difficulties encountered in the period following the closing of the Business Combination could harm the Company's business, financial condition, results of operations and prospects and those of the Company. In addition, uncertainty about the effect of the Business Combination on the Company's employees, consultants, clients, suppliers, partners, and other third- parties, including regulators, may have an adverse effect on the Company. These uncertainties may impair the Company's ability to attract, retain and motivate key personnel.~~

~~33~~ The Company has a limited public float, which adversely affects trading volume and liquidity, and may adversely affect the price of the Common Stock and access to additional capital. As of March 28-18, 2024-2025, ETI and Cantor own approximately 72-71, 3-8 % and 20-21, 1-2 % of our outstanding shares of Common Stock. All ~~Although all~~ of ETI's shares, and the majority of Cantor's shares of Common Stock ~~are were~~ subject to **contractual** restrictions on resale until ~~the earlier of (1)-November 29, 2024, such restrictions have lapsed~~ and (2) ~~the those entities may now resell~~ date on which the Company consummates a liquidation, merger, capital stock exchange, reorganization, or other similar transaction which results in all of the Company's stockholders having the right to exchange their shares **without regard to those restrictions. The sale of shares of those shares** Common Stock for cash, securities **could have a significant negative impact on the public trading price of our Common Stock** other property, unless such restrictions are earlier waived. The aggregate number of shares of our Common Stock owned by Cantor and BTC International represent approximately 91-93, 3-0 % of our outstanding shares of Common Stock. ~~Due~~ **34** ~~Due~~ to the limited public float, the trading price of Common Stock may fluctuate widely due to various factors, including the volume of purchase or sales of Common Stock relative to the public float. ~~The sale of shares of Common Stock registered hereunder could have a significant negative impact on the public trading price of Common Stock.~~ The limited public float could adversely affect the Company's business and financing opportunities, and may make it difficult for you to sell your Common Stock at a price that is attractive to you. The Company is an "emerging growth company" within the meaning of the Securities Act and it has taken advantage of certain exemptions from disclosure requirements available to emerging growth companies; this could make the Company's securities less attractive to investors and may make it more difficult to compare the Company's performance with other public companies. The Company is an "emerging growth company" within the meaning of the Securities Act, as modified by the JOBS Act and intends to elect to take advantage of certain exemptions from various reporting requirements that are applicable to other public companies that are not emerging growth companies including, but not limited to, not being required to comply with the auditor internal controls attestation requirements of Section 404 of the Sarbanes- Oxley Act. As a result, holders of our securities and potential investors may not have access to certain information they may deem important. There can be no assurances whether investors will find the Company's securities less attractive because of such exemptions. If some investors find the securities less attractive as a result of reliance on these exemptions, the trading prices of the Company's securities may be lower than they otherwise would be, there may be a less active trading market for the Company's securities and the trading prices of the securities may be more volatile. Further, Section 102 (b) (1) of the JOBS Act exempts emerging growth companies from being required to comply with new or revised financial accounting standards until private companies (that is, those that have not had a Securities Act registration statement declared effective or do not have a class of securities registered under the Exchange Act) are required to comply with the new or revised financial accounting standards. The JOBS Act provides that a company can elect to opt out of the extended transition period and comply with the requirements that apply to non- emerging growth companies but any such an election to opt out is irrevocable. The Company has elected not to opt out of such extended transition period which means that when a standard is issued or revised and it has different application dates for public or private companies, the Company, as an emerging growth company, can adopt the new or revised standard at the time private companies adopt the new or revised standard. This may make comparison of its financial statements with another public company which is neither an emerging growth company nor an emerging growth company which

has opted out of using the extended transition period, difficult or impossible because of the potential differences in accounting standards used. Pursuant to the JOBS Act, the Company's independent registered public accounting firm will not be required to attest to the effectiveness of internal controls over financial reporting pursuant to Section 404 of the Sarbanes- Oxley Act for so long as it is an "emerging growth company". Section 404 of the Sarbanes- Oxley Act requires annual management assessments of the effectiveness of internal controls over financial reporting, and generally requires in the same report an attestation by a public company's independent registered public accounting firm on the effectiveness of its internal controls over financial reporting. ~~The Company will be required to provide management's report on internal controls effective with respect to the year ended December 31, 2024, in accordance with applicable SEC guidance. Refer to Item 9A for more information. 34~~ ~~However~~ **However**, under the JOBS Act, the Company's independent registered public accounting firm will not be required to attest to the effectiveness of its internal controls over financial reporting pursuant to Section 404 of the Sarbanes- Oxley Act until it is no longer an "emerging growth company." The Company could be an "emerging growth company" until the earlier of (1) the last day of the fiscal year (a) following March 16, 2026, the fifth anniversary of the IPO, (b) in which the Company has total annual gross revenue of at least \$ 1.235 billion, (c) the Company's non- convertible debt issued within a three year period exceeds \$ 1 billion, or (d) if the market value of the Company's shares that are held by non- affiliates exceeds \$ 700 million on the last day of its second fiscal quarter. ~~Substantial~~ **Substantial** future sales of shares of Common Stock could cause the market price of our shares of Common Stock to decline. As of March ~~28-18, 2024~~ **2025** our Common Stock was beneficially owned by ETI, representing 21, 802, ~~689-364~~ shares (approximately ~~72-71~~ **3-8** % of our outstanding Common Stock at March ~~28-18, 2024~~ **2025**) and by Cantor, representing 6, ~~064-449~~, 404 shares, as reported in a Schedule 13D Amendment No. 2 filed with the SEC on March 14, 2024 (approximately ~~20-21~~ **1-2** % of our outstanding Common Stock at March ~~28-18, 2025~~). ~~The Lock- Up Agreement that had previously applied to these shares expired on November 29, 2024~~ **The Lock- Up Agreement that had previously applied to these shares expired on November 29, 2024**. Subject to the expiration or waiver of any applicable lock- up restrictions, each ~~Each~~ of Cantor and ETI ~~are will be~~ permitted to resell all of their shares with the resale registration ~~statement~~ **statements** we ~~previously~~ filed with the SEC. ~~In addition, which was declared effective~~ **our board of directors could designate and sell a class of preferred stock with preferential rights over the Common Stock with respect to dividends or other distributions. We filed a universal shelf registration statement on February 13 Form S- 3 with the SEC that registers the sale of up to \$ 250. 0 million of any combination of our common stock, 2024 preferred stock, remains effective debt securities, warrants, rights or units from time to time and at prices and on terms that we may determine (although we are currently subject to the " baby shelf " registration limitations).** The resale, or expected or potential resale, ~~or any sales under our universal shelf registration statement,~~ of a substantial number of shares of Common Stock in the public market ~~(or the market perception that such sales could occur, including sales in connection with addressing the delisting matters discussed above)~~ could adversely affect the market price for shares of Common Stock and make it more difficult for you to sell your shares of Common Stock at times and prices that you feel are appropriate. Furthermore, we expect that the selling ~~security holders~~ **security holders** under the resale registration ~~statement~~ **statements** will continue to offer the securities for a significant period of time, the precise duration of which cannot be predicted. Accordingly, the adverse market and price pressures resulting from an offering may continue for an extended period of time. The provision of the Company's Charter that authorizes the Board to issue preferred stock from time to time based on terms approved by the Board may delay, defer or prevent a tender offer or takeover attempt that public stockholders might consider in their best interest. The provision of the Company's Charter that authorizes the Board to issue preferred stock from time to time based on terms approved by the Board may delay, defer or prevent a tender offer or takeover attempt that you might consider in your best interest. Authorized but unissued preferred stock may enable the Board to render it more difficult or to discourage an attempt to obtain control of the Company and thereby protect continuity of or entrench its management, which may negatively impact the market price of the Common Stock. If, in the due exercise of its fiduciary obligations, for example, the Board was to determine that a takeover proposal was not in the best interests of the Company, such preferred stock could be issued by the Board without stockholder approval in one or more private placements or other transactions that might prevent or render more difficult or make more costly the completion of any attempted takeover transaction by diluting voting or other rights of the proposed acquirer or an insurgent stockholder group, by creating a substantial voting bloc in institutional or other hands that might support the position of the incumbent board of directors, by effecting an acquisition that might complicate or preclude the takeover, or otherwise. The Company's Charter contains forum limitations for certain disputes between the Company and its stockholders that could limit the ability of stockholders to bring claims against the Company or its directors, officers and employees in jurisdictions preferred by stockholders. The Company's Charter provides that, unless the Company consents in writing to the selection of an alternative forum, the Court of Chancery of the State of Delaware is the sole and exclusive forum for (i) any derivative lawsuit brought on the Company's behalf, (ii) any lawsuit against the Company's current or former directors, officers, employees or stockholders asserting a breach of a fiduciary duty owed by any such person to the Company or its stockholders, (iii) any lawsuit asserting a claim arising under any provision of the DGCL, the Company's Charter or Bylaws (each, as in effect from time to time), or (iv) any lawsuit governed by the internal affairs doctrine of the State of Delaware. The foregoing forum provisions do not apply to claims arising under the Securities Act, the Exchange Act or other federal securities laws for which there is exclusive federal or concurrent federal and state jurisdiction. The Company's Charter also provides that, unless the Company consents in writing to the selection of an alternative forum, the federal district courts of the United States of America are the sole and exclusive forum for the resolution of any ~~35complaint~~ **complaint** asserting a cause of action arising under the Securities Act. The foregoing forum provisions may prevent or limit a stockholder's ability to file a lawsuit in a judicial forum that it prefers for disputes with the Company or its directors, officers, employees or stockholders, which may discourage such lawsuits, make them more difficult or ~~expensive~~ **expensive** to pursue, and result in outcomes that are less favorable to such stockholders than outcomes that may have been attainable in other jurisdictions, although stockholders will not be deemed to have waived the Company's compliance with federal securities laws and the rules

and regulations thereunder. There is uncertainty as to whether a court would enforce such a forum selection provision as written in connection with claims arising under the Securities Act because Section 22 of the Securities Act creates concurrent jurisdiction for federal and state courts over all such Securities Act claims. In addition, notwithstanding the inclusion of the foregoing forum provisions in the Company's Charter, courts may find the foregoing forum provisions to be inapplicable or unenforceable in certain cases that the foregoing forum provisions purport to address, including claims brought under the Securities Act. If this were to occur in any particular lawsuit, the Company may incur additional costs associated with resolving such lawsuit in other jurisdictions or resolving lawsuits involving similar claims in multiple jurisdictions, all of which could harm the Company's business, results of operations, and financial condition. The Company does not expect to declare any dividends in the foreseeable future. The Company does not anticipate declaring any cash dividends to holders of its Common Stock in the foreseeable future. Consequently, investors may need to rely on sales of their shares after price appreciation, which may never occur, as the only way to realize any future gains on their investment. Risks Related to Being a Public Company

The Company is a controlled company, and thus is eligible for exemptions from certain corporate governance rules of Nasdaq. You may not have the same protections afforded to stockholders of companies that are subject to such requirements. The Company is considered a "controlled company" under the rules of Nasdaq. Controlled companies are exempt from the Nasdaq corporate governance rules requiring that listed companies have (i) a majority of the board of directors consist of "independent" directors under the listing standards of Nasdaq, (ii) a nominating / corporate governance committee composed entirely of independent directors and a written nominating / corporate governance committee charter meeting the Nasdaq requirements and (iii) a compensation committee composed entirely of independent directors and a written compensation committee charter meeting the requirements of Nasdaq. The Company has not taken advantage of any of the exemptions described above. If the Company uses some or all of these exemptions, you may not have the same protections afforded to stockholders of companies that are subject to all of the corporate governance requirements of Nasdaq. So long as ETI controls the Company, other holders of the Company's Common Stock will have limited ability to influence matters requiring stockholder approval, and ETI's interests may conflict with (or may be adverse to) the interests of the other holders of Common Stock. ETI, along with its directors and management team, may make decisions that adversely impact the Company's other stockholders. As of December 31, 2023, ETI beneficially owns approximately 72.3% of the Company's outstanding shares of Common Stock. So long as this ownership and control continues, ETI, along with its directors and management team, including its Executive Chairman, Par Chadha, generally will have the ability to control the outcome of any matter submitted for the vote of Company's stockholders, including the election and removal of directors, changes to the size of the Board, any amendment to the Company's Charter and Bylaws, and the approval of any merger or other significant corporate transaction, including a sale of substantially all of the Company's assets (other than in certain circumstances set forth in the Company's Charter or Bylaws). The interests of ETI may not coincide with (or may be adverse to) the interests of the other Company stockholders. ETI's ability, subject to the limitations in the Company's Charter and Bylaws, to control all matters submitted to the Company's stockholders for approval will limit the ability of other stockholders to influence corporate matters and, as a result, the Company may take actions that its stockholders do not view as beneficial and / or that adversely affect the Company's stockholders other than ETI. ETI may also pursue acquisition opportunities that may be complementary to the Company's business, and, as a result, those acquisition opportunities may not be available to the Company. As a result of the foregoing, the market price of Common Stock could be adversely affected. In addition, the existence of a controlling stockholder of the Company may have the effect of making it more difficult for a third party to acquire, or discouraging a third party from seeking to acquire, the Company. A third party would be required to negotiate any such transaction with ETI, and the interests of ETI with respect to such transaction may be different from the interests of Company's stockholders other than ETI. Considering the Company's relationship with ETI and Par Chadha, stockholders are encouraged to review ETI's public filings relating to the relationships between such parties and their respective affiliates. The Company will incur significant increased expenses and administrative burdens as a public company, which could have an adverse effect on its business, financial condition and results of operations. The Company will face a significant increase in costs for insurance, legal, accounting, administrative and other costs and expenses as a public company that the Company does not incur as a private company. The Sarbanes-Oxley Act, including the requirements of Section 404, as well as rules and regulations subsequently implemented by the SEC, the Dodd-Frank Act and the rules and regulations promulgated and to be promulgated thereunder, the Public Company Accounting Oversight Board, the SEC and the securities exchanges, impose additional reporting and other obligations on public companies. Compliance with public company requirements will increase costs and make certain activities more time-consuming. A number of those requirements will require the Company to carry out activities the Company has not been directly required to do (although ETI, as its parent and a public company, has been required to do so). For example, the Company has created new board committees and has adopted new internal controls and disclosure controls and procedures. In addition, additional expenses associated with SEC reporting requirements will be incurred. Furthermore, if any issues in complying with those requirements are identified (for example, if the auditors identify a material weakness or significant deficiency in the internal control over financial reporting), the Company could incur additional costs to rectify those issues, and the existence of those issues could adversely affect the Company's reputation or investor perceptions of it. As a public company, it could be more difficult or costly for the Company to obtain certain types of insurance, including director and officer liability insurance, and the Company may be forced to accept reduced policy limits and coverage with increased self-retention risk or incur substantially higher costs to obtain the same or similar coverage. As a public company, it could also be more difficult and expensive for the Company to attract and retain qualified persons to serve on the Board, or Board committees or as executive officers. Furthermore, if the Company is unable to satisfy its obligations as a public company, it could be subject to delisting of its Common Stock, fines, sanctions and other regulatory action and potentially civil litigation. The additional reporting and other obligations imposed by various rules and regulations applicable to public companies will

increase legal and financial compliance costs and the costs of related legal, accounting and administrative activities. These increased costs will require the Company to divert a significant amount of money that could otherwise be used to expand the business and achieve strategic objectives. Advocacy efforts by shareholders and third- parties may also prompt additional changes in governance and reporting requirements, which could further increase costs. **If the Company is unable to maintain a listing on a national securities exchange, it could negatively impact the price and liquidity of its Common Stock and its ability to access the capital markets.** The Company's Common Stock is currently listed on The Nasdaq Global Market (the "NGM"). On September 4, 2024 the Company requested to transfer the listing of its securities to The Nasdaq Capital Market (the "NCM"). That application is pending. On April 24, 2024, the Company received a deficiency letter from The Nasdaq Stock Market LLC ("Nasdaq") notifying the Company that the listing of its Common Stock was not in compliance with the minimum \$ 15 million market value of publicly held shares requirement (the "NGM MVPHS Requirement") for a period of 30 consecutive business days set forth in Nasdaq Listing Rule 5450 (b) (2) (C) for continued listing on the NGM. Because of the Company's non-compliance with the NGM MVPHS Requirement for continued listing on that market, on September 4, 2024 the Company had requested to transfer the listing of its securities to The Nasdaq Capital Market (the "NCM"). The Company received written notice (the "Delisting Determination Letter") from Nasdaq on October 18, 2024 stating that the Company had not regained compliance with the NGM MVPHS Requirement. The Company requested a hearing before the Nasdaq Hearings Panel (the "Panel") pursuant to Listing Rule 5810 (d), which automatically stayed the suspension and / or delisting of the Company's securities pending completion of the hearing and the expiration of any additional extension period granted by the Panel following the hearing. At the Panel hearing on December 12, 2024, the Company restated its transfer request to the Panel and presented a plan to demonstrate compliance with Listing Rule 5550 (b) (2) for the NCM by having a market value of listed securities of at least \$ 35 million (the "NCM MVLS Requirement") no later than April 4, 2025. On January 13, 2025, Nasdaq notified the Company that the Nasdaq Hearings Panel (the "Panel") had granted the Company's request to continue its application with the Nasdaq staff to transfer its securities to the NCM, provided it demonstrated compliance the NCM MVLS Requirement on or before April 4, 2025. Although the Company believes it will be able to demonstrate compliance with all requirements for continued listing on NCM, including the NCM MVLS Requirement, on or before April 4, 2025, ~~There there~~ can be no assurance that ~~it the Company will be able~~. **If the Company fails to regain compliance or in the future fails to comply with the NCM MVLS Requirement or any other requirements for continued listing standards of on the NCM, the Company's securities could become subject to potential delisting.** The Company had also received a deficiency letter from Nasdaq ~~on~~ ~~the~~ ~~August~~ ~~30,~~ ~~2024~~ notifying the Company that the Company's market value of listed securities ("MVLS") was below the \$ 50 million minimum MVLS requirement for continued eligibility for listing ~~may depend on a number~~ the NGM under Listing Rule 5450 (b) (2) (A) (the "NGM MVLS Deficiency Matter"). **Nasdaq informed the Company on October 18, 2024 that because the Company satisfied the \$ 50 million in total assets and total revenue requirement under Listing Rule 5450 (b) (3) (A), an alternative method of factors compliance with the continued listing requirements set forth in Listing Rule 5450 (b), the NGM MVLS Deficiency Matter was then resolved.** ~~If Nasdaq does not approve the application to continue the listing of its Common Stock on the NCM and delists the Company's shares because of the from trading on its exchange for failure to meet demonstrate compliance with the listing standards of (including in the event NCM, or if the Company in the future fails to maintain such compliance satisfy the Nasdaq "round lot" holder requirement and / or public float requirement) and the Company is not able to list such securities on another national securities exchange, the securities of the Company could be quoted on 37an an over- the- counter market. If this were to occur, the Company and its stockholders could face significant material adverse consequences including:~~ • a limited availability of market quotations for the Company's securities; • reduced liquidity for the Company's securities; • a determination that the Common Stock is a "penny stock," which will require brokers trading the Common Stock to adhere to more stringent rules, possibly resulting in a reduced level of trading activity in the secondary trading market for shares of Common Stock; • a limited amount of news and analyst coverage; and • a decreased ability to issue additional securities or obtain additional financing in the future. If securities or industry analysts do not publish or cease publishing research or reports about the Company, its business, or its market, or if they change their recommendations regarding the Company's securities adversely, the price and trading volume of the Company's securities could decline. The trading market for the Company's securities will be influenced by the research and reports that industry or securities analysts may publish about the Company, its business, market or competitors. Securities and industry analysts do not currently, and may never, publish research on the Company, except to the extent currently included or in the future covered in analysts' reports on ETI. If no securities or industry analysts commence coverage of the Company, the Company's share price and trading volume may likely be negatively impacted. If any of the analysts who may cover the ~~Company~~ **39Company** change their recommendation regarding the Company's Common Stock adversely, or provide more favorable relative recommendations about the Company's competitors, the price of the Company's shares of Common Stock would likely decline. If any analyst who may cover the Company were to cease coverage of the Company or fail to regularly publish reports on it, the Company could lose visibility in the financial markets, which in turn could cause its share price or trading volume to decline. ~~38~~ **40**